

### Certificate on Outstanding loan utilization

March 28, 2024

To,  
The Board of Directors  
**Shiva Cement Limited**  
Telighana  
PO: Birangatoli, Tehsil- Kutra,  
District-Sundargarh, Odisha-770018  
(the “Company”)

**JM Financial Limited**  
7th Floor, Cnergy  
Appasaheb Marathe Marg  
Prabhadevi, Mumbai 400 025  
Maharashtra, India  
(referred to as the “Lead Manager”)

**Re: Proposed rights issue of equity shares of face value of ₹ 2 each (“Equity Shares”) by Shiva Cement Limited (the “Company” and such offering, the “Issue”)**

Dear Sir/Madam,

1. We, Shah Gupta & Co., Chartered Accountants, (Firm Registration Number: 109574W), Statutory Auditor of the Company, have received a request from the Company to certify the utilization of loans outstanding at February 29, 2024 for the purposes aailed, as required by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”), and certify certain details in relation thereto.
2. This report has been issued at the request of the Company in connection with the Issue and in accordance with our engagement letter with the Company dated September 18, 2023.

### Management’s Responsibility

3. The preparation of the accompanying Statement (attached as Annexure I and Annexure II) is the responsibility of the Management of the Company. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management is also responsible for ensuring that the Company complies with the requirements of the ICDR Regulations in relation to the Issue.

### Auditors’ Responsibility

5. Pursuant to the requirements, it is our responsibility to review accompanying Statement and report on the matters specified in the ‘Conclusion’ para below are in accordance with the relevant records provided by the Company for our examination.
6. We have performed the following procedures for the purpose of this certificate:
  - a. obtained the details of loans outstanding as at February 29, 2024 which are proposed to be repaid by the Company out of proceeds of the issue of Equity Shares in the Issue, from the management;

- b. obtained the sanction letters and loan agreements from the management and traced the purpose of the loan mentioned in the Statement from the sanction letters and traced the receipt of funds into the bank accounts of the Company, as applicable, in respect of each loan availed;
  - c. obtained the direct confirmations from the respective banks for such outstanding loans as at February 29, 2024 and traced the outstanding balance from the confirmations;
  - d. obtained cash flow statement forming the Financial Statements to corroborate, the details of funds raised and utilized as per the books of account and other records obtained in the above procedures;
  - e. traced the amount of utilization of loan mentioned in the Statement to the books of account and respective bank statements;
  - f. obtained the fixed assets register, and schedules of capital work-in-progress, property, plant and equipment, capital advances, vendor ledgers, etc. forming part of books of account to verify the capital expenditure incurred; and
  - g. conducted relevant management inquiries and obtained necessary representation from the management.
7. We have conducted our examination in accordance with the guidance notes issued by the Institute of Chartered Accountants of India, to the extent applicable.
  8. Our scope of work did not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company, taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, for the purpose of this certificate. Accordingly, we do not express such opinion.
  9. We hereby confirm that while providing this certificate we have complied with the Code of Ethics and the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the Institute of Chartered Accountants of India.

#### **Conclusion**

10. Based on procedures performed as mentioned in paragraph 7 and 8 above, records and documents produced to us, information, explanations and representations given to us, we hereby certify that the particulars of the statement of terms and the purpose for which such outstanding loans were availed and utilised, as mentioned in Annexure I and II, are in line with the terms of sanction letters and facility documents of such loan, the books of account of the Company and other relevant records as stated above, and the utilization of such loans is in line with the purposes for which the same were availed, as per the terms of sanction letters and facility documents of such loan, the books of account of the Company and other relevant records as stated above.

#### **Other Matters**

11. We confirm that we will immediately communicate any changes in writing in the above information to the Lead Managers based on written intimation received from the management until the date when the Equity Shares commence trading on the relevant stock exchange(s). In the absence of receipt of any such communication from the management, Book Running Lead Managers and the legal counsel can assume that there is no change to the above information.
12. It should be understood that we make no representations regarding questions of legal interpretation. Further, we have addressed ourselves solely to the above-mentioned data only.
13. All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Letter of Offer.

#### **Restriction on use**

14. This certificate is for information and for inclusion (in part or full) in the Letter of Offer or any other Issue-related material, and may be relied upon by the Company, the Lead Manager and the legal advisors appointed by the

Company and the Lead Manager in relation to the Issue. We hereby consent to the submission of this certificate as may be necessary to SEBI, the relevant stock exchange(s), any other regulatory authority and/or for the records to be maintained by the Lead Manager and in accordance with applicable law. We hereby consent to this certificate being disclosed by the Lead Manager, if required (i) by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

15. We consent to the inclusion of the this certificate, as part of the material contracts and documents for inspection in the Letter of Offer and any other Issue-related material, and which will be available for public for inspection
16. This certificate has been prepared at the request of the Company solely for the purpose of the Issue and it should not be used by any other person or for any other purpose.

**Shah Gupta & Co.**

Chartered Accountants

Firm Registration No.: 109574W

**Vipul K Choksi**

**Partner**

Membership No.: 037606

ICAI Firm Registration No: 109574W

Unique Document Identification Number (UDIN) for this Document is: 24037606BKBOOP2935

Place: Mumbai

Date: March 28, 2024

**Encl: As above**

Cc:

**AZB & Partners**

AZB House, Peninsula Corporate Park

Ganpatrao Kadam Marg, Lower Parel

Mumbai 400 013

Maharashtra, India

**Khaitan & Co**

One World Center, 10th & 13th Floors,

Tower 1C, 841 Senapati Bapat Marg,

Mumbai 400 013,

Maharashtra India

**ANNEXURE – I : BORROWINGS FROM OTHER LENDERS**

<b>Sr. No.</b>	<b>Name of the lender</b>	<b>Nature of borrowing</b>	<b>Principal amount sanctioned as on February 29, 2024 (in ₹ lakhs)</b>	<b>Principal amount outstanding as on February 29, 2024 (in ₹ lakhs)</b>	<b>Rate of Interest as on February 29, 2024</b>	<b>Tenure of Repayment</b>
1.	Axis Bank Limited	Rupee Term Loan	55,000.00	47,367.11	8.73%	To be repaid in 36 structured quarterly installment with first installment starting from 31.12.2024
2.	Indian Bank	Rupee Term Loan	30,000.00	19,235.29	8.73%	

Note: 1) A prepayment premium of 1% may be applicable, subject to certain conditions, in relation to the loans mentioned above.

**ANNEXURE – II : BORROWINGS FROM JSW CEMENT**

<b>Name of the lender</b>	<b>Nature of borrowing</b>	<b>Principal amount sanctioned as on February 29, 2024 (in ₹ lakhs)</b>	<b>Principal amount outstanding as on February 29, 2024 (in ₹ lakhs)</b>	<b>Rate of Interest as on February 29, 2024</b>	<b>Tenure of loan</b>
JSW Cement Limited	Unsecured borrowings	70,000.00	67,759.09	Weighted average cost of long term borrowings of the JSW Cement Limited as per last reported quarter ending interest rate plus 50 basis points per annum credit spread.	For a period of 60 months from the date of each disbursement or March 31, 2026, whichever is earlier.

Note: There is no prepayment penalty payable by the Company in terms of the Loan Agreement. However, in case of prepayment, certain charges may be applicable as deemed fit by the lender.