

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

This offer letter (“Letter of Offer”/ “LOF”) is being sent to you as a Public Shareholder of **Shree Sponge Steel And Forging Limited** (“SSSFL”). In case you have recently sold your shares in the Company, please hand over this Offer Letter and the accompanying documents to the member of the stock exchange through whom the sale was affected.

**EXIT OFFER LETTER**

From

**Mr. Vinaykumar P. Parikh on behalf of the promoter group of the Company**

**Address: 6/1, GIDC Estate, National Highway No. 8, Por- Ramangamdi,  
Dist. Vadodara– 391 243.**

**Tel No.:** 0265-2830132, 2830636;

Inviting you to tender your fully paid-up equity shares of Rs. 10/- each of SSSFL at the Exit Price of Rs. 10.70/- (Ten rupees and Seventy paise only) per equity share in compliance with SEBI Circular No. SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 10, 2016 (“**SEBI Circular**”)

INDEPENDENT VALUER TO THE OFFER	REGISTRAR TO THE OFFER
<p><b>Asit C. Mehta</b>  <b>INVESTMENT INTERMEDIATES LTD.</b>  <b>Asit C. Mehta Investment Intermmediates Limited</b>                      317/318, 3<sup>rd</sup> Floor, Podar Chambers,                      S.A. Brelvi Road, Fort,                      Mumbai-400 001.                      Tel.: +91-22-61325959                      Contact Person: Mr. Lalit Phatak                      Email: lalit.phatak@acm.co.in                      SEBI Registration No.: INM000010973</p>	<p align="center"></p> <p><b>MCS Share Transfer Agent Limited</b>                      2nd Floor, 10, Aaram Apartment,12,                      Sampatrao Colony, B/H Laxmi Hall, Alkapuri,                      Vadodara - 390 007.                      Tel no:+91-265-2314757, 2350490                      Contact Person: Mr. S. M. Gandhi                      Email: mcsLtdbaroda@gmail.com                      SEBI Registration No: INR000004108</p>
<b>EXIT OFFER OPEN ON: MONDAY, MARCH 6, 2017</b>	<b>EXIT OFFER CLOSES ON: FRIDAY, MARCH 10, 2017</b>
If you wish to tender your Equity Shares to the Promoter, you should: <ul style="list-style-type: none"> <li><input type="checkbox"/> Read this Offer Letter and the instructions herein;</li> <li><input type="checkbox"/> Complete and sign the accompanying Exit Form in accordance with the instructions therein and in this Offer Letter</li> </ul>	

Activity	Date	Day
Date of publication of the Public Announcement	February 27, 2017	Monday
Last date for dispatch of Offer Letters / Exit Forms to Public Shareholders	March 3, 2017	Friday
Exit Offer Opening date	March 6, 2017	Monday
Exit Offer Closing date	March 10, 2017	Friday
Last date for payment of consideration to Shareholders or return of Equity Shares to shareholders	April 3, 2017	Monday

Dear Shareholder(s),

**This is an invitation to tender your equity shares in Shree Sponge Steel And Forging Limited (“the Company”) in favour of the Acquirers, at an Exit Price (as defined hereinafter) of Rs. 10.70/- per equity share subject to the terms and conditions mentioned hereinafter:**

1. The Company- Shree Sponge Steel & Forging Limited (“SSSFL”) was listed on the Vadodara Stock Exchange (VSE), Jaipur Stock Exchange (JSE), both of which have been derecognized by the Securities and Exchange Board of India (“SEBI”) and on Ahmedabad Stock Exchange (ASE) which is a non-operational Stock Exchange. Consequently, SSSFL’s “Listing” has been moved to the Dissemination Board (“DB”) of the Bombay Stock Exchange Limited (“BSE”).
2. As on the date of this Public Announcement (PA), the authorized share capital of the Company is Rs. 20,00,00,000 (Twenty Crore Rupees) divided into 2,00,00,000 (Two Crore) Equity Shares of Rs. 10 (Ten Rupees) each. The issued, subscribed and paid up share capital of the Company is Rs. 4,23,80,000 (Four Crore Twenty Three Lac Eighty Thousand Rupees) divided into 42,38,000 (Forty Two Lac Thirty Eight Thousand) Equity Shares of Rs.10 (Ten Rupees) 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.
3. The Promoter seeks to provide exit to the public shareholders of the Company (“Public Shareholders”) holding 20,88,785 Equity Shares (“Offer Shares”) representing the balance 49.29% of the Total Share Capital.
4. The Independent Valuer, has considered the various methods for estimating the Fair Value of Equity Shares and have issued to SSSFL their Valuation Report dated January 20, 2017 and has determined the fair value of an equity share of SSSFL as Rs.10.66/-.

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 (i.e. Monday, February 27, 2017).

5. The Public Announcement (PA) is being issued in the following newspapers as required under the SEBI vide its Circular No. SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 10, 2016 (“SEBI Circular”):

<b>Newspaper</b>	<b>Language</b>	<b>Edition</b>
Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Financial Express	Gujarati	Ahmedabad
Nafa Nuksan	Hindi	Jaipur
Yugprabhav	Gujarati	Vadodra

6. The proposed Exit offer for Equity Shares will be succeeded by the removal of the Company’s name from Dissemination board of BSE Limited (“BSE”) in accordance with SEBI Circular.
7. As on date of the PA, the collective shareholding of the Promoter Group in the Company is as follows:

<b>Name of Promoter</b>	<b>No. of Equity Shares hold</b>	<b>% of Paid-up Capital of SSSFL</b>
Vinaykumar Purushottamdas Parikh	17,94,615	42.34
Vandana Vinay Parikh	1,81,000	4.27
Hrishit Vinay Parikh	1,73,600	4.10
<b>Total</b>	<b>21,49,215</b>	<b>50.71</b>

8. The shareholding pattern of the Company, as on December 31, 2015 is as under:

Shareholder Category	Number of Equity Shares	Percentage
<b>Promoter and Promoter Group (I)</b>	<b>21,49,215</b>	<b>50.71</b>
<b>Non-Promoter Shareholding</b>		
Institutions (a)	0	0.00
<b>Non-institutions (b)</b>		
Bodies corporate	7,100	0.17
Individuals	20,81,685	49.12
Clearing members	-	-
NRI's / OCBs	-	-
<b>Sub-Total (a+b) (II)</b>	<b>20,88,785</b>	<b>49.29</b>
<b>GRAND TOTAL (I) + (II)</b>	<b>42,38,000</b>	<b>100</b>

9. 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
<b>GRAND TOTAL (a) + (b)</b>	<b>42,38,000</b>	<b>100</b>

10. Independent Valuer to the Exit Offer:

The Acquirer has appointed, on December 31, 2016, Asit C. Mehta Investment Intermmediates Limited, a Category I Merchant Banker as Independent Valuer from BSE's panel of Independent Valuers.

11. Registrar to the Exit Offer:

The Acquirer has appointed MCS Share Transfer Agent Limited having its registered office at 12/1/5 Manoharpukur Road, Kolkata 700026 as **the Registrar to the Exit Offer**. Tel. No. +91 33 4072 4051/ 4052/ 4053/ 4054; Fax No. 033-40724050 ; Email: [helpdeskcol@mcsregistrars.com](mailto:helpdeskcol@mcsregistrars.com) . The Registrar to the Exit Offer also happens to be the Registrar & Transfer Agent of the Company.

12. Dates of Opening and Closing of Exit Offer:

The tender period during which the Eligible Shareholders may tender their equity shares pursuant to the Exit Offer shall commence on Monday, March 6, 2017 (the "**Exit Offer Opening date**") and closes on Friday, March 10, 2017 (the "**Exit Offer Closing date**").

13. Period for which the Exit Offer shall be valid:

The Public Shareholders may submit their Exit Forms to the Registrar to the offer during the tendering Period. Additionally, once the name of the Company is removed from the Dissemination Board of the BSE, the Public Shareholders whose Offer Shares have not been acquired by the Acquirer (the "**Public Shareholders**") may offer their Offer Shares for sale to the Acquirer at the Exit Price for a period of one year following the date of completion of offer.

14. Assuming full acceptance of this Exit Offer, the total requirement of funds on the basis of Exit Price is Rs.2,23,50,000 (Two Crore Twenty Three Lac Fifty Thousand Rupees) ("**Offer Consideration**"). The promoter of the Company, Mr. Vinaykumar P. Parikh has executed a Bank Guarantee in favour of Independent

Valuer for Rs.1,67,62,500/- (One Crore Sixty Seven Lac Sixty Two Thousand Five Hundred Rupees) and deposited Rs.55,87,500/- (Fifty Five Lac Eighty Seven Thousand Five Hundred Rupees) in the Escrow maintained with Bank of Baroda.

15. Procedure for Public Shareholders holding equity shares in physical form:

15.1.1 i. All the Public Shareholders holding equity shares in the form of physical share certificates (“**Physical Shares**”), who wish to tender their Physical Shares, should complete the Exit Form in accordance with the instructions given below (as applicable) and submit the same along with the following documents by hand delivery or by registered post or speed post or courier (at their own cost and risk) with the envelope marked “**SHREE SPONGE STEEL AND FORGING LIMITED – EXIT OFFER**” so as to reach the Registrar at the address as mentioned on page 1 of this Exit Offer Letter on or before Friday, March 10, 2017 (i.e. the last day of the Exit Period):

(a) The enclosed Exit Form, duly completed and signed by the Public Shareholder or all Public Shareholders (in the case of joint holdings) whose name(s) appear on the share certificate(s), in the order in which such names appear on the share certificate(s);

(b) A valid share transfer deed enclosed with this Exit Offer Letter, duly signed by the registered Public Shareholder or all registered Public Shareholders (in the case of joint holdings) as transferor(s), in the same order and in accordance with the specimen signatures registered with the Company and duly witnessed and

(c) The original share certificate(s).

ii. In the event of non-receipt of the duly completed Exit Form, but receipt of original share certificate(s) and duly signed valid share transfer deed, the Exit Offer would be deemed to have been accepted by the Public Shareholder.

15.1.2 The equity shares to be acquired under the Exit Offer are to be acquired free from all liens, charges and encumbrances and together with all rights attached thereto.

15.1.3 Public Shareholders may tender their shares to the Company at the Exit Price at any time during the Exit Period. Public Shareholders should ensure that their Exit Form, together with the necessary enclosures is received by the Company on or before the last day of the Exit Period.

In the event of any Public Shareholder not receiving, or misplacing, their Exit Offer Letter, they may obtain a copy by writing to the Company or downloading the copy of Exit Offer from the website of the company [www.shreesponge.com](http://www.shreesponge.com)

16. Procedure for Public Shareholders holding equity shares in dematerialised form

16.1.1 The Public Shareholders holding Equity Shares in dematerialised form, who are desirous of tendering their Equity Shares in the Exit Offer must submit the following documents by hand delivery or by registered post or speed post or courier (at their own risk and cost) with the envelope marked “**SHREE SPONGE STEEL AND FORGING – EXIT OFFER**” so as to reach the Registrar to the Exit Offer at the address as mentioned on page 1 of this Exit Offer Letter on or before Friday, March 10, 2017 (i.e. the last date of the Exit Period):

a. the enclosed form (“**Exit Form**”) duly filled and signed along with requisite documents, as applicable; and

b. a counterfoil/photocopy of their depository participant instruction evidencing transfer of dematerialized Equity Shares as detailed in paragraph 16.1.3 of this Exit Offer Letter.

- 16.1.2 If the Registrar to the Exit Offer does not receive the documents listed above but receives the shares in the Special Depository Account (as defined below), then the Promoter may deem the Exit Offer to have been accepted by such Public Shareholders.
- 16.1.3 The Public Shareholders must transfer their dematerialised Equity Shares from their respective depository account, in off-market mode, to the special depository account opened by the Registrar to the Exit Offer with Central Depository Services (India) Limited. (“**Special Depository Account**”) details of which are as follows:

DP Name:	Asit C. Mehta Investment Intermediates Limited
DP ID:	IN13200
Client ID:	1201320001728218
Depository:	Central Depository Services (India) Limited
Account Name:	SHREE SPONGE STEEL AND FORGING LIMITED-EXIT OFFER ACCOUNT-OPERATED BY-MCS SHARE TRANSFER AGENT LTD

Public Shareholders having their beneficiary account with National Securities Depository Limited will have to use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the special depository account opened with Central Depository Services (India) Limited.

- 16.1.4 All transfers should be in off-market mode. A photocopy of the delivery instructions or counterfoil of the delivery instructions submitted to the depository participant of the Public Shareholder’s depository account and duly acknowledged by such depository participant crediting the Public Shareholder’s Equity Shares to the Special Depository Account, should be attached to the Public Shareholder’s Exit Form.
- 16.1.5 In case your depository participant offers the facility of online transfer of shares, then instead of the photocopy of the acknowledged delivery instruction slip you may attach a printout of the computer generated confirmation of transfer of shares. Note that the transfer should be made in off-market mode.
- 16.1.6 It is the responsibility of the Public Shareholders to ensure that their Equity Shares are credited in the Special Depository Account and their Exit Form reaches the Registrar to the Exit Offer on or before the expiry of the Exit Period.
- 16.1.7 The Equity Shares will be held in the Special Depository Account until the consideration payable has been dispatched to the respective Public Shareholder or the unaccepted Equity Shares are credited back to the respective Public Shareholders’ depository account.
- 16.1.8 The company does not have public shareholders resident outside India.
- 16.1.9 Please contact the Registrar to the Exit Offer or Independent Valuer to the Exit Offer or the Compliance Officer if you require any clarification regarding the procedure for tendering your Equity Shares.

## 17. SETTLEMENT

- a) On receipt of duly filled valid Exit Forms (together with necessary enclosures, if any) and receipt of physical share certificates, if any, along with duly filled in transfer deeds, as applicable by the Registrar, the Registrar shall intimate the details to the Independent Valuer. The Independent Valuer shall thereon instruct the Acquirer to issue payment to the shareholders, who have validly tendered their shares in this Exit Offer, by the most efficient mode i.e. transfer/ RTGS etc. The demand drafts if issued will be dispatched to the Public Shareholders, at their own risk, by way of speed post/registered post within 15 days of the acceptance of the valid documents.
- b) The demand draft will be drawn in the name of the sole or first named Public Shareholder (in case of joint holdings) as furnished in the Exit Form.
- c) Public Shareholders to whom the payments have been made shall be duly intimated by way of a letter/intimation advice by the Registrar.

#### **4. COMPLIANCE OFFICER**

Company Secretary & Compliance Officer

**Name:** Mitesh H. Parikh  
**Address:** 6/1, GIDC Estate, National Highway No. 8,  
Por- Ramangamdi, Dist. Vadodara– 391 243  
**Tel No.:** 9727754703, 0265-2830132, 2830636,  
**E-mail:** Accounts\_sssfl@yahoo.in

#### **5. GENERAL**

**For and behalf of all Individuals forming part of the Promoter group of  
Shree Sponge Steel & Forging Limited**

Sd/-

**Mr. Vinaykumar P. Parikh**  
**Promoter, Chairman & Managing Director**

**Place: Vadodara**

**Date: February 24, 2017**

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

**EXIT FORM FOR TENDERING EQUITY SHARES OF  
SHREE SPONGE STEEL AND FORGING LIMITED  
AT THE EXIT PRICE OF Rs. 10.70/- PER EQUITY SHARE**

<b>EXIT PERIOD OPENS</b>	MONDAY, MARCH 6, 2017
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<b>EXIT PERIOD CLOSSES</b>	FRIDAY, MARCH 10, 2017
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This Exit Form, duly filled and signed along with the applicable enclosures should be delivered by hand or sent by registered post or speed post or courier (at your own cost and risk) with the envelope marked “**SHREE SPONGE STEEL AND FORGING LIMITED – EXIT OFFER**” to the Registrar, at the address given below:

**MCS Share Transfer Agent Limited**

Mr. S. M. Gandhi,  
2nd Floor, 10, Aaram Apartment,  
12, Sampatrao Colony,  
B/H Laxmi Hall,  
Alkapuri, Vadodara - 390 007  
**Tel No.:** +91 265 2314757/ 2350490; **Fax No.** (0265) 2341639

**Mode of Delivery:** Hand Delivery or Registered Post or speed post or Courier

**Box 1: Public Shareholder's details**

Name of Sole/First Holder		PAN	
Address			
Telephone / Mobile No.		Email-id	
		PAN	
2nd Joint Holder		PAN	
3rd Joint Holder		PAN	
4th Joint Holder		PAN	

**Box 2: Signatures**

In case of joint holdings, all holders must sign in the space given below in the same order and as per specimen signatures registered with the Company. By your signature in this Box 2, you will also be deemed to be making the acknowledgements and authorizations set out in Box 5 below.

**PLEASE SIGN IN THE SPACE PROVIDED BELOW**

I/We offer to tender the number of equity shares set out or deemed to be set out in Box 3 in accordance with and subject to the terms and conditions herein, the Exit Offer Letter and the Public Announcement.

Name		Signature
<b>Sole /First holder</b>		
<b>2nd holder</b>		
<b>3rd holder</b>		
<b>4th holder</b>		

**Box 3: Details of equity shares held in physical form**

You should insert in the space given below the details of your equity shares held in physical form, which you wish to tender. If the details given below are inconsistent with any of your original share certificate(s) or your share transfer deed enclosed with this Exit Form, your original share certificate(s) and your share transfer deed will be deemed to state the correct details of the equity shares which are tendered by you.

Sr. no.	Certificate no.	Registered Folio No.	Distinctive Nos.		No. of equity shares
			From	To	
1.					
2.					
3.					
4.					
5.					
<b>Total no. of equity shares</b>					

*(If the space provided is inadequate please attach a separate continuation sheet)*

**Box 4: Bank account details**

In order to avoid any fraudulent encashment in transit of the payment issued by the Promoters/ Acquirers, you may fill in the space below with details of the sole/first holder's bank account. If you do not fill in Box 4, any consideration payable will be sent in favour of the sole / first holder at the address provided in Box 1.1 above.

Name of the Sole / First holder's bank	
Branch Name and Address	
City & PIN code of the Branch	
Bank Account No.	
Saving/Current/Others (Please specify)	
IFSC Code	



#### **Box 5: Acknowledgements and authorizations**

By signing in Box 2 above, you are deemed to have made each of the following acknowledgements and authorizations that:

- (a) the equity shares you are tendering herewith are free from liens, charges and encumbrances of any kind whatsoever;
- (b) in respect of the equity shares tendered in physical form, original share certificate(s) and signed transfer deed(s) will be held in trust for you by the Registrar to the Exit Offer, until such time as the consideration payable has been dispatched to you or if your offer to tender is not valid or not accepted for any reason, until such time as the equity shares are returned back;
- (c) the Acquirers/ Promoters and Independent Valuer shall not be liable for any delay/ loss in transit resulting in delayed receipt / non-receipt of your Exit Form along with relevant enclosures.
- (d) the particulars given above are true and correct; and
- (e) you acknowledge having read and understood the contents of the Exit Offer Letter and that you agree with the terms and conditions stated therein.

#### **Notes:**

- 1. All documents / remittances sent by / to the shareholders will be at their risk and shareholders are advised to adequately safeguard their interests in this regard.**
- 2. Please read these notes along with the entire contents of the Exit Offer Letter**
3. In the case of person(s) other than Individual, any documents, such as a copy of a power of attorney, board resolution, authorization, death certificate, etc, as applicable and required in respect of support / verification of this Exit Form shall also be provided otherwise the Exit Form shall be liable for rejection.
4. The consideration shall be paid in the name of Sole/ First Holder.
5. In the event of non-receipt of the duly completed Exit Form, but receipt of original share certificate(s) and duly signed valid share transfer deed, the Exit Offer would be deemed to have been accepted by the resident Public Shareholders.

**Important Note:** Consideration will be paid to all the valid applicants within 15 working days of the acceptance of documents for the full period of offer.

**THE EXIT FORM IS TO BE SUBMITTED TO THE REGISTRAR TO THE EXIT OFFER ONLY AND BY HAND DELIVERY OR BY REGISTERED POST OR SPEED POST OR COURIER ALONG WITH ALL APPLICABLE DOCUMENTS**

**All future correspondence should be addressed to**

**MCS Share Transfer Agent Limited**

2nd Floor, 10, Aaram Apartment,

12, Sampatrao Colony,

B/H Laxmi Hall, Alkapuri,

Vadodara - 390 007

**Tel No.:** +91 265 2314757/ 2350490;

**Fax No.** (0265) 2341639

**E-mail:** mcsLtdbaroda@gmail.com;

**Website:** <http://www.mcsregistrars.com>

**Contact Person:** Mr. S. M Gandhi

**SEBI Registration No.:** INR000004108;

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**ACKNOWLEDGEMENT SLIP**

Exit Offer by Mr. Vinaykumar P. Parikh on behalf of the promoter group of SSSFL for **SHREE SPONGE STEEL AND FORGING LIMITED** Received from Mr./Mrs./Ms./M/s. \_\_\_\_\_

Address: \_\_\_\_\_ an Exit Form offering \_\_\_\_\_ equity shares of Shree Sponge Steel And Forging Limited at an Exit Price of Rs. 10.70/- per Share to the Acquirers/ Promoters, together with:

Transfer Deed and Share Certificates with Nos.  
(for physical) \_\_\_\_\_

Counterfoil/ photocopy of their depository  
participant instruction evidencing transfer  
of dematerialized Equity Shares

Signature of Official: \_\_\_\_\_

Date of receipt: \_\_\_\_\_

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