



सहायक प्रबंधक Assistant Manager  
RAC-निर्गम एवं सूचीबद्धता प्रभाग-1/RAC-Division of Issues and Listing-1  
निगम वित्त विभाग/Corporation Finance Department  
दूरभाष सं./Phone: +91 22 2644 9704  
ई-मेल/Email: [abhishekra@sebi.gov.in](mailto:abhishekra@sebi.gov.in)

February 02, 2024

SEBI/HO/CFD/RAC-DIL2/P/OW/2024/4901/1

**JM Financial Limited**

7<sup>th</sup> Floor, Cnergy,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai- 400025.

**Kind Attention: Shri Gitesh Vargantwar**

Madam / Sir,

**Sub: Proposed Rights Issue of Shiva Cements Limited**

1. उपरोक्त से संबंधित प्रारूप प्रस्ताव दस्तावेज (DLOF), भारतीय प्रतिभूति और विनियम बोर्ड (सेबी) द्वारा मांगे गए स्पष्टीकरणों और उसके संबंध में दिए गए उत्तरों के संदर्भ में, यह सूचित किया जाता है कि इनकी जांच करने पर यह पाया गया है कि इनमें कमियाँ हैं / भारतीय प्रतिभूति और विनियम बोर्ड [पूँजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ] विनियम, 2018 [सेबी (इश्यू ऑफ कैपिटल एंड डिस्क्लोजर रिक्वायरमेंट्स) रेग्यूलेशन्स, 2018] के प्रावधानों और दिए गए अनुदेशों का पालन नहीं किया गया है, और आपके लिए यह जरूरी है कि आप स्टॉक एक्सचेंज और / या कंपनी रजिस्ट्रार के पास प्रस्ताव दस्तावेज दाखिल करने से पहले उन कमियों को दूर करें और संबंधित प्रावधानों तथा दिए गए अनुदेशों का पालन करें। उपरोक्त के संबंध में की गई टिप्पणियों का और जिन शर्तों आदि का पालन किया जाना है, उनका जिक्र संलग्नक 'I' और संलग्नक 'II' में किया गया है। कृपया यह भी नोट करें कि संलग्नक में जो कमियाँ बताई गई हैं / कुछ और प्रकटीकरण (डिस्क्लोजर) करने की बात कही गई है, यह सब आपको केवल उदाहरण के तौर पर ही बताया गया है। यह सुनिश्चित करने की जिम्मेदारी आपकी है कि सभी और सही प्रकटीकरण किए जाएं।

With reference to the draft letter of offer (DLOF) in respect of captioned issue, clarifications sought by SEBI and the replies submitted therein, it is stated that on scrutiny of the same, deficiencies / instances of non-compliance of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to as SEBI (ICDR) Regulations, 2018) and instructions have been observed, which are required to be rectified / complied with by you before filing the offer document with the Stock Exchange and/ or ROC. Observations on the captioned issue and other conditions to be complied with are indicated in Annexure 'I' and 'II'. It may be noted that the deficiencies / requirement of additional disclosures listed in the Annexure are merely illustrative and not exhaustive. It is your responsibility to ensure full and true disclosures.

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- बुक रनिंग लीड मैनेजर होने के नाते, आप यह सुनिश्चित करेंगे कि स्टॉक एक्सचेंज / कंपनी रजिस्ट्रार के पास प्रस्ताव दस्तावेज दाखिल करने से पहले संलग्नक में दी हुई टिप्पणियों / शर्तों आदि के अनुसार प्रस्ताव दस्तावेज में बदलाव कर लिए जाएं। कंपनी रजिस्ट्रार / स्टॉक एक्सचेंज के पास अंतिम प्रस्ताव दस्तावेज दाखिल करने से पहले आपको हमें एक पत्र भेजकर इस बात की पुष्टि करनी होगी कि अपेक्षानुसार बदलाव कर लिए गए हैं और साथ ही यह भी बताना होगा कि प्रत्येक टिप्पणी / शर्त आदि के अनुसार बदलाव कैसे किए गए हैं। **इसके अलावा और कोई भी बदलाव सेबी से लिखित सहमति लिए बिना नहीं किए जाएंगे।**

As Book Running Lead Manager (LM), you shall ensure that all changes are effected based on the observations / conditions contained in the Annexure before you file the offer document with the stock Exchange / ROC. A letter confirming these changes and explaining, in seriatim, the manner in which each observation / condition has been dealt with along with your comments should be submitted to us before you file the final offer document with ROC / Stock Exchange. **NO FURTHER CHANGES SHOULD BE EFFECTED WITHOUT SPECIFIC WRITTEN CONSENT OF SEBI.**

- यह स्पष्ट किया जाता है कि भारतीय प्रतिभूति और विनियम बोर्ड (सेबी) के पास प्रस्ताव दस्तावेज (ऑफर डॉक्यूमेंट) दाखिल करने का अर्थ किसी भी तरह से यह न लगाया जाए कि सेबी द्वारा इसे मंजूरी प्रदान कर दी गई है। सेबी न तो इस बात की कोई जिम्मेदारी लेता है कि जिस स्कीम या परियोजना (प्रोजेक्ट) के लिए निर्गम (इश्यू) लाए जाने का प्रस्ताव है उसकी वित्तीय स्थिति अच्छी है और न ही इस बात की जिम्मेदारी लेता है कि प्रस्ताव दस्तावेज में दी गई जानकारी या व्यक्त की गई राय सही है। अग्रणी प्रबंधकों (लीड मैनेजर्स) ने यह प्रमाणित किया है कि प्रस्ताव दस्तावेज में जो प्रकटीकरण (डिस्क्लोज़र) किए गए हैं वे मोटे तौर पर पर्याप्त हैं और जो प्रकटीकरणों (डिस्क्लोज़र) तथा निवेशक संरक्षण के संबंध में उस समय लागू सेबी के विनियमों के प्रावधानों के अनुसार किए गए हैं। अग्रणी प्रबंधक यह भी सुनिश्चित करेंगे कि ऐसा भारतीय प्रतिभूति और विनियम बोर्ड [पंजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ] विनियम, 2018 [सेबी (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिक्वायरमेंट्स) रेग्यूलेशन्स, 2018] के अनुसार भी किया जाए। ऐसा करना इसलिए जरूरी है, ताकि निवेशक प्रस्तावित निर्गम (इश्यू) में निवेश करने के संबंध में सोच-समझकर निर्णय ले सकें।

It is to be distinctly understood that submission of offer document to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the issue is proposed to be made or for the correctness of the statements made or opinions expressed in the offer document. The LM has certified that the disclosures made in the offer document are generally adequate and are in conformity with SEBI regulations for disclosures and investor protection in force for the time being. The LM is advised to ensure the same with respect to SEBI (ICDR) Regulations, 2018. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.



4. यह भी पूरी तरह से स्पष्ट किया जाता है कि यद्यपि इस बात की जिम्मेदारी मुख्य रूप से निर्गमकर्ता (इश्युअर) कंपनी की होती है कि प्रस्ताव दस्तावेज में समस्त जरूरी जानकारी प्रकट की जाए और जो सही और पर्याप्त हो, फिर भी अग्रणी प्रबंधकों (लीड मैनेजर्स) से अपेक्षित है कि वे यह सुनिश्चित करने के लिए पूरी तत्परता (ड्यू डिलिजेंस) बरतें कि कंपनी अपनी जिम्मेदारियाँ सही ढंग से निभाए, और इसी उद्देश्य से अग्रणी प्रबंधकों ने भारतीय प्रतिभूति और विनियम बोर्ड (मर्चेन्ट बैंककार) विनियम, 1992 [सेबी (मर्चेन्ट बैंकर्स) रेग्यूलेशन्स, 1992] के अनुसार सेबी के पास पूरी तत्परता बरते जाने के संबंध में तारीख October 16, 2023 का प्रमाणपत्र (ड्यू डिलिजेंस सर्टिफिकेट) प्रस्तुत किया है।

It should also be clearly understood that while the Issuer Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the LMs are expected to exercise Due Diligence to ensure that the Company discharges its responsibility adequately in this behalf and towards this purpose, the LMs have furnished to SEBI a Due Diligence Certificate dated October 16, 2023 in accordance with SEBI (Merchant Bankers) Regulations, 1992.

5. हालाँकि, कंपनी प्रस्ताव दस्तावेज दाखिल कर देने से ही कंपनी अधिनियम, 2013 की धारा 34 के तहत दी गई किसी भी बाध्यता से मुक्त नहीं हो जाती या वह कानूनी प्रावधानों के अनुसार ली जाने वाली मंजूरी या ऐसी कोई अन्य मंजूरी लेने से मुक्त नहीं हो जाती, जो प्रस्तावित निर्गम के संबंध में लेनी जरूरी हो। हालाँकि, सेबी प्रस्ताव दस्तावेज में कोई अनियमितता या कमी पाए जाने पर कभी भी अग्रणी प्रबंधकों के खिलाफ कार्रवाई कर सकता है।

The filing of offer document does not, however, absolve the company from any liabilities under Section 34 of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up, at any point of time, with the LMs any irregularities or lapses in offer document.

6. किसी भी प्रचार सामग्री या विज्ञापन में ऐसा कुछ भी उल्लेख नहीं किया जाएगा, जो प्रारूप प्रस्ताव दस्तावेज (ड्राफ्ट ऑफर डाक्यूमेंट) में दी गई जानकारी से भिन्न हो। **इस संबंध में आपका ध्यान विशेष रूप से कंपनी अधिनियम, 2013 की धारा 36 के प्रावधानों की ओर आकर्षित किया जाता है।**

Any publicity materials / advertisements should not contain matters extraneous to the information contained in the draft offer document. **Attention is specifically drawn to the provisions of Section 36 of the Companies Act, 2013.**

7. अग्रणी प्रबंधक यह सुनिश्चित करें कि भारतीय प्रतिभूति और विनियम बोर्ड [पूँजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ] विनियम, 2018 के विनियम 25(1) और अनुसूची- III के अनुसार उपरोक्त निर्गम (इश्यू) के संबंध में फाइलिंग फीस की गणना किस प्रकार की गई है उसका एक विस्तृत विवरण, यथास्थिति, कंपनी रजिस्ट्रार के यहाँ प्रॉस्पेक्टस दाखिल किए जाने के सात दिनों के भीतर / स्टॉक

एक्सचेंज के पास प्रस्ताव-पत्र (लेटर ऑफ ऑफर) दाखिल किए जाने के सात दिनों के भीतर, सेबी के पास प्रस्तुत कर दिया जाए और साथ ही अब तक अदा की गई फाइलिंग फीस का ब्यौरा भी दिया जाए

The LMs are advised to ensure that a detailed calculation of filing fees in relation to the captioned issue in terms of regulation 71(1) and Schedule III of the SEBI (ICDR) Regulations, 2018 is submitted to SEBI within seven days of filing the Prospectus with ROC / within seven days of filing the Letter of Offer with the stock exchange, as the case may be, along with details of filing fees paid till date.

आपने जो फीस अदा की है, यदि वह वास्तव में अदा की जाने वाली फीस से कम हो, तो ऐसे में अग्रणी प्रबंधक यह सुनिश्चित करेंगे और इस बात की पुष्टि करेंगे कि सेबी को शेषफीस अदा किए जाने के संबंध में इन विनियमों की अनुसूची-III के प्रावधानों का पालन किया गया है।

If filing fees paid by you is less than the actual fees required to be paid, the LMs are advised to ensure and confirm compliance with the provisions of Schedule III of the said Regulations in regard to payment of the balance fees to SEBI.


आपने जो फीस अदा की है, यदि वह वास्तव में अदा की जाने वाली फीस से अधिक हो, तो ऐसे में आप सेबी को सूचित करेंगे कि कितनी फीस लौटाई जानी है, साथ ही आप यह भी बताएंगे कि आपने लौटाई जाने वाली फीस की रकम की गणना कैसे की है और सेबी को किसके नाम पर चेक जारी करना होगा

If filing fees paid by you are more than the actual fees required to be paid, you are advised to inform SEBI about the amount to be refunded, along with detailed calculation of amount refundable and name of the person in whose favor, the cheque may be issued by SEBI.

8. प्रस्तावित निर्गम (इश्यू) इस अभिमत पत्र के जारी होने की तारीख से 12 महीनों के भीतर पैसा लगाने (अभिदान करने / सब्सक्रिप्शन) के लिए खोला जा सकता है। आपसे अनुरोध है कि इस पत्र की प्राप्ति के 15 दिनों के भीतर अपनी उत्तर प्रस्तुत करें।

The proposed issue can open for subscription within a period of 12 months from the date of issuance of this observation letter. You are requested to submit your response within 15 days of the receipt of this letter.

स्थान /Place: मुंबई /Mumbai

  
Abhishek Ranjan  
Assistant General Manager

Annexure I

OBSERVATIONS

1. Please refer to your letters dated November 27, 2023 and all other correspondences exchanged. LM is advised to ensure compliance with the same.
2. In the above regard, LM is advised to ensure that the changes made pursuant to our initial set of clarifications are duly incorporated in the updated Letter of Offer/Letter of Offer.
3. Wherever the LM has undertaken to modify the risk factors in its replies, the same shall be duly modified and incorporated in the updated Letter of Offer/Letter of Offer.
4. Wherever the LM has mentioned "Noted for compliance" or "Complied with and noted for compliance" in its replies, LM shall ensure that the same are duly complied with.
5. The LM is advised to make necessary disclosures and statements in respect of the show cause notices issued by SEBI to the group companies of the issuer. LM is advised to disclose the possible adverse impact of an order on the issuer at appropriate places including as a RF.
6. **Summary of Letter of Offer-** Simple conversational language to be used. No abbreviations shall be used.
7. **Definitions and Abbreviations-** for Technical, Company / Industry related Terms or Abbreviations, along with the expanded form, suitable meaning / explanation to be provided in simple language.
8. Risk Factors (RF), to the extent possible, should disclose the specific as well as financial/economic impact on the company rather than being generic.
9. Risk Factors – Every Risk Factor shall be provided with a cross-reference to the detailed description of the facts/reasons in the updated Letter of Offer/Letter of Offer, wherever applicable.
10. Risk Factor 2 – LM is advised that RF shall disclose the non-generation of revenue on account of the expansion project.
11. Risk Factor 10 – LM is advised to disclose the expenses as 5 of revenue during the trial run.
12. Additional Risk Factor – LM as an additional RF shall disclose risks associated with the change in product matrix, as disclosed during the last two years.
13. LM is advised to place the RFs disclosing financial risks as and under top 5 RFs.
14. RF 1- W.r.t. suspension of operations, LM is advised to disclose the date of disclosures made on Stock Exchanges. Further all disclosures made in the document to be confirmed that the same have been made to the SE in time as per the law.
15. RF 5- LM is advised to make updated disclosures on the status of application dated August 30, 2023 made to Department of Water Resources, Government of India.
16. LM is advised to disclose whether Board Approval is obtained for the disclosed intended actions. If no, a negating statement shall be disclosed at all appropriate places.
17. RF 8 – Disclose the extent of land area of the company "mentioned as our mines". Further long term lease period to be disclosed.

18. RF 17 – LM is advised to disclose the risks as referred in sentence beginning with *Mining operations can also lead to....*; as separate RF with an appropriate heading.
19. RF – BRLM to ensure to give a cross reference to all the RF to the actual section, page where the information / data has been detailed.
20. LM is advised to confirm whether all material events as disclosed in the DLOF, have been disclosed on the stock exchanges at the time of occurrence and/or as per the relevant law. To disclose the same in the document with relevant details.
21. RF 23 – LM is advised to disclose the details of the loan towards which corporate guarantee has been extended by the promoters. The disclosure shall contain all relevant details for the loan, such as Bank name, ROI etc. To also confirm whether disclosed to the SE as per law.
22. RF 26 – LM is advised to place the said RF as and under top 5 RFs.
23. Additional RF – LM as an additional RF shall disclose the risk associated with change in Credit Ratings.
24. Additional RF – LM as an additional RF shall disclose the risk associated with losses in operations and risk associated with underutilization of capacity.
25. Additional RF – LM is advised to disclose an additional RF with regards to disclosures made on page 84 under para heading *Environmental Regulations impacting Cement Industry*.
26. RF 38 – LM is advised to place the said RF as and under top 5 RFs.
27. Page 56 – To make the CA certificate from Shan Gupta & Co as part of MDCL.
28. Our Management – LM is advised to disclose the nominee or promoter directors.
29. Page 84 – To make the environmental regulations as RF.
30. Page 116 – LM is advised to appropriately disclose the para 5 of the Independent Auditors report as a RF including on the going concern assumption. To also disclose when the said disclosure was made to the SE as per law.
31. Page 197 – To clearly explain the 1% OCCRPS transfer to heads under the BS, conversion if any, number lapsed, the implication on the financials etc., with full and clear disclosure.
32. Page 198 – The extent of borrowings to be shown as RF with full and clear disclosure.
33. To clearly disclose that the Fresh funds shall be brought in by the Promoter as share application money towards the objects of the rights issue and the promoter's rights entitlement, no adjustment shall be made from the borrowings of the company from the promoter entity against the rights share application money payable by the promoter. This disclosure shall be ensured in all places in the document where any statement on adjustments against the share application money has been made.
34. BRLMs to ensure that all the observations are appropriately disclosed in all future documents filed with SEBI.
35. To disclose if any share sold by the promoter / PG along with price quantity and disclosure to the SE etc.,
36. Page 54 – Objects of Offer – LM is advised to disclose the details of the loans undertaken from promoter including date of loan, purpose, rate, repayment schedule etc.
37. LM is advised to disclose the actions, if any, taken by the stock exchanges in the last 3 years, in LOF at appropriate places including RFs.



38. LM is advised to disclose summary of financial information in the Summary of the LOF, along with relevant accounting ratios.
39. LM is advised to disclose track record of dividend payment to shareholders for the last 3 years.
40. LM is advised to ensure that the disclosure of details of all the criminal matters initiated by or against the company, subsidiaries which are at FIR stage and no/some cognizance has been taken by court is incorporated in the Letter of Offer along with appropriate risk factors in this regard.
41. LM is advised to update the Letter of Offer in respect to all pending litigations including for any legal notices where the Company is in receipt of such notices post filing of Draft Letter of Offer.
42. LM is advised to disclose the following in the Letter of offer:
  - i) Rights Entitlements (REs) which are neither subscribed nor renounced on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.
  - ii) If no application is made by the purchaser of REs on or before Issue closing date then such REs will get lapsed and shall be extinguished after the Issue Closing Date. No shares / other securities for such lapsed REs will be credited, even if such REs were purchased from market and purchaser will lose the premium paid to acquire the REs. Persons who have bought Rights Entitlements (REs), shall require to make an application and apply for shares / other securities offered under Rights Issue, if they want to subscribe to the shares / other securities offered under Rights Issue.

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**Annexure II**

**General Observations**

1. LM is advised to ensure that prior to filing of Letter of Offer with Registrar of Companies, the Issuer Company has received crucial clearances / licenses / permissions / approvals from the required competent authority which are necessary for commencement of the activity for which the issue proceeds are proposed to be utilized.
2. LM is advised to ensure that the 'Observation Letter' issued by SEBI is included among the material contracts and documents for inspection.
3. LM is advised to ensure that prior to proceeding with the issue, "No Objection Certificates" are obtained from all the lenders with whom the company has entered into an agreement and the terms of such agreement require an approval to be taken.
4. LM is advised to ensure that adequate disclosures are made to disclose any material development which may have a material effect on the Issuer Company between the date of registering final prospectus or the red herring prospectus or the letter of offer, with the Registrar of Companies or designated stock exchange, as the case may be, and the date of allotment of specified securities, while ensuring compliance with Regulation 83 and Schedule IX of SEBI (ICDR) Regulations, 2018.
5. LM is advised to ensure that exact cross-referencing of page numbers is provided in the letter of offer instead of general cross-referencing.
6. In pursuance of Regulation 71 Sub-Regulation 7(a) of SEBI (ICDR) Regulations, 2018, LM is advised to certify while submitting the in-seriatim reply that all amendments, suggestions and observations advised by SEBI have been complied with and duly incorporated in the letter of offer, while also indicating the page number for the same.
7. ASBA:
  - i) LM is advised to ensure that sufficient number of Physical ASBA forms are printed and dispatched directly to all designated branches of SCSBs which are located in places of mandatory collection centres as specified in Schedule XII of SEBI (ICDR) Regulations, 2018, Syndicate Members and Registered Brokers of Stock Exchanges, the Registrars to an Issue and Share Transfer Agents (RTAs) and Depository Participants (DPs) registered with SEBI, at least two days before the opening of the issue. This shall be in addition to ASBA forms which shall be sent to controlling branch of SCSBs for sending to designated branches other than those located in mandatory collection center.
  - ii) LM is advised to ensure that the ASBA mode of payment is highlighted in bold in all the advertisement / communication informing about the issue. Further, LM is also advised to ensure that the following is suitably incorporated in all advertisements / communications regarding the issue issued by the issuer:





## ASBA \*

Simple, Safe, Smart way of Application !!!

**Mandatory in public issue from January 01, 2016**

**No cheque will be accepted**

*\*Application supported by blocked amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account. For further details check section on ASBA below.\**

- a. The following paragraph on ASBA may be inserted in the advertisement/Communications:

*“APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (ASBA): Investors have to apply through the ASBA process. ASBA has to be availed by all the investors except anchor investors.*

*For details on the ASBA process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section “Issue Procedure - Issue Procedure of ASBA Bidders” beginning on page xxx of the Letter of Offer.”*

*ASBA bid-cum application forms can also be downloaded from the websites of Bombay Stock Exchange and National Stock Exchange. ASBA form can be obtained from the list of banks that is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in).*

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