

# Shah Gupta & Co.

## Chartered Accountants

### Independent Auditors' Review Report on the Quarterly and Year to date Unaudited Financial Results Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

TO  
THE BOARD OF DIRECTORS  
SHIVA CEMENT LIMITED

1. We have reviewed the accompanying **Statement of Unaudited Financial Results** of SHIVA CEMENT LIMITED (the "Company"), for the quarter ended December 31, 2019 and year to date results for the period from April 01, 2019 to December 31, 2019 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Regulation').
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting", prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagements ('SRE') 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted and procedure performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards specified under section 133 of the Act, as amended, read with relevant rules issued there under and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to note 3 to the statement which indicates that during the nine months ended December 31, 2019 the Company has incurred loss of Rs.1665.64 lakhs and as on December 31, 2019, the Company's accumulated loss is Rs.8648.39 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 no 3. 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.

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



Vipul K Choksi  
Partner  
M. No.037606  
UDIN: 20037606AAAAAB7798  
Place: Mumbai  
Date: January 14, 2020



SHIVA CEMENT LIMITED

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

Statement of Unaudited Financial Results for the Quarter and Nine Months ended 31st December, 2019

(₹ in lakh)

Sr No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2019 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	31.12.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2019 (Audited)
<b>1</b>	<b>Income</b>						
	a. Revenue from operations	759.24	568.88	490.47	2,393.17	2,095.57	2,937.53
	b. Other income	3.85	3.85	19.21	11.17	27.39	34.64
	<b>Total Income</b>	<b>763.09</b>	<b>572.73</b>	<b>509.68</b>	<b>2,404.33</b>	<b>2,122.96</b>	<b>2,972.17</b>
<b>2</b>	<b>Expenses</b>						
	(a) Cost of materials consumed	209.68	186.49	146.68	742.14	436.73	720.26
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	58.79	(120.13)	21.37	(102.93)	426.50	458.19
	(c) Employee benefits expense	106.45	97.04	85.50	309.35	292.85	393.70
	(d) Finance costs	366.40	327.90	390.73	1,076.46	1,108.55	1,485.28
	(e) Depreciation and amortisation expense	201.55	198.45	194.11	595.37	575.50	762.96
	(f) Power and fuel	383.42	366.93	261.17	1,211.15	742.14	1,198.66
	(g) Freight and forwarding expense	12.82	17.51	43.84	52.59	226.66	234.57
	(h) Legal and professional fees	6.74	114.82	5.46	129.77	47.14	56.46
	(i) Stores & spares consumed	35.58	35.84	33.10	107.56	80.53	102.32
	(j) Repairs and maintenance	31.63	24.64	28.24	97.94	88.29	119.34
	(k) Provision on asset held for sale	90.90	-	-	90.90	-	-
	(l) Provision for doubtful debts	23.35	31.80	2.64	60.03	1.43	2.53
	(m) Other expenses	65.89	118.27	79.42	256.54	225.26	343.28
	<b>Total Expenses</b>	<b>1,593.23</b>	<b>1,399.56</b>	<b>1,292.27</b>	<b>4,626.87</b>	<b>4,251.58</b>	<b>5,877.55</b>
<b>3</b>	<b>Loss before exceptional items (1-2)</b>	<b>(830.14)</b>	<b>(826.83)</b>	<b>(782.58)</b>	<b>(2,222.53)</b>	<b>(2,128.62)</b>	<b>(2,905.38)</b>
<b>4</b>	<b>Exceptional items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5</b>	<b>Loss from ordinary activities before tax (3-4)</b>	<b>(830.14)</b>	<b>(826.83)</b>	<b>(782.58)</b>	<b>(2,222.53)</b>	<b>(2,128.62)</b>	<b>(2,905.38)</b>
<b>6</b>	<b>Tax Expense</b>						
	(a) Current tax	-	-	-	-	-	-
	(b) Deferred tax	(215.84)	(204.17)	(200.00)	(572.51)	(515.00)	(779.50)
<b>7</b>	<b>Profit/(Loss) for the period / year (5-6)</b>	<b>(614.30)</b>	<b>(622.66)</b>	<b>(582.58)</b>	<b>(1,650.02)</b>	<b>(1,613.62)</b>	<b>(2,125.88)</b>
<b>8</b>	<b>Other comprehensive income (net of tax)</b>						
	(a) Items that will not be reclassified to profit and loss	0.96	4.03	(5.68)	(15.62)	(3.57)	(1.49)
	(b) Items that will be reclassified to profit and loss	-	-	-	-	-	-
<b>9</b>	<b>Total comprehensive income (7+8)</b>	<b>(613.34)</b>	<b>(618.63)</b>	<b>(588.27)</b>	<b>(1,665.64)</b>	<b>(1,617.19)</b>	<b>(2,127.37)</b>
<b>10</b>	<b>Paid-up equity share capital (Face Value ₹ 2/- Per Share)</b>	<b>3,900.00</b>	<b>3,900.00</b>	<b>3,900.00</b>	<b>3,900.00</b>	<b>3,900.00</b>	<b>3,900.00</b>
<b>11</b>	<b>Other equity</b>						<b>(949.01)</b>
<b>12</b>	<b>Earnings per share (of ₹ 2/- each, fully paid up):</b>						
	(a) Basic & Diluted in ₹	<b>(0.32)</b>	<b>(0.32)</b>	<b>(0.30)</b>	<b>(0.85)</b>	<b>(0.83)</b>	<b>(1.09)</b>

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

Notes:

- The above results for the quarter and Nine months ended December 31, 2019 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on January 14, 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 nine months ended 31st December 2019, the Company has incurred a loss of Rs.1665.64 lakh and as on 31st December 2019, the Company's accumulated loss is Rs.8648.39 lakh 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 revenues. 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.36 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.
- The company was declared as a preferred bidder for Khatkurbahal ( North) Limestone mines ( Non captive) via e-auction process which was held on 22nd October 2019.
- The company proposes to set up a Clinker unit of 3000 TPD alongwith a 1 MTPA grinding unit at a project cost of Rs. 800 crores.
- The figures of quarter ended December 31,2019 are the balancing figure between unaudited figures in respect of the half year and unaudited figures of Nine months 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 December 31, 2019.

Place: Mumbai  
Date: 14.01.2020

For and on behalf of Board of Directors  
Shiva Cement Limited

Manoj Kumar Rustagi  
Whole time Director

