DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This letter of offer ("**Draft Letter of Offer**"/"**DLoF**") is sent to you as a Public Shareholder (*as defined below*) of Shiva Cement Limited ("**Shiva Cement**"/ "**SCL**"/ "**Target Company**")**.** If you require any clarification about the action to be taken, you may consult your stock broker or investment consultant or the Manager/the Registrar to the Offer (*as defined below*). In case you have recently sold your Equity Shares (*as defined below*), please hand over the LoF and the accompanying form of acceptance cum acknowledgement and transfer deed to the member of stock exchange through whom the said sale was effected.

JSW CEMENT LIMITED
A public limited company incorporated under the under the laws of India
CIN: U26957MH2006PLC160839
Registered address: JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai – 400051
(Tel: +91 22 4286 1000, Fax: +91 22 2650 2090)
(hereinafter referred to as the "**Acquirer**")

ALONG WITH

SUN INVESTMENTS PRIVATE LIMITED
A private limited company incorporated under the laws of India
CIN: U67120GJ1981PTC067071
Registered address: Satyagruh Chavani, Lane No. 21, Bunglow No.508 Near, Jodhpur Cross Road, Satellite, Ahmedabad – 380015
(Tel: +91 22 4286 1000, Fax: +91 22 4286 3000)
(hereinafter referred to as "**PAC 1**")

AND

REYNOLD TRADERS PRIVATE LIMITED
A private limited company incorporated under the laws of India
CIN: U51909MH1993PTC240089
Registered address: JSW Centre, Bandra Kurla Complex, Bandra (East) Mumbai – 400051
(Tel: +91 22 4286 1000, Fax: +91 22 4286 3000)
(hereinafter referred to as "**PAC 2**")

MAKE A CASH OFFER OF Rs. 14.00 (RUPEES FOURTEEN ONLY) PER EQUITY SHARE ("OFFER PRICE") OF FACE VALUE OF RS. 2 EACH, TO ACQUIRE UP TO 62,400,000 EQUITY SHARES REPRESENTING 32.00% OF THE EMERGING SHARE CAPITAL (*AS DEFINED BELOW*), IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED ("SEBI (SAST) REGULATIONS") FROM THE PUBLIC SHAREHOLDERS OF

SHIVA CEMENT LIMITED
A public limited company incorporated under the Companies Act, 1956
CIN: L26942OR1985PLC001557
Registered office: P-25, Civil Township, Rourkela -769004
Tel: +91 66 1240 0168, Fax: +91 66 1240 0172

1. This Open Offer (*as defined below*) is made pursuant to and in compliance with the provisions of Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations.
2. This Offer is not a conditional offer and is not subject to any minimum level of acceptance.
3. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. The completion of the Offer and consummation of the underlying transaction under the SPA (as defined below) is subject to:
   a) the receipt of prior written approval from Tata Capital Financial Services Limited being one of the lenders of the Target Company (which approval is considered to be outside the reasonable control of the Acquirer and PACs);
   b) there being no judicial order pronounced by any court of law (i) against the transaction; or (ii) preventing transfer of the Sale Shares to the Acquirer.
5. While as of the date of this DLoF, no statutory approvals are required by the Acquirer to complete the Open Offer other than as detailed in paragraph 111, if any other statutory approvals are required by the Acquirer and/or the PACs at a later date before the closure of the Tendering Period (*as defined below*), the Offer will be subject to such statutory approval(s). Also see the section "***Statutory and other Approvals***" under ***Part VI (Terms and Conditions of the Offer)***.
6. The acquisition of the Equity Shares tendered by Non-Resident Indian (the "**NRIs**") and Overseas Corporate Bodies (the "**OCBs**") are subject to approval/exemption, if applicable, from the RBI. NRI and OCB holders of Shares, if any, must obtain all requisite approvals required to tender the Shares held by them pursuant to this Offer (including without limitation, the approval from the RBI or Foreign Investment Promotion Board, India (the "**FIPB**")) and submit such approvals, along with the other documents required in terms of the Letter of Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, QFIs and FIIs) had required any approvals (including from the RBI or FIPB) in respect of the Equity Shares held by them, they will be required to submit the previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them pursuant to this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and/or the PAC reserve the right to reject such Equity Shares tendered in this Offer.
7. Where the statutory approvals extend to some but not all of the Public Shareholders, the Acquirer and PACs shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
8. The Acquirer and the PACs may withdraw the Open Offer in accordance with the conditions specified in paragraph 111 of this DLoF. In the event of such withdrawal, it shall be notified in accordance with Regulation 23 of the SEBI (SAST) Regulations by way of a public announcement in the same newspapers in which the Detailed Public Statement dated January 17, 2017 (the "**DPS**") was published and such public announcement will also be sent to the SEBI (*as defined below*), the Stock Exchanges (*as defined below*) and the Target Company at its registered office.
9. The Offer Price is subject to revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer and the PACs at any time prior to three (3) Working Days (*as defined below*) before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and the PACs shall: (a) make corresponding increases to the escrow amounts, as more particularly set out in ***Part V (Offer Price and Financial Arrangements)*** of this DLoF; (b) make a public announcement in the same newspapers in which the DPS was published; and (c) simultaneously with making such announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision. Such revised offer price would be payable for all the Equity Shares validly tendered during the Tendering Period of the Offer.
10. **There has been no competing offer as of the date of this DLoF.**

A copy of the PA (*as defined below*), the DPS and the DLoF (including the form of acceptance cum acknowledgement) is also available on the website of Securities and Exchange Board of India ("**SEBI**") (www.sebi.gov.in).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
JM Financial Institutional Securities Limited 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, India. Tel. No.: +91 22 6630 3030 Fax No.: +91 22 6630 3330 Email: scl.openoffer@jmfl.com Contact Person: Ms. Prachee Dhuri SEBI Registration Number: INM000010361	**Karvy Computershare Private Limited** Karvy Selenium, Tower B, Plot Nos. 31-32 Gachibowli Financial District Nanakramguda Hyderabad – 500 032 Tel: +91 (40) 6716 2222 Fax: +91 (40) 2343 1551 E-mail: murali.m@karvy.com /williams.r@karvy.com Contact Person: M Muralikrishna/ R Williams SEBI Registration Number: INR000000221

A tentative schedule of activities under the Offer is as follows:

Nature of the Activity	Day and Date
Issue of PA	Tuesday, January 10, 2017
Date of publishing the DPS in newspapers	Tuesday, January 17, 2017
Filing of the Draft Letter of Offer with SEBI	Tuesday, January 24, 2017
Last date for competing offer(s)	Wednesday, February 08, 2017
Last date for receipt of comments from SEBI on the Draft Letter of Offer (in the event SEBI has not sought clarification or additional information from the Manager to the Offer)	Wednesday, February 15, 2017
Identified Date#	Friday, February 17, 2017
Date by which the Letter of Offer is to be dispatched to the Public Shareholders whose name appear on the register of members on the Identified Date	Monday, February 27, 2017
Last date for upward revision of the Offer Price and/or the Offer Size	Wednesday, March 01, 2017
Last date by which a committee of independent directors of the Target Company is required to give its recommendation to the public shareholders of the Target Company for this Offer	Thursday, March 02, 2017
Date of publication of advertisement containing announcement of the schedule of activities of this Offer, status of statutory and other approvals, if any, and procedure for tendering acceptances	Friday, March 03, 2017
Date of commencement of Tendering Period	Monday, March 06, 2017
Date of closure of Tendering Period	Monday, March 20, 2017
Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Public	Wednesday, April 05, 2017

Nature of the Activity	**Day and Date**
Shareholders of the Target Company whose Equity Shares have been rejected / accepted in this Offer	
Last date for issue of post-offer advertisement	Wednesday, April 12, 2017

 # The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the Letter of Offer would be sent. It is clarified that all the Public Shareholders (registered or unregistered) of the Target Company are eligible to participate in this Offer at any time prior to the closure of the Tendering Period under the Offer.

This schedule is tentative and is subject to change for any reason, including, but not limited to, delays in receipt of approvals or comments from regulatory authorities.

RISK FACTORS

The risk factors set forth below pertain to this Offer and the Acquirer and the PACs and are not in relation to the present or future business operations of the Target Company or other related matters. These are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by Public Shareholder (*as defined below*) in this Offer, but are merely indicative. Public Shareholders are advised to consult their stockbrokers, investment consultants and/or tax advisors, for understanding and analysing all risks associated with respect to their participation in this Offer. For capitalised terms used herein please refer to the section on Definitions and Abbreviations set out below.

I. Risks relating to the underlying transaction

- As on the date of this DLoF, to the best of the knowledge of the Acquirer and the PACs, for the Acquirer and/or the PACs to complete the underlying transaction pursuant to the SPA there are no statutory approvals required by the Acquirer and PACs. However, in case if any statutory approvals are required by the Acquirer and / PACs at a later date, this Offer shall be subject to such approvals and the Acquirer/ PACs shall make the necessary applications for such statutory approvals.

- The underlying transaction pursuant to the SPA (*as defined below*) is also subject to the satisfaction of certain conditions precedent, inter alia (a) the receipt of prior written approval from Tata Capital Financial Services Limited being one of the lenders of the Target Company (which approval is considered to be outside the reasonable control of the Acquirer and PACs); and (b) there being no judicial order pronounced by any court of law (i) against the transaction; or (ii) preventing transfer of the Sale Shares to the Acquirer.

II. Risks relating to the Offer

- The Offer is an open offer under the SEBI (SAST) Regulations to acquire not more than 32.00% of the issued, subscribed and paid up equity share capital of the Target Company, expected as of the tenth (10^{th}) Working Day from the closure of the Tendering Period, from the Public Shareholders. In the event the Offer is over-subscribed, acceptance will be on a proportionate basis and will be contingent upon the level of subscription. Accordingly, there is no assurance that all the Equity Shares tendered by the Public Shareholders in the Offer will be accepted. The unaccepted Equity Shares will be returned to the Public Shareholders in accordance with the schedule of activities for the Offer.

- As on the date of this DLoF, to the best of the knowledge of the Acquirer and the PACs, for the Acquirer and/or the PACs to complete this Offer and to complete the underlying transaction pursuant to the SPA:

  (a) there are no statutory approvals required by the Acquirer and PACs. However, in case if any statutory approvals are required by the Acquirer and / PACs at a later date before the closure of the Tendering Period, this Offer shall be subject to such approvals and the Acquirer/ PACs shall make the necessary applications for such statutory approvals. In the event of non-receipt of such statutory approvals, the Acquirer shall have the right to withdraw the Offer in the accordance with the provisions of Regulation 23(1) of the SEBI (SAST) Regulations; and

(b) the underlying transaction pursuant to the SPA is also subject to the satisfaction of certain conditions precedent, inter alia (a) the receipt of prior written approval from Tata Capital Financial Services Limited being one of the lenders of the Target Company (which approval is considered to be outside the reasonable control of the Acquirer and PACs); and (b) there being no judicial order pronounced by any court of law (i) against the transaction; or (ii) preventing transfer of the Sale Shares to the Acquirer. Pursuant to Regulation 23(1)(c) of the SEBI (SAST) Regulations, the Acquirer has the right to withdraw the Offer if any condition stipulated in the SPA is not met for reasons outside the reasonable control of the Acquirer and pursuant to which the SPA is rescinded, provided that such conditions are specifically disclosed in the DPS and the letter of offer proposed to be issued ("**Letter of Offer**") in accordance with the SEBI (SAST) Regulations.

In the event of withdrawal of this Offer pursuant to non-satisfaction of conditions precedent for reasons outside the reasonable control of the Acquirer and the SPA (*as defined below*) being rescinded, a public announcement will be made within two (2) Working Days of such withdrawal, in the same newspapers in which this DPS has been published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.

- In case of delay in receipt of any statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that delay in receipt of the requisite statutory approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirer and/or the PACs to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay interest to the Public Shareholders for such delay at such terms and conditions as may be specified by SEBI.

- The Public Shareholders may tender their Equity Shares in the Offer at any time from the commencement of the Tendering Period but prior to the closure of the Tendering Period. The Acquirer has up to ten (10) Working Days from the closure of the Tendering Period to pay the consideration to the Public Shareholders whose Equity Shares are accepted in the Offer.

- The acquisition of the Equity Shares tendered by Non-Resident Indian (the "**NRIs**") and Overseas Corporate Bodies (the "**OCBs**") are subject to approval/exemption, if applicable, from the RBI. NRI and OCB holders of Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them pursuant to this Offer (including without limitation, the approval from the RBI or Foreign Investment Promotion Board, India (the "**FIPB**")) and submit such approvals, along with the other documents required in terms of the Letter of Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, QFIs and FIIs) had required any approvals (including from the RBI or FIPB) in respect of the Equity Shares held by them, they will be required to submit the previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them pursuant to this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and/or the PAC reserve the right to reject such Equity Shares tendered in this Offer.

- Equity Shares, once tendered through the Form of Acceptance-cum-Acknowledgement in the Offer, cannot be withdrawn by the Public Shareholders, even if the acceptance of Equity Shares under the Offer and/or dispatch of consideration are delayed. The tendered Equity Shares and documents will be held in trust by the Registrar to the Offer (as defined below) /

Clearing Corporation until such time as the process of acceptance of tenders and the payment of consideration is completed.

- The Equity Shares tendered in the Offer will be held in trust by the Registrar to the Offer / Clearing Corporation until the completion of the Offer formalities and the Public Shareholders who have tendered their Equity Shares will not be able to trade such Equity Shares. During such period, there may be fluctuations in the market price of the Equity Shares that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding the participation in this Offer. None of the Acquirer, the PACs (nor any persons deemed to be acting in concert with the Acquirer) nor the Manager to the Offer makes any assurance with respect to the market price of the Equity Shares before the commencement of the Offer, during the period that the Offer is open and upon completion of the Offer and each of them disclaims any responsibility with respect to any decision by the Public Shareholders on whether or not to participate in the Offer.

- This DLoF has not been filed, registered or approved in any jurisdiction outside India. Recipients of this DLoF who are resident in jurisdictions outside India should inform themselves of and comply with all applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to applicable laws or regulations or would subject the Acquirer and the PACs or the Manager to the Offer to any new or additional registration requirements. The Offer is not being made and will not be made directly or indirectly in the United States of America, or by use of the U.S. mail or any U.S. means or instrumentality of U.S. interstate or foreign commerce or any facility of a U.S. national securities exchange, and the Offer cannot be accepted by use of any such means, instrumentality or facility. Accordingly, copies of this document and any related offering documents are not being, and must not be, mailed or otherwise transmitted or distributed in or into the United States of America.

- The Acquirer, the PACs and the Manager to the Offer accept no responsibility (nor shall any persons deemed to be acting in concert with the Acquirer be responsible) for statements made otherwise than in the PA, the DPS, this DLoF or in the advertisement or any materials issued by or at the instance of the Acquirer and/or PACs, excluding such information pertaining to the Target Company, which has been obtained from publicly available sources or provided or confirmed by the Target Company. Any person placing reliance on any other source of information will be doing so at his/her/its own risk.

- The Acquirer, the PACs and the Manager to the Offer do not accept any responsibility (nor shall any deemed persons acting in concert with the Acquirer be responsible) for the accuracy or otherwise of the tax provisions set forth in this DLoF.

III. Risks involved in associating with the Acquirer and the PACs

- None of the Acquirer, the PACs or the Manager to the Offer makes any assurance with respect to the financial performance of the Target Company or the continuance of past trends in the financial and operating performance of the Target Company nor do they make any assurance with respect to the market price of the Equity Shares before, during or after the Offer. Each of the Acquirer and the PACs expressly disclaim (nor shall any persons deemed to be acting in concert with the Acquirer have) any responsibility or obligation of any kind (except as required under applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in this Offer.

- None of the Acquirer, the PACs or the Manager to the Offer makes any assurance with respect to their investment or disinvestment plans relating to the Acquirer or PACs present or future shareholding in the Target Company.

- The acquisition of Equity Shares may result in the public shareholding in the Target Company falling below the level required for continued listing. While the Acquirer/PACs/other promoter group entities are required to reduce the non-public shareholding to the level specified and within the time stipulated in the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), any failure to comply with the conditions of the SCRR and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**") could have an adverse effect on the price and tradability of the Equity Shares.

The risk factors set forth above are indicative only, are limited to the Offer and are not intended to provide a complete analysis of all risks in relation to the Offer or in association with the Acquirer and PACs and are not exhaustive. The risk factors set out above do not relate to the present or future business or operations of the Target Company or any other related matters and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation in the Offer by a Public Shareholder. The Public Shareholders are advised to consult their stockbroker, tax advisor and/or investment consultant, if any, for understanding of the further risks associated with respect to their participation in the Offer.

CURRENCY OF PRESENTATION

In this DLoF, all references to “**Rupees**”, “**Rs**.” or “**INR**” are to Indian Rupees, the official currency of the Republic of India. In this DLoF, any discrepancy in any table between the total and sums of amounts listed are due to rounding off and/or regrouping.

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DEFINITIONS AND ABBREVIATIONS

Term	**Description**
Acquirer/ JSW Cement	JSW Cement Limited
Act	Income-tax Act, 1961, as amended
Advance Sale Share Consideration	Has the meaning given to it in paragraph 7 of this Draft Letter of Offer on page 18
Board/ Board of Directors / BOD	Board of directors of the Target Company
BSE	BSE Limited
Buying Broker	JM Financial Services Limited
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Clearing Corporation	Clearing Corporation of Stock Exchanges
CSE	The Calcutta Stock Exchange Limited
Depositories	CDSL and NSDL
Draft Letter of Offer/DLoF	This draft Letter of Offer dated January 24, 2017 filed with SEBI in accordance with Regulation 16(1) of the SEBI (SAST) Regulations
DP/ Depository Participant	Depository Participant
DPS/Detailed Public Statement	The detailed public statement, published on January 17, 2017 on behalf of the Acquirer and the PACs in Business Standard (English, All Editions), Business Standard (Hindi, All Editions), Navshakti (Marathi, Mumbai Edition) and Kalantar Patrika (Bengali, Kolkata Edition)
DTAA	Double Tax Avoidance Agreement
Emerging Share Capital	The total voting equity capital of the Target Company on a fully diluted basis expected as of the tenth (10^{th}) Working Day from the closure of the Tendering Period
Equity Shareholders	All holders of Equity Shares, including beneficial owners of the Equity Shares
EPS	Earnings per share
Equity Shares	Fully paid-up equity shares of the Target Company having a face value of Rs. 2 each.
Escrow Account	Has the meaning given to it in paragraph 90 of this Draft Letter of Offer
Escrow Agreement	Has the meaning given to it in paragraph 90 of this Draft Letter of Offer

Term	Description
Escrow Bank	Has the meaning given to it in paragraph 90 of this Draft Letter of Offer
FII	Foreign Institutional Investors as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014, as amended
FIPB	Foreign Investment Promotion Board
Form of Acceptance-cum-Acknowledgment	Form of acceptance-cum-acknowledgement attached to the LoF
Identified Date	The date falling on the 10th Working Day prior to the commencement of the Tendering Period for the purposes of determining the Public Shareholders to whom the LoF shall be sent
Letter of Offer/LoF	The letter of offer will be dispatched to the Public Shareholders in accordance with Regulation 18(2) of the SEBI (SAST) Regulations
LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
Manager/ Manager to the Offer	JM Financial Institutional Securities Limited, the merchant banker appointed by the Acquirer as the manager to the Offer pursuant to the SEBI (SAST) Regulations
MM/Mn/Million	1,000,000 units
NRI	Non-Resident Indian as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Body as defined in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended
Offer/Open Offer	The Offer, being made by the Acquirer and the PACs, for acquiring up to 62,400,000 Equity Shares representing 32.00% of the Emerging Share Capital as of the tenth (10th) Working Day from the closure of the Tendering Period, from the Public Shareholders at the Offer Price payable in cash
Offer Consideration	Has the meaning given to it in paragraph 89 of this Draft Letter of Offer
Offer Period	The period starting from January 10, 2017 (being the date of the PA) until the date on which payment of consideration to Public Shareholders who have validly tendered their Equity Shares in the Offer is completed, or the date on which the Offer is withdrawn, as the case may be
Offer Price	Price of Rs. 14.00 (Rupees fourteen only) per Equity Share at which the Offer is being made to Public Shareholders
Offer Size	Up to 62,400,000 Equity Shares, representing 32.00% of the Emerging Share Capital of the Target Company
Offer Shares	62,400,000 Equity Shares, representing 32.00% of the Emerging Share Capital

Term	Description
Other Selling Shareholders	RP Gupta, RP Gupta (HUF), Vikash Gupta, Sonu Gupta, Shilpi Gupta, Preeti Gupta, Anubha Gupta and Akash Gupta
PACs/ PAC	Collectively PAC 1 and PAC 2
PAC 1	Sun Investments Private Limited
PAC 2	Reynold Traders Private Limited
PAN	Permanent account number
Preference Shares	9% non-cumulative redeemable preference shares of the Target Company having a face value of Rs. 2 each
Public Announcement/PA	Public announcement of the Offer made by the Manager to the Offer on behalf of the Acquirer and the PACs on January 10, 2017, in accordance with Regulations 3(1) and 4 read with Regulations 13(1) read with Regulation 15(1) of the SEBI (SAST) Regulations
Public Shareholders	All Equity Shareholders other than the Acquirer, the PACs, parties to the SPA, and persons deemed to be acting in concert with such parties
RBI	Reserve Bank of India
Registrar to the Offer	M/s. Karvy Computershare Private Limited, having its registered office at Karvy Selenium, Tower B, Plot Nos. 31-32 Gachibowli Financial District Nanakramguda, Hyderabad – 500 032
Rs./Rupees/INR	The lawful currency of the Republic of India
Sale Shares	Has the meaning given in paragraph 2 under Part II (Details of the Offer – Background to the Open Offer) on page 17 of this DLoF
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI (SAST) Regulations/ SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto
SEBI (SAST) Regulations 1997	The erstwhile Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
Sellers/ Selling Shareholders	Unicon Merchants Private Limited and Other Selling Shareholders
Selling Broker	Has the meaning given in paragraph 117 on page 46 of this LoF
Share Escrow Agreement	Escrow agreement dated January 11, 2017 and amendment agreement dated January 18, 2017 entered into amongst the Sellers, the Acquirer and ICICI Bank Limited

Term	Description
SPA/ Share Purchase Agreement	The share purchase agreement dated January 10, 2017 between the Sellers and the Acquirer, under which the Acquirer has agreed to acquire up to 69,453,817 (sixty nine million four hundred and fifty three thousand eight hundred and seventeen only) Equity Shares representing 35.62% of the Emerging Share Capital
Stock Exchanges	The BSE and CSE
STT	Securities transaction tax
Target Company/ Shiva Cement/ SCL	Shiva Cement Limited, public limited company incorporated under the Companies Act, 1956, having its registered office at P-25, Civil Township, Rourkela -769004
Tendering Period	Period commencing from [●] and closing on [●]
TRC	Tax residency certificate
TRS	Transaction registration slip generated by Stock Exchange bidding system
Unicon	Unicon Merchants Private Limited
Working Day	A working day of SEBI

I. Disclaimer Clause

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THIS DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE PUBLIC SHAREHOLDERS OF SHIVA CEMENT LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, THE PACs OR THE TARGET COMPANY WHOSE EQUITY SHARES/ CONTROL HAS BEEN ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER AND THE PACs ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND THE PACs DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JANUARY 24, 2017 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PACs FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

"NO OFFER / SOLICITATION / REGISTRATION IN THE UNITED STATES OF AMERICA AND OTHER JURISDICTIONS

UNITED STATES OF AMERICA

THE OFFER IS NOT BEING MADE AND WILL NOT BE MADE DIRECTLY OR INDIRECTLY IN THE UNITED STATES OF AMERICA, OR BY USE OF THE U.S. MAIL OR ANY U.S. MEANS OR INSTRUMENTALITY OF U.S. INTERSTATE OR FOREIGN COMMERCE OR ANY FACILITY OF A U.S. NATIONAL SECURITIES EXCHANGE, AND THE OFFER CANNOT BE ACCEPTED BY USE OF ANY SUCH MEANS, INSTRUMENTALITY OR FACILITY. ACCORDINGLY, COPIES OF THIS DOCUMENT AND ANY RELATED OFFERING DOCUMENTS ARE NOT BEING, AND MUST NOT BE, MAILED OR OTHERWISE TRANSMITTED OR DISTRIBUTED IN OR INTO THE UNITED STATES OF AMERICA.

UNITED KINGDOM

IN THE UNITED KINGDOM, THIS DLOF TOGETHER WITH THE DPS AND THE PA IN CONNECTION WITH THE OFFER ARE BEING DISTRIBUTED ONLY TO, AND ARE DIRECTED ONLY AT, PERSONS WHO ARE (I) PERSONS HAVING PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN

ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER"), OR (II) HIGH NET WORTH ENTITIES FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER, OR (III) PERSONS TO WHOM IT WOULD OTHERWISE BE LAWFUL TO DISTRIBUTE THEM, ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS". THIS DLOF TOGETHER WITH THE DPS AND THE PA IN CONNECTION WITH THE OFFER AND THEIR CONTENTS ARE CONFIDENTIAL AND SHOULD NOT BE DISTRIBUTED, PUBLISHED OR REPRODUCED (IN WHOLE OR IN PART) OR DISCLOSED BY ANY RECIPIENTS TO ANY OTHER PERSON IN THE UNITED KINGDOM, AND ANY PERSON IN THE UNITED KINGDOM THAT IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THEM.

GENERAL

THIS DLOF TOGETHER WITH THE DPS AND THE PA IN CONNECTION WITH THE OFFER, HAS BEEN PREPARED FOR THE PURPOSES OF COMPLIANCE WITH THE APPLICABLE LAWS AND REGULATIONS OF INDIA, INCLUDING THE SEBI ACT AND THE SEBI (SAST) REGULATIONS, AS AMENDED, AND HAS NOT BEEN REGISTERED OR APPROVED UNDER ANY LAWS OR REGULATIONS OF ANY COUNTRY OUTSIDE OF INDIA. THE DISCLOSURES IN THIS DLOF AND THE OFFER PARTICULARS INCLUDING BUT NOT LIMITED TO THE OFFER PRICE, OFFER SIZE AND PROCEDURES FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER IS GOVERNED BY SEBI (SAST) REGULATIONS, AS AMENDED, AND OTHER APPLICABLE LAWS, RULES AND REGULATIONS OF INDIA, THE PROVISIONS OF WHICH MAY BE DIFFERENT FROM THOSE OF ANY JURISDICTION OTHER THAN INDIA. ACCORDINGLY THE INFORMATION DISCLOSED MAY NOT BE THE SAME AS THAT WHICH WOULD HAVE BEEN DISCLOSED IF THIS DOCUMENT HAD BEEN PREPARED IN ACCORDANCE WITH THE LAWS AND REGULATIONS OF ANY JURISDICTION OUTSIDE OF INDIA. THE INFORMATION CONTAINED IN THIS LOF IS AS OF DATE OF THIS LOF. THE ACQUIRER, PACS,THE MANAGER TO THE OFFER <u>AND ANY DEEMED PERSONS ACTING IN CONCERT WITH THE ACQUIRER</u> ARE UNDER NO OBLIGATION TO UPDATE THE INFORMATION CONTAINED HEREIN AT ANY TIME AFTER THE DATE OF THIS DLOF.

NO ACTION HAS BEEN OR WILL BE TAKEN TO PERMIT THIS OFFER IN ANY JURISDICTION WHERE ACTION WOULD BE REQUIRED FOR THAT PURPOSE. THIS DLOF SHALL BE DISPATCHED TO ALL PUBLIC SHAREHOLDERS WHOSE NAME APPEARS ON THE REGISTER OF MEMBERS OF THE TARGET COMPANY, AT THEIR STATED ADDRESS, AS OF THE IDENTIFIED DATE. HOWEVER, RECEIPT OF THE DLOF BY ANY PUBLIC SHAREHOLDER IN A JURISDICTION IN WHICH IT WOULD BE ILLEGAL TO MAKE THIS OFFER, OR WHERE MAKING THIS OFFER WOULD REQUIRE ANY ACTION TO BE TAKEN (INCLUDING, BUT NOT RESTRICTED TO, REGISTRATION OF THIS DLOF UNDER ANY LOCAL SECURITIES LAWS), SHALL NOT BE TREATED BY SUCH PUBLIC SHAREHOLDER AS AN OFFER BEING MADE TO THEM AND SHALL BE CONSTRUED BY THEM AS BEING SENT FOR INFORMATION PURPOSES ONLY.

PERSONS IN POSSESSION OF THIS DLOF ARE REQUIRED TO INFORM THEMSELVES OF ANY RELEVANT RESTRICTIONS IN THEIR RESPECTIVE JURISDICTIONS. ANY PUBLIC SHAREHOLDER WHO TENDERS HIS, HER OR ITS EQUITY SHARES IN THIS OFFER SHALL BE DEEMED TO HAVE DECLARED,

REPRESENTED, WARRANTED AND AGREED THAT HE, SHE OR IT IS AUTHORISED UNDER THE PROVISIONS OF ANY APPLICABLE LOCAL LAWS, RULES, REGULATIONS AND STATUTES TO PARTICIPATE IN THIS OFFER.”

II. Details of the Offer

Background to the Open Offer

1. This Offer is being made in accordance with Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations pursuant to the execution of the SPA between the Acquirer and the Sellers.

2. The Open Offer is a mandatory open offer being made by JSW Cement Limited, being the Acquirer, together with Sun Investments Private Limited (“**PAC 1**”) and Reynold Traders Private Limited (“**PAC 2**”) (PAC 1 and PAC 2 are together referred to as the “**PACs**”), to the Public Shareholders of the Target Company, pursuant to Regulation 3(1) and Regulation 4 read with Regulation 13(1)(e) of the SEBI (SAST) Regulations. The Open Offer was triggered on January 10, 2017 pursuant to the SPA executed on January 10, 2017, under which the Acquirer has agreed to acquire up to 69,453,817 Equity Shares (“**Sale Shares**”) at a price of Rs. 14.00 per Equity Share from the Sellers, being part of the promoter and promoter group of the Target Company, in accordance with the terms set out under the SPA, representing 35.62% of the Emerging Share Capital, completion under which is subject to the satisfaction of certain conditions precedent, including: (a) the receipt of prior written approval from Tata Capital Financial Services Limited being one of the lenders of the Target Company (which approval is considered to be outside the reasonable control of the Acquirer and PACs); and (b) there being no judicial order pronounced by any court of law (i) against the transaction; or (ii) preventing transfer of the Sale Shares to the Acquirer. Since the Acquirer has entered into an agreement to acquire voting rights in excess of 25.00% of the equity share capital of the Target Company, this Offer is being made under Regulation 3(1) of the SEBI (SAST) Regulations. Upon consummation of the transactions contemplated in the SPA, the Acquirer will acquire control over the Target Company and will become the promoter of the Target Company in accordance with the provisions of Regulation 31A(5) of the LODR Regulations. Accordingly, this Offer is also being made under Regulation 4 of the SEBI (SAST) Regulations. The SPA also sets forth the terms and conditions agreed between the Sellers and the Acquirer, and their respective rights and obligations.

3. Details of the underlying transaction pursuant to the SPA is set out below:

Details of underlying transaction						
Type of Transaction (Direct/ Indirect)	**Mode of Transaction (Agreement/ Allotment/ Market purchase)**	**Shares/Voting rights acquired/proposed to be acquired**		**Total Consideration for shares / Voting rights acquired (Rs.)**	**Mode of payment (Cash/ securities)**	**Regulation which has been triggered**
		Number	**% vis a vis Emerging Share Capital**			
Direct acquisition	SPA	Acquisition of 69,453,817 Equity Shares from	Acquisition of 35.62% of the Emerging Share Capital from the	Rs. 972,353,438 for 35.62% of the Emerging Share Capital	Cash	Regulations 3(1) and 4 of the SEBI (SAST) Regulations.

		the Sellers	Sellers(1)			

1. *In the event the Acquirer's stake in the Target Company after the completion of the Offer and acquisition under the SPA exceeds 75.00% of the equity share capital of the Target Company, the Acquirer will be under a statutory obligation to sell down their stake to 75.00% of the equity share capital of the Target Company in such manner and time permitted under the Securities Contracts (Regulation) Rules, 1957.*

4. The shareholders of the Target Company who are parties to the SPA along with persons acting in concert with them shall not be eligible to tender their Equity Shares in the Offer.

5. The acquisition of the Equity Shares of the Target Company by the Acquirer and the Sellers pursuant to the SPA is subject to the satisfaction of certain conditions precedent, inter alia (a) the receipt of prior written approval from Tata Capital Financial Services Limited being one of the lenders of the Target Company (which approval is considered to be outside the reasonable control of the Acquirer and PACs); and (b) there being no judicial order pronounced by any court of law (i) against the transaction; or (ii) preventing transfer of the Sale Shares to the Acquirer.

6. There is an escrow mechanism for the Sale Shares pursuant to which the Sale Shares shall be held in escrow depository account(s) and the consideration for the Sale Shares shall be held in an escrow account in accordance with the terms of such escrow agreement dated January 11, 2017 and amendment agreement dated January 18, 2017 entered into, amongst the Sellers, the Acquirer and ICICI Bank Limited (collectively referred to as the "**Share Escrow Agreement**"). In accordance with the terms of the SPA and the Share Escrow Agreement, the sale consideration of Rs 972,353,438 has been transferred to an escrow account.

7. In accordance with the terms of the SPA and the Share Escrow Agreement, an advance consideration of Rs.550,000,000 (Rupees five hundred and fifty million only) for the Sale Shares ("**Advance Sale Share Consideration**") shall be remitted to the Sellers in the following manner: (a) Rs.475,000,000 (Rupees four hundred and seventy five million) shall be transferred to the bank accounts of the Sellers (other than Mrs. Shilpi Gupta and Mr. Akash Gupta) immediately upon deposit of the Sale Shares (other than those held by Mrs. Shilpi Gupta and Mr. Akash Gupta) and the consideration in the escrow depository accounts and the escrow account, respectively, held by ICICI Bank Limited acting as the escrow agent for and on behalf of the Sellers and the Acquirer; (b) Rs.20,000,000 (Rupees twenty million) shall be transferred to the bank account of Mrs. Shilpi Gupta immediately upon deposit of Sale Shares held by her in her escrow depository account; and (c) Rs.55,000,000 (Rupees fifty five million) shall be transferred to the bank account of Mr. Akash Gupta immediately upon release of the pledge over such Sale Shares held by him and deposit of the such Sale Shares in his escrow depository account. As on date, Sale Shares (other than those held by Mrs. Shilpi Gupta) have been transferred to the escrow depository accounts opened with ICICI Bank Limited. Further, an amount of Rs 530,000,000 will be transferred from the escrow account to the bank account of the Sellers (other than Mrs. Shilpi Gupta).

8. Pursuant to the Offer and the underlying transaction contemplated in the SPA, the Acquirer will become the promoter of the Target Company and the Sellers and other parties who are currently, members of the promoter group will cease to be the promoters of the Target Company in accordance with the provisions of Regulation 31A(5) of the LODR Regulations. The re-classification of the Sellers and other parties who are currently, members of the promoter group, from promoter to non-promoter/public is subject to the approval of shareholders of the Target Company in a general meeting in terms of Regulation 31A(5) of the LODR Regulations and conditions prescribed therein.

9. The announcement of the transaction in the public domain and the entering into the SPA triggered Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations.

10. The Acquirer and PACs have not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any regulations made under the SEBI Act.

11. As per Regulation 26(6) of the SEBI (SAST) Regulations, the Board of Directors is required to, upon receipt of the DPS, constitute a committee of independent directors to provide its written reasoned recommendations on the Open Offer to the Public Shareholders. As per Regulation 26(7) read with Regulation 26(6) of the SEBI (SAST) Regulations, the written reasoned recommendations of the committee of independent directors is required to be published by the Target Company at least two (2) Working Days prior to the commencement of the Tendering Period in the same newspapers where the DPS was published and simultaneously, a copy of such recommendations needs to be sent to SEBI, the Stock Exchanges and to the Manager to the Offer.

12. Neither the Acquirer nor the PACs have been prohibited by SEBI from dealing in securities, in terms of direction issued u/s 11B of SEBI Act or under any of the regulations made under the SEBI Act.

13. Currently, the Acquirer or the PACs do not have any future plans with respect to the Board of Directors other than as agreed in the SPA as follows:

    At closing of SPA, a meeting of the Board of Directors shall be convened for:

    1. Appointment of directors on the Board of Directors up to 2/3rd of the total directors on the Board of Directors (excluding nominee directors) with immediate effect in such a manner so as to enable the Acquirer to have majority representation on the Board of Directors.

    2. Acceptance of resignation of directors, namely Mr. Akash Gupta and Mrs. Preeti Gupta from the Board of Directors of the Target Company.

    3. Appointment of new chairman to the Board of Directors.

Details of the Open Offer

14. The PA announcing the Open Offer, under Regulations 3(1) and 4 read with Regulations 13(1) read with Regulation 15(1) of the SEBI (SAST) Regulations, was made on January 10, 2017 to the Stock Exchanges and a copy thereof was also filed with SEBI and sent to the Target Company at its registered office.

15. The DPS in respect of the Open Offer was published on January 17, 2017 in the following newspapers:

Newspaper	**Language**	**Editions**
Business Standard	English	All Editions
Business Standard	Hindi	All Editions
Navshakti	Marathi	Mumbai Edition

Kalantar Patrika	Bengali	Kolkata Edition

(The PA and the DPS are available at the SEBI website: www.sebi.gov.in.)

16. The Open Offer is being made by the Acquirer together with the PAC 1 and PAC 2 in their capacity as PACs to all Public Shareholders of the Target Company in terms of Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations.

17. The Acquirer, together with PAC 1 and the PAC 2 are making the Open Offer to the Public Shareholders under the SEBI (SAST) Regulations for the acquisition of up to the Offer Size i.e., 62,400,000 (sixty two million four hundred thousand) fully paid-up Equity Shares representing 32.00% of the Emerging Share Capital of the Target Company on a fully diluted basis expected as of the tenth (10^{th}) Working Day from the closure of the Tendering Period from the Public Shareholders at the Offer Price of Rs. 14.00 (Rupees fourteen only) per Equity Share, determined in accordance with Regulation 8(1) and Regulation 8(2) of the SEBI (SAST) Regulations, payable in cash, in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, subject to the terms and conditions mentioned hereinafter. The Offer Price will be paid in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations and subject to the terms and conditions mentioned in the PA, the DPS and the DLoF.

18. There are no partly paid-up Equity Shares in the Target Company.

19. The Emerging Share Capital of the Target Company has been calculated as follows:

Particulars	**Issued and paid up Equity Share capital and voting rights**	**% of Emerging Share Capital**
Fully paid up Equity Shares as of the PA date	195,000,000 fully paid up Equity Shares of Rs. 2 each	100.00
Partly paid up Equity Shares as of the PA date	Nil	Nil
Employee stock options or other convertible instruments outstanding	Nil	Nil
Emerging Share Capital	195,000,000 fully paid up equity shares of Rs. 2 each	100.00

20. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations. All Equity Shares validly tendered by the Public Shareholders pursuant to the Open Offer will be accepted at the Offer Price by the Acquirer, in accordance with the terms and conditions contained in the DPS and the DLoF. In the event that the Equity Shares tendered in the Open Offer by the Public Shareholders are more than the Equity Shares to be acquired under the Open Offer, the acquisition of the Equity Shares from each Public Shareholder will be on a proportionate basis as detailed in paragraph 133 of this DLoF.

21. There has been no competing offer under Regulation 20 of the SEBI (SAST) Regulations as on the date of this DLoF.

22. The Acquirer and the PACs may withdraw the Open Offer in accordance with the conditions specified in paragraph 111 of this DLoF. In the event of such withdrawal, it shall be notified in accordance with Regulation 23 of the SEBI (SAST) Regulations by way of a public announcement in the same newspapers in which the DPS was published and such public announcement will also be sent to the SEBI, the Stock Exchanges and the Target Company at its registered office.

23. Under Rule 19A of the SCRR, the Target Company is required to maintain at least 25.00% public shareholding (i.e., Equity Shares held by the public) as determined in accordance with the SCRR, on a continuous basis for listing. If, pursuant to this Open Offer, the public shareholding in the Target Company reduces below the minimum level required under the LODR Regulations read with Rule 19A of the SCRR, the Acquirer and the PACs hereby undertake that the public shareholding in the Target Company will be enhanced, in such manner and within such period specified in the SCRR, such that the Target Company complies with the required minimum level of public shareholding.

24. All the Equity Shares validly tendered under this Offer to the extent of the Offer Size will be acquired by the Acquirer in accordance with the terms and conditions set forth in this DLoF. The Public Shareholders who tender their Equity Shares under this Offer should ensure that the Equity Shares are clear from all liens, charges and encumbrances. The Acquirer shall acquire the Equity Shares from the Public Shareholders, who validly tender their Equity Shares, together with all rights attached thereto, including all rights to dividends, bonuses and rights offers declared thereon.

25. The Offer is not conditional on any minimum level of acceptance by the Public Shareholders and is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

26. The acquisition of the Offer Shares, together with the acquisition of the Sale Shares shall not result in the public shareholding in the Target Company falling below the minimum level required for continued listing under LODR Regulations, 2015 and Rule 19A of SCRR.

Object of the Open Offer

27. The Open Offer is being made as a result of the acquisition of more than 25.00% of shares, voting rights and control of the Target Company by the Acquirer (expected as of the tenth (10th) Working Day from the closure of the Tendering Period) resulting in a change of control of the Target Company in terms of Regulations 3(1) and 4 read of the SEBI (SAST) Regulations. Following the completion of the Open Offer, the Acquirer intends to work with the employees of the Target Company to grow the business of the Target Company. The Target Company is presently engaged in the business of manufacturing of cement and clinker. The Acquirer proposes to continue with the existing activities and expand and grow the same.

28. In terms of Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer and PAC do not currently have any intention to alienate any material assets of the Target Company or any of its subsidiaries whether by way of sale, lease, encumbrance or otherwise, outside the ordinary course of business, in the succeeding 2 (two) years from the completion of this Offer. The Acquirer and PAC undertake that they will not alienate any material assets of the Target Company or any of its subsidiaries whether by way of sale, lease, encumbrance or otherwise, other than in the ordinary course of business, except in accordance with the applicable provisions of the Companies Act and/ or other laws and/ or with the prior approval of the board of directors and shareholders of the Target Company in terms of Regulation 25(2) of the SEBI (SAST) Regulations, as applicable, during the succeeding 2 (two) years from the completion of this Offer.

III. Background of the Acquirer and the PACs

A. Information about the Acquirer:

29. JSW Cement Limited **("Acquirer")** is a public limited company and was incorporated on March 29, 2006 under the laws of India. The CIN of the Acquirer is U26957MH2006PLC160839. The Acquirer was incorporated under the name and style of 'JSW Cement Limited'. The name of the Acquirer has not been changed since its incorporation. The registered office of the Acquirer is located at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai – 400051. The contact details of the Acquirer are as follows: telephone number: +91 22 4286 1000 and fax number: +91 22 2650 2090.

30. The Acquirer is engaged in the business of manufacture and sale of cement, ground granulated blast furnace slag, clinker and trading of allied products.

31. Acquirer is a subsidiary of Adarsh Advisory Services Private Limited. The Acquirer is a part of the JSW Group. JSW Group is controlled and managed by Mr. Sajjan Jindal and his family members.

32. Shareholding pattern of the Acquirer is as follows:

No.	Shareholder's Category	Number of equity shares	% of equity shares held
1	Promoters	450,511,700	100%
2	FII/ Mutual Funds/FIs/ Banks	Nil	Nil
3	Public	Nil	Nil
	Total	**450,511,700**	**100%**

33. The details of directors of the Acquirer are as follows:

Name of the Director	Designation & Appointment Date	DIN	Qualification(1)	Experience(1)
Mr. Nirmal Kumar Jain	Chairman, June 22, 2012	00019442	B. Com, FCA, FCS	• Mr. Nirmal Kumar Jain has over four decades of wide experience in the areas of mergers and acquisition, finance, law and capital restructuring. • Mr. Jain joined the JSW Group in 1992 and held various positions including Director-Finance, Deputy MD & CEO and Executive Vice-Chairman of Jindal Iron & Steel Co. Ltd.

Name of the Director	Designation & Appointment Date	DIN	Qualification[1]	Experience[1]
Mr. Parth Sajjan Jindal	Managing Director June 20, 2016	06404506	Bachelor's degree in Economics and Political Science from Brown University, USA and MBA from the Harvard Business School, USA	• Mr. Parth Jindal joined the JSW Group in 2012 and has worked as an economic analyst. • Before joining the JSW Group, he worked with JFE Steel in Tokyo
Mr. Anilkumar Pillai	Whole Time Director & CEO February 06, 2014	06814022	B. Tech. (Chemical Engineering)	• Mr. Pillai has over 30 years of experience in cement industry. • He has also worked with L&T Cement, Ultratech Cement, Narmada Cement and Kuwait Cement Company
Mr. Kantilal Narandas Patel	Non-Executive Director March 29, 2006	00019414	Commerce Graduate from Mumbai University and Fellow Member of Institute of Chartered Accountants of India.	• Mr. Patel possess over 40 years of experience in the areas of corporate finance, taxation, etc. • He is associated with Jindal Group since 1995. • He is the Joint Managing Director & CEO of JSW Holdings Limited
Mr. Pankaj Rajabhau Kulkarni	Non-Executive Director February 02, 2012	00725144	M.Tech, Master of Financial Management	• Mr. Kulkarni joined the JSW Group in 2008. • Prior to joining the JSW Group, he has worked with M/s. M. N. Dastur & Co. and Essar Group
Mr. Biswadip Gupta	Non-Executive Director February 09, 2016	00048258	Metallurgical Engineer and an MBA in Marketing	• Mr. Biswadip Gupta has over 35 years of experience in the steel and ceramic industry. • He is currently the President of Corporate Affairs of JSW Steel Ltd. • Prior to this, he worked with Vesuvius India Ltd. • He is a member of ASSOCHAM and chairman of Western Region, Indian Chamber of Commerce.
Mr. Jugal Kishore Tandon	Independent Director March 31, 2015	01282681	B.Sc and B.Tech (Metallurgical Engineering) from I.I.T. Bombay.	• Mr. Tandon has over five decades of experience during which he has worked with Sunflag Iron and Steel Plant, Maharashtra, Essar Steel and JSW Steel Limited.

Name of the Director	Designation & Appointment Date	DIN	Qualification[1]	Experience[1]
Mr. Jaiprakash Narain Lal	Independent Director March 31, 2015	06397527	BSc (Met Engg) IIT BHU, AMIIM	• Mr. Jaiprakash Narain Lal has over four decades of experience and has worked with Steel Authority of India Limited, Bellary Steels and Alloys Limited JSW Steel Limited, Visa Steel Ltd and KNK Corp (P) Ltd
Ms. Sutapa Banerjee	Independent Director April 22, 2016	02844650	BSc (Economics Hons.) and PGDPM from XLRI, Jamshedpur	• Ms. Banerjee has over 23 years of experience in the financial services industry across two multinational banks and a boutique Indian Investment bank. • She was appointed as Nominee Director of the ISIS Fund and is also on the Board of the NBFC Ananya Finance. • She was shortlisted in the "50 most Powerful Women in India" by Fortune India in 2012.

Note:
1) As certified by the directors of the Acquirer

34. The equity shares of the Acquirer are not listed on any stock exchanges in India or abroad.

35. As of the date of this DLoF, the Acquirer, its directors and key employees do not have any interest in the Target Company except for the transactions detailed in Part II (*Details of the Offer - Background to the Open Offer*) which have triggered this Offer. Further, as on the date of this DLoF, there are no common directors on the board of the Acquirer and the Target Company.

36. The Acquirer has not been prohibited by SEBI, from dealing in securities pursuant to the terms of any directions issued under section 11B of the SEBI Act or under any regulations made under the SEBI Act.

37. Since the Acquirer does not own and has never owned any Equity Shares, the provisions of Chapter II of the SEBI (SAST) Regulations, 1997 and Chapter V of the SEBI (SAST) Regulations do not apply to the Acquirer.

38. Brief financial details of the Acquirer for the three financial years ended March 31, 2016, March 31, 2015 and March 31, 2014 as derived from audited annual accounts and for the six months ended September 30, 2016 as derived from interim unaudited financial statements is as follows:

(*Figures are in Rupees Mn except for basic and diluted earnings per share)*

Particulars	**Six months ended September 30, 2016**	**Year ended March 31, 2016**	**Year ended March 31, 2015**	**Year ended March 31, 2014**
Statement of Profit & Loss				
Income from operations	6,796.49	12,720.12	9,219.15	7,331.51
Other income	608.42	178.05	50.65	81.83
Total income	7,404.91	12,898.17	9,269.80	7,413.34
Total expenditure (excluding depreciation and interest)	5,286.34	9,806.68	7,602.74	7,293.59
Profit before depreciation interest and tax	2,118.57	3,091.49	1667.06	119.75
Depreciation and amortization expense	257.43	569.34	454.21	690.12
Interest (Finance Cost)	609.74	1,325.48	1,447.54	1,339.38
Profit before tax	1,251.40	1,196.67	(234.69)	(1,909.75)
Provision for tax	457.26	304.24	-	(831.65)
Profit after tax	794.14	892.43	(234.69)	(1,078.10)
Balance Sheet				
Sources of funds				
Paid-up share capital	4,505.11	4,505.11	4,505.11	4,015.11
Reserves and surplus (excluding revaluation reserves)	560.36	(282.01)	(1,174.45)	(935.39)
Net worth	**5,065.47**	**4,223.10**	**3,330.66**	**3,079.72**
Secured loans	12,081.09	10,517.81	10,661.15	10,383.43
Unsecured loans	529.41	-	-	-
Total Loans	**12,610.50**	**10,517.81**	**10,661.15**	**10,383.43**
Deferred Tax Liabilities	30.88	-	-	-
Other Items	2330.41	1336.44	755.86	325.85
Grand Total	**20,037.26**	**16,077.35**	**14,747.67**	**13,789.00**
Uses of Funds				
Net fixed assets	18,582.94	15,375.97	14,118.83	13,486.33
Investments	24.18	24.18	24.18	24.18
Other long term current assets	753.81	777.74	320.59	262.71
Deferred current asset	-	426.37	730.61	728.66

Particulars	Six months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014
Net current asset	676.33	(526.91)	(446.54)	(712.88)
Total miscellaneous expenditure not written off	-	-	-	-
Grand Total	**20,037.26**	**16,077.35**	**14,747.67**	**13,789.00**
Other financial data				
Dividend (%)	-	-	-	-
Basic EPS in Rs.	1.76*	1.99	(0.69)	(3.58)
Diluted EPS in Rs.	1.76*	1.99	(0.69)	(3.58)

***Source**: CA certificate dated January 13, 2017 issued by Shah Gupta &Co, Chartered Accountants with firm registration number 109574W.*
**Not Annualized*

39. Contingent Liabilities:

(*Figures are in Rupees Mn*)

Sr. No	Particulars	Six months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014
1	Differential custom duty in respect of import of steam coal	225.04	225.04	223.20	214.80
2	Excise duty & service tax credit in respect of capital goods and input services	125.11	125.11	122.40	122.10
3	Cess under the building and other Constructions Workers Act, 1946	10.00	10.00	20.00	10.00
4	Disallowance of VAT credit	2.26	2.26	-	-
5	Income-tax	6.60	15.60	44.80	44.80

***Source**: CA certificate dated January 13, 2017 issued by Shah Gupta &Co, Chartered Accountants with firm registration number 109574W.*

B. Information about the persons acting in concert

B1. Sun Investments Private Limited

40. Sun Investments Private Limited ("**PAC 1**"), was incorporated as public limited company on June 08, 1981 under the name of "Sun Investments Limited". Subsequently, the name of PAC 1 was changed to "Sun Investments Private Limited" on February 18, 2003. The CIN of PAC 1 is U67120GJ1981PTC067071. The registered office of PAC 1 is located at Satyagruh Chavani, Lane No. 21, Bunglow No.508 Near, Jodhpur Cross Road, Satellite, Ahmedabad – 380015. The contact

details of PAC 1 are as follows: telephone number: +91 22 4286 1000 and fax number: +91 22 4286 3000.

41. PAC 1 is a registered non-banking financial company carrying on the business of investing and providing finance.

42. The key shareholders of PAC 1 are Groovy Trading Private Limited (48.77%), JSW Holdings Limited (43.37%) and Jindal Coated Steel Private Limited (7.37%) and are promoters of PAC 1. PAC 1 is part of the JSW Group.

43. PAC 1 is a promoter group entity of the Acquirer.

44. Shareholding pattern of the PAC 1 is as follows:

No	Shareholder's Category	Number of Shares held		% of Shares held	
		Ordinary shares	Preference shares	Ordinary shares	Preference shares
1	Promoters	74,830,300	1,995,000	100%	100%
2	FII/ Mutual Funds/FIs/ Banks	Nil.	Nil.	Nil.	Nil.
3	Public	Nil.	Nil.	Nil.	Nil.
Total		**74,830,300**	**1,995,000**	**100%**	**100%**

45. The details of directors of the PAC 1 are as follows:

Name of the Director	Designation & Appointment Date	DIN	Qualification and Experience[1]
Jayesh Mansukh Nandwana	Director, October 15, 2014	05352551	• Chartered Accountant from the Institute of Chartered Accounts of India • Work experience of over six years in field of finance and accounts
Namrata Sekhar Pal	Director, March 20, 2014	05195149	• Chartered Accountant from the Institute of Chartered Accounts of India • Work experience of over six years in field of finance and accounts

Note:
1) As certified by the PAC 1 and directors of PAC 1

46. The equity shares of PAC 1 are not listed on any stock exchanges in India or abroad.

47. As of the date of this Draft Letter of Offer, PAC 1, its directors and key employees do not have any interest in the Target Company except for the transactions detailed in Part II (*Details of the Offer -*

Background to the Open Offer) which have triggered this Offer. Further, as of the date of this DLoF, there are no common directors on the board of the PAC 1 and the Target Company.

48. PAC 1 has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under section 11B of the SEBI Act or under any regulations made under the SEBI Act.

49. Since PAC 1 does not own and has never owned any Equity Shares, the provisions of Chapter II of the SEBI (SAST) Regulations, 1997 and Chapter V of the SEBI (SAST) Regulations do not apply to PAC 1.

50. Brief financial details of PAC 1 for the three financial years ended March 31, 2016, March 31, 2015 and March 31, 2014 as derived from audited annual accounts and for the six months ended September 30, 2016 as derived from interim unaudited financial statements is as follows:

(*Figures are in Rupees Mn except for basic and diluted earnings per share)*

Particulars	**Six months ended September 30, 2016**	**Year ended March 31, 2016**	**Year ended March 31, 2015**	**Year ended March 31, 2014**
Statement of Profit & Loss				
Income from operations	12.93	21.61	24.73	726.13
Other income	3.79	3.66	0.83	33.43
Total income	16.72	25.27	25.56	759.56
Total expenditure (excluding depreciation and interest)	0.50	11.58	73.16	21.71
Profit before depreciation interest and tax	16.22	13.69	(47.60)	737.85
Depreciation and amortization expense	-	-	-	-
Interest (Finance Cost)	-	-	-	-
Profit before tax	16.22	13.69	(47.60)	737.85
Provision for tax	5.51	14.33	8.04	1.55
Profit after tax	10.71	(0.64)	(55.64)	736.30
Balance Sheet				
Sources of funds				
Paid-up share capital	768.25	768.25	768.25	768.25
Reserves and surplus (excluding revaluation reserves)	1,672.47	1,661.73	1,662.38	1,718.02
Net worth	2,440.72	2,429.98	2,430.63	2,486.27
Secured loans	-	-	-	-
Unsecured loans	-	-	-	-
Total Loans	-	-	-	-

Particulars	Six months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014
Other long term liabilities	2.99	2.87	2.46	1.61
Grand Total	2,443.71	2,432.85	2,433.09	2,487.88
Uses of Funds				
Net Fixed Assets	-	-	-	-
Investments	2,159.81	2,187.30	2,086.30	1,731.74
Other long term assets	264.18	226.23	79.05	678.22
Net current assets	19.72	19.32	267.74	77.92
Total miscellaneous expenditure not written off	-	-	-	-
Grand Total	2,443.71	2,432.85	2,433.09	2,487.88
Other financial data				
Dividend (%)	-	-	-	-
Basic and diluted EPS in Rs	0.14*	(0.01)	(0.74)	9.84

***Source**: CA certificate dated January 12, 2017 issued by Devendra Goyal & Associates, Chartered Accountants with firm registration number 113315W.*
** Not annualised*

51. Contingent Liabilities:

(Figures are in Rupees Mn except for basic and diluted earnings per share)

Particulars	Six months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014
Disputed income tax demand	64.13	64.13	70.56	178.35

***Source**: CA certificate dated January 12, 2017 issued by Devendra Goyal & Associates, Chartered Accountants with firm registration number 113315W.*

B2. Reynold Traders Private Limited

52. Reynold Traders Private Limited ("**PAC 2**"), is a private limited company and was incorporated on September 01, 1993. The CIN of PAC 2 is U51909MH1993PTC240089. The registered office of PAC 2 is located at JSW Centre Bandra Kurla Complex, Bandra (East) Mumbai - 400051. The contact details of PAC 2 are as follows: telephone number: +91 22 4286 1000 and fax number: +91 22 4286 3000. The name of the PAC 1 has not been changed since its incorporation.

53. The principal activity of PAC 2 is that of investing and financing, renting of property, providing management consultancy and trading services.

54. Mrs Sangita Jindal (99.92%) and Ms Tarini Jindal (0.08%) are the key shareholders and promoters of PAC 2. PAC 2 is part of the JSW Group.

55. PAC 2 is a promoter group entity of the Acquirer.

56. Shareholding pattern of the PAC 2 is as follows:

No.	Shareholder's category	Number of equity shares	% of equity shares held
1	Promoters	3,200,000	100%
2	FII/ Mutual Funds/FIs/ Banks	Nil	Nil
3	Public	Nil	Nil
	Total	**3,200,000**	**100%**

57. The details of directors of the PAC 2 are as follows:

Name of the Director	Designation & Appointment Date	DIN	Qualification and Experience
Sangita Jindal	Managing Director, May 02, 2014	00497315	• Mrs Jindal holds a degree in Bachelors of Commerce
Ajay Yashwant Joshi	Director, February 18, 2011	00352281	• Mr Joshi is a Company Secretary with extensive work experience of over 20 years in the field of finance, accounts and secretarial

Note:
1) As certified by the PAC 2 or directors of PAC 2

58. The equity shares of PAC 2 are not listed on any stock exchanges in India or abroad.

59. As of the date of this Draft Letter of Offer, PAC 2, its directors and key employees do not have any interest in the Target Company except for the transactions detailed in Part II (*Details of the Offer - Background to the Open Offer*) which have triggered this Offer. Further, there are no common directors on the board of the PAC 1 and the Target Company.

60. PAC 2 has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under section 11B of the SEBI Act or under any regulations made under the SEBI Act.

61. Since PAC 2 does not own and has never owned any Equity Shares, the provisions of Chapter II of the SEBI (SAST) Regulations, 1997 and Chapter V of the SEBI (SAST) Regulations do not apply to PAC 1.

62. Brief financials of PAC 2 for the three financial years ended March 31, 2016, March 31, 2015 and March 31, 2014 as derived from audited annual accounts and for the six months ended September 30, 2016 is as follows:

(Figures are in Rupees Mn except for basic and diluted earnings per share)

Particulars	**Six months ended September 30, 2016**	**Year ended March 31, 2016**	**Year ended March 31, 2015**	**Year ended March 31, 2014**
	Standalone	**Consolidated**	**Consolidated**	**Standalone**
Statement of Profit & Loss				
Income from operations	50.52	70,420.08	57,600.51	30.75
Other income	-	90.55	5.63	3.40
Total income	**50.52**	**70,520.63**	**57,606.14**	**34.15**
Total expenditure (excluding depreciation and interest)	8.92	69,739.59	57,213.98	6.72
Profit before depreciation interest and tax	**41.60**	**781.04**	**392.16**	**27.43**
Depreciation and amortization expense	-	0.27	1.74	0.67
Interest (Finance Cost)	67.37	227.41	193.28	117.03
Profit before tax	**(25.77)**	**553.36**	**197.14**	**(90.27)**
Provision for tax	-	62.09	28.25	0.01
Profit after tax	**(25.77)**	**491.27**	**168.89**	**(90.28)**
Balance Sheet				-
Sources of funds				-
Paid-up share capital	320	320.00	240.00	190.50
Reserves and surplus (excluding revaluation reserves)	(324.77)	595.55	160.20	(127.16)
Net worth	**(4.77)**	**915.55**	**400.20**	**63.34**
Secured loans	-	2,319.92	440.41	-
Unsecured loans	2,032.33	1,919.64	1,885.42	1,860.20
Total Loans	**2,032.33**	**4,239.56**	**2,325.83**	**1,860.20**
Other Items	52.28	3,758.01	1,732.62	32.92
Grand Total	**2,079.84**	**8,913.12**	**4,458.65**	**1,956.46**
Uses of Funds				

Particulars	Six months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014
Net Fixed Assets	-	1.05	0.93	1.55
Goodwill	-	1.74	1.74	-
Investments	654.28	2,049.92	2,043.61	654.29
Net current asset	1,425.56	6,860.41	2,412.37	1,300.62
Total miscellaneous expenditure not written off	-	-	-	-
Grand Total	**2,079.84**	**8,913.12**	**4,458.65**	**1,956.46**
Other financial data				
Dividend (%)	-	-	-	-
Basic and diluted EPS in Rs	(8.05)*	193.26	111.31	(172.24)
Major Contingent liabilities	4.28	7,853.50	3,483.60	4.20

***Source**: CA certificate dated January 16, 2017 issued by Shah Gupta &Co, Chartered Accountants with firm registration number 109574W.*
** Not annualised*

***Note:** Since PAC 2 was not required to prepare interim financials on a consolidated basis under the Companies Act 2013, the above numbers for the period ended September 30, 2016 are on standalone basis. Financial year ended March 31, 2015 was the first year of consolidation.*

B3. Other persons which may be deemed to be acting in concert with the Acquirer

63. Other than PACs, no other persons are presently acting in concert with the Acquirer and the PACs for the limited purpose of this Offer, within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations. However, as per Regulation 2(1)(q)(2) of the SEBI (SAST) Regulations, there may be other entities or persons which may be deemed to be acting in concert with the Acquirer and the PACs.

IV. Background of the Target Company

64. The Target Company was incorporated on August 12, 1985 (presently registered with the Registrar of Companies, Orissa at Cuttack) as a public limited company. There has been no change in name of the Target Company since its incorporation. The corporate identity number of the Target Company is L26942OR1985PLC001557.

65. The registered office of the Target Company is situated at P-25, Civil Township, Rourkela -769004. The contact details of the Target Company are as follows: telephone number: +91 66 1240 0168, fax number: +91 66 1240 0172 and e-mail address: corporate@shivacement.com.

66. The Target Company is engaged in manufacturing of cement and clinker. The Target Company commenced commercial production in 1986. The manufacturing facility of the Target Company is located in Orissa. The issued and paid up Equity Share capital of the Target Company is 195,000,000 Equity Shares of face value of Rs.2 each aggregating to Rs. 390,000,000. The Equity Share capital structure of the Target Company as of the date of this DLoF is provided below:

Equity Shares	No. of Equity Shares/voting rights	% of Equity Shares/voting rights
Fully paid up Equity Shares	195,000,000	100%
Partly paid up Equity Shares	NIL	NIL
Total paid up Equity Shares	195,000,000	100%
Total voting rights in Target Company	195,000,000	100%

The Target Company has 9% non-cumulative redeemable preference shares of Rs. 2/- each ("**Preference Shares**"), fully paid of which Re. 0.80 per share has been redeemed.. The details of Preference Share capital outstanding as of the date of DLoF is provided below:

Preference Shares	No. of Preference Shares	% of Preference Shares
Fully paid up Preference Shares	1,203,665	100%
Partly paid-up Preference Shares	NIL	NIL
Total paid up Preference Shares	1,203,665	100%

67. As on the date of the PA, DPS and this DLoF there are no: (i) partly paid-up Equity Shares; and (b) outstanding convertible instruments (warrants, stock options, convertible debentures and convertible preference shares) convertible into Equity Shares issued by the Target Company.

68. The Emerging Share Capital of the Target Company has been calculated in compliance with Regulation 7 of the SEBI (SAST) Regulations in the following manner:

Particulars	Number of Equity Shares	% of Emerging Share Capital
Shares outstanding as on the date of PA	195,000,000 fully paid up Equity Shares of Rs. 2 each	100.00
Partly paid up equity shares as of the PA date	Nil	Nil
Employee stock options outstanding	Nil	Nil

Particulars	Number of Equity Shares	% of Emerging Share Capital
Emerging Share Capital	**195,000,000 fully paid up Equity Shares of Rs. 2 each**	**100.00**

69. The issued and paid up Equity Share capital of the Target Company is 195,000,000 Equity Shares aggregating to Rs. 390,000,000.

70. The Equity Shares are listed on the BSE Limited ("**BSE**") (Scrip Code: 532323) and The Calcutta Stock Exchange Limited ("**CSE**") (Scrip Code: 029983). The Target Company's trading status is shown as "Suspended" on the website of the CSE. The Equity Shares are frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations.

71. The Target Company has filed the listing application with CSE from time to time. The company has also made compliances with the Stock Exchanges from time to time.

72. The filing of "Review Report of the Quarterly Financial Results" and Auditors Report on the Audited financial results to the Stock Exchange is pending. However, no penal actions taken against the Target Company by BSE, CSE or SEBI.

73. We have complied with the listing requirements and there are no penal or punitive action taken against the Target Company by BSE or CSE.

74. In connection with BSE, please note the following –

    The shareholders of the Target Company approved ratification of the preferential allotment of Equity Share warrants in the annual general meeting held on November 25, 2016. Later, the Board of Directors in its meeting held on December 06, 2016, approved allotment of 8,000,000 Equity Shares upon conversion of the above mentioned Equity Share warrants.

    The Target Company filed the listing application with BSE on December 16, 2016.

    On January 6, 2017, BSE issued certain remarks pertaining to certain non-compliances in relation to the notice sent by the Company to the shareholders and advised the company to ratify the non-compliance in the ensuing shareholder's meeting prior to listing of the shares.

    On January 14, 2017, the Target Company's board of directors approved the notice to be sent for an extra ordinary general meeting of the shareholders to be held on February 22, 2016 to ratify the resolution with respect to allotment of the Equity Share warrants.

    The listing approval for the 8,000.000 Equity Shares is currently pending.

75. In connection with CSE please note the following –

    The equity paid-up capital is disclosed as Rs 90,809,640 on the website of CSE. This translates into 45,404,820 Equity Shares of face value of Rs 2 each. The paid-up capital of the Target Company as of date is 195,000,000 Equity Shares.

The Company has filed listing applications with CSE from time to time and has made regular compliances with the stock exchange from time to time. The Company has not received any communication in this regard from the Stock Exchanges.

76. As on the date of this DLoF, the composition of the Board of Directors is as follows:

Name	DIN	Date of appointment	Designation
Rajendra Prasad Gupta	01325989	August 12, 1985	Managing Director
Akash Gupta	01326005	October 01, 1997	Executive Director
Bimal Kumar Mangaraj	01326783	December 26, 2002	Director
Kashi Prasad Jhunjhunwala	01005691	March 27, 2007	Director
Mahendra Singh	02340913	March 31, 2015	Director
Dibyendu Kumar Senapati	03449031	February 07, 2011	Nominee Director
Preeti Gupta	01326720	March 31, 2015	Woman Director

77. There have been no mergers/demergers/spin-offs involving the Target Company during the last three (3) years.

78. Brief financial information of the Target Company for the year ended March 31, 2016, March 31, 2015 and March 31, 2014 as derived from its audited financial statements and for the period ended September 30, 2016 as derived from the unaudited financial results is as follows.

(Figures are in Rupees Mn except for basic and diluted earnings per share)

Particulars	**Six months ended September 30, 2016**	**Year ended March 31, 2016**	**Year ended March 31, 2015**	**Year ended March 31, 2014**
Statement of Profit & Loss				
Income from operations	144.43	676.65	662.48	629.81
Other Income	1.60	4.22	3.96	3.88
Total income	146.03	680.87	666.44	633.69
Total expenditure (excluding depreciation and interest)	143.43	584.22	566.00	533.60
Profit before depreciation interest and tax	2.60	96.65	100.44	100.09
Depreciation and amortization expense	29.48	53.96	39.06	28.80
Interest (Finance Cost)	23.86	36.31	33.76	33.97
Profit before tax	(50.74)	6.38	27.62	37.32
Provision for tax	9.35	6.28	2.57	12.31
Profit after tax	(41.39)	0.10	25.05	25.01
Balance Sheet				
Sources of funds				
Paid-up share capital	396.87	396.89	396.89	396.89
Reserves and surplus (excluding revaluation reserves)	557.81	599.28	599.18	574.13
Money Received against Share Warrants	49.60	15	-	-
Net worth	1,004.28	1,011.17	996.07	971.02
Secured loans	564.97	447.15	417.04	198.61
Unsecured loans[1]	100.32	104.88	86.96	168.50
Total loans	665.29	552.03	504.00	367.11
Deferred Tax Liabilities	69.95	79.30	73.02	70.40
Grand Total	**1,739.52**	**1,642.50**	**1,573.09**	**1,408.53**
Uses of Funds				

Particulars	Six months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014
Net Fixed Assets	1,487.40	1,248.22	1,175.02	1,034.62
Investments	0.00	0.00	0.00	0.00
Long Term Loans & Advances	46.05	64.58	77.35	71.65
Other Non Current Assets	3.07	3.96	6.50	9.11
Net current asset	203.00	325.74	314.22	293.15
Total miscellaneous expenditure not written off				
Grand Total	**1,739.52**	**1,642.50**	**1,573.09**	**1,408.53**
Other financial data				
Dividend (%)	0.00	0.00	0.00	0.00
Basic and Diluted EPS (in Rs)	(0.22)*	0.00	0.13	0.13

Source: *CA certificate from Tibrewal Chand & Co*

Note: 1. Unsecured loans include Long Term provisions and Other long term liabilities
**Not Annualised*

79. Pre and post Offer shareholding pattern of the Target Company is as follows:

S. No.	Shareholder Category	Shareholding & voting rights prior to SPA and Offer		Shares or voting rights agreed to be acquired through the SPA		Shares/voting rights to be acquired in the Open Offer (assuming full acceptance)		Shareholding/voting rights after the acquisition and Offer	
		(A)		(B)		(C)		(A+B+C)(2)(3)	
		No.	% of Emerging Share Capital	No.	% of Emerging Share Capital	No.	% of Emerging Share Capital	No.	% of Emerging Share Capital
1	**Promoter Group**								
A	**Parties to the SPA**								
a	Unicon Merchants Private Limited	20,617,021	10.57	(69,453,817)	(35.62%)	-	0.00%	-	0.00%
b	RP Gupta	7,508,109	3.85			-	0.00%		
c	RP Gupta (HUF)	1,652,293	0.85			-	0.00%		
d	Vikash Gupta	8,042,672	4.12			-	0.00%		
e	Sonu Gupta	3,889,631	1.99			-	0.00%		
f	Shilpi Gupta	2,278,027	1.17			-	0.00%		
g	Preeti Gupta	9,201,500	4.72			-	0.00%		
h	Anubha Gupta	5,275,120	2.71			-	0.00%		
i	Akash Gupta	1,0989,444	5.64			-	0.00%		
j	Promoters other than above from a to i	13,975	0.01	-	-	-	0.00%	13,975	0.01%
	Total 1 [a + b+ c+d + e + f + g + h + i + j]	**69,467,792**	**35.62%**	**(69,453,817)**	**(35.62%)**	**-**	**0.00%**	**13,975**	**0.01%**
2	**Acquirer and PACs**								
a	Acquirer	-	0.00%	69,453,817	35.62%	62,400,000	32.00%	131,853,817	67.62%
b	PAC 1	-	0.00%	-	0.00%	-	0.00%	-	0.00%
c	PAC 2	-	0.00%	-	0.00%	-	0.00%	-	0.00%
	Total 2 [a + b+ c]	**-**	**-**	**69,453,817**	**35.62%**	**62,400,000**	**26.00%**	**131,853,817**	**67.62%**

S. No.	Shareholder Category	Shareholding & voting rights prior to SPA and Offer		Shares or voting rights agreed to be acquired through the SPA		Shares/voting rights to be acquired in the Open Offer (assuming full acceptance)		Shareholding/voting rights after the acquisition and Offer	
		(A)		(B)		(C)		(A+B+C)(2)(3)	
		No.	% of Emerging Share Capital	No.	% of Emerging Share Capital	No.	% of Emerging Share Capital	No.	% of Emerging Share Capital
3	**Parties to the agreement other than those mentioned 1(A) and 2 above**	**-**	**0.00%**	**-**	**0.00%**	**-**	**0.00%**	**-**	**0.00%**
4	**Public (other than parties to agreement, Acquirer & PAC)**								
a	FIs/MFs/FIIs/Banks/SFIs/ Institutions	206,083	0.11%	-	0.00%	**(54,928,161)**	**(26.00%)**	**28,878,479**	**13.67%**
b	Others (1)	125,326,125	64.27%	-	0.00%				
	Total 4 [a + b]	**125,532,208**	**64.38%**	**-**	**0.00%**				
5	**Employee Benefit Trust**	**-**	**0.00%**	**-**	**0.00%**	**-**	**0.00%**	**-**	**0.00%**
	Grand Total [1+2+3+4+5]	**195,000,000**	**100.00%**	**-**	**0.00%**	**-**	**0.00%**	**195,000,000**	**100.00%**

Source: *Stock Exchanges. Pre-Offer Shareholding is as of 31 December 2016.*

Notes:

(1) Number of shareholders under public category as on December 31, 2016: 35,261

(2) Upon consummation of the transactions contemplated in the SPA, the Acquirer will acquire control over the Target Company and will become the promoter of the Target Company and the Sellers and other parties who are currently, members of the promoter group will cease to be the promoters of the Target Company in accordance with the provisions of and subject to such approvals required under Regulation 31A(5) of the LODR Regulations.

(3) In the event the Acquirer's stake in the Target Company after the completion of the Offer and acquisition under the SPA exceeds 75.00% of the equity share capital of the Target Company, the Acquirer will be under a statutory obligation to sell down their stake to 75.00% of the equity share capital of the Target Company in such manner and time permitted under the SCRR.

V. Offer Price and Financial Arrangements

Justification of Offer Price

80. The Offer is made pursuant to the execution of the SPA and in accordance with Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations.

81. The Equity Shares of the Target Company are listed on the BSE and CSE. The Target Company's trading status is shown as "Suspended" on the website of the CSE.

82. The trading turnover of the Equity Shares of the Target Company for the BSE from January 1 2016 to December 31, 2016, (12 calendar months preceding the calendar month in which the PA is made) are set forth below:

Stock Exchange	Number of Equity Shares traded (A)	Weighted average number of total Equity Shares of the Target Company (B)	Traded volume % (A/B)
BSE	103,445,861	187,546,448.09	55.16%

***Source**: CA certificate dated January 10, 2017 issued by Shah Gupta & Co., Chartered Accountants with firm registration number 109574W.*

83. Based on the above, the Equity Shares are frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations.

84. The Offer Price of Rs. 14.00 (Rupees fourteen only) per Equity Share is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations, being highest of the following:

Sl. No	Details	Rs.
1	The highest negotiated price per share of the Target Company (under the SPA) attracting the obligation to make a PA of this Offer	14.00
2	The volume weighted average price paid or payable by the Acquirer or PAC during the fifty two weeks immediately preceding the date of the PA	Not applicable(4)
3	The highest price paid or payable for any acquisition by the Acquirer or PAC during the twenty six weeks immediately preceding the date of the PA	Not applicable(4)
4	The volume weighted average market price of Equity Shares of the Target Company for a period of sixty trading days immediately preceding the date of the PA as traded on BSE, being the only stock exchange where the shares of the Target Company are traded, and where the shares are frequently traded.	10.35
5	Where the shares are not frequently traded, the price determined by the Acquirer and the Manager to Offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies; and	Not applicable (2)
6	The per equity share value computed under sub-regulation (5), if applicable.	Not applicable (3)

***Source**: CA certificate dated January 10, 2017 issued by Shah Gupta & Co., Chartered Accountants with firm registration number 109574W.*

Note:

1. *The equity shares of the Target Company are also listed on CSE. However, The Target Company's trading status is shown as "Suspended" on the website of the CSE.*
2. *Not applicable since the equity shares of the Target Company are frequently traded.*
3. *Not applicable since the acquisition is not an indirect acquisition.*
4. *Not applicable since the Acquirer or the PACs have not acquired any shares of the Target Company before the date of the PA.*
5. *The Offer Price would be revised in the event of any corporate actions like bonus, rights, split, etc, where the record date for effecting such corporate actions falls within 3 working days prior to the commencement of the tendering period of the Offer.*

85. In the event of an acquisition of the Equity Shares of the Target Company by the Acquirer and/or the PACs during the Offer period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer and/or the PACs shall not acquire any Equity Shares of the Target Company after the third (3rd) Working Day prior to the commencement of the Tendering Period of this Offer and until the expiry of the Tendering Period of this Offer. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, may also be done at any time prior to the commencement of the last three (3) working days before the commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations.

86. The Offer Price is subject to revisions pursuant to the SEBI (SAST) Regulations, if any, or at the discretion of the Acquirer and the PACs at any time prior to three (3) Working Days before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations.

87. In the event of such revision, the Acquirer and the PACs shall:

    i. make corresponding increase to the escrow amounts as more particularly set out in Part V – Financial Arrangements, of this DPS
    ii. make a public announcement in the same newspapers in which this DPS has been published; and
    iii. simultaneously with the issue of such announcement, inform the Stock Exchanges, SEBI and the Target Company at its registered office of such revision in accordance with the SEBI (SAST) Regulations.

88. If the Acquirer and/or the PACs acquire any Equity Shares during the period of twenty-six (26) weeks after the Tendering Period at a price higher than the Offer Price, then the Acquirer and/or the PACs shall pay the difference between the highest acquisition price and the Offer Price, to all Public Shareholders whose Equity Shares have been accepted in the Offer within sixty (60) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to the SEBI (Delisting of Equity Shares) Regulations, 2009 or open market purchases made in the ordinary course on the stock exchanges where the Equity Shares are traded, not being negotiated acquisition of Equity Shares whether by way of bulk deals, block deals or in any other form.

Financial Arrangements

89. The total funding requirement for this Offer is Rs. 873,600,000 (Rupees eight hundred seventy three million six hundred thousand only), assuming full acceptance of this Offer ("**Offer Consideration**").

90. In addition, in accordance with Regulation 17(4) of the SEBI (SAST) Regulations, the Acquirer, the Manager to the Offer and ICICI Bank Limited, having its registered office at ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodara, 390 007, Gujarat ("**Escrow Bank**") have entered into an escrow agreement on January 12, 2017 ("**Escrow Agreement**"). Pursuant to the Escrow Agreement, the Acquirer has established an escrow account under the name and title of "Shiva Cement Limited – Open Offer Escrow Account" ("**Escrow Account**") with the Escrow Bank and has made a cash deposit of Rs. 218,400,000 (Rupees two hundred and eighteen million four hundred thousand only) in the Escrow Account in accordance with the Regulation 17(1) of the SEBI (SAST) Regulations, which is twenty five (25) per cent of the Offer Consideration. The cash deposit has been confirmed pursuant to a confirmation letter dated January 12, 2017 issued by the Escrow Bank. The Manager to the Offer has been authorized by the Acquirer to operate the Escrow Account in accordance with the SEBI (SAST) Regulations.

91. In case of any upward revision in the Offer Price or the Offer Size, corresponding increase to the escrow amounts as mentioned above in this Part shall be made by the Acquirer and/or PACs in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.

92. Shah Gupta & Co, Chartered Accountants, have, vide their certificate dated January 10, 2017 has certified, on the basis of cash and bank balances of the Acquirer, that the Acquirer and PACs have firm financial arrangements through verifiable means to meet their payment obligations under the Offer.

93. Based on the above and undertakings from the Acquirer and PACs, the Manager to the Offer is satisfied that firm financial arrangements have been put in place by the Acquirer and PACs to fulfill their obligations in relation to this Offer through verifiable means in accordance with the SEBI (SAST) Regulations.

VI. Terms and Conditions of the Offer

94. This Offer is being made by the Acquirer and the PACs to all the Public Shareholders, whose names appear in the register of members of the Target Company as of the close of business on the Identified Date; (ii) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories, as of the close of business on the Identified Date; and (iii) those persons who acquire the Equity Shares any time prior to the date of the closure of the Tendering Period for this Offer, but who are not the registered Public Shareholders.

95. This Offer is being made by the Acquirer and the PACs to all the Public Shareholders to acquire up to 62,400,000 Equity Shares, representing 32.00% of the Emerging Share Capital, subject to the terms and conditions mentioned in the PA, the DPS, the DLoF and the Letter of Offer.

96. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations.

97. This Offer is being made in compliance with regulations 3(1) and 4 of the SEBI (SAS) Regulations and is being made as a result of an agreement for a direct acquisition of Equity Shares and voting rights pursuant to the SPA. This Offer is not a competing offer under Regulation 20 of the SEBI (SAST) Regulations.

98. There has been no revision in the Offer Price as of the date of this DLoF. Further revisions in the Offer Price for any reason including competing offers shall be done prior to the commencement of the last three (3) Working Days before the commencement of the Tendering Period and will be notified to the Public Shareholders by (i) notification to the Stock Exchanges, SEBI and the Target Company at its registered office, and (ii) public announcement in the same newspapers in which the DPS has been published. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations.

99. The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgment constitute an integral part of the terms and conditions of this Offer.

100. Accidental omission to dispatch the Letter of Offer to any Public Shareholder to whom this Offer has been made or non-receipt of the Letter of Offer by any such Public Shareholder shall not invalidate this Offer in any way. The Public Shareholders can write to the Registrar to the Offer/Manager to the Offer requesting for the Letter of Offer along with Form of Acceptance-cum-Acknowledgement and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the date of closing of Tendering Period. Alternatively, the Letter of Offer along with the Form of Acceptance cum Acknowledgement would also be available at SEBI's website, www.sebi.gov.in, and the Public Shareholders can also apply by downloading such forms from the website.

101. Each Public Shareholder to whom this Offer is being made is free to offer the Equity Shares in whole or in part while accepting this Offer.

102. The Public Shareholders who tender their Equity Shares in this Offer shall ensure that the Equity Shares are free and clear from all liens, charges and encumbrances. The Acquirer / PACs shall acquire the Equity Shares that are validly accepted in this Offer, together with all rights attached thereto, including the rights to dividends, bonuses and rights offers declared thereon.

103. The acceptance of this Offer is entirely at the discretion of the Public Shareholders. The Acquirer / PACs will not be responsible for any loss of share certificate(s) and the Offer acceptance documents during transit and the Public Shareholders are advised to adequately safeguard their interests in this regard.

104. The acceptance of this Offer must be unconditional, absolute and unqualified and should be sent with the attached Form of Acceptance-cum-Acknowledgement duly filled in (for Public Shareholder(s) holding Equity Shares in physical mode), signed by the Public Shareholder(s), which should be received by the Registrar to the Offer/Clearing Corporation not later than two days from the date of closure of the Tendering Period. In the event any change or modification is made to the Form of Acceptance-cum-Acknowledgement or if any condition is inserted therein by a Public Shareholder, the Manager to the Offer and the Acquirer/PACs reserve the right to reject the acceptance of this Offer by such Public Shareholder.

105. The Public Shareholders who have accepted this Offer by tendering their Equity Shares and requisite documents in terms of the PA, the DPS and the Letter of Offer are **not** entitled to withdraw such acceptance during the Tendering Period for this Offer.

106. In the event that the aggregate of the Equity Shares tendered in this Offer by the Public Shareholders are more than the Offer Size, the acquisition of the Equity Shares from each Public Shareholder will be on a proportionate basis.

107. To the best of the knowledge of the Acquirer and the PACs, there are no Equity Shares which are subject to any lock-in conditions.

108. Incomplete Forms of Acceptance-cum-Acknowledgement, if applicable, including non-submissions of necessary enclosures, if any, are liable to be rejected. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the Equity Shares tendered are liable to be rejected.

109. The share certificates or other documents should not be sent to the Acquirer or PACs or the Target Company

110. Certain Equity Shares of the Target Company are subject to lock-in. The Equity Shares may be acquired under the Open Offer and the residual lock-in period, if any, shall continue in the hands of the Acquirer. There shall be no discrimination between the acceptance of locked-in and non-locked-in Equity Shares.

Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation, are liable to be rejected if directions/orders are passed regarding the free transferability of such Equity Shares tendered under the Open Offer prior to the date of closure of the Tendering Period.

Statutory and other approvals

111. As on the date of this DPS, to the best of the knowledge of the Acquirer and the PACs, for the Acquirer and/or the PACs to complete this Offer and to complete the underlying transaction pursuant to the SPA:

    (a) there are no statutory approvals required by the Acquirer and PACs. However, in case if any statutory approvals are required by the Acquirer at a later date before the closure of the Tendering Period, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such statutory approvals. In the event of non-receipt of any of the statutory approvals, the Acquirer shall have the right to withdraw the Offer in the accordance with the provisions of Regulation 23(1) of the SEBI (SAST) Regulations.; and

    (b) the Open Offer and the underlying transaction pursuant to the SPA are also subject to the satisfaction of certain conditions precedent, *inter alia*: (a) the receipt of prior written approval from Tata Capital Financial Services Limited being one of the lenders of the Target Company (which approval is considered to be outside the reasonable control of the Acquirer and PACs); and (b) there being no judicial order pronounced by any court of law (i) against the transaction; or (ii) preventing transfer of the Sale Shares to the Acquirer. Pursuant to Regulation 23(1)(c) of the SEBI (SAST) Regulations, the Acquirer has the right to withdraw the Offer if any condition stipulated in the SPA is not met for reasons outside the reasonable control of the Acquirer and pursuant to which the SPA is rescinded, provided that such conditions are specifically disclosed in the DPS and the Letter of Offer proposed to be issued in accordance with the SEBI (SAST) Regulations.

In the event of withdrawal of this Offer pursuant to non-satisfaction of conditions precedent for reasons outside the reasonable control of the Acquirer and the SPA being rescinded, a public announcement will be made within two (2) working days of such withdrawal, in the same newspapers in which this DPS has been published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.

112. In case of delay in receipt of any statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that delay in receipt of the requisite statutory approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirer and/or the PACs to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay interest to the Public Shareholders for such delay at such terms and conditions as may be specified by SEBI.

113. The acquisition of the Equity Shares tendered by Non-Resident Indian (the "**NRIs**") and Overseas Corporate Bodies (the "**OCBs**") are subject to approval/exemption, if applicable, from the RBI. NRI and OCB holders of Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them pursuant to this Offer (including without limitation, the approval from the RBI or Foreign Investment Promotion Board, India (the "**FIPB**")) and submit such approvals, along with the other documents required in terms of the Letter of Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, QFIs and FIIs) had required any approvals (including from the RBI or FIPB) in respect of the Equity Shares held by them, they will be required to submit the previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them pursuant to this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and/or the PAC reserve the right to reject such Equity Shares tendered in this Offer.

VII. Procedure for Acceptance and Settlement of the Offer

114. The Offer will be implemented by the Acquirer and/or the PACs, subject to applicable law, through the Stock Exchange mechanism made available by BSE as provided under the SEBI (SAST) Regulations and SEBI Circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 issued by SEBI. A separate window on the stock exchange ("**Acquisition Window**") would be provided by BSE for this purpose.

115. BSE will be the designated Stock Exchange for the purpose of tendering the Shares under the Offer.

116. The Acquirer and the PACs have appointed JM Financial Services Limited ("**Buying Broker**") as its broker for the Offer through whom the purchase and settlement of the Shares under the Offer will be made. The contact details of the Buying Broker are:

JM Financial Services Limited
5th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025
Tel: +91 22 6630 3030
Fax: +91 22 6630 3330
Contact Person: Ms Prachee Dhuri

117. All Public Shareholders who desire to tender their Equity Shares under the Offer would have to intimate their respective stock brokers ("**Selling Broker**") within the normal trading hours of the secondary market during the Tendering Period.

118. Separate Acquisition Window will be provided by BSE to facilitate placing of sell orders. The Selling Brokers can enter orders for demat Equity Shares as well as physical Equity Shares.

119. The cumulative quantity tendered shall be displayed on the Stock Exchange website throughout the trading session at specific intervals by the Stock Exchange during the Tendering Period.

120. Public Shareholders can tender their Equity Shares only through a broker with whom the Public Shareholder is registered as a client (KYC compliant).

<u>Public Shareholders who are holding Equity Shares in physical form:</u>

121. The Public Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach the Selling Broker and submit the complete set of documents for verification procedure as mentioned below:

    (a) Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by sole/joint Public Shareholder(s) whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company;

    (b) Original share certificate(s);

    (c) valid share transfer deed(s) duly signed as transferor(s) by the sole/joint Public Shareholder(s) in the same order and as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place;

    (d) self-attested PAN card copy (in case of joint holders, PAN card copy of all transferors);

    (e) any other relevant document such as power of attorney, corporate authorization (including board resolution/specimen signature);

    (f) self-attested copy of address proof such as valid adhaar card, voter ID, passport or driving license.

122. The Selling Broker(s) should place bids on the exchange platform with relevant details as mentioned on physical share certificate(s). The Seller Broker(s) to print the Transaction Registration Slip ("**TRS**") generated by the Stock Exchange bidding system. TRS will contain the details of order submitted like Folio No., Certificate No., Dist. No., No. of Shares, etc.

123. The Seller Broker/ Public Shareholder has to deliver the physical share certificates and documents along with Form of Acceptance-cum-Acknowledgement and TRS to the Registrar to the Offer within two days of bidding by Seller Broker and not later than two days from the date of closure of the Tendering Period.

124. Public Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical shares in the Offer shall be subject to verification by Registrar to the Offer. On receipt of the confirmation from Registrar to the Offer, the bid will be accepted, else rejected, and accordingly the same will be depicted on the exchange platform.

125. In case any person has submitted Equity Shares in physical form for dematerialization, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Offer.

126. Unaccepted Equity Shares shall be returned to the respective Public Shareholder.

<u>Public Shareholders who are holding Equity Shares in dematerialized form:</u>

127. The Public Shareholders who are holding the Equity Shares in demat form and who desire to tender their Equity Shares in this Offer shall approach the Selling Broker(s) indicating to their broker the details of Equity Shares they intend to tender in the Offer.

128. The Selling Broker shall provide early pay-in of demat Equity Shares (except for custodian participant orders) to the Clearing Corporation before placing the bids/orders and the same shall be validated at the time of order entry.

129. For custodian participant, orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than close of trading hours on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.

130. The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by BSE/Clearing Corporation, before the opening of the Offer.

131. Upon placing the bid, the Selling Broker(s) shall provide the TRS generated by the exchange bidding system to the Public Shareholder. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, No. of Shares tendered, etc.

132. The Public Shareholders will have to ensure that they keep the depository participant account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Offer.

The Public Shareholders holding shares in demat mode are not required to fill any Form of Acceptance-cum-Acknowledgement. Public Shareholders holding Equity Shares in physical mode will be required to fill the respective Form of Acceptance-cum-Acknowledgement. Public Shareholders holding Equity Shares in physical mode will be sent Form of Acceptance-cum-Acknowledgement along with the Letter of Offer. Detailed procedure for tendering such Equity Shares will be included in the Form of Acceptance-cum-Acknowledgement. Form of Acceptance-

cum-Acknowledgement will not be sent to the Public Shareholders holding Equity Shares in demat mode.

133. Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines. In the event that the number of Equity Shares (including demat shares and physical shares) validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot.

134. Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected in this Offer. Equity Shares that are the subject of litigation, wherein the Public Shareholders may be prohibited from transferring their Equity Shares during the pendency of the said litigation, are liable to be rejected, if the directions/orders regarding these Equity Shares are not received together with the Equity Shares tendered in this Offer. The Letter of Offer, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

Procedure for tendering the Shares in case of non-receipt of Letter of Offer:

135. Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.

136. A Public Shareholder may participate in the Offer by approaching their broker/Selling Broker and tender Shares in the Offer as per the procedure mentioned in the Letter of Offer or in the relevant Acceptance Form.

137. The Letter of Offer will be dispatched to all the eligible Public Shareholders of the Target Company. Public Shareholders holding Equity Shares in physical mode will be sent Form of Acceptance-cum-Acknowledgement along with the Letter of Offer. In case of non-receipt of the Letter of Offer, such eligible Public Shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company.

138. The Letter of Offer along with the Form of Acceptance-cum-Acknowledgement would also be available at SEBI's website, www.sebi.gov.in, and shareholders can also apply by downloading such forms from the said website.

Settlement Process

139. On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list shall be provided to the Stock Exchanges to facilitate settlement on the basis of Shares transferred to the Clearing Corporation.

140. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market. Selling Broker(s) should use the settlement number to be provided by the Clearing Corporation to transfer the shares in favour of Clearing Corporation.

141. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the escrow account which will be opened by the Acquirer.

142. In case of partial or non-acceptance of orders or excess pay-in, demat shares shall be released directly to the Public Shareholders.

143. The Seller Broker(s) would then issue contract note for the shares accepted in the Offer.

144. Any excess physical shares, to the extent tendered but not accepted, will be returned back to the Public Shareholder(s).

Settlement of Funds/Payment Consideration

For Shareholders holding Equity Shares in demat and physical mode

145. The settlement of fund obligation for demat and physical shares shall be effected directly by the Clearing Corporation

146. The payment will be made by the Buying Broker for settlement. For Equity Shares accepted under the Offer, the Public Shareholder will receive funds payout in their settlement bank account.

147. The funds received from Buyer Broker by the Clearing Corporation will be released directly, to Public Shareholder.

148. Public Shareholders who intend to participate in the Offer should consult their respective Seller Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Broker upon the Public Shareholders for tendering Equity Shares in the Offer (secondary market transaction). The Acquirer or the PAC accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholder.

149. In light of the Circular No. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 issued by SEBI, the procedure for acceptance and settlement of the Offer may be revised in accordance with the directions / instructions issued by the Stock Exchanges.

VIII. Tax Provisions

A. Capital Gains

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than twelve (12) months will not be subject to capital gains tax in India if Securities Transaction Tax ("**STT**") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold.

Further, any gain realised on the sale of listed equity shares held for a period of twelve (12) months or less, which are sold will be subject to short term capital gains tax and STT

B. Business Income

Under current Indian tax laws and regulations, income arising from the sale of equity shares in an Indian company may be taxable in India as income from business, depending on the Public Shareholder.

C. Tax deduction at source

For Shareholders holding Equity Shares in physical mode:

i) In case of Resident Public Shareholders:

a) There would be no deduction of tax at source from the consideration payable in respect of the transfer of Equity Shares by a resident Public Shareholder. Such resident Public Shareholder will be liable to pay tax on their income as per the provisions of the Act as applicable to them.

b) In case of Interest payment (if any) for delay in payment of Offer consideration or a part thereof, if any, all resident Public Shareholders will be required to submit a certificate for deduction of tax at nil/lower rate from the income tax authorities under Section 197 of the Act, indicating the amount of tax to be deducted by the Acquirer and / or the PAC before remitting the consideration for interest payments, if any, by the Acquirer and / or the PAC. The Acquirer and / or the PAC will deduct taxes at source in accordance with such Certificate for Deduction of Tax at Nil/Lower Rate.

c) In an event of non-submission of Certificate for Deduction of Tax at Nil/Lower Rate, the Acquirer and / or the PAC will deduct tax at the rates prescribed under Section 194A of the Act as may be applicable to the relevant category to which the Public Shareholder belongs under the Act on the consideration payable as interest to such Public Shareholder.

d) All resident Public Shareholders shall submit a self-attested copy of their PAN card for income tax purposes. In case copy of the PAN card is not submitted or is invalid or does not belong to the Public Shareholder, Acquirer and / or the PAC will deduct tax at the rate of 20% (including surcharge and cess) (as provided under Section 206AA of the Act) or the rate, as may be applicable to the category of the Public Shareholder under the Act, whichever is higher on the amount payable as interest to such resident Public Shareholder.

e) Notwithstanding anything contained in clauses (b) to (d) above, no deduction of tax shall be made at source by the Acquirer and / or the PAC where (i) the total amount of interest payable (for delay in payment of Offer consideration or otherwise), if any, to a resident Public Shareholder does not exceed INR 5,000 during the financial year or (ii) where a self-attested declaration as per Section 197A of the Act in Form 15G or Form 15H (as per Rule 29C of the Income Tax Rules, 1962), as may be applicable, and duly executed, has been furnished to the Acquirer and / or the PAC or (iii) interest being paid, if any, to an entity specified under Section 194A(3)(iii) of the Act if it submits a self- attested copy of the relevant registration or notification. The self-attested declaration in Form 15G and

Form 15H will not be regarded as valid unless the resident Public Shareholder has furnished its PAN in such declaration.

ii) In the case of Non Resident Public Shareholders:

As per the provisions of Section 195(1) of the Act any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable) at the applicable rate as per the Act.

a) For the purpose of remittance of funds on tendering of Equity Shares under the Open Offer, Non-Resident Indians ("**NRIs**"), Overseas Corporate Bodies ("**OCBs**"), and other non-resident Public Shareholders (excluding FIIs) will be required to submit Certificate for Deduction of Tax at Nil/Lower Rate from the income tax authorities under Section 195(3) or Section 197 of the Act, indicating the amount of tax to be deducted by the Acquirer and / or the PAC before remitting the consideration. The Acquirer and / or the PAC will arrange to deduct taxes at source in accordance with such Certificate for Deduction of Tax at Nil/Lower Rate.

b) In an event of non-submission of certificate for deduction of tax at nil/lower rate, tax will be deducted at the maximum marginal rate as may be applicable to the relevant category to which the Public Shareholder belongs, on the entire consideration amount payable to the Public Shareholders, by the Acquirer and / or the PAC.

c) The Acquirer and / or the PAC will not take into consideration any other details and documents (including self certified computation of tax liability or the computation of tax liability certified by any tax professionals including a chartered accountant, etc.) submitted by the Public Shareholder for deducting a lower amount of tax at source. NRIs, OCBs and other non-resident Public Shareholders (excluding FIIs) holding Equity Shares as capital asset will be required to certify the period of its holding (i.e., whether Equity Shares are held for more than twelve (12) months) of Equity Shares.

d) In case of interest payments, if any, by the Acquirer and / or the PAC for delay in payment of Offer consideration or a part thereof, if any, the NRIs, OCBs, and other non-resident Public Shareholders (excluding FIIs) will be required to submit a NOC or Certificate for Deduction of Tax at Nil/Lower Rate from the income tax authorities under the Act indicating the amount of tax to be deducted by the Acquirer and / or the PAC before remitting the consideration. The Acquirer and / or the PAC will arrange to deduct taxes at source in accordance with such NOC or certificate for deduction of tax at nil/lower rate.

e) In an event of non-submission of NOC or certificate for deduction of tax at nil/lower rate , the Acquirer and / or the PAC will deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the Public Shareholder belongs under the Act on the entire amount payable as interest to such Public Shareholder.

f) All NRIs, OCBs and other non-resident Public Shareholders (excluding FIIs) are required to submit a self-attested copy of their PAN card for income tax purposes. In case copy of the PAN card is not submitted or is invalid or does not belong to the Public Shareholder, the Acquirer and / or the PAC will deduct tax at the rate of 20% (as provided under

Section 206AA of the Act) or the rate, as may be applicable to the category of the Public Shareholder under the Act, whichever is higher.

g) Any NRIs, OCBs and other non-resident Public Shareholders (excluding FIIs) claiming benefit under any DTAA between India and any other foreign country / specified Territory should furnish the 'Tax Residence Certificate' provided to him/it by the Government of such other foreign country / specified Territory of which it claims to be a tax resident and a self-attested declaration stating that it does not have a business connection in India as defined in Explanation 2 to Section 9(1)(i) of the Act (along with the provisos thereto) or a permanent establishment in India, in terms of Section 92F of the Act as well as the DTAA entered between India and the foreign country/ specified Territory of its tax residence. Further, the Public Shareholder will be required to furnish such other documents and information as prescribed in terms of Section 90(5) or Section 90A(5) of the Act to furnish prescribed additional information in the prescribed form (Form 10F). In the absence of such TRC/certificates/declarations/ information/documents, the Acquirer and/or the PAC will arrange to deduct tax in accordance with the provisions of the Act and without having regard to the provisions of any DTAA.

For Shareholders holding Equity Shares in physical mode:

i) In case of Resident Public Shareholders:

In the absence of any specific provision under the Act, the Acquirer shall not deduct tax on the consideration payable to resident Public Shareholders pursuant to the said Open Offer.

ii) In the case of Non Resident Public Shareholders:

In case of Non-Resident Public Shareholders – the Acquirer or the PAC will deduct income-tax at source at the applicable rates under the Income Tax Act on the consideration payable to non-resident Public Shareholders pursuant to the Offer.

iii) Interest Payment

In case of interest payments, if any, by the Acquirer for delay in payment of Open Offer consideration or a part thereof, the Acquirer will deduct taxes at source at the applicable rates as per the Income Tax Act on such interest, to be paid for delay in payment of Open Offer consideration.

D. Others

a) The tax implications are based on provisions of the Act as amended up to Finance Act, 2016.

b) Notwithstanding the details given above, all payments will be made to Public Shareholders subject to compliance with prevailing tax laws.

c) The tax deducted by the Acquirer and / or the PAC while making payment to a Public Shareholder may not be the final tax liability of such Public Shareholder and shall in no way discharge the obligation of the Public Shareholder to appropriately disclose the amounts received by it, pursuant to this Offer, before the income tax authorities.

d) The Acquirer and / or the PAC and the Manager do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.

e) The Acquirer and / or the PAC shall deduct tax (if required) as per the information provided and representation made by the Public Shareholders. In an event of any income-tax demand (including interest, penalty etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the Public Shareholders, such Public Shareholders will be responsible to pay such income-tax demand under the Act and provide the Acquirer and / or the PAC with all information/documents that may be necessary and co-operate in any proceedings before income tax / appellate authority in India.

PUBLIC SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR TAX TREATMENT ARISING OUT OF THE PROPOSED OFFER THROUGH TENDER OFFER AND APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE ACQUIRER OR THE PAC DOES NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY PUBLIC SHAREHOLDER AS A REASON OF THIS OFFER.

VIII. Documents for Inspection

Copies of the following documents will be available for inspection to the Public Shareholders at the office of the Manager to the Offer at JM Financial Institutional Securities Limited, 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, India on any Working Day, *i.e.* Monday to Friday and not being a bank holiday in Mumbai, between 10:30 a.m. to 5:00 p.m. from the date of opening of the Offer until the closure of the Offer:

1. Certified true copies of the certificate of incorporation and memorandum and articles of association of the Acquirer and PACs;

2. Copy of the SPA which triggered the Open Offer;

3. Audited financial statements pertaining to the Acquirer for the period ending March 31, 2016, March 31, 2015 and March 31, 2014 along with certificate from Shah Gupta & Co, Chartered Accountants dated January 13, 2017, certifying the financials;

4. Audited financial statements pertaining to PAC 1 for the period ending March 31, 2016, March 31, 2015 and March 31, 2014 along with certificate from Devendra Goyal & Associates, Chartered Accountants dated January 12, 2017, certifying the financials;

5. Audited financial statements of the PAC 2 for the period ending March 31, 2016, March 31, 2015 and March 31, 2014 along with certificate from Shah Gupta & Co, Chartered Accountants dated January 16, 2017, certifying the financials;

6. Audited annual reports and financial statements of the Target Company for the period ended March 31, 2016, March 31, 2015 and March 31, 2014;

7. Copy of the certificate from Shah Gupta & Co, Chartered Accountants dated January 10, 2017, certifying the adequacy of financial resources of the Acquirer to fulfil its Offer obligations;

8. Copy of Share Escrow Agreement between the Acquirer, Sellers and ICICI Bank Limited

9. Copy of the Escrow Agreement dated January 12, 2017 between the Acquirer, Manager to the Offer and ICICI Bank Limited ;

10. Copy of the confirmation dated January 12, 2017 from ICICI Bank Limited, confirming the cash balance in the Cash Escrow Account;

11. Copy of the Public Announcement dated January 10, 2017, published copy of the DPS dated January 17, 2017 and the Offer opening advertisement dated [●];

12. Copy of the recommendation dated [●] made by the committee of the independent directors of the Target Company;

13. Copy of the letter number [●] from SEBI dated [●] containing its observations on the DLoF; and

IX. Declaration by the Acquirer and the PACs

For the purpose of disclosures in this DLoF the Acquirer and the PACs accept full responsibility for the information contained in this DLoF (other than such information as has been obtained from public sources or provided or confirmed by the Target Company).

The Acquirer and the PACs also accept full responsibility for their obligations under the Offer and shall be severally and jointly liable for ensuring compliance with the SEBI (SAST) Regulations.

Signed for and on behalf of JSW Cement Limited

Sd/-

Authorized Signatory

Signed for and on behalf of Sun Investments Private Limited

Sd/-

Authorized Signatory

Signed for and on behalf of Reynold Traders Private Limited

Sd/-

Authorized Signatory

Place: Mumbai

Date: January 24, 2017