

# SHIVA CEMENT LIMITED

Registered office: P-25, Civil Township, Rourkela 769004 Phone: +91 66 1240 0168; Fax: +91 66 1240 0172

**Recommendations of the Committee of Independent Directors (IDC)** pursuant to Regulation 26 (7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“**SEBI (SAST) Regulations**”) on the Open Offer by JSW Cement Limited (“**Acquirer**”), and Reynold Traders Private Limited (PAC) to the Shareholders of **SHIVA CEMENT LIMITED** as per Public Announcement (“**PA**”) dated January 10, 2017. The capitalised terms used in this statement shall have the same meaning as assigned to them in the PA, Detailed Public Statement, Draft Letter of Offer and the Letter of Offer issued in connection with this Open Offer.

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| 1  | <b>Date</b>                                                                                                                          | April 14, 2017                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 2  | <b>Name of the Target Company (TC)</b>                                                                                               | SHIVA CEMENT LIMITED (“Target Company”)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 3  | <b>Details of the Offer pertaining to TC</b>                                                                                         | The Offer is a mandatory open offer to the public shareholders of the target company in compliance with Regulation 3(1) and Regulation 4 read with Regulation 13(1)(e) of the SEBI (SAST) Regulations for acquisition of upto 6,24,00,000 equity shares representing 32% of the Emerging Share Capital of the Target Company as of the tenth Working Day from the closure of the Tendering Period. The Offer has been made at a revised price of Rs 16.35 per Equity Share, payable in cash, for substantial acquisition of shares and voting rights accompanied with a change in control and management of the Target Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 4  | <b>Name(s) of the acquirer and PAC with the acquirer</b>                                                                             | <b>Acquirer:</b> JSW Cement Limited<br><b>PACs:</b> Reynold Traders Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 5  | <b>Name of the Manager to the Offer</b>                                                                                              | JM Financial Institutional Securities Limited.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 6  | <b>Members of the Committee of Independent Directors</b>                                                                             | Shri Kashi Prasad Jhunjhunwala (Chairman of the IDC), Shri Mahendra Singh and Shri Bimal Kumar Mangaraj.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 7  | <b>IDC Member’s relationship with the TC</b> (Director, Equity shares owned, any other contract/relationship), if any                | The IDC members are duly appointed Independent Directors of the Target Company, and have no other contract/relationship with the Target Company. Except for Shri Kashi Prasad Jhunjhunwala who holds 8,800 Equity Shares of the Target Company, no other member of the IDC holds any Equity Shares of the Target Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 8  | <b>Trading in the Equity shares/other securities of the Target Company by IDC Members</b>                                            | None of the IDC members have traded in the Equity Shares/other securities of the Target Company during a period of 12 months prior to the date of the Public Announcement till the date of this recommendation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 9  | <b>IDC Member’s relationship with the Acquirer and PAC</b> (Director, Equity shares owned, any other contract/relationship), if any. | The IDC members do not hold any equity shares or other securities of the Acquirer or either of the PAC’s and have no contract/ relationship with the Acquirer or with either of the PAC’s or their respective Directors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 10 | <b>Trading in the Equity shares/other securities of the acquirer by IDC Members</b>                                                  | None of the IDC members have traded in the equity shares or other securities of the Acquirer or either of the PAC’s                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 11 | <b>Recommendation on the Open offer, as to whether the offer is fair and reasonable</b>                                              | The IDC believes that the Open Offer is fair and reasonable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 12 | <b>Summary of reasons for recommendation</b>                                                                                         | <p>The IDC has reviewed the PA dated January 10, 2017, the Detailed Public Statement (“DPS”) published on January 17, 2017, the Draft Letter of Offer (“DLOF”) dated January 24, 2017, Corrigendums 1,2,3,4 and 5 dated January 31, 2017, February 2, 2017, February 16, 2017, March 2, 2017 and March 11, 2017 respectively, and the Letter of Offer dated April 10, 2017. The IDC has taken into consideration the following for making this recommendation:</p> <p>(i) A review of the contents of the PA, DPS, DLOF and Letter of Offer leads the IDC to opine that the offer price offered by the Acquirer and the PACs is in compliance with the Regulations.</p> <p>(ii) The IDC has sought external professional advice from PL Capital Markets Pvt Ltd, Mumbai, who have reviewed and analyzed the open offer and reported to IDC vide their report dated April 12, 2017 that the Offer Price is fair and reasonable.</p> <p>Based on the above, the IDC is of the opinion that the Offer Price to the Public Shareholders of the Target Company is in compliance with the requirements of the Regulations and hence is fair and reasonable. The shareholders of the Target Company are advised to independently evaluate the offer and take informed decision whether or not to offer their shares in the Open Offer.</p> <p>This statement of recommendations and the Report of PL Capital Markets Pvt Ltd, Mumbai, will be available on the website of the Company (<a href="http://www.shivacement.com">www.shivacement.com</a>) under the “Investors” section till at least the closure of the Tendering Period.</p> |
| 13 | <b>Details of Independent Advisors, if any.</b>                                                                                      | PL Capital Markets Pvt. Ltd, Mumbai (SEBI Permanent Registration number INM000011237) were appointed as Independent Advisors.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 14 | <b>Any other matter to be highlighted</b>                                                                                            | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the Target Company under the SEBI (SAST) Regulations.

**For SHIVA CEMENT LIMITED,**

**Place:** Rourkela

**Date:** April 14, 2017

**KASHI PRASAD JHUNJHUNWALA**  
**CHAIRMAN OF THE COMMITTEE OF INDEPENDENT DIRECTORS**