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निर्गम एवं सूचीबद्धता प्रभाग Division of Issues and Listing – 2
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भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

SEBI/HO/CFD/RAC/DIL2/P/OW/2023/44286/1

November 02, 2023

JM Financial Limited

7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai- 400025.

Kind Attention: Ms. Prachee Dhuri

Sir.

**Sub: Clarification sought for proposed Rights Issue of Shiva Cements Limited (SCL/
the Company/issuer)**

With reference to the Draft Letter of Offer of the captioned Rights Issue, filed with SEBI, you are advised to clarify on the following points:

- A. LM is advised to disclose whether any action has been taken / is pending against the promoter / promoter group/ director of the issuer / Group Companies etc. by any regulatory authority in India or overseas.
- B. LM is advised to ensure that all the cross references given in the offer document are correct, leading to the exact page. LM may provide the exact risk factor number along with giving cross referencing of the page number.
- C. LM is advised to refrain from using superlative adjectives. If needed, the same shall be quantified and qualified with proper references.
- D. LM is advised to make necessary disclosures and statements in respect of show cause notices issued by SEBI to the promoters, and disclose possible adverse impact of an order against the promoters.
- E. FORWARD LOOKING STATEMENTS
It may be noted that point (e) under Instructions of Part A of Schedule VI of ICDR Regulations, 2018, states that the offer document should not make any forward looking statements that cannot be substantiated. In view of the same, you are advised to confirm and explain compliance with aforesaid provision with respect to all such forward looking statements made in the DRHP.
- F. LM is advised that the cover page shall be in conformity with the advised font sizes.

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सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बांद्रा-कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051.
दूरभाष : 2644 9950 / 4045 9950 (आई.वी.आर.एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in

SEBI Bhavan, Plot No. C4-A , "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.
Tel : 2644 9950 / 4045 9950 (IVRS), 2644 9000 / 4045 9000 Fax : 2644 9019 to 2644 9022 Web : www.sebi.gov.in

G. Page 16: Footnote – Our company has entered...: LM is advised to explain whether such adjustments of outstanding loans from promoters against payable share application money, is compliant with the extant rules and regulations. The footnote as disclosure shall be included at all the relevant places such as *Minimum Subscription (page 49)* etc.

H. RISK FACTORS

1. LM is advised that Financial Risk and Operational Risk shall be suitably corroborated with appropriate ratios.
2. LM is advised to provide number of instances for the disclosed financial period for each of the RFs pertaining to event based Risks. LM is advised to disclose as a negative qualifying statements for such RFs wherein the issuer has not faced the risk during the financial period under disclosure.
3. LM is advised to ensure that RFs are suitably substantiated with relevant representation (Like Geographic, Demographic, Business segment, Concentration etc).
4. LM is advised to ensure that data sets are represented under suitable forms, such as tabular, graphical etc.
5. Risk Factor 1 –
LM is advised to replace *overhaul* with *expansion*.
LM is advised to disclose the date of disclosure made on the exchanges on the arrangement made with JCL for purchase up to 1.00 lakh MT.
LM is further advised to disclose the total capacity of the expanded capabilities and % sales to JCL under arrangement.
6. Risk Factor 3 – LM is advised to disclose the revenue from trial operation.
7. Risk Factor 7: LM is advised to disclose the pre & post expansion capacities of the plant. The disclosure shall be incorporated at all relevant places.
8. Additional Risk Factor – LM is advised to disclose as additional RF, the proposed adjustment of outstanding loans from promoters against the share application money payable.
LM is also advised to disclose the material terms and conditions of the loans from the promoters.
9. Additional RF – LM is advised to disclose the aforesaid adjustment as against the objects of the issue.

I. OBJECTS OF THE ISSUE

1. Para Head – *Requirement of funds and utilisation of net proceeds:* LM is advised separately loans to be repaid to promoters and other lenders. LM is advised to disclose
2. LM is advised to disclose the purposes for which loan was undertaken from the promoters, considering the loan was availed recently on September 30, 2023.

J. INDUSTRY OVERVIEW

1. LM is advised to avoid using the following paragraph (including content of similar nature) in the Offer document - "Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy, adequacy, completeness or underlying assumptions are not guaranteed and their reliability cannot be



assured". It may be mentioned that, in terms of Regulation 70(3) of SEBI (ICDR) Regulations, 2018, it is obligatory on the Lead Manager to perform necessary due diligence on the entire draft offer document, including the information provided under Industry Reports; and to ensure that the information provided in the DLOF is current, reliable and complete in all aspects, before submitting the offer document to SEBI.

K. You are requested to provide the replies to the above clarification within 5 working days from the date of receipt of this letter.

भवदीया

Yours faithfully,

Abhishek
Abhishek Ranjan