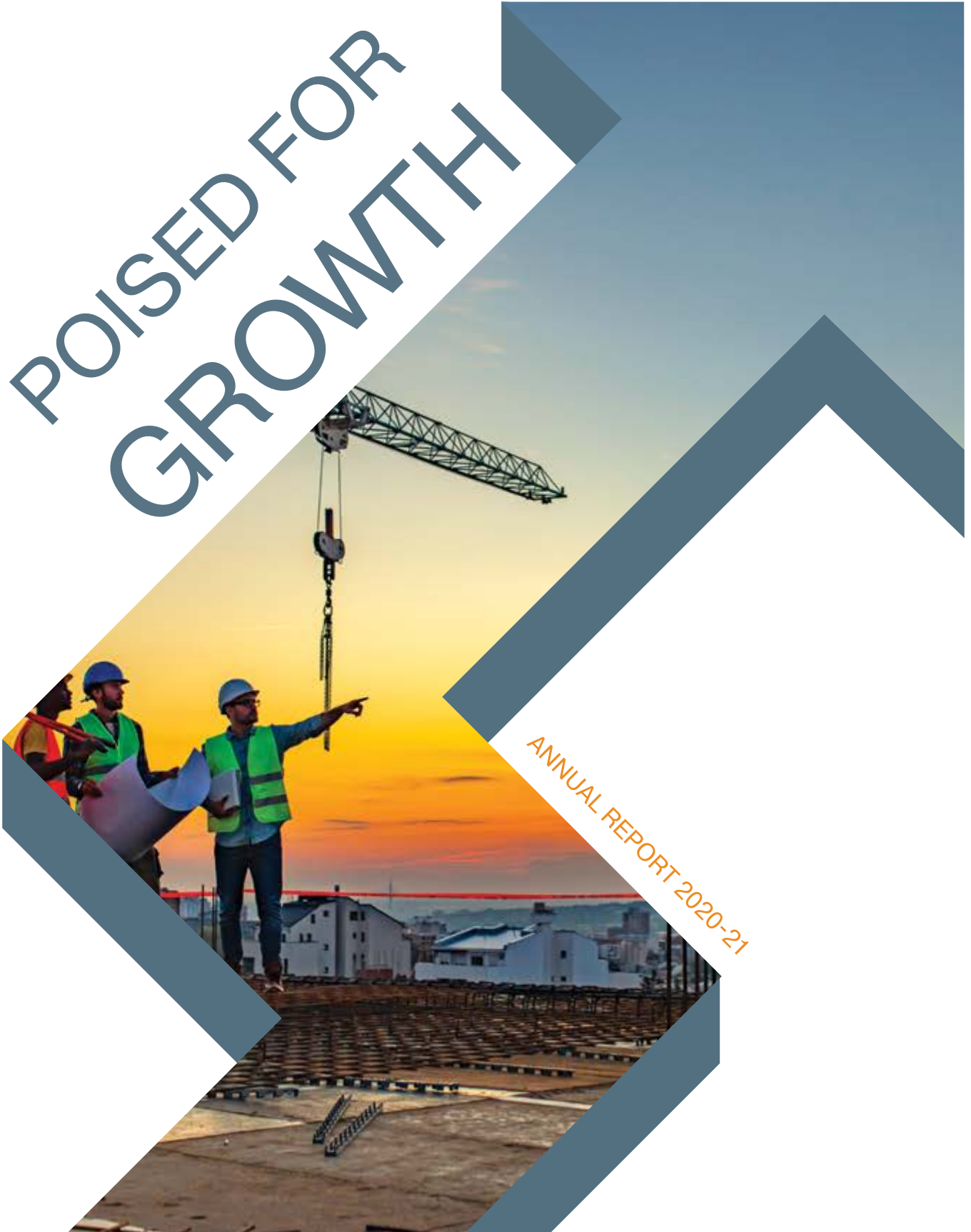




POISED FOR GROWTH

ANNUAL REPORT 2020-21



Tribute to Shri O.P. Jindal



**A true visionary,
A legendary industrialist,
A great philanthropist,
A legacy that will always be cherished!**

Shri O.P. Jindal

August 7, 1930 - March 31, 2005

Founder and Visionary, O.P. Jindal Group

His life was an inspirational journey leading millions to follow the enlightened path.

We will always carry on his values, an epitome of indomitable courage, endurance and integrity, his legacy will always remain with us.

As we take leaps towards the future, we are fully committed to honour his vision and keep his legacy alive & carrying it forward to greater heights.

POISED FOR GROWTH

Today, we are witnessing an optimistic revival in the cement industry on the back of strong indicators. On one hand, numerous businesses have announced enhanced capex guideline plans, while on the other, the government is focusing more on infrastructure growth. Furthermore, the demand for cement is increasing in both the residential and commercial sectors.

At Shiva Cement, we are looking to leverage this upward trend and making significant advances. We have refocused our efforts on impactful projects and are investing in the expansion of our mines. The most significant step in our growth story has been obtaining a limestone mine, auctioned by the Government of Odisha. During this financial year, we also celebrated the Ground Breaking of our 4000 TPD clinker factory. As early movers in the resumption of capex cycle, we have consolidated our leading position in the industry.

Our optimal use of modern technology will allow us to create a completely mechanised supply chain and at the same time, reinforce our commitment towards environmental protection and climate change mitigation. We strongly believe that this endeavour will have far-reaching social and economic benefits in the long run. Overall, we remain optimistic as we poise ourselves for growth and are ready to take on the future.



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Forward Looking Statement

This annual report talks about the Company's performance over the year. Actual outcomes may differ significantly from those stated in the statement. 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, and the country's economic development are all significant risks and uncertainties that could affect the Company's operations.

PERFORMANCE HIGHLIGHTS FOR THE YEAR

Financial

₹2,849 Lakhs
Revenue

Operational

64 Million MT
Mining reserves

86,261 MT
Production volumes

4,430 MT
Gypsum consumption

63,993 MT
Limestone consumption

33,153 MT
Alternate raw material
(including Fly Ash and Slag)

Employees

146
Employee strength

1,328
Safety training hours

5.26
Hours of safety training
per employee

Sustainability

6,000
Trees Planted

11,661.80 MWH
Total electricity consumption

49,142 Tonne
Total Net Scope -
1 CO₂ Emissions

18,600 m³/annum
Water captured through rain
water harvesting

Safety

ZERO
Lost Time Injuries

ZERO
Fatalities

INTRODUCTION TO SHIVA CEMENT

Who we are

After establishing itself in 1985, Shiva Cement began commercial manufacturing in Odisha in the following year. Our factory is strategically situated in an area that has access to an abundant supply of raw materials and is in close proximity to prominent markets.

Our goal is to boost output to 4000 TPD Clinker and 1 million MTPA cement products and expand our reach across the states of Odisha, West Bengal, Jharkhand, and Bihar, optimising on the substantial captive limestone supply at Khatkurbahal Mines. Going forward, our plans and strategies are designed in line with our aspiration to become the market leader in the South-East region of India.

Vision

We, at Shiva Cement, share a vision to emerge as an innovative, cost-efficient and socially responsible organisation to augment growth along with that of our stakeholders and serve the nation. Shiva Cement is a strategic investment to make its parent company, JSW Cement a 10 MTPA (Million Tonne Per Annum) player in the eastern part of the country and a 25 MTPA player across India. With a state-of-the-art setup for manufacturing sustainable products, we endeavour to support India's growth as an industrially-advanced nation.

Our Products

Portland slag cement



Portland Pozzolana cement (Mahabul)



INTRODUCTION TO SHIVA CEMENT

Key Advantages

Our longstanding success and legacy has enabled us to develop a robust company with several advantages over our competition. Over time, we have implemented the best-in-class processes and practices to consolidate our presence, improve cost efficiency and resource management, and strengthen our supply chain networks. Leveraging on the expertise of its parent company, JSW Cement, we have explored opportunities to further expand our operations.

Strategic Location

We are strategically placed, with easy access to essential raw resources and the capacity to reach markets with minimal cost impact. Our manufacturing units are in close proximity to key markets.

Raw Material Accessibility

Additional raw material availability will help us expand our market share. Limestone, coal, minerals, and energy are the major raw materials for cement manufacturing, and their continuous supply is critical to the cement industry's long-term viability. Coal is critical to the rapidly growing cement sector and is sufficiently available in the state of Odisha.

Scope for Expansion

Shiva Cement will be producing 1.4 million tonnes of clinker. On completion of the project, the Company will pursue further expansion opportunities. In the eastern region of India, the whole complex will eventually produce close to 3 million tonnes of clinker, which is equivalent to 10 million tonnes of slag cement.

Robust Governance

Our leadership consists of professionals with extensive and diverse experience. Their rich knowledge of the cement industry provides the Company with key insights for the future growth and expansion strategies.

Synergies with JSW

Presently, JSW Cement imports clinker which is marked by fluctuation in global prices. Both clinker prices and currency exchange along with sea freight add to the risks that the company faces. Shiva Cement will play a crucial role in meeting JSW's clinker requirements and mitigating these risks. This, in turn, will give the company greater operational freedom. For JSW, it can become the cost effective supplier with the best of quality.



Ground Breaking Ceremony

Acknowledging Our Efforts

Awarded the first prize at 58th Annual Metalliferous Mines Safety Week Celebration -2020 for **'Best Automation & Digitisation'** hosted by Lanjiberna Limestone & Dolomite Mines.



Shiva Cement's Expansion Strategy

We are installing a 4000 TPD cement clinker plant, 8.9 MW waste heat power generation along with the development of limestone quarry that was acquired by the Company in 2019.

The project began in October 2020, and it is expected to be completed by June 2022. We plan to fund the ₹1,530 crore project using a mix of long-term debt and equity. The design of Shiva Cement's clinker plant incorporates best-in-class characteristics and is benchmarked to European Union Best Available Technology requirements.

Important features taken into consideration while designing the clinker plant:

- It includes a Robotic Lab to ensure quality control of the clinker. Through automated sampling and continuous measurements, the lab ensures an optimal blend of raw meal and efficient process parameters, resulting in process stability and product consistency. The end result will be the production of the highest quality clinker while providing employees with a healthy working environment.
- A waste heat recovery system is being built and will be implemented to optimise the use of waste hot gases to create electricity, thus indirectly substituting thermal energy from state utilities and lowering total CO₂ emissions. The WHR-based power plant has an output of 8.9 MW and will fulfil more than 75% of the clinker plant power needs.
- Low NOx burners will be installed to reduce NOx emissions and maintain a 600 mg/Nm³ level without the need of an SNCR system. Continuous measurements of dust, NOx, SOx, and CO₂ emissions will be monitored using digital equipment.
- The Ministry of Environment, Forests & Climate Change's dust emission standards are 30 mg/Nm³ while the plant's bag filters are intended for dust emissions of less than 10 mg/Nm³. We are going the extra mile in ensuring a clean and healthy working environment for employees and contractors.
- Limestone and dolomite crushing and screening systems shall be installed at mines pit-head. While the Company will use limestone to make clinker, the sized dolomite will be supplied to steel mills in Odisha. Thus, creating opportunity for additional revenue for the Company.
- All raw materials, such as limestone, additives, and fuel(s), shall be stored in covered sheds with a drain collection system.
- Other instances of efficient energy utilisation include the plant's minimal pressure drop design and the use of variable frequency motors for main equipment drives.

The plant layout also includes the opportunity for expansion of a second clinker line of 4000 TPD in future.

The project includes 1 million MT cement grinding facility and an OLBC (overland belt conveyor) to transport limestone from mines to plant site which is the mechanised and cleanest system of transporting raw material over a distance of approximately 10 kms.

The plant will have its own captive railway siding inside the plant. This includes bringing 13 kms of railway track from the nearest railway station, namely Sagra.

We are employing the most advanced technology and cutting edge equipment with fully mechanised inbound and outbound supply chain that is most sustainable and with minimum possible ground emissions. The Company is committed to protecting the environment and combat climate change. This is high-level initiative will have significant long-term social and economic implications.

We believe that this project will lead to the creation of employment opportunities, which combined with our social work spanning skill development, education, healthcare and the development of the surrounding area will contribute to the economic well-being and livelihoods of people.



Blending silo cone

MESSAGE FROM WHOLE-TIME DIRECTOR

A Brighter Tomorrow



The future looks bright, as the government focuses more on infrastructure expansion, which will have a multiplier impact in the economy. Additionally, there is rising demand in both the residential and commercial segments. The government intends to use the funds set aside for the urban housing scheme to help start construction of new homes, finish existing and ongoing housing projects, giving a boost to the steel and cement demand.

Dear Stakeholders,

It's my pleasure to present to you the annual report for Shiva Cement for the year 2020-21.

As we adjust to a new normal and work to control the repercussions of second pandemic wave, the external world is more volatile than ever. The pandemic triggered fundamental shifts that have reshaped the industry as a whole, putting sectoral strengths to the test and last year, several cement companies opted to reduce or postpone capital investments.

In the first quarter of the fiscal year, the cement sector suffered from inactivity and low demand. Supply chain and logistical issues exacerbated the problem, and the industry's prospects seemed dismal at that time. However, when the lockdown ended, economic activity could no longer be stifled, and previously suppressed demand resurfaced, boosting activity. Additionally, due to availability of labour, demand from rural regions has grown. As a result, rural infrastructure and low-cost home building has increased. Housing repairs and modifications being the primary drivers of retail demand for cement.

The cement sector is now showing signs of revival with numerous companies declaring increased CAPEX guidance plans. The future looks bright, as the government focuses more on infrastructure expansion, which will have a multiplier impact on the Indian economy. Additionally, there is rising demand in both the residential and commercial segments. The government intends to use the funds set aside for the urban housing scheme to help start construction of new homes, finish existing and ongoing housing projects, giving a boost to the steel and cement demand.

Your Company has made positive displacement in the last couple of years. The most important among these is acquiring the limestone mine auctioned by the Government of Odisha, which is in close proximity to our existing mine. We have renewed our focus towards certain key projects and the development of our mines. Our 4000 TPD clinker facility had a delightful ceremony on October 22, 2020 and we were early movers in the revival of capex cycle in the Indian cement sector. We have partnered with leading technology companies and contractors for this project, which is taking shape at a rapid pace.

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From the perspective of strategy, most limestone deposits in Eastern India can be found in the state of Chhattisgarh. Clinker is manufactured and distributed to Bihar, Odisha, West Bengal and Jharkhand. Our location gives us a competitive edge being located in Odisha and closer to market. Supply chain costs are a major component for a low-commodity item like cement/clinker, and thereby, this location advantage will benefit the Company in the long run.

Our existing operational activities were disrupted at the start of the financial year as a result of the pandemic and subsequent lockdown, which began in March. Due to reduced sales volumes, both operational and financial performances were adversely impacted. Our Revenue from operations for the year stood at ₹ 2,849 lakh as compared to ₹ 3,239 lakh in the previous year.

We continue to be cognisant of our responsibilities towards society and have undertaken several sustainability and CSR measures. We are also contributing to the nation's fight against COVID-19 in the locations and communities we operate in while supporting economic recovery.

The government's measures are likely to bear fruit in the coming years. As India adjusts to the new normal and more people are vaccinated, we can look forward to a healthier and brighter tomorrow.

In conclusion, I would like to express my sincerest gratitude to all those who worked tirelessly to keep us resilient and on the path to expansion, including the management team and our workers and stakeholders. We are in the middle of a strategic expansion project and all efforts are being expended to take the Company to greater heights.

Best regards,

Manoj Kumar Rustagi
Whole-Time Director

BOARD OF DIRECTORS

Creative heading to come



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