

**CONFIDENTIAL**

Date: 29<sup>th</sup> September 2026

To

**The Audit Committee / Board of Directors,  
Shiva Cement Limited**

Jindal Mansion, 5A, Dr. G. Deshmukh Marg,  
Dr Deshmukh Marg, Mumbai- 400026,  
Maharashtra, India.

**I. Engagement Background**

We, **DAM Capital Advisors Limited** (SEBI Registered Category I Merchant Banker having registration no. INM000011336), understand that the Board of Directors of Shiva Cement Limited (“Shiva Cement” or “Company” or “Transferor Company”) is considering a Scheme of Arrangement (“Scheme”) for, inter-alia, the amalgamation of the Company with JSW Cement Limited (“JSW Cement” or “Transferee Company”) pursuant to provisions of Sections 230 to Section 232 of the Companies Act, 2013 read with section 52 and section 66 and other applicable provisions and rules thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) as maybe applicable.

We understand from the Management of Shiva Cement that, pursuant to the proposed amalgamation, the equity shareholders of Shiva Cement, other than JSW Cement, will be issued equity shares of JSW cement as consideration for their respective shareholding in the Company. The terms and conditions of the proposed amalgamation are fully set forth in the draft Scheme shared with us, the final version of which will be filed by the transferor and Transferee Company with the appropriate regulatory authorities.

We further understand that the Share Exchange Ratio (*defined below*) for the proposed transaction has been arrived at based on the valuation report dated September 29, 2026 prepared jointly by M/s. PwC Business Consulting Services LLP (Registration No. IBBI/RV-E/02/2022/158) and M/s. BDO Valuation Advisory LLP (Registration No. IBBI/RV-E/02/2019/103), (the collectively, “Valuers”) (“Valuation Report”), whereby Valuers have been appointed by the respective companies independently, to recommend the fair share exchange ratio(s).

The share exchange ratio has been accordingly recommended under the Valuation Report is 8.20 i.e 5 (Five) equity shares of JSW Cement of INR 10/- each, fully paid-up, for every 41 (Forty-One) equity shares of INR 2/- each, fully paid-up, held by the shareholders of Shiva Cement, other than JSW Cement.

In connection with the aforesaid, you requested our opinion, as of the date hereof, as to the fairness of the Share Exchange Ratio, as proposed by the independent Valuers, from a financial point of view to the shareholders of Shiva Cement.

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SEBI Reg. No. (Research Analyst): INH000000131 | SEBI Reg. No. (Merchant Banker): MB/INM000011336  
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## II. Background

The rationale for the Scheme as shared with us by Shiva Cement's Management is based on the amalgamating companies and their respective shareholders benefiting from the following:

### a. Benefits in respect of reorganization of reserves of the Transferor Company.

The reorganization of reserves shall result in the right sizing of the financial statement of the Transferor Company which will reflect its true and fair financial position.

### b. Benefits in respect of amalgamation of the Transferor Company with the Transferee Company.

With a view to consolidate the business and other interests of the Parties (*as defined hereinafter*), the Parties have decided that the Transferor Company with all its business and other interests, be amalgamated with the Transferee Company.

The Parties are of the view that the proposed amalgamation of the Transferor Company with and into the Transferee Company and the other arrangements contemplated under the Scheme, would benefit the shareholders and creditors of each of the Parties and would, *inter alia*, have the following benefits:

- *Synergies in business:* The Parties are engaged in similar and/ or complementary businesses and their proposed amalgamation pursuant to this Scheme will create synergies between their businesses, including by pooling their financial, managerial, technical, distribution, marketing and other resources. The proposed amalgamation is expected to, *inter-alia*, result in reduction in costs, better alignment, coordination and streamlining of day-to-day operations of the units.
- *Optimization of raw material procurement:* The Transferor Company is engaged in clinker manufacturing, which is a key raw material in manufacturing of cement. The Transferor Company has a clinker manufacturing facility at Sundargarh, Odisha, having a capacity of 4,000 TPD. The proposed amalgamation will result in backward integration of clinker manufacturing with the Transferee Company's cement manufacturing business. The internal availability of clinker is expected to reduce dependence on external procurement, improve supply-chain efficiency, and result in cost savings by avoiding third-party purchases and associated mark-ups.
- *Financial Synergies:* The proposed amalgamation will lead to greater ability of the consolidated entity to access and raise funds within a single entity on more favorable terms, leading to elimination of inter-company guarantees and facilitate more efficient funding arrangements.
- *Enhancing Shareholder Value:* The proposed amalgamation will enhance the economic value for the shareholders of the Transferor Company and the Transferee Company. It will result in deriving benefits for future capacity expansion and efficiency improvement measures marked by enhanced synergies and operational effectiveness. The public shareholders of the Transferor Company would become shareholders in the Transferee Company [which is well traded with good institutional shareholding]. Shareholders in Transferee Company get direct access to the

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economics of the Transferor Company. Pursuant to the proposed amalgamation, there would not be any increase in the percentage shareholding of the Promoter / Promoter Group of the Transferee Company.

- *Simplified structure and management efficiency:* The proposed amalgamation will result in a simplification of the existing corporate structure and eliminate administrative functions and duplications, reducing regulatory and legal compliances of two listed entities, eliminating multiple record keeping and reducing time and efforts for consolidation of financials at the group level, consequently reducing the administrative costs of maintaining separate companies, while reducing the multiple legal and regulatory compliances.
- *Unified Cement Platform:* Creating a consolidated cement platform supports Transferee Company's strategy, enabling category leadership, increased competitiveness, enhanced market share and efficient resource utilization.

### c. Benefits in respect of reorganization of reserves of the Transferee Company.

Post amalgamation, the reorganization of reserves shall result in the right sizing of the financial statement of the Transferee Company, which will reflect its true and fair financial position post amalgamation.

A brief history of each of the aforesaid companies is as under:

1. **Shiva Cement Limited** is a public limited company, incorporated under the provision of the Companies Act, 1956 having corporate identification number L26942MH1985PLC470630 and registered office at Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Dr Deshmukh Marg, Mumbai-400026, Maharashtra, India, which is engaged in the business of manufacture and sale of cement, clinker and trading of allied products. Equity Shares of the Transferor Company are listed on BSE Limited ("BSE"). Furthermore, JSW Cement holds ~66.23% equity share capital and 100% of the total issued, subscribed and paid-up 1% Optionally Convertible Cumulative Redeemable Preference share capital of Shiva Cement. Accordingly, Shiva Cement is a subsidiary of JSW Cement.

2. **JSW Cement Limited** is a public limited company, incorporated under the provision of the Companies Act, 1956 having corporate identification number L26957MH2006PLC160839 and registered office at JSW Centre Bandra Kurla Complex, Bandra (East), Mumbai – 400051, engaged in the business of manufacture and sale of cement, ground granulated blast furnace slag and clinker and trading of allied products. Equity Shares of the Transferee Company are listed on National Stock Exchange of India Limited ("NSE") and BSE.

### The Key Features of the Scheme:

#### Transfer and vesting of the Transferor Company into and with the Transferee Company

Upon the Scheme becoming effective, the entire business and the Undertaking of the Transferor Company shall stand vested in the Transferee Company, Transferee Company shall, without any further application, act or deed, issue and allot to the equity shareholder(s) of the Transferor Company (except

the Transferee Company) whose names are recorded in the register of members as a member of the Transferor Company on the Record Date.

We have relied upon the draft Scheme and taken the above-mentioned Key features (together with other facts and assumptions set forth in the section III of this opinion) into account while determining the meaning of “fairness” from the financial point of view, for the purpose of this opinion.

### **III. Limitation of Scope and Review**

Our Opinion and analysis are limited to the extent of review of documents as provided to us by Company including the Valuation Report prepared by the Valuers and the draft Scheme.

For arriving at the Opinion, we have amongst others:

- reviewed the draft Scheme and Valuation report dated September 29, 2026, prepared by the Valuers;
- reviewed certain historical business and financial information relating to each of the relevant entities, as provided by the Company, and sought certain clarifications with respect to the same;
- held discussions with the Valuers, in relation to the approach taken to valuation and the details of the various methodologies utilized by them in preparing the Valuation Report and rationale for their recommendations.
- sought appropriate clarifications from the respective senior management teams of the relevant companies relating to what we considered necessary to arrive at the opinion;
- reviewed certain publicly available information with respect to certain other companies in the same line of business and which we believe to be generally relevant in the context of the businesses of Transferor Company;
- reviewed historical stock prices and trading volumes of Shiva Cement’ shares on BSE and JSW Cement on NSE and BSE;
- Considered such other information and factors including financial analysis, as we deemed appropriate commensurate with the scope of the assignment.

We have assumed and relied upon the accuracy and completeness of all information, documents, data and explanations provided to us, data publicly available or otherwise reviewed or discussed with us, for the purpose of this engagement. We have relied upon assurances from the management of Transferor Company that they are not aware of any facts or circumstances that would make such information or data incomplete, inaccurate or misleading in any material respect. The respective management of Transferee Company as well as the Valuers have indicated to us that it is understood that any omissions, inaccuracies or misstatements may materially affect our Opinion. Accordingly, we assume no responsibility for any errors in the above information furnished to us, by Transferor Company/Valuers and their impact on the present exercise. We have not independently conducted any due diligence or independent verification or validation of such information to establish its accuracy and sufficiency.

The Fairness Opinion is provided as on date of the Valuation Report and, therefore, this Fairness Opinion does not consider events occurring after that day. We have not conducted any physical

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inspection or title verification, independent valuation or appraisal of any properties and/or any of their assets or liabilities of Transferor Company and Transferee Company and/ or their subsidiaries/affiliates and do not express any opinion with respect thereto. Nor have we been furnished with any such appraisals. We do not express any opinion as to the value of any asset whether at current prices or in the future. We have not reviewed any internal management information statements for the purposes of this Fairness Opinion.

We express no opinion on the achievability of the forecasts, if any, given to us. The assumptions used in their preparation, as we have been explained, are based on the management's present expectation of both - the most likely set of future business events and circumstances and the management's course of action related to them. It may occur that some events and circumstances do not occur as expected or are not anticipated. Therefore, actual results during the forecast period may differ from the forecast and such differences may be material.

In rendering our Opinion, we have assumed, that the Scheme, with your consent, will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary regulatory or third party approvals for the Scheme, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on Transferor Company and/or Transferee Company and/ or their subsidiaries and/or their respective shareholders. We have further assumed that the transaction would be carried out in compliance with applicable laws, rules and regulations. We have assumed, in the direction of the management of the Transferee Company, that the final scheme will not differ in any material respect from the Draft Scheme. Our Opinion does not address matters such as corporate governance or shareholder rights. We have assumed that the Scheme is legally enforceable.

No consideration has been given to any liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Accordingly, no due diligence into any right, title or interest in property or assets was undertaken and no responsibility is assumed in this respect or in relation to legal validity of any such claims.

One should note that valuation is not exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. Moreover, in this case where equity shares of Transferee Company will be issued as consideration to the shareholders of Transferor Company, it is not the absolute per share value that is important for framing an opinion but the relative per share value of Transferee Company vis-à-vis per share value of Transferor company.

We do not express any Opinion as to any tax or other consequences that might arise from the Scheme Transferor Company and Transferee Company and/ or their subsidiaries and/or their respective shareholders, nor does our Opinion address any legal, tax, regulatory or accounting matters, as to which we understand that Transferor Company and Transferee Company have obtained such advice as it deemed necessary from qualified professionals. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, Governmental investigation or other contingent liabilities to which the Transferee Company, Transferor Company and/or their subsidiaries/ affiliates, are/or may be a party.

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Our Opinion is necessarily based on financial, economic, monetary, market and other conditions as in effect on and the information made available to us, as of the date hereof. We have not factored, in our analysis, the outcome of any contingent events, other than as represented to us by the Transferee Company or the Transferor Company. It should be understood that subsequent developments may affect this Opinion, and we assume no responsibility for updating or revising our Opinion based on circumstances or events occurring after the date hereof. Our Opinion is specific to the amalgamation of the Shiva Cement Limited with the JSW Cement Limited as contemplated in the Scheme provided to us and is not valid for any other purpose. It is to be read in totality, and not in part, in conjunction with the relevant documents referred to therein.

We or our affiliates or group companies may have in the past provided, and may currently or in the future provide, investment banking, broking, research or banking services to Transferor Company and/or Transferee Company and/or its subsidiaries or their respective affiliates that are unrelated to the proposed Scheme, for which services we may have received or may receive customary fees. In addition, in the ordinary course of their respective businesses, affiliates of DAM Capital Advisors Limited (“**DAM Capital**”) may actively trade securities of Transferor Company and/or Transferee Company and / or its subsidiaries or group companies or for their own accounts and for the accounts of their customers and, accordingly, may at any time hold a position in such securities. Our engagement and the Opinion expressed herein are for the benefit of the Board of Directors of Transferor Company in connection with its consideration of the Scheme and for none other. Neither DAM Capital, nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the information and documents provided to us, based on which the Opinion has been issued. All such parties and entities expressly disclaim any and all liability for or based on or relating to any such information contained therein.

We do not accept any liability to any third party in relation to the issue of this Opinion, and our Opinion is conditional upon an express indemnity from Transferor Company in our favor holding us harmless from and against any cost, damage, expense and other consequence in connection with the provision of this Opinion.

The company has been provided with the opportunity to review the draft Opinion as part of our standard practice to make sure any factual inaccuracy/ omissions are avoided in our final Opinion.

This Opinion is subject to the laws of India.

Neither the Opinion nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than for submission to NCLT, Courts, Stock Exchanges, other regulatory authorities and inspection by shareholders in connection with the proposed Scheme, without our prior written consent.

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We are not aware of any contingency, commitment or material issue which could materially affect the economic environment and future performance of the Companies and therefore, the fair value of the Companies.

This Opinion is limited to the matters stated herein and covered in our engagement letter and is not to be read as extending to any other matters not so referred to. We express no views or opinion as to any terms or other aspects of the Scheme (other than the Share Exchange Ratio for the proposed Amalgamation) including without limitation, the discharge of Consideration or the form or structure of the Scheme. We were not requested to, and we did not, participate in the negotiation of the Scheme. We express no opinion or view with respect to the financial implications of the Scheme for any stakeholder, including creditors of respective companies.

#### **IV. VALUER'S RECOMMENDATION**

##### **As per the Valuation Reports of Valuers, it is quoted**

“On the basis of the foregoing and on consideration of all the relevant factors and circumstances as discussed and outlined herein above, we recommend the following Share Exchange Ratio for the amalgamation of Shiva Cement into JSW Cement as under:

5 (Five) equity shares of JSW Cement of INR 10/- each fully paid up for every 41 (Forty-One) equity shares of Shiva Cement of INR 2/- each fully paid up.”

##### **Conclusion**

Based on and subject to the foregoing, we are of the opinion that, as of the date hereof, Share Exchange Ratio proposed by the Valuers in their Valuation Report is fair to the equity shareholders of Transferor Company, from a financial point of view.

##### **Distribution of the Fairness Opinion**

The Fairness Opinion is addressed only to the Board of Directors of Transferor Company. The Fairness Opinion save and except pursuant to the SEBI Circular shall not otherwise be disclosed or referred to publicly or to any other third party without DAM Capital's prior written consent.

However, Transferor Company may provide a copy of the Fairness Opinion if requested/ called upon by any regulatory authorities of India subject to Transferor Company promptly intimating DAM Capital in writing about receipt of such request from the regulatory authority. The Fairness Opinion should be read in totality and not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose other than the purpose mentioned hereinabove. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then, we will not be liable for any consequences thereof and shall not take any responsibility for the same as the same would have been shared in contravention of the provisions hereof on a “non-recourse” and “non-reliance” basis. In no circumstances, however, will DAM Capital or its management, directors,

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officers, employees, agents, advisors, representatives, successors, permitted assigns and controlling persons of DAM Capital accept any responsibility or liability including any pecuniary or financial liability to any third party.

Yours truly,

For **DAM Capital Advisors Limited**



**Hitesh Mandot**

**Managing Director – Head, Corporate Finance**

**Authorized Signatory**

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