

INDEPENDENT AUDITORS' REPORT ON AUDIT OF FINANCIAL RESULTS

To,
THE BOARD OF DIRECTORS
SHIVA CEMENT LIMITED

Opinion

We have audited the accompanying **Statement of Audited Financial Results** of SHIVA CEMENT LIMITED (the "Company"), for the quarter and year to date results for the year ended March 31, 2020 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to best of our information and according to explanations give to us, the Statement:

- i. is presented in accordance with requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information for the quarter ended as well as the year to date results for the year ended March 31, 2020.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under sub-section (10) of Section 143 of the Companies Act, 2013 (the "Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Result section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 3 to the Statement which indicates that during year ended March 31, 2020 the Company has incurred loss of Rs.2301.67 lakhs and as on March 31, 2020, the Company's accumulated loss is Rs.9271.18 lakhs resulting in erosion of net worth of the Company. The financial statements of the Company have been prepared on a going concern basis for the reason stated in the note 3 to the Statement. The validity of the going concern assumption would depend upon the performance of the Company as per its future business plan. Our opinion is not qualified in respect of this matter.

Management's Responsibilities for the Financial Results

The Statement has been prepared from the related audited financial statements. The Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India

and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the annual financial results made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the annual financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the annual financial results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

We report that the figures for the quarter ended March 31, 2020 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2020 and the published unaudited year-to-date figures up to December 31, 2019 being the date of the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations. Our opinion is not modified in respect of above matter.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W



Vipul K Choksi
Partner
M. No. 37606
Unique Document Identification Number (UDIN) for this document is 20037606AAAAAL4974
Place: Mumbai
Date: 12.05.2020

SHIVA CEMENT LIMITED

Registered Office : YY05, Civil Township , Rourkela 769 004
Corporate Identity Number (CIN) : L26942OR1985PLC001557

Statement of Audited Financial Results for the year ended 31st March, 2020

(₹ in lakh)

Sr No.	Particulars	Quarter Ended			Year Ended	Year Ended
		31.03.2020 (Audited)	31.12.2019 (Unaudited)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
1	Income					
	a. Revenue from operations	845.51	759.24	841.97	3,238.67	2,937.53
	b. Other income	3.76	3.85	7.24	14.92	34.64
	Total Income	849.26	763.09	849.21	3,253.60	2,972.17
2	Expenses					
	(a) Cost of materials consumed	224.79	209.68	283.54	966.93	720.26
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	15.93	58.79	31.68	(87.00)	458.19
	(c) Employee benefits expense	105.42	106.45	100.85	414.78	393.70
	(d) Finance costs	377.08	366.40	376.73	1,453.54	1,485.28
	(e) Depreciation and amortisation expense	191.24	201.55	187.47	786.61	762.96
	(f) Power and fuel	461.98	383.42	456.53	1,673.13	1,198.66
	(g) Freight and forwarding expense	4.85	12.82	7.91	57.43	234.57
	(h) Legal and professional fees	111.11	6.74	9.31	240.88	56.46
	(i) Stores & spares consumed	21.15	35.58	21.79	128.71	102.32
	(j) Repairs and maintenance	22.98	31.63	31.05	120.92	119.34
	(k) Loss/(Profit) on asset sale/ held for sale	55.98	90.90	-	146.88	-
	(l) Provision for doubtful debts	12.32	23.35	1.10	72.35	2.53
	(m) Other expenses	85.39	65.89	118.01	341.93	343.28
	Total Expenses	1,690.23	1,593.23	1,625.96	6,317.09	5,877.55
3	Loss before exceptional items (1-2)	(840.97)	(830.14)	(776.75)	(3,063.50)	(2,905.38)
4	Exceptional items	-	-	-	-	-
5	Loss from ordinary activities before tax (3-4)	(840.97)	(830.14)	(776.75)	(3,063.50)	(2,905.38)
6	Tax Expense					
	(a) Current tax	-	-	-	-	-
	(b) Deferred tax	(208.61)	(215.84)	(264.50)	(781.12)	(779.50)
7	Profit/(Loss) for the period / year (5-6)	(632.36)	(614.30)	(512.25)	(2,282.37)	(2,125.88)
8	Other comprehensive income (net of tax)					
	(a) Items that will not be reclassified to profit and loss	(3.67)	0.96	2.08	(19.29)	(1.49)
	(b) Items that will be reclassified to profit and loss	-	-	-	-	-
9	Total comprehensive income (7+8)	(636.03)	(613.34)	(510.17)	(2,301.67)	(2,127.37)
10	Paid-up equity share capital (Face Value ₹ 2/- Per Share)	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00
11	Other equity				(3,277.90)	(949.01)
12	Earnings per share (of ₹ 2/- each, fully paid up):					
	(a) Basic & Diluted in ₹	(0.32)	(0.32)	(0.26)	(1.17)	(1.09)

Note: Quarter ended earnings per share are not annualised as stated above

Notes:

- The above results for the quarter and year ended March 31, 2020 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on May 12, 2020.
- The Company is primarily engaged in the business of manufacturing and sale of Cement and Cement related products. All other activities of the Company revolve around the main business and accordingly there are no separate reportable segments, as per the Indian Accounting Standard on 'Operating Segments' (Ind AS 108) specified under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
- During the year ended March 31, 2020, the Company has incurred a loss of Rs.2301.67 lakhs and as on March 31, 2020, the Company's accumulated loss is Rs.9271.18 lakhs resulting in erosion of more than 50% of the networth of the Company. The Management is hopeful of improving the performance of the company by exploring various avenues of enhancing revenue. The said measures are expected to improve the performance of the Company and accordingly the financial statements continue to be presented on a going concern basis.
- Ind AS 116 - Leases, has become applicable effective annual reporting period beginning April 1, 2019. The Company has adopted the standard beginning April 1, 2019, using the modified retrospective approach for transition. Accordingly, the Company has not restated the comparative information, instead the cumulative effect of initially applying the standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. This has resulted in recognizing a "Right of use asset" of Rs.144.33 lakhs, reversal of other assets of Rs.176 Lakhs and a corresponding "Lease liability" of Rs.5.11 lakhs by adjusting retained earnings of Rs.27.22 lakhs (net of taxes Rs.9.57 lakhs) as at April 1, 2019.

Consequently in the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease "Rent" under "Other expenses" in previous period to "Depreciation and amortisation expense" for the right of use assets and "Finance cost" for interest accrued on lease liability. As a result, the "Rent", "Depreciation and amortization expense" and "Finance cost" of the current period is not comparable to the earlier periods.
- Subsequent to the outbreak of Coronavirus (Covid-19) and consequential lockdown across the country, the Company has continued its operation with special permission from the Collectorate and following the Government guidelines. However, disruption to the business nationwide and economic slowdown due to lock down situations has impacted the sales volumes. Company is closely monitoring the situation.
- The figures of quarter ended March 31,2020 are the balancing figure between unaudited figures in respect of the nine months and audited figures of year ended for the relevant financial year which was subjected to the limited review by the statutory auditors.
- The figures for the previous periods have been regrouped / reclassified / restated wherever necessary in order to make them comparable with figures for the quarter ended March 31, 2020.

For and on behalf of
Shiva Cement



Manoj Kumar
Whole time Director

Place: Mumbai
Date: 12.05.2020

Shiva Cement Limited

Statement of Cash Flows (For the year ended 31st March,2020)				
Particulars	For the Year ended 31.03.2020		For the year ended 31.03.2019	
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
A. Cash flow from operating activities:				
Net Loss before tax		(3,063.50)		(2,905.38)
<i>Adjustments for:</i>				
Depreciation and amortisation expenses	786.61		762.96	
Interest expense	1,453.54		1,485.28	
Interest income	(14.32)		(15.38)	
Loss/(Profit) on sale/discard of property, plant and equipments	146.88		-	
Write off of advances	35.80		40.00	
Rental income from investment properties	(0.60)		(0.60)	
Other Income	-		(18.66)	
		2,407.91		2,253.61
Operating loss before changes in operating assets & liabilities		(655.59)		(651.77)
<i>Adjustments for:</i>				
(Increase)/decrease of Inventory	(215.59)		329.74	
(Increase)/decrease in trade & other receivables	(319.21)		234.24	
(Decrease)/increase in trade and other liabilities	15.88		(447.48)	
Increase in provision	57.67		50.85	
		(461.25)		167.35
Cash used in operations		(1,116.84)		(484.42)
Tax (paid)/refund		-		-
		(1,116.84)		(484.42)
Net cash used in operating activities (A)				(484.42)
B. Cash flow from investing activities:				
Payment for purchase of Property, plant & equipment/Intangible	(707.50)		(318.23)	
Proceeds from sale of fixed assets	59.12		-	
Interest received	14.32		15.38	
Rental income	0.60		0.60	
Other Income	-		18.66	
Net cash used in investing activities (B)		(633.46)		(283.59)
C. Cash flow from financing activities:				
Proceeds from/(repayment) of current borrowings	12,986.16		11,705.98	
Proceeds from/(repayment) of non current borrowings	(11,233.00)		(10,926.00)	
Interest paid	(8.93)		(12.31)	
Net cash flow from financing activities (C)		1,744.23		767.67
Net increase/(decrease) in Cash and cash equivalents (A+B+C)		(6.05)		(0.35)
Cash and cash equivalents at the beginning of the year		117.77		118.12
Cash and cash equivalents at the end of the year		111.72		117.77
Cash and cash equivalents at the end of the year *		111.72		117.77
* Comprises:				
(a) Cash on hand		-		-
(b) Balances with banks				
(i) In current accounts		30.48		41.68
(ii) In earmarked accounts		81.24		76.09

Shiva Cement Limited

Balance Sheet for the year ended March 31, 2020

(` in lakh)

Particulars		As at	As at
		31.03.2020	31.03.2019
		(Audited)	(Audited)
A	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	12,538.48	13,274.44
	(b) Capital work-in-progress	516.66	29.38
	(c) Intangible assets	918.59	962.38
	(d) Intangible assets under development	34.84	27.48
	(e) Financial assets		
	(i) Other financial assets	594.00	10.20
	(f) Deferred tax assets (net)	3,167.66	2,370.19
	(g) Other non current assets	1,614.16	1,791.94
	Total non-current assets	19,384.39	18,466.01
2	Current assets		
	(a) Inventories	1,192.46	976.87
	(b) Financial assets		
	(i) Trade receivables	145.57	294.62
	(ii) Cash and cash equivalents	30.49	41.69
	(iii) Bank balances other than (ii) above	81.23	76.09
	(iv) Other financial assets	92.88	68.93
	(c) Other current assets	209.14	243.45
	Total current assets	1,751.77	1,701.65
	TOTAL ASSETS	21,136.16	20,167.66
B	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity share capital	3,900.00	3,900.00
	(b) Other equity	(3,277.90)	(949.01)
	Total equity	622.10	2,950.99
2	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	1,170.00	1,477.00
	(ii) Other financial liabilities	4.61	-
	(b) Provisions	565.67	495.62
	Total non-current liabilities	1,740.28	1,972.62
3	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	13,559.16	573.00
	(i) Trade payables		
	a) Total outstanding dues of micro and small enterprises	0.25	-
	b) Total outstanding dues of creditors other than micro and small enterprises	671.04	579.00
	(ii) Other financial liabilities	4,393.93	13,966.66
	(b) Other current liabilities	117.33	107.02
	(c) Provisions	32.07	18.37
	Total current liabilities	18,773.78	15,244.05
	TOTAL EQUITY AND LIABILITIES	21,136.16	20,167.66



CIN L26942OR1985PLC001557

SHIVA CEMENT LIMITED

PLOT NO. YY-5,
CIVIL TOWNSHIP
7&8 AREA, ROURKELA
ODISHA, INDIA. PIN - 769004.

BSE Ltd. Corporate Relationship Department, 1st Floor, New Trading Ring, Rotunda Building, P /Towers, Dalal Street, Fort, Mumbai - 400 001 corp.relations@bseindia.com Scrip Code - 532323	The Calcutta Stock Exchange Limited 7, Lyons Range Kolkata 700001 listing@cse-india.com Scrip Code - 029983
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Dear Sir / Madam

Sub: Declaration of audit report with unmodified opinion for the year ended 31st March, 2019, pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

In terms of SEBI Circular CIR/CFD/CMD/56/2016 dated May 26, 2016 and Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), we hereby declare that the Statutory Auditors of the Company i.e. M/s Shah Gupta & Co., Chartered Accountants, Mumbai (Firm Registration No. 109574W) have issued Audit Reports with unmodified opinion on the standalone financial statement of the Company for the year ended 31st March, 2020

We request you to kindly take note of the aforesaid.

Yours faithfully,

For Shiva Cement Limited

Girish Menon

Girish Menon

Chief Financial Officer

Date: 12.05.2020

Phone: (Off). 0661-2664168

- **Works : Village : Teleghana, P.O : Biringatoli, Kutra, Dist. – Sundargarh, Odisha-770018**

E-Mail-id: corporate@shivacement.com