

JSW Cement to buy 35.6% stake in Shiva Cement

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MUMBAI

JSW Cement Ltd, a part of the \$11 billion JSW Group, will buy the entire promoter holding in cement maker Shiva Cement Ltd and launch an open offer to acquire another 32% from the company's public equity shareholders, it was announced on Wednesday.

Odisha-based Shiva Cement said it has agreed to sell its 35.6% promoter holding to JSW Cement at Rs14 a share—a premium of about 7% to its Tuesday close—sending its

shares up as much as 5% on Wednesday morning.

Shiva Cement's shares had closed at Rs13.08 a share on BSE on Tuesday.

In a separate BSE filing, JM Financial Institutional Securities Ltd, manager to the open offer, said that JSW Cement together with Sun Investments Pvt. Ltd and Reynold Traders Pvt. Ltd has made an open offer to the public equity shareholders of Shiva Cement to acquire up to 62.4 million fully paid-up equity shares, constituting 32% of the total fully diluted voting equity share capital at a price of Rs14 per share aggregating to Rs87.36 crore in cash.

Shiva Cement was incorporated in 1985 and its first commercial production started in 1986. The company has an integrated plant located near Rourkela in Odisha's Sundergarh district with an annual production of close to 200,000 tonnes per annum, which is being expanded to 1 million tonnes per annum, according to its website. It plans to raise annual production capacity to 2.6 million tonnes in phases. The firm also has captive limestone reserves in the vicinity and produces both Portland Slag Cement and Portland Pozzolana Cement, marketed under the Sumangal brand.

ACC Ltd currently holds close to 13% in Shiva Cement.

The cement sector in India has seen a number of assets changing hands in the recent past. In July, LafargeHolcim Ltd, the world's largest cement maker, sold its India assets to Nirma Ltd for an enterprise value of about \$1.4 billion. Lafarge India operated three cement plants and two grinding stations with a capacity of about 11 million tonnes a year.

Last July, UltraTech Cement, part of the Aditya Birla Group, bought Jaiprakash Associates's 17.2 million tonnes per annum cement capacity for an enterprise value of Rs16,189 crore.