



SHIVA CEMENT LTD.



Annual Report
2019-20



BOARD OF DIRECTORS**Mr. Manoj Kumar Rustagi***Whole Time Director***Mr. R. P. Gupta***Non Executive Director***Mr. Narinder Singh Kahlon***Non-Executive Director***Mr. Mahendra Singh***Independent Director***Mr. B. K. Mangaraj***Independent Director***Mr. Sanjay Sharma***Independent Director***Ms. Sudeshna Banerjee***Independent Director***Contents ...**

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**Mr. Girish Menon***Chief Financial Officer***Ms. Sneha Bindra***Company Secretary***AUDITORS****Shah Gupta & Co.**

Chartered Accountants

Mumbai

REGISTRAR & TRANSFER AGENT**Niche Technologies (P) Ltd.**

3A, Auckland Place, 7th Floor,

Room No. 7A & 7B, Kolkata-700017

REGISTERED OFFICE

YY-5, Civil Township, 7/8 Area
Rourkela - 769 004
Website : www.shivacement.com

PLANT SITE

Vill : Telighana
PO : Biringatoli, Kutra
Dist. Sundargarh (Odisha)

MINES

Vill : Khatkurbahal
Via : Kutra
Dist. Sundargarh (Odisha)

DIRECTOR'S REPORT**Dear Members,**

We are pleased to present 34th Annual Report for the financial year ended on 31st March, 2020. The operational performance during the year is as below.

1. Financial / Operational Performance**(₹in lakh)**

Particulars	31.03.2020	31.03.2019
Turnover	3,238.67	2937.53
Operating EBIDTA	(838.26)	(691.78)
Other Income	14.92	34.64
Finance Cost	1453.54	1485.28
Depreciation & Amortization	786.61	762.96
Profit/(Loss) before exceptional item	(3063.50)	(2905.38)
Exceptional Items (see details below)	-	-
Profit (Loss) before Taxation	(3063.50)	(2905.38)
Tax Expense/benefits	(781.12)	(779.50)
Profit (Loss) after Taxation	(2282.37)	(2125.88)

2. Highlights of performance:

Financial year 2019-20 ended with an increase in sales volume of cement by 36% more than the last year sales with improvement in the production performance with improved quality of cement.

This year, the company has utilized 72% of total installed capacity and produced 95,588 MT of Cement, which is 35% more than the last years cement production. Similarly during the year the company has produced 56,145 MT clinker which is 41% more than the last years clinker production.

During the year the company has borrowed ₹1,620 lakhs and repaid ₹450.00 lakhs to its holding company JSW Cement Limited. On the total cumulative borrowed fund for ₹14,925.98 lakhs, the company has incurred interest cost amounting ₹1,386.05 lakhs during the year. Current year borrowed fund has been utilized for repayment of old dues, current operational expenditure and capital expenditure to the tune of ₹577.70 lakhs.

3. Transfer to Reserves

During the financial year under review the Board has not proposed to transfer any amount to reserves.

4. Dividend

As your Company has incurred a net loss during the year your Directors have not recommended any dividend for the year.

5. Financial Statement:

The audited Financial Statements of the Company, which form a part of this Annual Report, have been prepared in accordance with the provisions of the Companies Act, 2013, Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Indian Accounting Standards.

6. Holding, Subsidiary & Associate Company:

Your Company has neither any subsidiary nor an associate company. The Company has a holding company as on 31st March, 2020 namely JSW Cement Limited. The net worth of JSW Cement Limited as on 31.03.2020 is ₹1441.11 crores.

7. Fixed Deposits:

Your Company has neither accepted renewed any deposits within the meaning of Section 73(1) of the Companies Act, 2013 and the rules made there under during the period under review.

8. Extract of Annual Return:

The extract of Annual Return as provided under Section 92(3) of the Companies Act, 2013 and as prescribed in Form MGT-9 of the rules prescribed under chapter VII relating to Management and Administration under the Companies Act, 2013, is made available on the Company's website and can be accessed from www.shivacement.com and forms a part of this Annual Report as Annexure-A.

9. Share Capital:

There was no change in the authorized share capital of the Company during the year under review. The issued, subscribed and paid up equity share capital of the Company as on 31st March, 2020 was ₹3900.00 Lakhs comprising of 1950 Lakh Equity shares of ₹2/- each.

10. Board Meeting

The Board meets to discuss and decide on Company/business policy and strategy apart from other business. A tentative date of the Board and Committee Meetings is circulated to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation as permitted by law, which are notified in next Board meeting.

During the year under review, the Board of Directors have met five times on 23.04.2019, 24.07.2019, 19.10.2019, 27.11.2019 and 14.01.2020. The maximum interval between two meetings did not exceed 120 days as prescribed under Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"] and Secretarial Standard SS-1.

11. Directors' Responsibility Statement

Pursuant to the provisions of section 134(5) of the Companies Act, 2013, your Directors hereby state and confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the company for that period;
- c. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors have prepared the annual accounts on a going concern basis; and
- e. the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. Declaration of Independence

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and Regulation 16 of the SEBI (LODR) Regulations, 2015.

13. Auditors**A. Statutory Auditors:**

At the Company's 31st Annual General Meeting (AGM) held on September 21, 2017, M/s Shah Gupta & Co., Chartered Accountants (Firm Registration No. 109574W), Mumbai, were appointed as the Company's Statutory Auditors for a period of five consecutive years i.e. from the conclusion of the 31st AGM till the conclusion of the 36th AGM subject to ratification if required by the members of the Company at every Annual General Meeting.

However, the Ministry of Corporate Affairs vide its notification S.O.1833(E) dated 07th May 2018 notified the amendment in section 139 of the Companies Act 2013, pursuant to which the appointment of Statutory Auditors is not required to be ratified by the members every year during the tenure of Statutory Auditors once approved by the members in their Annual General Meeting.

B. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Prakash Sahoo & Associates, Practicing Company Secretaries, Rourkela, Odisha to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report in Form No. MR- 3 is appended as Annexure B.

C. Comments on auditors' report

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Shah Gupta & Co., Chartered Accountants, Statutory Auditors, in their Audit Report and by M/s. Prakash Sahoo & Associates, Practicing Company Secretaries, in their secretarial audit report. The Auditors did not report any incident of fraud to the Audit Committee of the Company in the year under review.

14. Particulars of loans or guarantees given, securities provided or investments made under Section 186 of the Companies Act, 2013:

During the year under review, the Company has not given loans or guarantees, securities provided or investments made under Section 186 of the Companies Act, 2013.

15. Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013

All transactions entered with Related Parties for the year under review were on arm's Length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the rules made thereunder are not attracted. However, the disclosure in Form AOC-2 in terms of Section 134 of the Act is appended as Annexure C.

16. Material changes and commitments affecting the financial position of the Company

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

17. Particulars regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A statement containing necessary information, as required under the Companies Act, 2013 is annexed hereto in Annexure-D. There were no foreign exchange transactions during the year.

18. Company's policy on Directors', KMP & other employees' appointment and remuneration

The Policies of the Company on Directors', KMP & other employees' appointment including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178, is appended as Annexure E to this Report. The Remuneration Policy is forming part of Corporate Governance Report and detailed policy has also been published on the website www.shivacement.com for investor's information.

19. Risk Management Policy

The Company has in place a Risk Management Policy to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed by the Audit Committee. All risks are reviewed in the meetings of the Board of Directors. Risks related to internal controls, compliances & systems are also reviewed in detail by the Audit Committee. The Risk Management Policy has also been published on website www.shivacement.com for investor's information.

20. Corporate Social Responsibility

The Company believes in inclusive growth to facilitate creation of a value based and empowered society through continuous and purposeful engagement with society around. All the CSR initiatives are approved by the CSR Committee in line with the CSR Policy. The CSR Policy formulated is uploaded on the website of the Company at www.shivacement.com.

21. Vigil Mechanism

Pursuant to the provisions of Section 177 (9) of Companies Act, 2013, the Board of Directors has established a committee to provide adequate safeguard against victimization & to protect interest of the directors and employees to report their genuine concerns. The Company has uploaded the code of conduct in relation to the employees & directors on its website (www.shivacement.com).

22. Evaluation of Board, Committees and Board Members pursuant to provisions of the Companies Act, 2013

Good Governance requires Boards to have effective processes to evaluate their performance. The evaluation process is a constructive mechanism for improving effectiveness of Board, maximizing strengths and tackling weaknesses which leads to an immediate improvement in performance throughout the organization.

23. Evaluation by Independent Director

In terms of the Code for Independent Directors (Schedule IV), the Independent Director(s) on the Board of the Company shall evaluate performance of the Non-Independent Director(s), Board as a whole and review performance of Chairperson. Broad parameters for reviewing performance are based on the structured questionnaires related to composition of Board, Function of Board, Meeting attended by Board Members, conflict of interest, participation in discussion, time contribution, Governance and ethical problem etc.

24. Evaluation by Nomination and Remuneration (NRC) Committee

Nomination and Remuneration committee constituted under section 178 of the Companies Act, 2013 has been made responsible for carrying out evaluation of every Director's performance. The evaluation of individual Director focuses on contribution to the work of Board.

25. Evaluation by Board

The purpose of Board Evaluation is to achieve persistent and consistent improvement in the governance of the Company at Board level with an intention to establish and follow best practices in Board Governance in order to fulfill fiduciary obligation to the

Company. The Board believes, the evaluation will lead to a working relationship among Board members, greater efficiency using the Board's time and increased effectiveness of the Board as governing body. A structured questionnaire was prepared covering all aspects of the Board's and Committee's function, for the evaluation of the Board and Committees. The evaluation of the Independent Directors was based on the range of the criteria like independent judgment strategy, performance and risk management; skill, knowledge and Familiarity about the Company, professional advice, attendance in Board and Committee meeting etc.

26. Significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

27. Adequacy of Internal Financial Controls:

The Board of Directors in consultation with Internal Auditors have laid down the Internal Financial Controls Framework, commensurate with the size, scale and complexity of its operations. The Internal Audit Team quarterly monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

28. Directors and Key Managerial Personnel:

Mr. Narinder Singh Kahlon (DIN- 03578016), Non-Executive Director of your Company shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment at the ensuing Annual General Meeting of the Company.

During the year under review, Mr. Sanjay Sharma (DIN: 02692742) and Ms. Sudeshna Banerjee (DIN: 01920464) were appointed as Independent Directors of the Company with effect from 23rd April 2019. Further, the term of two independent directors of the Company namely Mr. Bimal Kumar Mangraj and Mahendra Singh was expiring on 31st March, 2020. Hence, Mr. Bimal Kumar Mangraj and Mr. Mahendra Singh were by the Board for another term of 3 years and 2 years respectively.

There were no changes in other directors and Key Managerial Personnel during the year.

29. Corporate Governance

Your Company has complied with the requirements of Regulation 17 to 27 of the SEBI (LODR) Regulations, 2015 on Corporate Governance. Pursuant to Schedule V of the SEBI (LODR) Regulations, 2015, Report on Corporate Governance along with the Auditors' Certificate on its compliance is annexed separately to this Annual Report

30. Management Discussion and Analysis Report

The Management Discussion and Analysis Report on the operations of the Company for the year under review, as required under Schedule V of the the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is provided in a separate section and forms part of this Annual Report.

31. Human Resources

The Company is maintaining cordial and healthy relations with its employees. Employees at all levels are extending their full support. The Company has strong faith in potential of human resources. It believes in the creative abilities of the people; those work for the Company. It believes in the participatory management.

32. E-Voting Platform

In compliance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, your Company is registered with NSDL for E-Voting services to set up an electronic platform to facilitate shareholders to cast vote in electronic form to exercise their right of voting at General Meetings / business to be transacted by means of voting through e-voting or ballot paper as provided under the Companies Act, 2013.

33. Particulars of Employees

The provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable as none of the employees were in receipt of remuneration exceeding the limits specified therein.

34. Awards & Recommendations

The Company was awarded with First Prize in "Annual Mines Safety Week Celebration-2019".

35. Business Responsibility Report

As stipulated under the Listing Agreement, the Business Responsibility report describing the initiatives taken by the Company from environmental, social and governance perspective has been described in this Annual Report.

36. Environmental & Social Obligation

Environment Clearance for Cement Plant: The existing Environment Clearance for plant capacity to produce 0.825 million MT Clinker and 1.05 million MT Cement, was valid up to 23rd May 2018. The Ministry of Environment and Forest (MoEF) & Climate Change (CC) vide their letter dated 15th June 2018 has extended validity of the EC for a period of 3 years i.e. upto 22nd May 2021.

Consent to Establish to produce 0.825 million MT Clinker and 1.05 million MT Cement has been granted by Odisha State Pollution Control Board (OSPCB) on 8th March 2018 and is valid up to 7th March 2023.

NOC for Groundwater withdrawal: Central Ground Water Authority (CGWA) has approved our application for 688 M3/day of groundwater for cement plant and No Objection Certificate (NOC) No. CGWA/NOC/IND/ORIG/2018/3874 for ground water abstraction to M/s SHIVA CEMENT LIMITED has been granted. The NOC start date is 20th July 2018 and is valid upto 19th July 2020.

37. Disclosure under section 54(1)(d) of the Companies Act, 2013:

The Company has not issued sweat equity shares during the year under review and hence, no information as pursuant to section 54(1)(d) of the Companies Act, 2013 read with Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014 is furnished.

38. Disclosure under section 67(3) of the Companies Act, 2013

The Company has not passed any special resolution pursuant to Section 67(3) of the Companies Act, 2013 hence no disclosure is required to be made.

39. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has a policy on Prevention of Sexual Harassment at workplace. The policy has been framed as per "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" and an internal Committee has been constituted for redressal of the complaints.

40. Acknowledgements

Your directors place on record their sincere appreciation to the government authorities, Bankers, NBFCs, consultants, shareholders, employees, suppliers & contractors of the Company for the co-operation and support extended to the Company.

41. Cautionary Statement

Statements in the directors' report and the management discussion & analysis describing company's objectives, expectations or predictions, may be forward-looking statement within the meaning of applicable laws and regulations. Although we believe our expectation is based on reasonable assumption, actual results may differ materially from those expressed in the statement. Important factors that could influence the company's operations include: global and domestic demand and supply conditions affecting selling prices, new capacity additions, availability of critical materials and their cost, changes in government policies and tax laws, economic development of the country, and such other factors which are material to the business operations of the company.

For and on behalf of the Board of
Shiva Cement Limited

Sd/-
Manoj Kumar Rustagi
Whole-Time Director
DIN : 07742914

Sd/-
Rajendra Prasad Gupta
Director
DIN : 01325989

Date : 12.05.2020
Place : Rourkela-769004

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 2019-20

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

1. REGISTRATION AND OTHER DETAILS :

CIN Registration Date Name of the Company Category / Sub-Category of the Company Address of the Registered office and contact details Whether listed Company (YES/NO) Name, Address and Contact details of Registrar and Transfer Agent, if any	L26942OR1985PLC001557 12/08/1985 Shiva Cement Limited Public Company limited by shares YY-5, Civil Township, Roukela-7690004 Tele Phone: 0661-2400828, 2400168 Yes NICHE TECHNOLOGIES PRIVATE LIMITED CIN : U74140WB1994PTC062636 3A, Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata-700017 Ph. No. 033 2234-3576, 2235-7270/7271 Fax : 03322156823, Email : nichetechpl@nichetechpl.com Website : www.nichetechpl.com
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2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	% to total turnover of the company
1.	CEMENT	100
2.	OTHERS GOODS	-

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/Subsidiary/ Associate of the Company	% of shares held	Applicable Section
1.	JSW Cement Limited	U26957MH2006PLC160839	Holding Company	54.44	Section 2(46)

4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual / HUF									
b) Centran Government									
c) State Government									
d) Bodies Corporate	106166750	0	106166750	54.444	106166750	0	106166750	54.444	0.000
e) Banks / Financial Institutions									
f) Any Other									
Sub-total (A)(1)	106166750	0	106166750	54.444	106166750	0	106166750	54.444	0.000

SHIVA CEMENT LIMITED

(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corporate									
d) Banks / Financial Institutions									
e) Any Other									
Sub-total (A)(2)	0	0	0	0.000	0	0	0	0.000	0.000
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	106166750	0	106166750	54.444	106166750	0	106166750	54.444	0.000
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds									
b) Banks / Financial Institutions	0	206083	206083	0.106	1451	206083	207534	0.106	0.000
c) Central Governments									
d) State Governments									
e) Venture Capital Funds									
f) Insurance Companies									
g) Foreign Institutional Investors (FII)									
h) Foreign Venture Capital Funds									
i) Others (Specify)									
Sub-total (B)(1)	0	206083	206083	0.106	1451	206083	207534	0.106	0.000
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	17599556	40364	17639920	9.046	16474147	40364	16514511	8.469	-0.577
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs 1 lakh	49705714	547794	50253508	25.771	49431533	544535	49976068	25.629	-0.142
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	15718967	68439	15787406	8.096	19522481	68439	19590920	10.047	1.951
c) Others Specify									
1. NRI	1532924	0	1532924	0.786	1515835	0	1515835	0.777	-0.009
2. Overseas Corporate Bodies									
3. Foreign Nationals									
4. Clearing Members	3411691	0	3411691	1.750	1026664	0	1026664	0.526	-1.224
5. Trusts	1100	618	1718	0.001	1100	618	1718	0.001	0.000
6. Foreign Bodies-D.R.									
Sub-total (B)(2)	87969952	657215	88627167	45.450	87971760	653956	88625716	45.449	-0.001
Total Public Shareholding (B) = (B)(1)+(B)(2)	87969952	863298	88833250	45.556	87973211	860039	88833250	45.556	0.000
C. Shares held by Custodian for GDRs & ADRs									
GRAND TOTAL (A+B+C)	194136702	863298	195000000	100.000	194139961	860039	195000000	100.000	0.000