SHIVA CEMENT LIMITED

Shiva Cement Limited (our "**Company**" or the "**Issuer**") was incorporated in Odisha as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated August 12, 1985 issued by the Registrar of Companies, Odisha at Cuttack ("**RoC**"). Our Company was issued a certificate for commencement of business dated August 13, 1985 by the RoC. For details in relation to the changes in the registered office of our Company, see "*General Information*" on page 51.

Registered and Corporate Office: Village Telighana, Birangatoli, Kutra, Sundargarh – 770 018, Odisha, India; **Telephone**: +91 661 246 1300
Contact Person: Sneha Bindra, Company Secretary and Compliance Officer
E-mail: cs@shivacement.com; **Website:** www.shivacement.com
Corporate Identity Number: L26942OR1985PLC001557

OUR PROMOTERS: PARTH JINDAL AND JSW CEMENT LIMITED

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY ONLY

ISSUE OF UP TO 10,00,00,000* FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹2 EACH OF OUR COMPANY (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹40 PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹38 PER RIGHTS EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹40,000 LAKHS* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 20 RIGHTS EQUITY SHARES FOR EVERY 39 FULLY PAID-UP RIGHTS EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON WEDNESDAY, APRIL 3, 2024 ("RECORD DATE") (THE "ISSUE"). FOR FURTHER DETAILS, SEE "*TERMS OF THE ISSUE*" ON PAGE 274.

**Assuming full subscription*

WILFUL DEFAULTERS

Neither our Company, nor our Promoters, or any of our Directors have been or are categorized as Wilful Defaulters (as defined hereinafter) or Fraudulent Borrowers (as defined hereinafter).

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in relation to this Issue. For taking an investment decision, investors shall rely on their own examination of the Company and the Issue including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of investors is invited to the statement of "*Risk Factors*" on page 18 before making an investment in this Issue.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed on BSE Limited ("**BSE**") (the "**Stock Exchange**"). Our Company has received "*in-principle*" approval from BSE for listing the Rights Equity Shares proposed to be issued pursuant to the Issue pursuant to their letter dated December 4, 2023. Our Company will also make application to the Stock Exchange to obtain trading approval for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of the Issue, the Designated Stock Exchange is BSE.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
JM Financial Limited 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi, Mumbai - 400 025 Maharashtra, India. **Telephone:** +91 22 6630 3030 **E-mail:** shivacement.rights@jmfl.com **Investor grievance e-mail:** grievance.ibd@jmfl.com **Website:** www.jmfl.com **Contact person:** Prachee Dhuri **SEBI registration no.:** INM000010361	**KFin Technologies Limited** ***(Formerly known as KFin Technologies Private Limited)*** Selenium Tower-B, Plot no. 31 and 32 Financial District, Nanakramguda, Serilingampally Hyderabad, Rangareddi 500 032 Telangana, India **Telephone.**: +91 40 6716 2222 **E-mail**: scl.rights@kfintech.com **Investor grievance e-mail:** einward.ris@kfintech.com **Website**: www.kfintech.com **Contact Person**: M Murali Krishna **SEBI registration no.**: INR000000221

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON#
MONDAY, APRIL 22, 2024	TUESDAY, APRIL 30, 2024	MONDAY, MAY 6, 2024

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.*

\# *Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below.

References to any legislation, act, circular, regulation, rules, guidelines or policies shall be to such legislation, act, circular, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Letter of Offer, but not defined herein shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI ICDR Regulations, the SEBI Listing Regulations, the Companies Act, the SCRA, the Depositories Act, and/or the rules and regulations made thereunder, each as amended.

The following list of capitalised terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Provided that terms used in the sections titled "Summary of Letter of Offer", "Statement of Special Tax Benefits", "Industry Overview", "Financial Statements", "Outstanding Litigation and Defaults" and "Terms of the Issue" on pages 16, 64, 74, 121, 262 and 274, respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections

General Terms

Term	Description
"Company", "our Company", "the Company", "the Issuer", "We", "our", "us", or "SCL"	Unless the context otherwise requires, indicates or implies or unless otherwise specified, our Company, Shiva Cement Limited, a company incorporated in India under the Companies Act, 1956, having its registered and corporate office at Village Telighana, Birangatoli, Kutra, Sundargarh – 770 018, Odisha, India

Company Related Terms

Term	Description
Articles of Association/ Articles/ AoA	Articles of association of our Company, as amended from time to time
Audit Committee	The committee of the Board of Directors constituted as our Company's audit committee in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013
Audited Financial Statements	The audited financial statements of our Company as at and for the financial year ended March 31, 2023 (along with comparative financial statements for the financial year ended March 31, 2022) prepared in accordance with applicable accounting standards, which comprises the balance sheet as at March 31, 2023 (along with comparative balance sheet as at March 31, 2022) and the statement of profit and loss, including other comprehensive income, the statement of cash flows and the statement of changes in equity for the years then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
Board of Directors or Board	Board of directors of our Company
Chartered Engineer	An independent chartered engineer appointed by our Company for the purpose of the Issue, namely, Nihar Ranjan Dash
Chief Financial Officer	The chief financial officer of our Company, namely, Girish Menon
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, namely Sneha Bindra
Corporate Promoter/JCL	The corporate promoter of our Company, namely, JSW Cement Limited
Corporate Social Responsibility Committee	The committee of the Board of directors constituted as our Company's corporate social responsibility committee in accordance with Section 135 of the Companies Act, 2013
CRISIL MI&A/ CRISIL	CRISIL Market Intelligence and Analytics, a division of CRISIL Limited
CRISIL Report	Report on "Market review of cement sector" dated March, 2024, prepared by, a division of CRISIL Limited, commissioned and paid for by our Company
Director(s)	The directors on the Board of our Company

Term	Description
Equity Shareholder(s)	A holder of Equity Share(s) of our Company, from time to time
Equity Shares	Equity shares of face value of ₹2 each of our Company
Executive Director(s)	Executive director(s) of our Company. For details, see "*Our Management*" on page 69
Financial Statements	Our Audited Financial Statements together with our Unaudited Interim Condensed Financial Statements.
Independent Director(s)	Independent Directors on the Board, who are eligible to be appointed as independent directors under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details, see "*Our Management"* on page 69
Individual Promoter	The individual promoter of our Company, namely, Parth Jindal
Key Managerial Personnel	The Key Managerial Personnel of our Company determined in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations. For details, see "*Our Management"* on page 69
Memorandum of Association/Memorandum/ MoA	Memorandum of Association of our Company, as amended from time to time
Mining Geologist	An independent mining geologist appointed by our Company for the purpose of the Issue, namely, Vallabh Tarun Chander
Nomination and Remuneration Committee	The committee of the Board of directors reconstituted as our Company's nomination and remuneration committee in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013
Non-Executive Director(s)	Non-executive non-independent director of our Company. For details, see "*Our Management*" on page 69
Optionally Convertible Cumulative Redeemable Preference Shares or OCCRPS	1% optionally convertible cumulative redeemable preference shares* of face value ₹100 each issued to our Promoter, JSW Cement Limited, on a preferential basis by our Company **Pursuant to a board resolution dated February 4, 2021, our Company had allotted 1,00,00,000 1% Optionally Convertible Cumulative Redeemable Preference Shares of ₹100 each to JSW Cement Limited by way of a private placement with an option to convert the preference shares within eighteen months from the date of allotment. Such private placement was authorised by our Shareholders pursuant to resolution passed in our EGM dated January 21, 2021. Pursuant to the expiry of the option of converting the cumulative redeemable preference shares, they are no longer convertible.*
Preference Shares	Preference shares of face value of ₹100 each of our Company
Promoter Group	The entities constituting the promoter group of our Company determined in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
Promoter(s)	The promoters of our Company, namely, Parth Jindal and JSW Cement Limited
Registered and Corporate Office	The registered and corporate office of our Company is located at Village Telighana, Birangatoli, Kutra, Sundargarh – 770 018, Odisha, India
Registrar of Companies or RoC	The Registrar of Companies, Odisha at Cuttack
Senior Management	Senior management of our Company determined in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations. For details, see "*Our Management"* on page 69
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Board constituted in accordance with Regulation 20 of the SEBI Listing Regulations
Statutory Auditors	Statutory auditors of our Company namely, Shah Gupta & Co., Chartered Accountants
Unaudited Interim Condensed Financial Statements	Unaudited interim condensed financial statements of our Company as at and for the nine months ended December 31, 2023 (which includes comparative figures for the nine months ended December 31, 2022)
Whole–Time Director and Chief Executive Officer	Whole-time director and chief executive officer of our Company. For details, see "*Our Management*" on page 69

Issue Related Terms

Term	Description
Abridged Letter of Offer/ALOF	The abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013
Additional Rights Equity Shares	The Rights Equity Shares applied for or allotted under this Issue in addition to the Rights Entitlement
Allotment Account Bank	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Account has been opened, in this case being, Axis Bank Limited
Allotment Account	The account opened with the Banker to this Issue, into which the Application Money blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful

Term	Description
	Investors will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Investor who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue after approval of the Basis of Allotment by the Designated Stock Exchange
Allotment Date	Date on which the Allotment is made pursuant to the Issue
Allotment/Allot/Allotted	Allotment of Rights Equity Shares pursuant to the Issue
Allottee(s)	Person(s) to whom the Rights Equity Shares are Allotted pursuant to Issue
Application	Application made through submission of the Application Form or plain paper application to the Designated Branch(es) of the SCSBs or online/electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Rights Equity Shares at the Issue Price
Application Form	Unless the context otherwise requires, an application form used or application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process used by an Investor to make an application for the Allotment of Rights Equity Shares in this Issue
Application Money	Aggregate amount payable at the time of Application i.e., ₹ 40 per Rights Equity Share in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
Application Supported by Blocked Amount/ASBA	Application (whether physical or electronic) used by an Investor to make an application authorizing the SCSB to block the Application Money in a specified bank account maintained with the SCSB
ASBA Account	An account maintained with SCSBs and as specified in the Application Form or plain paper Application, as the case may be, by the Investor for blocking the amount mentioned in the Application Form or in the plain paper Application
Banker to the Issue Agreement	Agreement dated March 27, 2024 entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Banker to the Issue for inter alia collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof
Banker to the Issue	Axis Bank Limited
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Investors in consultation with the Designated Stock Exchange, being BSE, in this Issue, as described in "*Terms of the Issue*" on page 274
Business Hours	Business hours mean the hours between 9 am and 5 pm (IST), during a weekday (Monday through Friday), excluding national holidays
Controlling Branches/Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange, a list of which is available on SEBI updated from time to time, or at such other website(s) as may be prescribed by the SEBI from time to time
Demographic Details	Details of Investors including the Investor's address, PAN, DP ID, Client ID, bank account details and occupation, where applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications, as the case may be, used by the Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI from time to time
Designated Stock Exchange	BSE Limited
Draft Letter of Offer	The draft letter of offer dated October 16, 2023, filed with SEBI in accordance with the SEBI ICDR Regulations, for its observations
Eligible Equity Shareholder(s)	Existing Equity Shareholders as on the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, please see "*Notice to Investors*" on page 9
Equity Shareholder(s) /Shareholders	Holder(s) of the Equity Shares of our Company
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Investor(s)/Applicant(s)	Eligible Equity Shareholder(s) of our Company on the Record Date, i.e. April 3, 2024 and the Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of this Letter of Offer
Issue	This issue of up to 10,00,00,000* Rights Equity Shares for cash at a price of ₹ 40 per Rights Equity Share (including a premium of ₹ 38 per Rights Equity Share) aggregating up to ₹40,000 lakhs* on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 20 Rights Equity Shares for every 39 fully paid-up Equity Shares held by the Eligible Equity Shareholders on the Record Date **Assuming full subscription*
Issue Agreement	Issue agreement dated October 16, 2023, between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue

Term	Description
Issue Closing Date	Monday, May 6, 2024
Issue Materials	The Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and any other material relating to the Issue
Issue Opening Date	Monday, April 22, 2024
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Investors can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹ 40 per Rights Equity Share
Issue Proceeds/Gross Proceeds	The gross proceeds raised through the Issue
Issue Size	The issue of up to 10,00,00,000* Rights Equity Shares for cash at a price of ₹ 40 per Rights Equity Share (including a premium of ₹ 38 per Rights Equity Shares) aggregating up to ₹40,000 lakhs* **Assuming full subscription*
Lead Manager	JM Financial Limited
Letter of Offer	This letter of offer dated March 28, 2024 filed with SEBI and the Stock Exchange
Listing Agreement	The uniform listing agreement(s) entered into between our Company and the Stock Exchange in terms of the SEBI Listing Regulations read along with SEBI circular bearing reference number CIR/CFD/CMD/6/2015 dated October 13, 2015
Loan Agreement	The agreement between JSW Cement Limited and our Company dated March 1, 2023 as amended by the amendment agreement dated October 20, 2023 in relation to unsecured borrowings availed by our Company from JSW Cement Limited aggregating to ₹70,000 lakhs
Materiality Policy	The policy for determining material events and information of our Company framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted pursuant to a resolution of our Board dated July 27, 2023
Monitoring Agency	CARE Ratings Limited
Monitoring Agency Agreement	Agreement dated March 22, 2024 between our Company and the Monitoring Agency in relation to monitoring of Net Proceeds
Multiple Application Forms	Multiple application forms submitted by an Investor in respect of the same Rights Entitlements available in their demat account. However, supplementary applications in relation to further Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple applications
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please see "*Objects of the Issue*" on page 58
Objects	The objects of the Issue i.e., (a) repayment or prepayment, in full or in part, of certain borrowings availed by our Company; and (b) general corporate purposes. For details, see "*Objects of the Issue*" on page 58.
Off Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars, circulars issued by the Depositories from time to time and other applicable laws
On Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stockbroker in accordance with the SEBI Rights Issue Circulars, circulars issued by the Stock Exchange from time to time and other applicable laws, on or before Tuesday, April 30, 2024
Record Date	Designated date for the purpose of determining the Shareholders eligible to apply for the Rights Equity Shares in the Issue, being Wednesday, April 3, 2024
Refund Bank	The Banker to the Issue with whom the Refund Account has been opened, in this case being, Axis Bank Limited
Registrar Agreement	Agreement dated October 16, 2023, between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue
Registrar to the Issue/Registrar to the Company/Registrar/ Registrar and Share Transfer Agent/ Share Transfer Agent	KFin Technologies Limited (*Formerly known as KFin Technologies Private Limited*)
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation
Renunciation Period	The period during which the Eligible Equity Shareholders can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on Tuesday, April 30, 2024 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner

Term	Description
	that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible on the website of our Company
Rights Entitlement/RE	Number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being 20 Rights Equity Shares for every 39 Equity Shares held by an Eligible Equity Shareholder, on the Record Date, excluding any fractional entitlements. The Rights Entitlements with a separate ISIN: INE555C20011 will be credited to the respective demat account of Eligible Equity Shareholder before the Issue Opening Date, against the Equity Shares held by the Eligible Equity Shareholders as on the Record Date
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue
Rights Issue Committee	The committee of our Board constituted pursuant to Board resolution dated September 14, 2023
SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the issue and which offers the facility of ASBA. A list of all SCSBs is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or such other website as updated from time to time
Stock Exchange	Stock exchange where the Equity Shares are presently listed *i.e.*, BSE
Transfer Date	The date on which the Application Money blocked in the ASBA Accounts will be transferred to the Allotment Account in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange, being BSE
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Days	Working days defined in accordance with Regulation 2(1)(mmm) of the SEBI ICDR Regulations, being all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI

Conventional and General Terms or Abbreviations

Term/Abbreviation	Description/Full Form
₹/Rs./Rupees/INR	Indian Rupee
AAIFR	Appellate Authority for Industrial and Financial Reconstruction
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the SEBI AIF Regulations
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
Central Government	Central Government of India
CIN	Corporate Identification Number
Companies Act	Companies Act, 1956 and the Companies Act, 2013, as applicable
Companies Act, 1956	The erstwhile Companies Act, 1956 along with the relevant rules made thereunder
Companies Act, 2013	The Companies Act, 2013, along with the relevant rules made thereunder
Company/Our Company	Shiva Cement Limited, a company incorporated in India under the Companies Act, 1956, having its registered and corporate office at Village Telighana, Birangatoli, Kutra, Sundargarh – 770 018, Odisha, India
CY	Calendar Year
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director identification number
DP ID	Depository participant identity
DP/Depository Participant	Depository participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade, GOI
EBITDA	Profit before exceptional items and tax minus other income plus finance costs, depreciation and amortisation expense
EPS	Earnings per share
FDI	Foreign direct investment
FDI Circular 2020	Consolidated FDI policy circular dated October 15, 2020 issued by the DPIIT

Term/Abbreviation	Description/Full Form
FEMA	Foreign Exchange Management Act, 1999
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year/Fiscal Year/FY/ Fiscal	Period of 12 months ending March 31 of that particular year
FVCI	Foreign Venture Capital Investors registered under the SEBI FVCI Regulations
GOI	Government of India
Government	Central Government and/or the State Government, as applicable
ICAI	Institute of Chartered Accountants of India
IEPF Authority	Investor Education and Protection Fund Authority established by the GOI under Section 125 of the Companies Act, 2013
IFRS	International Financial Reporting Standards
Ind AS	Indian accounting standards as specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015
India	Republic of India
ISIN	International securities identification number
MMDR Act	Mines and Mineral (Development and Regulation) Act, 1957
MMDR Amendment Act	Mines and Minerals (Development and Regulation) Amendment Act, 2015
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
MVA	Mega Volt Amp
MW	Megawatt
NAV	Net asset value per Equity Share at a particular date computed based on total equity divided by number of Equity Shares
Net Worth	The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
NR	Non-resident or person(s) resident outside India, as defined under the FEMA
NRE Account	Non-resident external account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
OCBs	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
PAN	Permanent account number
RBI	Reserve Bank of India
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Rights Issue Circulars	SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, along with the any subsequent circulars or notifications issued by SEBI in this regard.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as repealed and replaced by the SEBI AIF Regulations
State Government	Government of a State of India
U.S. GAAP	The U.S. Generally Accepted Accounting Principles
U.S. Securities Act	U.S. Securities Act of 1933, as amended
U.S./USA/United States	United States of America, including the territories or possessions thereof

Term/Abbreviation	Description/Full Form
VCF	Venture capital fund as defined under the SEBI AIF Regulations and SEBI VCF Regulations

Industry Related Terms

Term/Abbreviation	Description/Full Form
CAGR	Compounded Annual Growth Rate
Clinker Supply Agreement	Clinker supply agreement dated March 1, 2023 entered into by our Company and JSW Cement Limited for supply of clinker.
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CPCB	Central Pollution Control Board
CPI	Consumer Price Index
CPP	Captive power plants
CREP	Corporate responsibility for environmental protection charter
DFC	Dedicated Freight Corridor
ESG	Environmental, social, and corporate governance
Expansion Project	The upgradation and expansion of our manufacturing facility at Telighana, Odisha including setting up of a clinkerisation unit with a capacity of 4,000 TPD (equivalent to 1.32 MTPA), a waste heat recovery system with a capacity of 8.9 MW, along with a dedicated incoming power line of 132KV
FSA	Fuel-supply agreement
GCV	Gross calorific value
GDP	Gross Domestic Product
IHB	Individual house building
Kcal	Kilo calories
KM	Kilometre
KV	Kilovolt
KW	Kilowatt
m^3	Cubic metre
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MT	Million Tonne
MTPA	Million Tonne Per Annum
MW	Megawatt
NHAI	National Highway Authority of India
NHDP	National Highway Development Project
OLBC	Overland belt conveyor
OPC	Ordinary Portland Cement
PLI	Production - Linked Incentive
PMAY	Pradhan Mantri Awas Yojana
PMAY-G	Pradhan Mantri Awas Yojana (Grameen)
PMAY-U	Pradhan Mantri Awas Yojana - Urban
PMGSY	Pradhan Mantri Gram Sadak Yojana
PPC	Portland Pozzolana Cement
PSC	Portland Slag Cement
RDF	Refuse derived fuel
RERA	Real Estate Regulatory Authority
RMC	Ready-Mix Concrete
RoRo	Roll-on-roll-off
SPCB	State pollution control board
TPD	Tonnes per day
WDFC	Western Dedicated Freight Corridor
WSS	Water supply and sanitation
Y-O-Y	Year on year

NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, Application Form, the Rights Entitlement Letter and other Issue Materials and the issue of Rights Entitlements and the Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India are restricted by the legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Materials may come, are required to inform themselves about and observe such restrictions.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Issue Materials will be sent/dispatched only to the Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address to our Company, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials, as applicable will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas Shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent the Issue Materials.

Our Company, the Lead Manager, and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials, in the event the Issue Materials have been sent on the registered email addresses of such Eligible Equity Shareholder(s).

Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of our Company, the Registrar, the Lead Manager, and the Stock Exchange.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer was filed with SEBI for observations and the Stock Exchange. Accordingly, the Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials or advertisements in connection with the Issue may not be distributed, whole or in part, in or into in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Issue Materials in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If the Issue Materials are received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in such Issue Materials.

Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or its affiliates to make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in "*Other Regulatory and Statutory Disclosures – Selling Restrictions*" on page 270. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and in each case is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant

certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

Neither the receipt of this Letter of Offer nor any sale of Rights Equity Shares hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

THE CONTENTS OF THIS LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX, BUSINESS, FINANCIAL OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF THE RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGER OR THEIR RESPECTIVE AFFILIATES ARE MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE RIGHTS EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by any regulatory authority, nor has any regulatory authority passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in certain jurisdictions. The Issue Materials are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**"), AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE U.S. STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS ENTITLEMENTS (INCLUDING THEIR CREDIT) AND THE EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT ("**REGULATION S**") AND IN COMPLIANCE WITH THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES OCCUR. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR THE RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY OR TRANSFER ANY OF THE EQUITY SHARES OR RIGHTS ENTITLEMENT. THERE IS NO INTENTION TO REGISTER ANY PORTION OF THE ISSUE OF ANY OF THE SECURITIES DESCRIBED HEREIN IN THE UNITED STATES OR TO CONDUCT A PUBLIC OFFERING OF SECURITIES IN THE UNITED STATES. ACCORDINGLY, ANY DOCUMENTS RELATING TO THE ISSUE SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation or purchase of the Equity Shares and/ or Rights Entitlements from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer of securities under this Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to the e-mail addresses of the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission**,** any other federal or state securities commission in the United States, the securities authorities of any non-United States jurisdiction or any other U.S. or non-U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in certain other jurisdictions.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to (i) 'India' are to the Republic of India and its territories and possessions; and (ii) the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

Unless otherwise specified, any time mentioned in this Letter of Offer is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Letter of Offer are to a calendar year.

In this Letter of Offer, a reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Page Numbers

Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

Financial Data

Unless stated otherwise, or unless the context requires otherwise, the financial data in this Letter of Offer is derived from the Financial Statements. For details of our Financial Statements, please see "*Financial Statements*" on page 121. Our Company's Fiscal commences on April 1 of each calendar year and ends on March 31 of the following calendar year. Unless otherwise stated, references in this Letter of Offer to a particular 'Financial Year' or 'Fiscal Year' or 'Fiscal' are to the twelve month period ended on March 31 of that year.

We have prepared our Financial Statements in accordance with Ind AS, Companies Act, 2013, and other applicable statutory and/or regulatory requirements. We publish our Financial Statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

There are significant differences between Ind AS and IFRS. Our Company does not provide reconciliation of its financial information to IFRS. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Letter of Offer and it is urged that you should consult your own advisors regarding such differences and their impact on our Company's financial data. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Letter of Offer should accordingly be limited. Prospective Investors are advised to consult their advisors before making any investment decision.

Unless otherwise stated, the financial numbers stated in this Letter of Offer are derived from the Audited Financial Statements and/or the Unaudited Interim Condensed Financial Statements.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources. Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in Rupees in lakhs.

Market and Industry Data

Unless stated otherwise, market, industry and demographic data used in this Letter of Offer, including in "*Risk Factors*", "*Industry Overview", "Our Business"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* on pages 18, 74, 111 and 226, has been obtained from market research, publicly available information, industry publications and government sources. Further, the information has also been derived from the Report on '*Market review of cement sector*" dated March, 2024, prepared by CRISIL MI&A, a division of CRISIL Limited ("**CRISIL Report**").

The CRISIL Report is subject to the following disclaimer:

"*CRISIL Market Intelligence & Analytics, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Shiva Cement Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Market Intelligence & Analytics operates independently of and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Market Intelligence & Analytics and not of CRISIL Ratings Limited. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval.*"

This information is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, and thus we have relied on internally developed estimates.

The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. The excerpts of the CRISIL Report are disclosed in this Letter of Offer and there are no parts, information, data (which may be relevant for the proposed Issue), left out or changed in any manner. The extent to which the industry and market data presented in this Letter of Offer is meaningful and depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodology in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – 40. This Letter of Offer contains information from an industry report which has been commissioned and paid for by us exclusively for the purposes of the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks*" on page 39. Further, neither the Company, nor Promoters or Directors nor the Lead Manager appointed in relation to the Issue are "related parties" as defined under Section 2(76) of the Companies Act, 2013, of CRISIL MI&A.

Currency of Presentation

All references to

- 'INR', '₹', 'Indian Rupees' and 'Rupees' are to the legal currency of the Republic of India; and
- 'US$', 'USD', '$' and 'U.S. dollars' are to the legal currency of the United States of America.

In this Letter of Offer, our Company has presented certain numerical information. All figures have been expressed in 'lakhs', unless stated otherwise. The amounts derived from financial statements included herein are represented in 'lakhs', as presented in the Financial Statements. One lakh represents 1,00,000 and one crore represents 1,00,00,000. Except as otherwise set out in this Letter of Offer, certain monetary thresholds have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Please note:

- One trillion is equal to 1,000,000,000,000 or 10,000 crores;
- One billion is equal to 1,000,000,000 or 100 crores;
- One million is equal to 1,000,000 or 0.1 crores or 10 lakhs;
- One crore is equal to 10 million or 100 lakhs; and
- One lakh is equal to 100,000.

Conversion Rates for Foreign Currency:

The conversion rate for the following foreign currency is as follows:

Name of the Currency	As of December 31, 2023 (in ₹)*	As of March 31, 2023 (in ₹)	As of March 31, 2022 (in ₹)
USD	83.12	82.22	75.81

(Source: www.fbil.org.in)
**The exchange rate has been included as on December 29, 2023, as December 30, 2023 and December 31, 2023 were a Saturday and a Sunday, respectively.*

These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as, 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'expected to' 'intend', 'is likely', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause actual results to differ materially from our Company's expectations include, among others:

- Inability to successfully implement growth strategy of the Company which requires significant capital expenditure;
- Inability to achieve and maintain profitability or improving our net worth in the future;
- Significant decrease in revenue from JCL, the primary customer of our Company;
- Inability to mine/procure sufficient limestone, on reasonable terms or at all, or our rights are revoked or not renewed, or significant restrictions on the usage of the rights are imposed or we are required to pay substantially higher royalties;
- Actual production of limestones with respect to our reserves in our mines could be lower than estimated which could affect our financial condition; and
- Shortage or non-availability of power, fuel, coal or water, adversely affecting our manufacturing operations.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the sections "*Risk Factors*" and "*Our Business*" on pages 18 and 111.

The forward-looking statements contained in this Letter of Offer are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management of our Company. Whilst our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer, and our Company and the Lead Manager and its affiliates undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. In accordance with SEBI and Stock Exchange requirements, our Company and the Lead Manager will ensure that the Eligible Equity Shareholders are informed of material developments until the time of the grant of listing and trading permissions for the Rights Equity Shares by the Stock Exchange.

SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including, the sections *"Risk Factors"*, *"Objects of the Issue"*, *"Our Business"* and *"Outstanding Litigation and Defaults"* on pages 18, 58, 111 and 262, respectively.

Primary business of the Issuer

Our Company is part of the JSW group and is engaged in the manufacturing of cement, clinker and trading of other allied products. Along with our manufacturing facility located in Telighana, Odisha, we also own and operate two limestone mines in Khatkurbahal in Odisha. We recently completed the Expansion Project and currently operate a clinkerisation unit with a capacity of 4,000 tonnes per day (equivalent to 1.32 million tonnes per annum), a waste heat recovery system with a capacity of 8.9 megawatt, along with a dedicated incoming power line of 132 kilovolt and are also in the process of setting up a 4 million tonne per annum limestone crushing plant at our mines at Khatkurbahal, Odisha.

For further details, please see "*Our Business*" on page 111.

Objects of the Issue

Our Company intends to utilize the Net Proceeds from the Issue towards funding of the following objects:

(in ₹ lakhs)

Particulars	Estimated amount (up to)**
Repayment or prepayment, in full or in part, of certain borrowings availed by our Company	31,658.62
General corporate purposes	7,500.00*
Total Net Proceeds**	**39,158.62**

* *Subject to the finalization of the basis of Allotment and the allotment of the Rights Equity Shares. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*
** *Assuming full subscription in the Issue.*

For further details, please see *"Objects of the Issue"* on page 58.

Intention and extent of participation by our Promoters and Promoter Group shareholders

Our Corporate Promoter and Anushree Jindal, a member of our Promoter Group and Shareholder, jointly with our Individual Promoter, by way of their letters each dated October 10, 2023, have confirmed their intention to subscribe to the full extent of their Rights Entitlement in the Issue. Each of our Corporate Promoter and Anushree Jindal jointly with our Individual Promoter have reserved their right to subscribe over and above their Rights Entitlement in the Issue, either in the form of subscription to the Rights Entitlement renounced in their favour or subscription to Additional Rights Equity Shares or the unsubscribed portion in the Issue, in accordance with and subject to compliance with the SEBI ICDR Regulations, SEBI Listing Regulations, SEBI Takeover Regulations and other applicable laws.

Summary Financial Information

The details of the summary financial information of our Company as of and for the nine months period ended December 31, 2023 and the nine months period ended December 31, 2022 as derived from Unaudited Interim Condensed Financial Statements and as of and for the Fiscals 2023 and 2022 as derived from the Audited Financial Statements, is as follows:

(in ₹ lakhs, except otherwise stated)

Particulars	As at and for the nine months ended December 31, 2023	As at and for the nine months ended December 31, 2022	As at and for Fiscal 2023	As at and for Fiscal 2022
Equity Share capital	3,900.00	3,900.00	3,900.00	3,900.00
Net worth	(13,484.16)	(9,192.79)	(7,832.59)	(4,272.12)
Total Income	20,389.55	259.46	347.38	727.04

Particulars	As at and for the nine months ended December 31, 2023	As at and for the nine months ended December 31, 2022	As at and for Fiscal 2023	As at and for Fiscal 2022
Profit / (Loss) after tax for the period/year	(5,651.26)	(4,923.95)	(8,047.03)	(2,551.92)
Basic and diluted earnings per Equity Share (₹ / Equity Share)				
- Basic (in ₹)	(2.90)*	(2.53)*	(4.13)	(1.31)
- Diluted (in ₹)	(2.90)*	(2.53)*	(4.13)	(1.31)
Net asset value per Equity Share (in ₹)	(6.91)	(4.71)	(4.02)	(2.19)
Total borrowings (as per balance sheet)	1,36,867.52	1,21,441.55	1,28,931.11	80,176.11

**Basic and diluted earnings per share for the nine months periods ended December 31, 2023 and December 31, 2022 are not annualised.*

Outstanding litigation and defaults

A summary of the outstanding legal proceedings involving our Company as on the date of this Letter of Offer is set forth in the table below:

Type of proceedings	Number of cases	Amount (*in ₹ lakhs*)*
Issues of moral turpitude or criminal liability on the part of our Company	Nil	Nil
Material violations of statutory regulations by our Company	1	111.47
Economic offences where proceedings have been initiated against our Company	Nil	Nil
Other matters, including civil litigation and tax proceedings, which, if they result in an adverse outcome, would materially and adversely affect our operations or our financial position#	6	3,371.67
Other pending litigation involving our Company^	3	Not ascertainable

**To the extent quantifiable*
#Determined in accordance with the Materiality Policy
^ For details, see "Outstanding Litigation and Defaults – Other Pending Litigation" on page 263.

For further details, please see "*Outstanding Litigation and Defaults*" on page 262.

Risk Factors

For details, please see "Risk Factors" on page 18. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue.

Contingent liabilities

For details regarding our contingent liabilities, please see "*Audited Financial Statements – Note 37(a) – Contingent liabilities not provided for in respect of disputed claims/levies*" and "*Unaudited Interim Condensed Financial Statements – Note 16(a) – Contingent liabilities not provided for in respect of disputed claims/levies*" *on* pages 220 and 158, respectively.

Related party transactions

For details regarding our related party transactions, please see "*Audited Financial Statements – Note 37(g) – Related parties disclosure as per IND AS 24*" and "*Unaudited Interim Condensed Financial Statements – Note 16(d) – Related parties disclosure as per IND AS 24"* on pages 222 and 159, respectively.

Issue of Equity Shares for consideration other than cash

Our Company has not made any issuances of Equity Shares for consideration other than cash in the last one year immediately preceding the date of this Letter of Offer.

SECTION II – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all the information disclosed in this Letter of Offer, including the risks and uncertainties described below, before making an investment in Rights Equity Shares. The risks described below are those that we consider to be most significant to our business, cash flows, results of operations and financial conditions as of the date of this Letter of Offer. However, they may not be exhaustive or are not the only risks relevant to us or Equity Shares or the industry in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business prospects, cash flows, results of operations and financial condition. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks mentioned below. If any or a combination of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business prospects, cash flows, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and you may lose all or part of the value of your investment.

Any potential Investor in the Rights Equity Shares should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to legal and regulatory environment which may differ significantly from that in other jurisdictions. In making an investment decision, prospective Investors must rely on their own examination of us and the terms of the Issue, including the merits and risks involved. Investors should consult their respective tax, financial and legal advisors about the particular consequences of an investment in this Issue. In order to obtain a complete understanding about us, investors should read this section in conjunction with "Our Business", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", on pages 111, 121 and 226 respectively, as well as the other financial information included in this Letter of Offer.

This Letter of Offer contains certain forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer. For further information, see "Forward Looking Statements" on page 15. Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Audited Financial Statements and Unaudited Interim Condensed Financial Statements included in this Letter of Offer. For further information, see "Financial Statements" on page 121. Our financial year ends on March 31 of each year, and references to a 'Financial Year' are to the twelve months ended March 31 of that year.

*Unless otherwise indicated, industry and market data used in this section has been extracted from the CRISIL Report. We commissioned and paid for the report titled "Market review of cement sector" dated March, 2024 prepared by CRISIL Limited ("**CRISIL Report**") pursuant to an engagement letter dated February 15, 2024, for the purposes of confirming our understanding of the industry exclusively in connection with the Issue. The CRISIL Report forms part of the material documents for inspection and is available on the website of our Company at https://shivacement.com/material-documents/. The data included in this section includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. See "Presentation of financial information and other information", "- Internal Risk Factors – 39. This Letter of Offer contains information from an industry report which has been commissioned and paid for by us exclusively for the purposes of the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks" and "Industry Overview" on pages 12 and 74.*

INTERNAL RISKS

1. We are bound by various restrictive covenants in terms of our financing documentation.

We have entered into agreements for our borrowings with certain lenders. As of February 29, 2024, our total borrowings were ₹1,40,264.25 lakhs. These borrowings include secured fund based facilities, along with the unsecured loan extended by our Corporate Promoter in terms of the Loan Agreement. Any inability to comply with repayment and other covenants in our financing agreements could adversely affect our business, financial condition, cash flows and credit rating. Such restrictive covenants include but are not limited to, requirements that we obtain consent from the lenders prior to undertaking certain matters including altering our capital structure, effecting any scheme of amalgamation or reconstitution, restructuring or changing the management, dilution of or any change in shareholding of certain existing shareholders including the Promoters and the promoter group, utilizing the proceeds of the Issue for adjusting the loans availed from the corporate promoter, repayment and/or prepayment of various borrowing facilities availed by the Company, general corporate purpose, appointing various intermediaries including merchant bankers. While the lenders have not exercised these rights, they may do so in the future. Further, in terms of security, our Company is required to create a charge on all our fixed assets, mortgage over our immovable properties and hypothecation of our movable properties. Further, JCL as our Promoter has given a corporate guarantee to fund capex from banks in respect to term loans. There can be no assurance that the Company will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow it. Any fluctuations in the interest rates may directly impact the interest costs of such loans and could adversely affect our financial condition. The ability to make payments on and refinance our indebtedness will depend on its ability to generate cash from our future operations. We may not be able to generate enough cash flow from operations or obtain enough capital to service its debt. In addition, lenders under the various credit facilities could foreclose on and sell its assets if a default arises under our credit facilities. Any failure to comply with the conditions and covenants in the financing agreements that is not waived by our lenders or guarantors or otherwise cured could lead to a termination of its credit facilities, acceleration of all amounts due under such facilities or trigger cross default provisions under certain of its other financing agreements, any of which could adversely affect its financial conditions and its ability to conduct and implement our business plans. It may be possible for a lender to assert that we have not complied with all applicable terms under our existing financing documents. Further we cannot assure that we will have adequate funds at all times to repay these credit facilities and may also be subject to demands for the payment of penal interest. While the aforementioned events have not occurred in the past, future occurrence of any of these events could affect our financial condition, results of operations and prospects.

As on February 29, 2024, the amount outstanding under various borrowing arrangements of our Company, including under the Loan Agreement, was ₹1,40,264.25 lakhs. The details of the borrowings availed by our Company from third party lenders, which are outstanding as on February 29, 2024 is as follows:

Name of the lender	Nature of borrowing	Principal amount sanctioned as on February 29, 2024 (in ₹ lakhs)	Principal amount outstanding as on February 29, 2024 (in ₹ lakhs)	Tenure of repayment	Rate of interest as on February 29, 2024 (in %)
Term loans					
Axis Bank Limited	Rupee Term Loan	55,000.00	47,367.11	To be repaid in 36 structured quarterly installments with the first installment starting from December 31, 2024	8.73
Indian Bank	Rupee Term Loan	30,000.00	19,235.29		
Total		**85,000.00**	**66,602.40**		

Notes:

1. *Our Company has obtained a certificate dated March 28, 2024, from Shah Gupta & Co., Chartered Accountants who have certified that the borrowings mentioned in the table above have been utilised towards the purposes for which such borrowings were availed.*
2. *A prepayment premium of 1% may be applicable, subject to certain conditions, in relation to the loans mentioned above. Prepayment penalty, if any, shall be paid by our Company out of our internal accruals.*

Additionally, the details of the unsecured borrowings availed by our Company from JCL in terms of the Loan Agreement is as follows:

Name of the lender	Date of Agreement	Purpose	Nature of borrowing	Principal amount sanctioned as on February 29, 2024 (in ₹ lakhs)	Principal amount outstanding as on February 29, 2024 (in ₹ lakhs)	Rate of interest	Tenure of loan
JCL	• Loan agreement dated March 1, 2023	Meeting Company's business requirements, including	Unsecured borrowings	70,000.00	67,759.09	Weighted average cost of long-term borrowings of JCL as	For a period of 60 months from the date of each disbursement

Name of the lender	Date of Agreement	Purpose	Nature of borrowing	Principal amount sanctioned as on February 29, 2024 (in ₹ lakhs)	Principal amount outstanding as on February 29, 2024 (in ₹ lakhs)	Rate of interest	Tenure of loan
	• Amendment agreement dated October 20, 2023	capital expenditure and expansion				per last reported quarter ending interest rate plus 50 basis points per annum credit spread.	or March 31, 2026, whichever is earlier

Note: There is no prepayment penalty payable by our Company in terms of the Loan Agreement. However, in case of prepayment, certain charges may be applicable, as deemed fit by the lender. Such charges, if any, shall be paid by our Company out of our internal accruals.

2. ***We have incurred losses during the nine month period ended December 31, 2023, and during Fiscal 2023, which has resulted in erosion of our net worth. Our auditors have included an emphasis of matter in their reports on our Financial Statements. We cannot assure you that we will be able to achieve and maintain profitability or improve our net worth in the future.***

The operations at our manufacturing facility were suspended in May and June 2021, on account of the COVID-19 pandemic, and subsequently till January 2023 on account of the Expansion Project. As a result of suspension of operations at our manufacturing facilities on account of the Expansion Project, for the Fiscal 2023 and 2022 our revenue from operations were Nil and ₹346.55 lakhs (primarily due to liquidation of inventory of finished goods) respectively. We have incurred losses for nine months ended December 31, 2023, Fiscals 2023 and 2022 of ₹5,651.26 lakhs, ₹8,047.03 lakhs, ₹2,551.92 lakhs resulting in erosion of net worth of our Company.

Further, our Statutory Auditor has included an emphasis of matter in their reports on our Audited Financial Statements and Unaudited Interim Condensed Financial Statements in relation to accumulated losses by our Company in the respective periods, which have resulted in erosion of our net worth as follows:

Audited Financial Statements

"***Material Uncertainty related to going concern***

We draw attention to Note 37(i) to the financial statements which indicates that during the year ended March 31, 2023, the Company has incurred loss of ₹8,044.18 lakhs and as on March 31, 2023, the Company's accumulated loss is ₹22,234.75 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 said note. 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."

Unaudited Interim Condensed Financial Statements

"*We draw attention to note 16 (f) to the Unaudited Interim Condensed Financial Statements which indicates that during nine month ended December 31, 2023 the Company has incurred loss of ₹5,651.26 lakhs and as on December 31, 2023, the Company's accumulated loss is ₹27,886.34 lakhs resulting in erosion of net worth of the Company. The Unaudited Interim Condensed Financial Statements of the Company have been prepared on a going concern basis for the reasons stated in the notes 16 (f) of the Unaudited Interim Condensed Financial Statements. The validity of the going concern assumption would depend upon the performance of the Company as per its future business plan. Our conclusion is not modified in respect of this matter.*"

Additionally, our Statutory Auditor has also stated the impact of the aforesaid emphasis of matter included in their report on our Audited Financial Statements:

"The going concern matter described under material uncertainty related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Company."

However, our Audited Financial Statements and Unaudited Interim Condensed Financial Statements have been prepared on a going concern basis. For further details, see "*Financial Statements*" on page 121. While pursuant to the Expansion Project, our Company is expected to be able to operate as a 'going concern', we cannot assure you that we will be able to achieve and maintain profitability or will have a positive net worth in the future. If we are unable to generate sufficient revenue to meet our financial targets, maintain profitability and have sustainable positive cash flows, investors could lose their investment. In addition, if we incur losses in the future or our net worth decreases, we may be unable to meet our financial obligations, we may breach the terms of our financing arrangements and our lenders could accelerate amounts due under our existing indebtedness. The occurrence of such events could adversely affect our business and financial condition.

3. ***We have a high debt to equity ratio, and this may have an impact inter alia on our profitability.***

Setting up of a production unit in the cement industry is capital intensive. For the purpose of the Expansion Project, we have entered into debt financing arrangements with our lenders, and accordingly, our debt to equity ratio has been (10.15), (16.46) and (18.77) for the nine months ending December 31, 2023, Fiscal 2023 and 2022, respectively. Our capacity to service these debts depends on our continued profitability and availability of liquidity. In case, we are unable to achieve the desired growth and our networth remains negative, due to internal constraints or external factors like adverse developments in the industry, we may find it difficult to service the debt and this may affect our credit rating, profitability and growth adversely.

4. ***If we experience insufficient cash flows to meet required payments on our debt and working capital requirements, our business and results of operations could be adversely affected.***

Our business requires working capital for activities including purchase of raw materials. Our future success depends on our ability to continue to secure and successfully manage sufficient amounts of working capital. Management of our working capital requirements involves the timely payment of, or rolling over of, our short-term indebtedness and securing new and additional loans on acceptable terms, or re-negotiation of our payment terms for, our trade payables, collection of trade receivables and preparing and following accurate and feasible budgets for our business operations. If we are unable to manage our working capital requirements, our business, results of operations and financial condition could be materially and adversely affected. There can be no assurance that we will be able to effectively manage our working capital. Should we fail to effectively implement sufficient internal control procedures and management systems to manage our working capital and other sources of financing, we may have insufficient capital to maintain and grow our business, and we may breach the terms of our financing agreements with banks, face claims under cross-default provisions and be unable to obtain new financing, any of which would have a material adverse effect on our business, results of operations and financial condition. Negative cash flows over extended periods, or significant negative cash flows in the short term, could also materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected.

The following table sets forth certain information relating to our cash flows in the periods indicated:

(in ₹ lakhs)

Particulars	For the nine month period ended December 31, 2023	For the nine month period ended December 31, 2022	For Fiscal 2023	For Fiscal 2022
Net cash generated / (used) in operating activities	18,701.14	(9,324.86)	(10,952.42)	(11,331.78)
Net cash used in investing activities	(20,522.38)	(29,511.06)	(34,208.65)	(36,244.18)
Net cash flows generated from financing activities	1,962.35	39,138.06	44,817.30	47,937.86
Net increase/(decrease) in cash and cash equivalents	141.11	302.14	(343.77)	361.90
Cash and cash equivalents at the end of the year	231.67	736.47	90.56	434.33

We may in the future experience negative operating cash flows. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact on our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected.

5. ***We have certain contingent liabilities that have not been provided for in our Financial Statements, which if they materialise, may adversely affect our financial condition.***

We have created provisions for certain contingent liabilities in our Financial Statements. As at December 31, 2023 and March 31, 2023, our contingent liabilities that have not been provided for were as follows:

(in ₹ lakhs)

Particulars	As at December 31, 2023	As at March 31, 2023
Orissa Sales Tax, VAT, CST	130.00	130.00
Entry Tax	6.38	6.38
Income tax	3,048.73	3,048.73
Differential Royalty demand on the basis of highest royalty rate	111.47	-
Interest at 1% on Optionally convertible cumulative redeemable preference shares (OCCRPS)	291.67	216.67
Total	**3,588.25**	**3,401.78**

For details regarding our contingent liabilities, please see "*Audited Financial Statements – Note 37(a) – Contingent liabilities not provided for in respect of disputed claims/levies*" and "*Unaudited Interim Condensed Financial Statements – Note 16(a) – Contingent liabilities not provided for in respect of disputed claims/levies*" *on* pages 220 and 158, respectively. We also have had instances of delay in the payment of certain statutory dues, which was subsequently cleared and there are no outstanding statutory dues as on date. For further information on our auditor's report for the Fiscal 2023, see "*Audited Financial Statements*" on page 162. There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Fiscal or in the future and that our existing contingent liabilities will not have material adverse effect on our business, financial condition and results of operations.

6. ***Our corporate Promoter has provided corporate guarantee for certain loan facilities obtained by us, and any failure or default by us to repay such loans could trigger repayment obligations on our corporate Promoter, which may impact our corporate Promoter's ability to effectively service its obligations and thereby, adversely impacting our business and operations.***

Our corporate Promoter has provided a corporate guarantee for a portion of our borrowings. See "*Audited Financial Statements – Note 37(g) – Related parties disclosure as per IND AS 24*" and "*Unaudited Interim Condensed Financial Statements – Note 16(d) – Related parties disclosure as per IND AS 24"* on page 222 and 159, respectively. If the guarantee is revoked or if such collateral is proved insufficient, our lenders may require alternative guarantee or collateral or cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure an alternative guarantee satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. Accordingly, our business, financial condition, results of operations and prospects may be adversely affected by the revocation of the corporate guarantee provided by our corporate Promoter in connection with our Company's borrowings.

The details of the borrowings availed by our Company and secured inter alia by way of the said corporate guarantee provided by our Corporate Promoter are as follows:

Name of lender	Nature of borrowing	Principal amount sanctioned as on February 29, 2024 (in ₹ lakhs)	Rate of interest as on February 29, 2024 (in %)
Axis Bank Limited	Rupee Term Loan	55,000.00	8.73
Indian Bank	Rupee Term Loan	30,000.00	
Total		**85,000.00**	

For further details, see "*Objects of the Issue - Details of the Objects*" on page 58.

7. ***Any downgrade of our debt rating by an independent agency may adversely affect our ability to raise financing.***

The cost and availability of capital is dependent, among other factors, on our short-term and long-term credit ratings. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. For Fiscal, 2023, CRISIL ratings gave our long-term bank loan the rating of "CRISIL A+ (CE) / Stable" which means that we were considered to have a high degree of safety regarding timely servicing of financial obligations and carried a very low credit risk. The rating centrally factors in the unconditional and irrevocable corporate guarantee extended by JCL and the payment mechanism administered by the security trustee.

Any future performance issues by us or the industry may result in a downgrade of our credit ratings, which may in turn lead to an increase in our borrowing costs and constrain our access to funds and debt markets and, as a result, may adversely affect our business growth. In addition, any downgrade of our credit ratings could result in lenders imposing additional terms and conditions in any future financing or refinancing arrangements in the future. Any such adverse development may adversely affect our business operations, future financial performance and the price of our Equity Shares.

8. An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.

Our operations are subject to risks inherent in the manufacturing industry, which include equipment failure, work accidents, fire, earthquakes, flood and other force majeure events. Our principal types of coverage include industrial all risks, public liability insurance, marine import insurance and marine inland insurance. Our insurance may not be adequate to completely cover any or all of our risks and liabilities. Further, there is no assurance that the insurance premiums payable by us will be commercially viable or justifiable. While we have made certain insurance claims in the past, we cannot assure you that, in the future, any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses.

The details of our insurance cover for property, plant and equipment as on December 31, 2023, and March 31, 2023 are as follows:

(in ₹ lakhs, unless otherwise mentioned)

Particulars	As at December 31, 2023	As at March 31, 2023
Our insurance cover for property, plant and equipment*	1,08,750.00	88,001.62
Total insurable assets	1,14,425.31	78,168.51
Our insurance cover as a percentage of our assets (%)	95.04	112.58

** Insurance cover for property, plant and equipment having value of sum insured of property, plant and equipment.*

For further details, see "*Our Business - Insurance*" on page 120. Our inability to maintain adequate insurance cover in connection with our business could adversely affect our operations and profitability. To the extent that we suffer loss or damage as a result of events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected.

We could be held liable for accidents that may occur at our plant or otherwise arise out of our operations. In the event of personal injuries, fires or other accidents suffered by our employees or other people, we could face claims alleging that we were negligent, provided inadequate supervision or otherwise liable for the injuries. We cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses.

In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our business, results of operations and financial condition could be adversely affected. For further information on our insurance arrangements, see "*Our Business – Insurance*" on page 120.

9. We have in the past entered into related party transactions and will continue to do so in the future.

We have in the past entered into related party transactions with our corporate Promoter for the purchase and sale of cement and clinker, loans taken and corporate guarantee provided etc. For further information on our related party transactions, see "*Audited Financial Statements – Note 37(g) – Related parties disclosure as per IND AS 24*" and "*Unaudited Interim Condensed Financial Statements – Note 16(d) – Related parties disclosure as per IND AS 24"* on page 222 and 159, respectively. A majority of our related party transactions have been conducted with our corporate Promoter for the sale of our clinker.

In the ordinary course of our business, we enter into and will continue to enter into transactions with related parties. While we believe that all such related party transactions that we have entered into are conducted on an arms' length basis in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transactions and all related party transactions that we may enter are subject to Board or shareholder approval, as necessary under the Companies Act and the SEBI LODR Regulations, in the interest of the Company and its minority shareholders and in compliance with the LODR Regulations, we cannot assure you that these arrangements in the future, or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects. Further, any future transactions with our related parties could potentially involve conflicts of interest which may be detrimental to our Company. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour. There can be no assurance that our Directors and executive officers will be able to address such conflicts of interests or others in the future.

10. Our Company has undertaken an expansion of its business and manufacturing facility towards implementing its growth strategy and if we are unable to successfully implement such strategy, our results of operations and financial condition may be adversely impacted.

We recently undertook the Expansion Project to cater to our Corporate Promoter and holding company i.e., JSW Cement Limited ("**JCL**"). The Expansion Project includes setting up a 4,000 TPD (equivalent to 1.32 MTPA) clinkerisation unit, a waste heat recovery system with a capacity of 8.9 MW along with a dedicated incoming power line of 132 KV. Post the Expansion Project, our clinker manufacturing facility is acting as a feeder to the eastern grinding units of JCL to meet their requirements. We have an arrangement with JCL under which it has agreed to purchase from us, on an average, up to 1.00 lakh MT of clinker per month at a price based on the landed price (prevailing market price) and such price is for delivery of clinker at Salboni and Jajpur plants of JCL. Our ability to compete successfully will depend, in significant part, on our ability to run our business efficiently. If we are unable to compete successfully, our market share may decline, which could have a material adverse effect on our results of operations and financial condition.

The operations at our manufacturing facility were suspended in May and June 2021, on account of the COVID-19 pandemic, and subsequently till January 2023 on account of the Expansion Project and the same was intimated to BSE on May 24, 2021, October 26, 2021 and July 27, 2022. From January 2023, we have commenced production on a trial basis at our manufacturing facility and as intimated to BSE on June 30, 2023, we have declared commercial production on June 30, 2023. Post the Expansion Project, our clinkerisation unit has a capacity of 4,000 TPD (equivalent to 1.32 MTPA).

The details of the sales attributable to clinker supply agreement with JCL for the Fiscals indicated are as follows:

Particulars	For the nine month period ended December 31, 2023		Fiscal					
	Income from sale of clinker to JCL the nine month period ended December 31, 2023 (in ₹ lakhs)	**% of total sales the nine month period ended December 31, 2023 (%)**	**Income from sale of clinker to JCL for Fiscal 2023 (in ₹ lakhs)**	**% of total sales for Fiscal 2023 (%)**	**Income from sale of clinker to JCL for Fiscal 2022 (in ₹ lakhs)**	**% of total sale for Fiscal 2022**	**Income from sale of clinker to JCL for Fiscal 2021 (in ₹ lakhs)**	**% of total sale for Fiscal 2021**
Sale of clinker to JCL	26,929.40*	86.76	4,763.94**	100	Nil	Nil	Nil	Nil

**Includes the trial run up to June 30, 2023*

***Part of the trial run*

Further, as part of the Expansion Project we are also in the process of setting up a 4 MTPA limestone crushing plant at our mines at Khatkurbahal, Odisha. Going forward, we intend to set up a cement grinding unit and we are in the process of evaluating the most feasible site for this grinding unit. As an ancillary part of the upgradation activities, our Company also proposes to, at a later stage, install an approximately 8 km long overland belt conveyor ("**OLBC**") to transport limestone from our mines to the manufacturing facility along with a railway siding with a 12.5 km long railway track, to ensure seamless transportation of finished goods to the market. Our Company intends to acquire additional land for setting up the OLBC and the railway siding. We intend to fund these business expansion plans through other financing arrangements. We are yet to obtain certain consents and acknowledgements from various regulatory authorities in relation to the setting up the OLBC and the railway siding.

We may also find it difficult to hire, train and retain qualified employees, improving operational efficiency and ability to transport our finished products efficiently compared to our competitors. In addition, we may have difficulty in finding reliable suppliers with adequate supplies of materials meeting our quality standards for the manufacture of cement and clinker. Entry into new lines of manufacturing will expose us to additional legal and regulatory regimes, including regulatory approvals required for upgrading our manufacturing facilities and our manufacturing operations. Further, our manufacturing facility could be rendered obsolete and may be negatively impacted by various factors, many of which are beyond our control, including development of new technologies that are more effective or cheaper. Expanding our current operations can be risky and expensive, and we cannot assure you that we may be successful in meeting the desired cost-efficiencies and any consequent growth in our business. There can also be no assurance that our expansion will be successful or cost effective, and resultantly our business prospects, results of operations and financial condition could be materially and adversely affected.

Our growth strategies are subject to and involve risks and difficulties, many of which are beyond our control and, accordingly, there can be no assurance that we will be able to implement our strategy or growth plans or complete them within the budgeted cost and timelines. We cannot assure you that our growth strategies will be successful or that we will be able to continue to grow further, or at the same rate. Our future growth also depends on our ability to find customers for clinker and on JCL's ability to expand its sales and distribution network to enter new markets, through different sales and distribution channels. In addition, we may face difficulty in finding reliable suppliers with adequate supplies of raw materials meeting our quality standards and distributors with efficient distribution networks. As a result, the products we introduce in new markets may be more expensive to produce and/or distribute and may take longer to reach expected sales and profit levels than in our existing markets, which could affect the viability of these operations or our overall profitability.

In order to manage our growth effectively, we must implement, upgrade and improve our operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures, we may not be able to meet our customers' needs, hire and retain new employees or operate our business effectively. Additionally, there can be no assurance that debt or equity financing or our internal accruals will be available or sufficient to meet the funding of our growth plans. Any inability on our part to manage our growth or implement our strategies effectively could have a material adverse effect on our business, results of operations and financial condition.

11. The performance of the manufacturing facility and the expense parameters during the trial run period are not indicative of our expected financial performance in future periods or a substitute for our past results.

For the three-month period ended June 30, 2023, the operations at our manufacturing facility were under stabilisation and hence all the revenues and expenses were considered part of 'trial run'. During the trial run for the Expansion Project in Fiscal 2023, and the three months period ended June 30, 2023, we have supplied 90,770 MT and 1,96,676 MT of clinker, respectively, to JCL. The corresponding revenue on account of trial run operation for the Fiscal 2023 and the three-month period ended June 30, 2023, was ₹4,763.94 lakhs and ₹10,819.79 lakhs, respectively.

Further, the expenditure on account of trial run operation for Fiscal 2023 and the three-month period ended June 30, 2023, was ₹6,002.00 lakhs and ₹11,354.68 lakhs, respectively which has been adjusted with the revenue generated from trial run operation. Investors should not unduly rely on the performance of the manufacturing facility and the expense parameters during the trial run period are not representative of operational efficiency of the manufacturing facility post June 30, 2023, i.e., the date of commercial operations. For further details, see

"*Management's Discussion and Analysis of Financial Condition and Results of Operations - Results from operations during Trial Run Period*" on page 248.

12. ***We rely on JCL as our primary customer and our business is concentrated in eastern India. Any significant decrease in revenue from JCL or eastern India in future may adversely affect our business, results of operations and financial condition.***

We rely on JCL as our primary customer. During the trial run for the Expansion Project in Fiscal 2023, and the three months period ended June 30, 2023, we have supplied 90,770 MT and 1,96,676 MT of clinker, respectively, to JCL. While we currently supply clinker primarily to JCL, we also supply clinker to certain third parties. During the nine month period ended December 31, 2023, we have supplied 1,02,393 MT of clinker to third party customers. For further details, see "*Our Business- Competitive Strengths- Strong parentage of JSW group and JSW Cement*" on page 114.

For the nine months ended December 31, 2023, Fiscals 2023 and 2022, our revenue from operations were ₹20,227.81 lakhs, Nil and ₹346.55 lakhs (primarily due to liquidation of inventory of finished goods), respectively. Any significant decrease in revenue from JCL in future may adversely affect our business, results of operations and financial condition.

A significant decrease in business from any such key customer, whether due to circumstances specific to such customer or adverse market conditions affecting the cement industry or the economic environment generally, such as the COVID-19 pandemic, may materially and adversely affect our business, results of operations and financial condition.

In addition, our business, operations, revenue and customers are typically concentrated in the eastern region of India and any adverse economic policy change in the region could have an adverse effect. In the event of inability of the Company to retain and grow its business in this region or diversify its business may have an adverse effect on its business, financial condition, results of operations, cash flows and future business prospects. Further, the deterioration of the financial condition or business prospects of our customers could reduce their requirement for our products and could result in a significant decline in the revenues we derive from such customers. We cannot assure you that we will be able to maintain historic levels of business from our primary customer. If we are unable to replace any or all of such sales to primary customer, our business, results of operations and financial condition may be materially and adversely affected.

13. ***Our business is dependent on adequate and uninterrupted availability of electrical power and water. Further, any shortages or any prolonged interruption or increase in the cost of power and water, could adversely affect our business, result of operations and financial conditions.***

Adequate and cost-effective supply of electrical power and water is critical to our operations. We source part of our electrical energy requirement for our manufacturing facility from Odisha Power Transmission Company Limited ("**OPTCL**") at 132 KV for which a dedicated power line has been installed. The power at 132KV is brought to main receiving substation in the plant from the OPTCL grid substation, stepped down to 11KV and distributed to different process departments in the facility. Our power consumption (including trial run) for the nine months period ended December 31, 2023, Fiscal 2023 and Fiscal 2022, were as follows:

(in lakhs kWh)

Particulars	Nine months ended December 31, 2023	Fiscal 2023	Fiscal 2022
Power Consumption (Including during the trial run)	325.65*	82.45**	20.56

**Our power consumption during the trial run up to June 30, 2023 was 116.20 lakhs kWh.*
***Our power consumption during the trial run for Fiscal 2023 was 72.20 lakhs kWh.*

As part of our Expansion Project, we have also set up a waste heat recovery system with a capacity of 8.9 MW, to recover the electrical power from the waste heat generated by our manufacturing facility. The power generated from the waste heat recovery system shall be evacuated at 11KV and synchronized with the grid power. To meet any emergency power requirement at the manufacturing facility, our Company may also install diesel generator sets in future. For details, see "*Our Business – Utilities*" on page 118. An interruption in or limited supply of electricity may result in suspension of our manufacturing operations and we may need to shut down our plant until an adequate supply of electricity is restored. Interruptions of electricity supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress.

Our operations and facilities are dependent on a steady and stable supply of water, and irregular or interrupted supply of water, are factors that could adversely affect our daily operations. The water requirement for our manufacturing operations post the completion of the Expansion Project is estimated at about $781m^3$ per day. We source ground water for our operations through bore wells as well as from recycled water, which shall be stored in a combination of underground and overhead tanks. Our Company has obtained relevant permission from the Department of Water Resources, Government of India, for the extraction of the ground water upto $688m^3$ per day, which was valid up to July 19, 2023. We have applied for renewal of this permission on June 1, 2023, and resubmitted a modified application in respect of the same on August 30, 2023. Subsequently, the Department of Water Resources, Government has informed us vide email dated January 23, 2024, that the said application has been revived on December 12, 2023 and is currently under process as per applicable law. If there is an insufficient supply of water to satisfy our requirements or a significant increase in prices, we may need to limit or delay our production, which could adversely affect our business, financial condition and results of operations. While we have not faced instances of irregular supply of water in the past, we cannot assure you that we will always have access to sufficient supply of water in the future to accommodate our production requirements and planned growth. In addition to the production losses that we would incur during production shutdowns in the absence of supply of electrical power or water, we would not be able to immediately return to full production volumes following such interruptions, however brief. Any interruption of power or supply of water, even if short, could give rise to inefficiencies when we resume production. Accordingly, any disruption in power and water could adversely affect our operations and financial condition.

14. We may be subject to unionization, work stoppages or increased labour costs, which could adversely affect our business and results of operations. Our success also depends on our ability to attract, hire, train and retain skilled workers who are experienced in our manufacturing operations.

The success of our operations depends on availability of labour and maintaining a good relationship with our workforce. Our success also depends on our ability to attract, hire, train and retain skilled workers who are experienced in cement manufacturing operations.

As of December 31, 2023, we had 220 permanent employees and 462 contract labourers. For further details, see "*Our Business- Employees*" on page 119. We may be subject to industrial unrest, slowdowns and increased wage costs, which may adversely affect our business and results of operations. Our Company has one recognised labour union, Telighana Mazdoor Munch, Kutra, Sundargarh District, with whom the Company has executed settlement agreements, covering the workmen of unskilled, semi-skilled, skilled and high-skilled category employed at Shiva Cement Limited, with respect to, *inter alia*, the revision of basic wages (including dearness allowance), house rent allowance, and other allowances and increments, maintaining industrial peace and harmony and various safety measures. If we are unable to renew these wage settlement agreements or other arrangements or negotiate favourable terms, we could experience a material adverse effect on our business, financial condition and results of operations.

Further, the Government of India has notified four labour codes which are yet to come into force as on the date of this Letter of Offer, namely, (i) The Code on Wages, 2019, (ii) The Industrial Relations Code, 2020, (iii) The Code on Social Security, 2020 and (iv) The Occupational Safety, Health and Working Conditions Code, 2020. Such codes will replace the existing legal framework governing rights of workers and labour relations. There is a risk that we may fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities. While we consider our relationship with our employees to be cordial, we could experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to perform our business operations.

Further, we engage independent contractors through whom we engage contract labour for performance of certain functions at our manufacturing units as well as at our offices. Although we do not engage these labourers directly, it is possible under Indian laws that we may be held responsible for wage payments to labourers engaged by contractors, should a contractor defaults on payment of wages. Further, under the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, we may be directed to absorb some of these contract labourers as our employees. Any such orders from a court or any other regulatory authority may adversely affect our results of operations.

While we have not experienced any major prolonged disruption in our business operations due to disputes or other problems with our work force in the past, there can be no assurance that we will not experience any such disruption in the future. Work stoppages or slowdowns experienced due to labour unrest or strike could have an adverse effect on our business, results of operations and financial condition.

15. ***A slowdown or shutdown in our manufacturing operations or under-utilization of our manufacturing plant could have an adverse effect on our business, results of operations and financial condition.***

Our manufacturing plant is located in Odisha. The operations at our manufacturing facility were suspended in May and June 2021, on account of the COVID-19 pandemic, and subsequently till January 2023 on account of the Expansion Project. From January 2023, we have commenced production on a trial basis at our manufacturing facility and as intimated to BSE on June 30, 2023, we have declared commercial production on June 30, 2023. Our business is dependent upon our ability to manage our manufacturing plant and run it at optimum utilization levels, which is subject to various operating risks, including those beyond our control, such as the unavailability of raw material, the breakdown and failure of equipment, industrial accidents, labour disputes or shortage of labour, pandemic or epidemic, severe weather conditions and natural disasters. Though there has not been any significant malfunction or breakdown of our machinery, however it may entail repair and maintenance costs and may cause delays in our operations. If we are unable to repair malfunctioning machinery in a timely manner or at all, our operations may need to be suspended until we procure machinery to replace the same. In addition, we are required to carry out planned shutdowns of our plant for maintenance, statutory inspections and testing, capacity expansion and equipment upgrades. Further, long periods of business disruption could, as a consequence, result in a loss of customers.

The following table provides certain key performance indicators of our business#:

Sr. No.	Particulars	For the nine month period ended December 31, 2023	For Fiscal		
			2023*	2022**	2021**
1.	Installed capacity for cement	Nil	Nil	0.25	0.25
2.	Installed capacity for clinker	1.32^	1.32	0.17	0.17

#As certified by the Chartered Engineer, by way of his certificate dated March 28, 2024.
**As of March 31, 2023, our manufacturing facility for clinker was operating on a trial run basis. The installed capacity and capacity utilisation figures for cement and clinker for Fiscal 2023 and for the nine months ended December 31, 2023 are post the Expansion Project (including the trial run period).*
***The cement and clinker capacity prior to the Expansion Project has been dismantled. The figures for cement and clinker capacity for Fiscals 2021 and 2022 are prior to the Expansion Project.*
^ Represents the current installed capacity for clinker.

Our capacity utilization is affected by the product requirements of, and procurement practice followed by, our customers including our corporate promoter i.e., JCL. In case of lack of demand, we may not be able to utilise our expanded capacity efficiently. Under-utilization of our manufacturing capacity over extended periods, or significant under-utilization in the short term, or an inability to fully realize the benefits of our recently implemented capacity expansion, could materially and adversely impact our business, growth prospects and future financial performance. Our inability to effectively respond to and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shutdown of our operations or the under-utilization of our manufacturing plant, which in turn may have an adverse effect on our business, results of operations and financial condition.

16. ***We are dependent upon the pricing and continued supply of raw materials for our business, the costs and supply of which can be subject to significant variation due to factors outside our control, if there are significant increases in the cost of these supplies or limited number of suppliers, our business and results of operations may be materially and adversely affected.***

Our business and operating margins are significantly dependent on the availability and price of raw materials, such as limestone, fly ash, coal, pet coke and water, used in our manufacturing process. Raw materials also represent a significant portion of our expenses. We primarily source our limestone requirements from our captive limestone mine in Khatkurbahal in Odisha which is in close proximity to our manufacturing facility. While we have obtained long term leases for limestone mines, our leases are subject to various terms and conditions which provides for the relevant authorities with the right to impose fines or restrictions, revoke mining leases or change the amount of royalties payable for mining the mines. Further, in case any of the leases are revoked or not renewed upon expiration, or significant restrictions on the usage of the leases are imposed or applicable environmental standards are substantially increased or royalties are increased to significant levels, our ability to operate our manufacturing facilities adjacent to the affected limestone mining sites could be disrupted until alternative limestone sources are located, which could materially and adversely affect our business, financial condition and results of operations.

We use imported and domestic coal to meet our fuel requirements of our operations. Increases in the global prices for coal, have in the past resulted in increases in our cost of fuel expenses. We source coal through traders who import coal from various countries like US, South Africa and Australia, through the Paradeep / Gangavaram ports and transport the same to our manufacturing facility via road / rail. We also procure domestic coal from various traders situated in Odisha and Chhattisgarh, which is transported to our manufacturing facility via road. In addition, as majority of our annual coal requirement is sourced from coal mines located outside of India, we are exposed to the risk of increases in freight rates and foreign exchange. For further details, see "*Our Business- Raw material, Fuel and Utilities*" on page 117. If we are unable to obtain adequate supplies of coal and raw materials (such as limestone and fly ash) or power in a timely manner or on acceptable commercial terms, or if there are significant increases in the cost of these supplies, our business and results of operations may be materially and adversely affected.

The supply of raw coal and raw material could be disrupted for reasons beyond our control, including extreme weather conditions, fire, natural catastrophes or raw material supply disruptions, including by way of changes in governmental policy and judicial intervention.

The cost of raw materials consumed (including trial run operations), and our power and fuel expenses (including trial run operations) accounted for the nine months period ended December 31, 2023, Fiscal 2023 and Fiscal 2022 were as follows:

(in ₹ lakhs)

Particulars	**For the nine month period ended December 31, 2023**	**For Fiscal 2023**	**For Fiscal 2022**
Cost of raw material consumed (including trial run operations)	7,042.39	1,471.18	983.30
Power and fuel expenses (including trial run operations)	13,890.65	4,216.94	319.83

The table below provides the details of our total income, cost of raw materials consumed, power and fuel expenses arising out of trial run operations of our manufacturing facilities, and the said expenses expressed as a percentage of our total income during the trial run period i.e., from January, 2023 till commencement of commercial production on June 30, 2023:

Fiscal/ Period	**Total income for the relevant Fiscal/ period (in ₹ lakhs)**	**Cost of raw materials consumed (in ₹ lakhs)**	**Cost of raw materials consumed as a percentage of total income (%)**	**Power and fuel expenses (in ₹ lakhs)**	**Cost of power and fuel expenses as a percentage of total income (%)**
Fiscal 2023	4,763.94	1,439.61	30.22	4,004.40	84.06
Three months period ended June 30, 2023	10,819.79	1,920.75	17.75	5,875.86	54.31

The loss of one or more of our significant suppliers or a reduction in the amount of raw materials we obtain from them could have an adverse effect on the business, results of operations, financial condition and cash flows. Our reliance on a select group of suppliers may also constrain our ability to negotiate arrangements, which may have an impact on profit margins and financial performance. The deterioration of the financial condition or business prospects of these suppliers could reduce their ability meeting our requirements and accordingly result in a significant decrease in our cost. Further, there can be no assurance that strong demand, capacity limitations or other problems experienced by the suppliers will not result in occasional shortages or delays in their supply of raw materials. If we experience a significant or prolonged shortage of raw materials from any of our suppliers, and procurement of raw materials from other sources is not feasible, then we will be unable to meet production schedules and to ship such products to our customers on time, which will adversely affect sales and customer relations. In the absence of long-term supply contracts, we cannot assure you that a particular supplier will continue to supply products in the future. Any change in the supplying pattern of the required raw materials can adversely affect our business and profits.

Further, the availability and supply of coal, petcoke and alternative fuels could be disrupted for reasons beyond our control, including extreme weather conditions, fire, natural catastrophes, spread of infectious diseases, such as the COVID-19 pandemic or by way of changes in governmental policy and judicial intervention. For instance, on October 24, 2017, the Supreme Court of India banned the use of petcoke in certain states with effect from November 1, 2017. Subsequently, the Supreme Court in its order dated July 26, 2018, has imposed a limit on the import of petcoke throughout India and has clarified that such import of petcoke should be permitted only in those industries where petcoke is used as a feedstock or in the manufacturing process, and not as a fuel, such industries being cement, lime kiln, calcium carbide and gasification, where the petcoke and furnace oil gets absorbed along with product in the manufacturing process. Raw petroleum coke in calcined petcoke units has been allowed with condition of 90% recovery of sulphur dioxide emission. State and central governments have been instructed by the Supreme Court to enforce policies regarding the use of petcoke and furnace oil pursuant to orders passed on October 24, 2017, by the Supreme Court of India. Further, pursuant to the orders of the Supreme Court, the Ministry of Environment, Forest and Climate Change, Government of India, issued "Guidelines for Regulation and Monitoring of Petcoke in India" on September 10, 2018, which required entities to obtain consent and registration from their respective state pollution control boards for importing and using petcoke. Such approval shall contain the quantity of the petcoke that an entity is allowed to import and use on a monthly and on an annual basis. We, therefore, cannot predict whether such a ban on petcoke may be implemented in the future. Although there was no impact of the Supreme Court order on our operations, there can be no assurance that any such ban on petcoke in the future will not affect our production volumes, business, profitability and results of operations. In addition, competition in the industry may result in increase in prices of coal, petcoke, alternative fuels, which we may not be able to match, thereby affecting our procurement and consequently, production. In particular, the pricing of coal under our supply arrangements is directly linked to market prices and accordingly we bear the risk of coal price fluctuations. While we typically try to pass on any increase in the cost of power and fuel to our customers, there are no formal arrangements or cost escalation clauses in our agreements with our customers and accordingly, we cannot assure you that we will continue to be able to pass on any such increases in the cost of power and fuel to our customers. The absence of long-term contracts at fixed prices exposes us to volatility in the prices of coal that we require, and we may be unable to pass on these costs onto our customers and this could negatively affect the overall profitability and financial performance of our business.

If we are unable to obtain adequate supplies of coal and raw materials or power and fuel in a timely manner or on acceptable commercial terms, or if there are significant increases in the cost of these supplies, our business and results of operations may be materially and adversely affected.

17. Subsequent to the Expansion Project, our Company's product portfolio primarily consists of clinker and does not include cement. This change in product portfolio may reduce the scope for expansion of our existing customer base, limit our sales and revenue from operations.

Prior to undertaking the Expansion Project, our product portfolio included Portland Slag Cement ("**PSC**") and Portland Pozzolana Cement ("**PPC**"), which were sold under the brand name of 'Mahabal Cement' in Odisha. We also undertook production of cement for JSW Cement Limited on a contract manufacturing basis, which was sold by JSW Cement Limited under its brand of 'JSW Cement'. However, post the completion of the Expansion Project, our product portfolio is limited to only clinker and dolomite (subject to regulatory approvals). Cement products have a wide consumer base whereas clinker is primarily used to manufacture cement. Accordingly, our customer base has been restricted to cement manufacturers on account of such change in our product portfolio which may impact our sales and revenue from operations. Further, while we currently rely on JCL as our primary customer for the sale of clinker, limiting our product portfolio to clinker, reduces the scope for expansion of our customer base as most cement manufacturers captively produce the clinker required for their cement manufacturing operations. Additionally, change of our product portfolio to clinker and dolomite, prevents us from leveraging the distribution channels and business relationships with dealers which we utilized earlier to sell PSC and PPC prior to the Expansion Project and accordingly, we may be unable to maximise our sales and revenue from operations which may in turn result in underutilization of the capacity of our manufacturing facility.

18. Our business is dependent upon our ability to mine/ procure sufficient limestone for our operations. If we are unable to mine/ procure sufficient limestone, on reasonable terms or at all, or our rights are revoked or not renewed, or significant restrictions on the usage of the rights are imposed or we are required to pay substantially higher royalties, it could have an adverse impact on our business, financial condition and results of operations.

Limestone is the principal raw material for clinker manufacturing process which we directly source from our mines situated at Khatkurbahal in Odisha. We obtain limestone for our clinker production from our captive mine located at Khatkurbahal, Odisha which will operate as fully mechanized limestone mine, having a mineral resource volume of 65.50 million MT of limestone as on December 31, 2023, with a remaining lease validity of approximately 18 years up till January 2042 and is located at a distance of approximately 12 kms from our manufacturing facility. The mining lease granted in favour of our Company in respect of the said mine covers an area of 72.439 hectares. We are required to obtain a lease from the state government in order to mine the limestone deposits and have, accordingly, obtained long-term leases to mine limestone from the mine. We had also acquired a new mine in November 2019, which is located adjacent to our old mine, pursuant to letter of intent dated November 2019, in an auction by the Government of Odisha, with a mineral resource volume of 53.36 million MT of limestone and 73.04 million MT of dolomite, as on December 31, 2023, with a remaining lease validity of approximately 48 years till November 2072. The letter of intent obtained by our Company in respect of the said mine covers an area of 156.43 hectares. The new mine being a merchant mine also enables us to sell the mined limestone commercially. The dolomite extracted from the new mine can, subject to regulatory approval, also be sold to steel plants in the eastern region of India.

Mining rights are subject to compliance with certain terms and conditions and are also governed by the relevant state authorities and accordingly, any change in state policy would impact the operations of the relevant mine. Further, the Government of India has the power to take action with respect to mining rights, including imposing fines or restrictions, revoking the mining rights or changing the amount of royalties payable for mining the mines. Though there has been no instance of termination of any our mining lease in past, our mining leases may be terminated for various reasons, including but not limited to breach of the conditions of the mining lease agreements or due to changes in law. In case of increase of rate of royalty for mining of limestone, our cost of production will also increase to that extent. There can be no assurance that we will be able to retain such leasehold rights on acceptable terms, or, if obtained, such rights may not be obtained in a timely manner or may involve requirements which restrict our ability to conduct our operations or to do so profitably. Moreover, entering into new license or mining lease contracts or extending existing license or mining lease contracts is time-consuming and requires the review and approval of several government authorities.

State governments also have the right of pre-emption with respect to the minerals lying in or upon the lands in relation to which the mining leases have been granted to us. Under the MMDR Act, we have the right of first refusal in relation to renewal of the mining leases used for captive purposes, however there can also be no assurance that we will be able to retain such mining leasehold rights on acceptable terms, or meet the price discovered through auction bidding or, if obtained, such rights may not be obtained in a timely manner or may involve requirements which restrict our ability to conduct our operations or to do so profitably or otherwise due to change in law we may no longer have right of first refusal at all. Although we believe that our mining rights are sufficient to meet our current and anticipated levels of production, in case such rights are revoked or our mining leases have expired and have not been renewed upon expiration or renewed via auction at a higher price, or significant restrictions on the usage of the rights are imposed or applicable environmental standards are substantially increased or royalties are increased to significant levels, our ability to operate our plant situated in close proximity to the affected limestone mining sites could be disrupted until alternative limestone sources are located, which could materially and adversely affect our business, financial condition and results of operations.

Further, our licenses or mining lease contracts contain various obligations and restrictions, including the requirement for commencing operations within a specified period from the date of execution of the lease. In terms of the recent amendments to the MMDR Act, with effect from March 28, 2021, all mining lessees shall ensure that mining operations such as productions and dispatch are undertaken within 2 years of execution of the lease and such activities are not discontinued for a period of 2 years, subject however, to an extension of 1 year on approval by the State Government of the application made by the holder of the lease.

19. The limestone reserve data and reserve life in this Letter of Offer is only an estimate and our actual production with respect to our reserves may differ from such estimate along with our reserve life which could be lower than such estimate which could affect our financial condition and results of operations adversely.

The limestone reserve data given in this Letter of Offer are based on various estimates of our management that have been taken into account by the Mining Geologist. The Mining Geologist has verified and certified the limestone reserve data and reserve life based on the information, representations and explanations provided by our Company, the review of the various documents related to the limestone mines provided by our Company and reserve details approved by the Indian Bureau of Mines, Ministry of Mines, Government of India ("**IBM**"). The limestone residual reserves as of December 31, 2023, has been computed by the independent mining geologist by taking into account the reserves as per the last IBM approved mining plan and subtracting the annual consumption of limestone by the Company which has been calculated based on *inter alia* the royalties paid by the Company to the Department of Mines and Geology of the relevant state Government. For further details of our mining leases, see "*Our Business – Raw Material, Fuel and Utilities – Raw Material – Limestone & Dolomite*" on page 117.

Our Company's actual production and consumption with respect to its reserves may differ from such estimate. There are numerous uncertainties inherent in estimating quantities of our limestone reserves, including many factors beyond our control. In general, estimates of limestone reserves are based upon a number of variable factors and assumptions, such as geological and geophysical characteristics of the reserves, historical production performance from the properties, the quality and quantity of technical and economic data, extensive engineering judgments, the assumed effects of regulation by government agencies and future operating costs. All such estimates involve uncertainties, and classifications of reserves are only attempts to define the degree of likelihood that the reserves will result in revenue for us. For those reasons, estimates of the economically recoverable reserves attributable to any particular group of properties and classification of such reserves based on risk of recovery, prepared by different engineers or by the same engineers at different times, may vary substantially. Therefore, actual limestone reserves may vary significantly from such estimates. To the extent actual reserves are significantly less than the estimates, the residual reserve life our limestone mines will be reduced, and our financial condition and results of operations are likely to be materially and adversely impacted. While these estimates are based on detailed studies conducted by independent experts, there can be no assurance that these estimates would not be materially different from estimates prepared in accordance with recognized international method or norms.

20. Our existing operations with respect to our clinker business as well as our operations are in Odisha. Inability to retain and grow our business in the eastern region of India may have an adverse effect on our business, financial condition, results of operations, cash flows and future business prospects.

Our mining and clinker manufacturing operations are located at Telighana in Odisha. Any materially adverse social, political or economic development, natural calamities, civil disruptions, or changes in the policies of the state or local governments in such region could adversely affect manufacturing activities at our facilities, and require a modification of our business strategy, or require us to incur significant capital expenditure. Any such adverse development affecting continuing operations at our facilities could result in significant loss from inability to meet customer contracts and production schedules and could materially affect our business reputation within the industry. We cannot assure you that there will not be any significant disruptions in our operations in the future.

Further, there are a number of companies with clinker manufacturing units in eastern India which compete with our business. The occurrence of, or our inability to effectively respond to, any such events or effectively manage the competition in the region, could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

21. Disruptions in supply and transport could affect our business. Such disruptions may affect our operations materially and consequently our results of operations, cash flow and financial condition.

We are dependent on a steady supply of raw materials and inputs for our manufacturing businesses. Our raw materials and inputs are transported to our plant by road or rail. Meanwhile, our products are transported to our customers by road or rail.

We have transport and logistics arrangements with third party logistics providers for transportation of clinker and Limestone from mines. These providers may experience financial difficulties, operational inefficiencies, or fail to meet our service level requirements. A breakdown in the relationship or performance of logistics providers can disrupt our supply chain and lead to service interruptions. Further, the transport of our raw materials and finished products is subject to various factors beyond our control, including poor infrastructure, accidents, adverse weather conditions, strikes and civil unrest, and regulatory restrictions, rail disruptions, the non-availability of wagons, which may adversely affect our business and results of operations.

22. The Indian cement industry is affected by a number of factors beyond our control. Volatility in cement demand will affect demand for our clinker which could affect our business and results of operations adversely.

In recent years, cement prices and profitability of cement manufacturers have fluctuated in India, determined by overall supply and demand. A number of factors influence supply and demand for cement, including production overcapacity, general economic conditions, in particular activity levels in certain key sectors such as housing and construction, our competitors' actions and local, state and central government policies, which in turn affect the prices and margins that Indian cement manufacturers can realise. Any volatility in cement demand will affect demand for our clinker.

Our business is subject to seasonal variations in cement demand on account of lower demand for building materials, including cement, during the monsoon season. Consequently, this will impact our clinker business which could affect our business and result of operations adversely. However, as a result of such fluctuations in cement prices, our sales and results of operations may vary in future fiscal quarters, and the sales and results of operations of any given fiscal quarter may not be relied upon as indicators of the sales or results of operations of other fiscal quarters or of our future performance.

23. The cement industry is capital intensive, and we may need to seek additional financing in the future to support our growth strategies. Any failure to raise additional financing could have an adverse effect on our business, results of operations, financial condition and cash flows.

The cement industry is capital intensive. We require substantial amount of capital for among other things, purchasing equipment as required and develop and implement new technologies as well as to implement our growth strategies. If our internally generated capital resources and available credit facilities are insufficient to finance our capital expenditure and growth plans, we may, in the future, have to seek additional financing from third parties, including banks, capital markets, private equity funds, our Promoters and Promoter Group and strategic investors. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. Our inability to obtain such financing in a timely manner, at a reasonable cost and on acceptable terms, may impact our future cash flow for future debt service which may result in consequent defaults that may materially and adversely affect our business, financial condition and results of operations, as well as our future prospects.

24. The coronavirus disease (COVID-19) has had an adverse effect on our business and operations and the extent to which it may continue to do so in the future, is uncertain and cannot be predicted.

In the first half of calendar year 2020, COVID-19 spread to a majority of countries across the world, including India. The COVID-19 pandemic has had, and may continue to have, significant repercussions across local national and global economies and financial markets. The global impact of the COVID-19 pandemic has rapidly evolved, and public health officials and governmental authorities had responded by taking measures, including in India where our operations are primarily based, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing "stay at home" orders and restricting the types of businesses that may continue to operate, among many others. On March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown beginning March 25, 2020. Further, India experienced a severe second wave of COVID-19 between March 2021 and June 2021.

While the lockdown does not remain in force, in case the lockdown is reintroduced, it could result in subdued growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect our business, prospects, results of operations and financial condition. The COVID-19 pandemic has affected and may continue to affect our business, results of operations and financial condition in a number of ways. The ultimate impact will depend on a number of factors, many of which are outside our control. These factors include the duration, severity and scope of the pandemic, the impact of the pandemic on economic activity in India and globally, the eventual level of infections in India or in the regions in which we operate, and the impact of any actions taken by governmental bodies or health organisations (whether mandatory or advisory) to combat the spread of the virus. Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition.

25. Any failure or delay in the acquisition or leasing of land or an inability to acquire land with at acceptable costs or on commercially reasonable terms or a situation where landowners create any encumbrances over land we are using, may adversely affect our business, results of operations and financial condition.

As an ancillary part of the upgradation activities, our Company also proposes to, at a later stage, install an approximately 8 km long overland belt conveyor ("**OLBC**") to transport limestone from our mines to the manufacturing facility along with a railway siding with a 12.5 km long railway track, to ensure seamless transportation of finished goods to the market. For further details, see "*Our Business- Our Strategies- Expansion and modernisation of the manufacturing facility to increase production capacity*" on page 115. Our Company intends to acquire additional land for setting up the OLBC and the railway siding. We may also intend to purchase additional land for our mines over the course of time. We cannot assure you that we will be able to identify or acquire adequate land either on a freehold or leasehold basis, or that land acquisitions will be completed in a timely manner, at acceptable costs and/or on commercially reasonable terms, without opposition, or at all. The cost of acquiring land on a freehold or leasehold basis may be higher than we estimated and is subject to a number of factors, including the type of land being acquired, market prices, the level of economic development in the area where the land is located and government regulations pertaining to the price of land, among others. In addition, we may face significant opposition to the construction from local communities, tribes, non-government organisations and other parties. Such opposition or circumstances may be beyond our control. If we are unable to acquire the required amount of land, the viability and efficiency of our operations may be affected. In addition, any inability to complete the acquisition of the necessary land in a timely manner may cause construction delays. The occurrence of any such event could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects. Any failure to renew the underlying lease or disagreement or disputes with the state governments will impact our permissive rights under the lease arrangement. There can be no assurance that we will be able to retain or renew such leases on same or similar terms, or that we will find alternate locations on terms favourable to us, or at all. If our current or future lessors terminate our lease agreements, we may have to relocate to alternative premises or shut down our operations at such site. The relocation of any part of our operations may cause disruptions to our business and may require significant expenditure. We cannot assure you that in such a case, we will be able to find suitable premises on commercially viable terms, in a timely manner, or at all, and we may have to pay higher rent or incur additional expenses.

26. Activities in our business operations are subject to risks, mishaps, operational hazards and can cause injury to people property in certain circumstances. Any such adverse effect may hamper our reputation, business, financial condition and results of operation.

Our facilities require individuals to work with heavy machinery and other materials as well as in high temperatures near our kilns and at potentially dangerous heights at our preheaters, grinding mills and storage silos. This work environment has the potential to cause harm and injury when due care is not exercised. Our operations, which include activities undertaken by our third-party contractors, such assisting in civil, mechanical and electrical related works, also involve significant risks. While there have not been any instances of mishaps, operational hazards, injury, etc., in the past, an accident or injury that occurs in the course of our operations could result in disruptions to our business and have legal and regulatory consequences and we may be required to compensate such individuals or incur other costs and liabilities, any and all of which could adversely affect our reputation, business, financial condition and results of operations. While we carry insurance which we believe to be in line with industry practice in the cement industry, there can be no assurance that such policies will provide adequate coverage in the event of a claim.

27. Our mining operations are subject to risks, mishaps, operational hazards and can cause injury to people or property in certain circumstances. Any such adverse effect may hamper our reputation, business, financial condition and results of operation.

Our mining operations are subject to risks and hazards associated with the blasting, exploration, development and production of natural resources, such as inclement weather, fires and explosions, which can disrupt our operations by limiting our ability to extract limestone from the mines and cause injury to people or property in situations when the safety and precautionary measures are breached. Mining operations can also lead to severe environmental consequences including those resulting from effluent management, disposal of wastewater and rehabilitation of land. Further, opposition to mining operations has also increased recently due to the perceived negative environmental impact and as a result, public protests over our mining operations could disrupt our operations, damage our reputation and also affect our ability to obtain necessary licenses to expand existing facilities or establish new operations. While there have not been any material instances of mishaps, operational hazards, injury, etc. associated with our mining operations, any accident or injury that occurs in the course of our operations could result in our mining operations being severely impacted which could adversely affect our reputation, business, financial condition and results of operations.

28. We are required to comply with various safety, health and environmental laws and other applicable regulations and any non-compliance could expose us to the risk of liabilities, loss of revenue and increased expenses.

We are subject to a broad range of safety, health, environmental, labour, workplace and related laws and regulations in the regions in which we operate, which impose controls on the transportation and storage of raw materials, noise emissions, air and water pollution, on the storage, handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations. For example, there is a limit on the amount of pollutant discharge that our manufacturing plant and mining unit may release into the air and water. While we intend to comply with all applicable laws and terms and conditions of environment related approvals and permits that we are subject to, the methods undertaken by us may be insufficient. We could be subject to substantial civil and criminal liability and other regulatory consequences in the event that any environmental hazards are found at the site of any of our manufacturing plant and mining units, or if the operation of any of our manufacturing plant and mining units results in contamination of the environment. Further, any accidents at our manufacturing plant and mining units may result in personal injury or loss of life of our employees, contract labourers or other people, substantial damage to or destruction of property and equipment resulting in the suspension of operations.

Additionally, the government or the relevant regulatory bodies may revoke our licenses, require us to shut down our manufacturing plant and mining units, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers. Further, events like these could also affect our reputation with suppliers, customers, regulators, employees and the public, which could in turn affect our financial condition and business performance. While we maintain general insurance against these liabilities, insurance proceeds may not be adequate to fully cover the substantial liabilities, lost revenues or increased expenses that we might incur.

The adoption of stricter health and safety laws and regulations, stricter interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require that we make additional capital expenditures, incur additional expenses or take other actions in order to remain compliant and maintain our current operations. Complying with, and changes in, these laws and regulations or terms of approval may increase our compliance costs and adversely affect our business, prospects, results of operations and financial condition.

We are also subject to the laws and regulations governing relationships with employees in areas such as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. There is a risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products. We cannot assure you that we will not be involved in future litigation or other proceedings or be held liable in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which may be significant.

29. We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business and our manufacturing facilities, and any delay or inability in obtaining, renewing or maintain such permits, licenses and approvals could result in an adverse effect on our results of operations.

We require numerous statutory and regulatory permits, licenses and approvals to operate our business including the renewal of approvals that expire from time to time, in the ordinary course of our business. The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. This includes renewing consents from the state pollution control boards, environmental clearances from the Ministry of Environments and Forests, importer-exporter code, registration and licenses issued under the Factories Act, fire safety licenses from municipal fire safety authorities, no objection certificates for maintenance of fire protection system, licenses to purchase, transport and use explosives in our mining operations, licenses to dispose hazardous waste, licenses for boilers, licenses for possession and transport of explosive substances, registration certificates issued under various labour laws, including contract labour registration certificates and licenses as well as various taxation related registrations, such as registrations for payment of income taxes, GST. Our licenses, permits and approvals impose certain terms and conditions that require us to incur costs and inter alia, providing for limits on the maximum quantity that can be manufactured as well as limits and manner of effluent discharge. We are in the process of obtaining or renewing, all material approvals from the relevant governmental agencies that are necessary for us to carry on our business.

We cannot assure you that we will be able to obtain or renew such licenses or be able to continuously meet such conditions specified in such licenses or be able to prove compliance with such conditions to statutory authorities, which may lead to cancellation, revocation or suspension of relevant consents/ permits/ licenses/ approvals. Any such failure or delay in obtaining such consents, approvals, permits, licenses and accreditations may affect our ability to continue our operations, which may in turn have an adverse effect on our business, financial condition and results of operations. The approvals required by our Company are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. While there have not been any penalties imposed on us due to our failure in obtaining approvals in the past, if there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business.

30. ***The regulatory framework governing the cement industry is subject to various environmental norms stipulated by Central and State level authorities.***

We are subject to laws and government regulations, including in relation to emission standard and environmental protection. These environmental protection laws and regulations impose controls on air and water release or discharge, noise levels, storage handling, the management, use, generation, treatment, use of forest land and wildlife, processing, handling, storage, transport or disposal of hazardous materials, including the management of certain hazardous waste used as a fuel substitute at our cement kiln along with other aspects of our manufacturing operations. In addition to the norms specified by the Central Pollution Control Board and the applicable state pollution control board under the Environment (Protection) Act, 1986, the Air (Prevention and Control of Pollution) Act, 1981 and the Water (Prevention & Control of Pollution) Act, 1974, cement companies are also required to comply with the CREP (Corporate Responsibility for Environmental Protection) charter. Further, our manufacturing facility and mines are subject to routine inspections to ensure compliance with applicable emission standards. Environmental laws and regulations in India are becoming more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management and other expenditure to comply with environmental standards. For instance, for our proposed expansion project, we have selected pollution control equipment designed to achieve dust emission much below emission levels specified by the Central Pollution Control Board. While there has been no instance of non-compliance with such regulatory framework in the past, any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings being commenced against us, third party claims or the levy of regulatory fines which may negatively impact our business, financial conditions or results of operations. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our facilities.

31. ***There are outstanding legal proceedings involving our Company. Any adverse outcome in any of these proceedings may adversely affect our reputation, business operations, financial condition and results of operations. Further, two members of our Promoter Group have received a show cause notice from SEBI, which could adversely impact our Company.***

We are involved in certain litigation proceedings for which, in the event of an adverse outcome, there may be an adverse impact on our operations or financial position. Further, with respect to certain cases involving our Company, we have not received summons or any other documents in relation to the relevant matter and the disclosures included in this Letter of Offer are basis information available on E-courts services website. For further details, see "*Outstanding Litigation and Defaults – Other Pending Litigation*" on page 263.

A summary of material outstanding and other legal proceedings involving our Company as on the date of this Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is set out below:

Type of proceedings	Number of cases	Amount (in ₹ lakhs)*
Issues of moral turpitude or criminal liability on the part of our Company	Nil	Nil
Material violations of statutory regulations by our Company	1	111.47
Economic offences where proceedings have been initiated against our Company	Nil	Nil
Other matters, including civil litigation and tax proceedings, which, if they result in an adverse outcome, would materially and adversely affect our operations or our financial position#	6	3,371.67
Other pending litigation involving our Company^	3	Not ascertainable

**To the extent quantifiable*

#Determined in accordance with the Materiality Policy

^ For details, see "Outstanding Litigation and Defaults – Other Pending Litigation" on page 263.

We are, and may in the future be, party to other litigation and legal, tax and regulatory proceedings, the outcome of which may affect our business, results of operations, financial condition and prospects. There can be no assurance that we will be successful in any of these legal proceedings. For further details on these matters and other material legal proceedings involving us, see "*Outstanding Litigation and Defaults*" on page 262.

A show cause notice dated March 18, 2024 ("**SCN**") was issued to *inter alia* Hexa Tradex Limited ("**HTL**"), its directors and certain other persons, including Sajjan Jindal and Sahyog Holding Private Limited, two members of our Promoters Group by SEBI, under *inter alia* Sections 11(1), 11(4), 11(4A), 11B(1), 11B(2), read with Section 15HA of the SEBI Act, 1992 for matters relating to alleged failure by HTL to disclose certain price-sensitive information (*in terms of Regulation 2(ha)* of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 ("**SEBI PIT Regulations, 1992**") for undertaking transactions related to the realignment and reorganisation of investments held by HTL through its wholly owned subsidiary, Hexa Securities and Finance Company Limited ("**Transactions**").

Sajjan Jindal has been named in the SCN as one of the parties, on account of having a controlling stake in Sahyog Holding Private Limited, another member of our Promoter Group, which has also been named in the SCN, allegedly for aiding and facilitating the Transactions and violating the provisions of the SEBI Act, 1992 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003. The noticees are required to respond to the SCN within 21 days from the receipt of the SCN. While the matter is currently pending, any unfavourable outcome could adversely impact our Company's reputation or ability to undertake capital market transactions.

32. ***Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control. Further, we may not be able to utilise the proceeds from this Issue in a timely manner or at all.***

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions and have not been appraised by any bank or financial institution or other independent agency. Furthermore, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For further details, please see the section titled "*Objects of the Issue*" on page 58.

Further, our funding requirements and the deployment of the proceeds from this Issue are based on our current business plan and strategy. While the deployment of the Net Proceeds will be monitored by the Monitoring Agency, we may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors. Accordingly, we may not be able to utilise the proceeds from this Issue in the manner set out in this Letter of Offer in a timely manner or at all. As regards utilisation of Net Proceeds for repayment of loans, the identification of loans to be repaid or prepaid will be based on various factors, including the factors specified in the section "*Objects of the Issue*" on page 58.

33. ***We have been unable to make relevant secretarial filing with the RoC in relation to the appointment of one of our Directors on account of technical issues.***

On December 21, 2023, our Board approved the appointment of Shouvik Chakraborty as an Additional Non-Executive Director of our Company, subject to the approval of the Shareholders. However, on account of a technical issue, we have been unable to file the Form DIR-12 electronically with the RoC, in relation to the said appointment, till date. While our Company has made efforts to resolve the said technical issue by placing complaints with applicable authorities on January 17, 2024, there can be no assurance that the same will be resolved and our Company will be able to file the aforesaid form with the RoC without any unjustified delay, which may result in our Company being subjected to penalty.

34. ***Some of our corporate records for forms filed with the RoC in relation to changes in the registered office of our Company are not traceable.***

The secretarial records for changes in relation to our registered office prior to 2017 could not be traced as the relevant information was not available in the records maintained by our Company, at the MCA Portal maintained by the Ministry of Corporate Affairs and the RoC, despite conducting internal searches and engaging an independent practicing company secretary to conduct the search. We have relied on the certificate dated November

11, 2021, by M/s. Gopinath Nayak & Associates, an independent practicing company secretary, in this regard. For further details, see "*General Information - Changes in the registered office of the Company*" on page 51. While no legal proceedings or regulatory action has been initiated against our Company in relation to untraceable secretarial and other corporate records in relation to change our registered office, appointment of directors and allotment of Equity Shares as of the date of this Letter of Offer, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company in future.

35. Our Directors, Senior Management and other Key Managerial Personnel are critical to our continued success and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.

We are dependent on our Directors, Senior Management and other Key Managerial Personnel as well as persons with technical expertise for setting our strategic business direction and managing our business. We believe that the inputs and experience of our management team is valuable for the development of our business and operations and the strategic directions taken by our Company. We are also dependent on our Key Managerial Personnel for the day-to-day management of our business operations. For further details, see "*Our Business – Competitive Strengths - Experience of our Promoters and senior management team*" on page 115. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and train experienced, talented and skilled professionals. Competition for individuals with specialized knowledge and experience is intense in our industry. The loss of the services of any Senior Management and Key Managerial Personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. Further, as we expect to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management personnel. If we are unable to attract and retain qualified personnel, our results of operations may be adversely affected.

36. We are dependent on our corporate Promoter and its experience in the Indian cement industry. Any deterioration in our relationship could adversely affect our business, results of operations and financial condition.

We are dependent on our corporate Promoter and its experience in the Indian cement industry for strategic business decisions and managing our business. Our corporate Promoter JCL has an extensive experience in the Indian cement industry and has been instrumental in the growth of our business. We are a part of the JSW group, which is an Indian conglomerate with an international portfolio of diversified assets across various sectors, including steel, energy, infrastructure, cement, paints, venture capital and sports.

Our corporate Promoter's experience and leadership have played a key factor in our growth and development. Should there be any deterioration in our relationship with our corporate Promoter or our corporate Promoter's involvement in our business reduce for any reason in the future, our business, results of operations, financial condition and prospects may be adversely affected. For details, see "-*Our corporate Promoter is engaged in the same line of business activities as those undertaken by our Company and one of our Directors, is on the board of our corporate Promoter. There may be a conflict of interest between us and our corporate Promoter*" above.

37. We are reliant on the demand for cement from various industries such as housing, infrastructure, and commercial real estate. Any downturn in the cement consuming industries could have an adverse impact on our business, growth and results of operations.

The cement demand in India is expected to grow at a CAGR of 6-7% between Fiscals 2024 and Fiscals 2028. (*Source: CRISIL Report*). While cement and concrete consuming sectors such as infrastructure, housing and commercial real estate are expected to drive the demand for cement and concrete, there can be no assurance that these expectations will be met. Further, there can be no assurance that the Government or the State Government will continue to place emphasis on infrastructure projects. In the event of any overall economic slowdown, adverse change in budgetary allocations for infrastructure development, or a downturn in available work in the infrastructure sector, or any change in government policies or priorities, our business prospects and our financial performance may be adversely affected as a significant portion of our business is dependent on public infrastructure spending. Accordingly, a slowdown, downturn or reduction of capital investment in the cement consuming sectors and the building industry including infrastructure, housing and commercial real estate or a failure of these sectors to recover from such downturn, could have adverse impact on demand for our cement and, consequently, on our business, growth and results from operations.

In addition, the introduction of alternatives for cement, such as glass, wood, steel, aluminium and plastics, in the markets in which we operate and the development of new construction techniques could cause a significant reduction in the demand and prices for our cement products and could have an adverse effect on our business, growth and results of operations.

38. We may continue to be controlled by our Promoters and Promoter Group, who by virtue of their aggregate shareholding collectively own a substantial portion of our issued Equity Shares, as a result of which, the remaining shareholders may not be able to affect the outcome of shareholder voting.

As on December 31, 2023, the aggregate shareholding of our Promoters and Promoter Group as a percentage of the total number of our paid-up Equity Share capital was 59.59%. Our Promoters and Promoter Group will continue to collectively own a substantial portion of our issued Equity Shares. Pursuant to subscription of Equity Shares in the Issue, in case public shareholders do not subscribe fully, the collective holding of our Promoters and Promoter Group may increase above their current holdings. Our Promoters and Promoter Group will therefore continue to have the ability to exercise a controlling influence over our business which will allow them to vote together on certain matters in our general meetings. Accordingly, the interests of our Promoters as our controlling shareholders may conflict with your interests and the interests of our other shareholders. We cannot assure you that the Promoters will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

39. Our Corporate Promoter is engaged in the same line of business activities as those undertaken by our Company and one of our Directors, is on the board of our Promoter. There may be a conflict of interest between us and our Corporate Promoter.

Our Promoter, JCL, is also engaged in the business of clinker and cement manufacturing. We benefit from our association with our Promoter, JCL which is engaged in manufacturing various grades of cement such as portland slag cement, ordinary portland cement, concrete HD cement and composite cement. We have entered into an agreement dated March 1, 2023, with JCL for supply of clinker. This arrangement with JCL provides a customer base for a substantial portion of our clinker production and allows us to have a strong visibility of future revenue.

While we have leveraged our relationship with our corporate Promoter in the past, our corporate Promoter may, for business considerations or otherwise, cause our Company to take actions, or refrain from taking actions, in order to benefit itself instead of our Company’s interests or the interests of our other shareholders, which may be harmful to our Company’s interests or the interests of our other shareholders, and which may impact our business, cash flows, financial condition and results of operations.

Further, one of our Directors, Narinder Singh Kahlon is also on the board of directors of our corporate Promoter. While we have not had instances of conflict of interest in the past, we will endeavour to take adequate steps to address such conflict of interest, which may arise in the future, by adopting the necessary procedures and practices as permitted by applicable law. However, there can be no assurance that there will be no competition between our Promoter and us in similar markets or our existing business or any future business that we may undertake or that we will be able to suitably resolve such a conflict without an adverse effect on our business. Any such present and future conflicts may have a material adverse effect on our reputation, business and results of operations.

40. This Letter of Offer contains information from an industry report which has been commissioned and paid for by us exclusively for the purposes of the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.

We have availed the services of an independent third-party research agency, CRISIL, to prepare an industry report titled “*Market review of cement sector*” dated March, 2024, exclusively for purposes of confirming our understanding of the industry we operate in and inclusion of such information in this Letter of Offer pursuant to an engagement letter dated February 15, 2024. Given the scope and extent of the CRISIL Report, disclosures are limited to certain excerpts and the CRISIL Report has not been reproduced in its entirety in this Letter of Offer.

The CRISIL Report is a paid report that has been commissioned by our Company and is subject to various limitations and based upon certain assumptions that are subjective in nature. While we have taken reasonable care in the reproduction of the information, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Letter of Offer. In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Issue pursuant to reliance on the information in this Letter of Offer based on, or derived from, the CRISIL Report. You should consult your own advisors and undertake an independent assessment of information in this Letter of Offer based on, or derived from, the CRISIL Report before making any investment decision regarding the Issue. See "*Industry Overview*" on page 74.

41. The introduction of substitutes for cement in the markets in which we and our Corporate Promoter operate and the development of new construction techniques could have an adverse effect on our business, results of operations and financial condition.

Our business is continually changing due to technological advances and scientific discoveries. Our profitability and competitiveness are in large part dependent on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. Changes in technology may make newer generation manufacturing equipment more competitive than ours and our Corporate Promoter may require us to make additional capital expenditures. Although we strive to maintain and upgrade our technologies, facilities and machinery consistent with current national and international standards, the technologies, facilities and machinery we currently use may become obsolete. We and Corporate Promoter need to continue to invest in new and more advanced technologies and equipment to enable us to respond to emerging industry standards and practices in a cost-effective and timely manner that is competitive with other building material companies and other methods of manufacturing. The development and implementation of such technology entails technical and business risks. We cannot assure you that we will be able to successfully implement new technologies or adapt our processing systems to customer requirements or emerging industry standards. If we are unable to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business and financial performance could be adversely affected.

New construction techniques and modern materials may be introduced in the future. The increase in use of substitutes for cement could cause a significant reduction in the demand and prices for our clinker and have an adverse effect on our profitability, cash flows and results of operations.

42. Any failure of our information technology systems could adversely affect our business and operations.

We have information technology systems that support our business processes such as, amongst others, data centres, enterprise resource planning solution, customer resource planning and transport management system. For further details, see "*Our Business - Information Technology*" on page 119. These systems may be susceptible to outages due to fire, floods, power loss, telecommunications failures, natural disasters, and similar events, even with our disaster recovery system in place. Disruption or failure of our information technology systems could have a material adverse effect on our operations. A large-scale information technology malfunction could disrupt our business or lead to disclosure of sensitive company information. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers. While there has not been any incidence of such malfunction or disruptions, such incidence could cause economic losses for which we could be held liable.

Effective response to such disruptions will require effort and diligence on the part of our employees to avoid any adverse effect to our information technology systems. In addition, our systems and proprietary data stored electronically may be vulnerable to computer viruses, cybercrime, computer hacking and similar disruptions from unauthorized tampering. If such unauthorized use of our systems were to occur, data related to our product formulas, product development and other proprietary information could be compromised. The occurrence of any of these events could adversely affect our business, interrupt our operations, subject us to increased operating costs and expose us to litigation.

43. If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting for external purposes, including with respect to record keeping and transaction authorization. In recent years, we have focused on improving the internal controls of the businesses. Because of our inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected. Any failure to maintain an effective system of internal control over financial reporting could limit our ability to report financial results accurately and in a timely manner, or to detect and prevent fraud, which could have a material adverse effect on our business, results of operations, cash flows and financial condition.

44. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

We have not declared dividend for the nine months ended December 31, 2023, Fiscals 2023, 2022 and 2021 respectively. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

EXTERNAL RISKS

45. Foreign investors are subject to foreign investment restrictions under Indian law that limit our Company's ability to attract foreign investors, which may adversely affect the market price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents and issuances of shares to non-residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If such issuances or transfers of shares are not in compliance with such requirements or fall under any of the specified exceptions, then prior approval of the RBI will be required. We have undertaken or recorded such transactions in the past based on a *bona fide* interpretation of the law. We cannot assure you that our interpretation would be upheld by the Indian regulators. Any change in such interpretation could impact the ability of our Company to attract foreign investors.

In addition, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Government of India may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Government of India experiences extreme difficulty in stabilising the balance of payments, or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Government of India's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. We cannot assure you that any approval required from the RBI or any other government agency can be obtained on any particular terms, or at all.

46. ***All of our revenue is derived from business in India and a decline in economic growth or political instability or changes in the Government in India could adversely affect our business.***

We derive all of our revenue from our operations in India and so the performance and the growth of our business are dependent on the performance of the Indian economy. In the recent past, Indian economy has been affected by global economic uncertainties and liquidity crisis, domestic policy and political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, adverse conditions affecting agriculture, rising inflation rates and various other factors. Risk management initiatives by banks and lenders in such circumstances could affect the availability of funds in the future or the withdrawal of our existing credit facilities. The Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic, environment in India could adversely affect our business, financial condition, results of operation and the trading price of our Equity Shares. Volatility, negativity, or uncertain economic conditions could undermine the business confidence and could have a significant impact on our results of operations. Changing demand patterns from economic volatility and uncertainty could have a significant negative impact on our results of operations.

Further, our performance and the market price and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The GoI has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, the market price and liquidity of the Equity Shares may be affected by changes in GoI policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

The Indian economy and securities markets are influenced by economic, political and market conditions in India and globally, including adverse geopolitical conditions such as increased tensions between India and China. We are incorporated in India, and our operations are located in India. As a result, we are highly dependent on prevailing economic conditions in India and the other emerging markets and our results of operations and cash flows are significantly affected by factors influencing the economy in these countries. Factors that may adversely affect the economy, and hence our results of operations and cash flows, may include:

- any increase in interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing, resulting in an adverse impact on economic conditions and scarcity of financing for our expansions;
- prevailing income conditions among consumers and corporates;
- volatility in, and actual or perceived trends in trading activity on, the relevant market's principal stock exchanges;
- changes in tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in the region or globally. For example, the recent hostilities between Russia and Ukraine;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in the relevant country's principal export markets;
- any downgrading of debt rating by a domestic or international rating agency;
- instability in financial markets; and
- other significant regulatory or economic developments in or affecting India or the emerging markets.

Further, any slowdown or perceived slowdown in the Indian economy or the economy of any emerging market, or in specific sectors of such economies, could adversely impact our business, results of operations, cash flows and financial condition and the price of the Equity Shares.

47. A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.

A decline in India's foreign exchange reserves could impact the valuation of the Indian Rupee and result in reduced liquidity and higher interest rates, which could adversely affect our future financial condition our business and results of operations. Flows to foreign exchange reserves can be volatile, and past declines may have adversely affected the valuation of the Indian Rupee. There can be no assurance that India's foreign exchange reserves will not decrease again in the future. Further decline in foreign exchange reserves, as well as other factors, could adversely affect the valuation of the Indian Rupee and could result in reduced liquidity and higher interest rates that could adversely affect our business, financial condition and results of operations. While this may be beneficial for our exports, a general decline in the liquidity may have an adverse effect on our results of operations and financial conditions.

48. A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the SEBI Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of SEBI Takeover Regulations.

49. Political instability or significant changes in the economic liberalization and deregulation policies of the Government, or in the government of the States where we operate, could disrupt our business.

We are incorporated in India and derive our revenues in India. In addition, our assets are located in India. Consequently, our performance and liquidity of our Equity Shares may be affected by changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our businesses, and the market price and liquidity of our securities, may be affected by changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments in or affecting India.

In recent years, the Indian governments have generally pursued a course of economic liberalization and deregulation aimed at accelerating the pace of economic growth and development. This has included liberalizing rules and limits for foreign direct investment in a number of important sectors of the Indian economy, including infrastructure, railways, services, pharmaceuticals and insurance. In addition, the Indian government has recently pursued a number of other economic reforms, including the introduction of a goods and services tax, increased infrastructure spending and a new Insolvency and Bankruptcy Code. There can be no assurance that the government's policies will succeed in their aims, including facilitating high rates of economic growth. Following the release of the results of the last general elections of India the ruling party has received a fresh mandate to continue its tenure for a second term, there can be no assurance that the Government will continue with its current policies. New or amended policies may be unsuccessful or have detrimental effects on economic growth.

A significant change in India's economic liberalization and deregulation policies, in particular, those relating to the businesses in which we operate, could disrupt business and economic conditions in India generally and our business in particular.

50. Natural disasters and other disruptions could adversely affect the Indian economy and could cause our business and operations to suffer and impact the trading price of our Equity Shares.

Natural disasters such as floods, earthquakes, famines and droughts have in the past had a negative impact on the Indian economy. Further, health epidemics and pandemics like the recent COVID-19 pandemic have also affected the Indian economy negatively. If any such natural disaster, unfavourable climatic changes or health epidemics and pandemics were to occur, our business could be affected due to the event itself or due to the inability to effectively manage the effects of the particular event.

Our operations may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as protests, riots and labour unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations which may affect our manufacturing processes. Damage or destruction that interrupts our production could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our infrastructure. We may also be liable to our customers for disruption in supply resulting from such damage or destruction. Our insurance policies for assets covers such natural disasters. However, our insurance policies may not be adequate to cover the loss arising from these events, which could adversely affect our results of operations and financial condition and the price of our Equity Shares.

51. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect our business and the Indian financial markets.

India has from time to time experienced instances of civil unrest and terrorist attacks. These events could lead to political or economic instability in India and may adversely affect the Indian economy, our business, and results of operations, financial condition and the trading price of our Equity Shares. India has also experienced social unrest and communal disturbances in some parts of the country. If such tensions occur in places where we operate or in other parts of the country, leading to overall political and economic instability, it could adversely affect our business, results of operations, financial condition and the trading price of our Equity Shares.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business and may adversely affect the global equity markets including the Indian stock markets where our Equity Shares trade. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our business and profitability. In addition, in June 2020, a confrontation occurred between Indian and Chinese military forces. Any degradation in India-China political relations, wider international relations or any future military confrontations may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have an adverse impact on us. Regional or international hostilities, terrorist attacks or other acts of violence of war could have a significant adverse impact on international or Indian financial markets or economic conditions or on Government policy. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of the Equity Shares.

52. Changing laws, rules and regulations, including taxation laws, may adversely affect our business, results of operations, cash flows and prospects.

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws (Amendment) Act, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this Act, companies can henceforth voluntarily opt in favour of a concessional tax regime (subject to no other special benefits or exemptions being claimed), which would ultimately reduce the tax rate (on gross basis) for Indian companies from 30% to 22% (exclusive of applicable health and education cess and surcharge). Any such future amendments may affect our ability to claim exemptions that we have historically benefitted from, and such exemptions may no longer be available to us. Any adverse order passed by the appellate authorities or tribunals or courts would have an effect on our profitability.

The Finance act, 2020 ("**Finance Act**"), has, amongst other things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime. For instance, dividend distribution tax ("**DDT**") will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are likely be subject to tax deduction at source. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in Equity Shares.

In addition, we are subject to tax related inquiries and claims. We may be particularly affected by claims from tax authorities on account of income tax assessment, service tax and GST that combines taxes and levies by the central and state governments into one unified rate of interest with effect from July 1, 2017, and all subsequent changes and amendments thereto.

Further, the Government of India has announced the Union Budget for Financial Year ended March 31, 2024, and the Finance Act, 2023, which was notified on the e-Gazette on March 31, 2023. The Finance Act, 2023 proposes various amendments to taxation laws in India. As such, there is no certainty on the impact that the Finance Act, 2023 may have on our business and operations or on the industry in which we operate. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, the likely nature and impact of the specific terms of any such laws or regulations or whether, if at all, any laws or regulations would have an adverse effect on our business.

53. Companies operating in India are subject to a variety of central and state government taxes and surcharges.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The statutory corporate income tax in India, which includes a surcharge on the tax and an education cess on the tax and the surcharge, may range up to 34.94%. The central or state government may vary the corporate income tax in the future. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could materially and adversely affect our business, financial condition and results of operations.

GST has been implemented with effect from July 1, 2017, and has replaced the indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise, collected by the central and state governments. GST has increased administrative compliance for companies, which is a consequence of increased registration and form filing requirements. As the taxation system is relatively new and could be subject to further amendments in the short term for the purposes of streamlining compliance, the consequential effects on us cannot be determined as of now and there can be no assurance that such effects would not adversely affect our business and future financial performance.

54. Investors may not be able to enforce a judgment of a foreign court against our Company or our management.

We are a limited liability company incorporated under the laws of India and all of our Directors and Senior Management Personnel named herein are residents of India and a substantial portion of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors outside of India to effect service of process on our Company or such persons from their respective jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India predicated upon civil liabilities of our Company or such directors and Senior Management Personnel under laws other than Indian law. Recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (the "**Civil Code**") on a statutory basis. Section 13 of the Civil Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of such section, in any country or territory outside India, which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards.

The United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Code, but the United States has not been so declared. A judgment of a court in a country which is not a reciprocating territory may be enforced in India only by a fresh suit upon the judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to such award and any such amount may be subject to income tax in accordance with applicable laws. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

55. A downgrade in ratings of India, may affect the trading price of the Equity Shares.

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, all which are outside the control of our Company. Our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. Any adverse revisions to India's credit ratings for domestic and overseas debt by international rating agencies may adversely impact our ability to raise additional external financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

56. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure of completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see "*Terms of the Issue*" on page 274.

57. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form may lapse in case they fail to furnish the details of their demat account to the Registrar.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (b) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (c) credit of the Rights Entitlements returned, reversed or failed; or (d) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any. The Rights Entitlements of the Eligible Equity Shareholders holding Equity Shares in physical form who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. For details, please see the section entitled "*Terms of the Issue*" on page 274.

58. Our Company will not distribute this Letter of Offer and other Issue related materials to overseas shareholders who have not provided an address in India for service of documents.

We will distribute the Issue Material to the shareholders who have provided an address in India for service of documents. The Issue Material will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in various overseas jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, this Letter of Offer will be sent only to their valid e-mail address and in case of such Eligible Equity Shareholders who have not provided their e-mail address, then this Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

While the Companies Act, 2013 requires companies to serve documents at any address which may be provided by the members as well as through e-mail, presently, there is lack of clarity under the Companies Act, 2013 and the rules thereunder with respect to distribution of Issue Material in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdiction. While our Company will request its shareholders to provide an address in India for the purposes of distribution of Issue Material, our Company cannot assure that the regulator would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject our Company to fines or penalties.

59. Rights of shareholders under Indian law may differ or may be more limited than under the laws of other jurisdictions.

The Companies Act and rules made thereunder, the rules and regulations issued by SEBI and other regulatory authorities, the Memorandum of Association, and the Articles of Association govern the corporate affairs of our Company. Indian legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder in India than as a shareholder of a corporation in another jurisdiction. In accordance with the provisions of the Companies Act the voting rights of an equity shareholder in a company shall be in proportion to the share of a person in the paid-up equity share capital of that company. Further, Section 106(1) of the Companies Act read with the Articles of Association specifically provides that no member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid.

60. We may, at any time in the future, make further issuances of Equity Shares and this may significantly dilute your future shareholding, or our Promoters and other major shareholders may undertake sale of Equity Shares which may affect the trading price of our Equity Shares.

Any future equity issuances by us, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of our Equity Shares, which may lead to other adverse consequences for us including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception that such issuance or sales of shares may occur, may lead to dilution of your shareholding, significantly affect the trading price of our Equity Shares and our ability to raise capital through an issue of our securities. There can be no assurance that such future issuance by us will be at a price equal to or more than the Issue Price. Further, there can be no assurance that we will not issue further shares or that the major shareholders will not dispose of, pledge or otherwise encumber their shares.

61. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares

Under the current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("**STT**") is levied both at the time of transfer and acquisition of the equity shares (unless exempted under a prescribed notification), and the STT is collected by an Indian stock exchange on which equity shares are sold. Any gains realized on the sale of equity shares held for more than 12 months are subject to long term capital gains tax in India. Such long-term capital gains exceeding ₹100,000 arising from the sale of listed equity shares on the stock exchange are subject to tax at the rate of 10% (plus applicable surcharge and cess). Unrealized capital gains earned on listed equity shares up to January 31, 2018, continue to be tax-exempted in such cases.

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder, subject to certain conditions. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. Further, the Finance Act, 2020, has, amongst others things, notified changes and provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020 and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident, and are subject to tax deduction at source.

62. Holders of our Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, a company incorporated in India must offer holders of its equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares who have voted on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will not be able to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

63. Your ability to acquire and sell the Equity Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Letter of Offer.

No actions have been taken to permit a public offering of the Equity Shares offered in the Issue in any jurisdiction except India. As such, our Equity Shares have not and will not be registered under the Securities Act, any state securities laws of the United States or the law of any jurisdiction other than India. Further, your ability to acquire Equity Shares is restricted by the distribution and solicitation restrictions set forth in this Letter of Offer. For further information, see "*Notice to Investors*" on page 9. You are required to inform yourself about and observe these restrictions. Our representatives, our agents and us will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares made other than in compliance with applicable law.

SECTION III: INTRODUCTION

THE ISSUE

The Issue has been authorized by way of a resolution passed by our Board on September 14, 2023, pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable laws. The terms of the Issue including the Issue Price, Record Date, Rights Entitlement ratio, timing of the Issue and other related matters have been approved by a resolution passed by our Board at its meeting held on March 27, 2024.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in "*Terms of the Issue*" on page 274.

Rights Equity Shares being offered by the Company	Up to 10,00,00,000* Equity Shares **Assuming full subscription*
Rights Entitlement for the Rights Equity Shares	20 Rights Equity Shares for every 39 fully paid-up Equity Shares held on the Record Date
Record Date	Wednesday, April 3, 2024
Face value per Rights Equity Share	₹2 each
Issue Price	₹ 40 per Rights Equity Share (including a premium of ₹ 38 per Rights Equity Share)
Issue Size	Up to ₹40,000 lakhs* **Assuming full subscription*
Equity Shares subscribed, fully paid-up and outstanding prior to the issue	19,50,00,000 Equity Shares. For details, please see "*Capital Structure*" on page 56.
Equity Shares subscribed, paid–up and outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	29,50,00,000 Equity Shares
Security codes for the Equity Shares	ISIN: INE555C01029 BSE scrip code: 532323
ISIN for Rights Entitlement	INE555C20011
Terms of the Issue	For further information, please see "*Terms of the Issue*" on page 274
Use of Issue Proceeds	For further information, please see "*Objects of the Issue*" on page 58
Terms of Payment	The full amount is payable on application

For details in relation fractional entitlements, see "*Terms of the Issue – Basis for this Issue and Terms of this Issue – Fractional Entitlements*" on page 293.

GENERAL INFORMATION

Our Company was incorporated at Odisha as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated August 12, 1985, issued by the RoC. Our Company was issued a certificate for commencement of business dated August 13, 1985, by the RoC.

Registered and Corporate Office of our Company

The address and certain other details of our Registered and Corporate Office are as follows:

Shiva Cement Limited
Village Telighana
Birangatoli, Kutra
Sundargarh – 770 018
Odisha, India
Telephone: +91 661 246 1300
Website: www.shivacement.com

Changes in the registered office of the Company:

Except as disclosed below, there has been no change in registered office of our Company since the date of incorporation.

Date of change	Details of change	Reasons for change
October 21, 1985*	From Power House Road, Sundargarh, Rourkela-769001, Odisha, India to H-6, Civil Township, Area – 7/8, Rourkela, 769 004, Odisha, India.	For operational efficiency
January 20, 1992*	From H-6, Civil Township, Area – 7/8, Rourkela, 769 004, Odisha, India to P 25, Civil Township, Rourkela – 769 004, Odisha, India.	For operational efficiency
June 26, 2017	From P 25, Civil Township, Rourkela – 769 004, Odisha, India to YY5, Civil Township, 7/8 Area, Rourkela – 769 004, Odisha, India.	Pursuant to the acquisition of our Company by JCL, the registered office of our Company was shifted for administrative convenience.
June 21, 2021	From YY5, Civil Township, 7/8 Area, Rourkela – 769 004, Odisha, India to Village Telighana, Birangatoli, Kutra, Sundargarh –770 018, Odisha, India.	To improve the operational efficiency of our Company

**Our Company is unable to trace certain corporate records and filings, including from the RoC records and the minutes of the board or shareholders meeting, in relation to the change in registered office of our Company. Our Company has relied on the certificate issued by Gopinath Nayak & Associates, Practicing Company Secretary vide its certificate dated November 11, 2021, for disclosing the details of the date in the registered office. Also, see "Risk Factors – 34. Some of our corporate records for forms filed with the RoC in relation to changes in the registered office of our Company are not traceable" on page* 37.

Company Registration Number and Corporate Identity Number

The registration number and corporate identity number of our Company are as follows:

a. Registration number: 001557
b. Corporate identity number: L26942OR1985PLC001557

The Registrar of Companies

Our Company is registered with the Registrar of Companies, Cuttack at Odisha, which is situated at the following address:

Corporate Bhawan
2nd and 3rd Floor
Plot no- 9(P)
Sector-1, CDA
Cuttack – 753 014
Odisha, India

Company Secretary and Compliance Officer

Sneha Bindra is the Company Secretary and Compliance Officer our Company. Her contact details are as follows:

Sneha Bindra
Shiva Cement Limited
Village Telighana
Birangatoli, Kutra
Sundargarh – 770 018
Odisha, India
E-mail: cs@shivacement.com
Telephone: + 91 22 4286 3115

Lead Manager to the Issue

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai-400 025
Maharashtra, India
Telephone: +91 22 6630 3030
E-mail: shivacement.rights@jmfl.com
Website: www.jmfl.com
Investor grievance e-mail: grievance.ibd@jmfl.com
Contact person: Prachee Dhuri
SEBI registration no.: INM000010361

Legal counsel to the Issuer as to Indian law

Khaitan & Co
One World Centre
10th and 13th Floor, Tower 1C
841, Senapati Bapat Marg
Mumbai – 400 013
Maharashtra, India
Telephone: +91 22 6636 5000

Statutory Auditors of our Company

Shah Gupta & Co., Chartered Accountants
38, Bombay Mutual Building
2nd Floor, Dr. DN Road
Fort, Mumbai- 400 001
Maharashtra, India
Telephone: +91 22 4085 1000
E-mail: contact@shahgupta.com
Peer review certificate no.: 013934
Firm registration number: 109574W

Registrar to the Issue

KFin Technologies Limited
(Formerly known as KFin Technologies Private Limited)
Selenium Tower-B, Plot no. 31 and 32
Financial District
Nanakramguda, Serilingampally
Hyderabad, Rangareddi 500 032
Telangana, India

Telephone: +91 40 6716 2222
E-mail: scl.rights@kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Contact Person: M Murali Krishna
Website: www.kfintech.com
SEBI registration no.: INR000000221

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application Form, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please see "*Terms of the Issue-Making of an Application through the ASBA process*" on page 278.

Banker to the Issue

Axis Bank Limited
Axis House, 6th Floor
C-2, Wadia International Centre
Pandurang Budhkar Marg
Worli, Mumbai 400 025
Maharashtra, India
Tel: +91 22 2425 3672
E-mail: vishal.lade@axisbank.com
Website: www.axisbank.com
Contact Person: Vishal M. Lade
SEBI Registration No.: INBI00000017

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the Application Forms, please refer to the above-mentioned link.

Issue Schedule

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	Friday, April 19, 2024
ISSUE OPENING DATE	Monday, April 22, 2024
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS #	Tuesday, April 30, 2024
ISSUE CLOSING DATE*	Monday, May 6, 2024
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	Friday, May 10, 2024
DATE OF ALLOTMENT (ON OR ABOUT)	Saturday, May 11, 2024
DATE OF CREDIT (ON OR ABOUT)	Tuesday, May 14, 2024
DATE OF LISTING (ON OR ABOUT)	Monday, May 20, 2024

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.
* *Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Manager.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar to the Issue, they are required to provide their demat account details to our Company or the Registrar to the Issue not later than two Working

Days prior to the Issue Closing Date, i.e., Thursday, May 2, 2024 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar at https://rights.kfintech.com. Such Eligible Equity Shareholders can make an application only after the Rights Entitlements are credited to their respective demat accounts.

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. Further, it is also encouraged that the Applications are submitted well in advance before Issue Closing Date. For details on submitting Application Forms, please see the section "*Terms of the Issue – Making of an Application through the ASBA process*" on page 278.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar to the Issue at https://rights.kfintech.com. after keying in their respective details along with other security control measures implemented thereat. The link for the same shall also be available on the website of our Company at www.shivacement.com. For further details, please see the section "*Terms of the Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" on page 289.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

Inter-se allocation of responsibilities

Since only one lead manager has been appointed for purposes of the Issue, there is no requirement of an *inter-se* allocation of responsibilities. The Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue.

Credit Rating

As the Issue is of Equity Shares, there is no credit rating required for the Issue.

Debenture Trustee

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Monitoring Agency

Our Company has appointed CARE Ratings Limited, as the Monitoring Agency, in accordance with Regulation 82 of the SEBI ICDR Regulations, to monitor the utilisation of the Net Proceeds. The details of the Monitoring Agency are as follows:

CARE Ratings Limited
4th Floor, Godrej Coliseum, Somaiya Hospital Road
Off Eastern Express Highway, Sion (East)
Mumbai- 400 022
Maharashtra, India
Telephone: +91 98191 11512
E-mail: chirag.ganguly@careedge.in

Underwriting

This Issue is not underwritten, and our Company has not entered into any underwriting agreement.

Minimum Subscription

The Objects involve (i) repayment or prepayment, in full or in part, of certain borrowings availed by our Company; and (ii) general corporate purposes. Our Corporate Promoter and Anushree Jindal, a member of our Promoter Group and Shareholder, jointly with our Individual Promoter, by way of their letters each dated October 10, 2023, have confirmed their intention to subscribe to the full extent of their Rights Entitlement in the Issue. Accordingly, in terms of Regulation 86 of the SEBI ICDR Regulations, the requirement of minimum subscription is not applicable to the Issue. Each of our Corporate Promoter and Anushree Jindal jointly with our Individual Promoter have reserved their right to subscribe over and above their Rights Entitlement in the Issue, either in the form of subscription to the Rights Entitlement renounced in their favour or subscription to Additional Rights Equity Shares or the unsubscribed portion in the Issue, in accordance with and subject to compliance with the SEBI ICDR Regulations, SEBI Listing Regulations, SEBI Takeover Regulations and other applicable laws.

Filing

This Letter of Offer will be filed with SEBI and the Stock Exchange as per the provisions of the SEBI ICDR Regulations. Further, in terms of the SEBI ICDR Regulations, our Company will undertake an online filing of Letter of Offer with SEBI through the SEBI intermediary portal at www.siportal.sebi.gov.in in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI and simultaneously file the same with the Designated Stock Exchange, being BSE.

CAPITAL STRUCTURE

The share capital of our Company as of the date of this Letter of Offer, and the details of the Equity Shares proposed to be issued in the Issue, and the issued, subscribed and paid up share capital after the Issue, are set forth below:

(In ₹ except share data)

	Particulars	Aggregate value at face value	Aggregate value at Issue Price
A	**AUTHORISED SHARE CAPITAL**[1]		
	40,00,00,000 Equity Shares	80,00,00,000	-
	2,00,00,000 Preference Shares	2,00,00,00,000	-
	TOTAL	2,80,00,00,000	-
B	**ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARE CAPITAL BEFORE THE ISSUE**		
	19,50,00,000 Equity Shares	39,00,00,000	-
	1,00,00,000 Optionally Convertible Cumulative Redeemable Preference Shares[6]	1,00,00,00,000	-
	TOTAL	1,39,00,00,000	-
C	**PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER** [2]		
	Up to 10,00,00,000 Rights Equity Shares, each at a premium of ₹ 38 per Equity Share, i.e., at a price of ₹ 40 per Equity Share[3]	Up to 20,00,00,000	Up to 4,00,00,00,000
D	**ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARE CAPITAL AFTER THE ISSUE**		
	29,50,00,000 Equity Shares of ₹ 2 each	59,00,00,000	-
	1,00,00,000 Optionally Convertible Cumulative Redeemable Preference Shares[5]	1,00,00,00,000	
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	52,06,13,000	
	After the Issue [3][4]	4,32,06,13,000	

Notes:

(1) The authorised share capital of our Company was increased pursuant to a board resolution dated May 24, 2021 and a shareholder resolution dated June 21, 2021.

(2) The Issue has been authorised by our Board pursuant to resolution dated September 14, 2023. The terms of the Issue including the Record Date and Rights Entitlement ratio, have been approved by a resolution passed by our Board at its meeting held on March 27, 2024.

(3) Assuming full subscription for and Allotment of the Rights Equity Shares.

(4) Subject to finalisation of the Basis of Allotment.

(5) Pursuant to a board resolution dated February 4, 2021, our Company had allotted 1,00,00,000 1% Optionally Convertible Cumulative Redeemable Preference Shares of ₹100 each to JSW Cement Limited by way of a private placement with an option to convert the preference shares within eighteen months from the date of allotment. Such private placement was authorised by our Shareholders pursuant to resolution passed in our EGM dated January 21, 2021. Pursuant to the expiry of the option of converting the cumulative redeemable preference shares, they are no longer convertible.

Notes to the Capital Structure:

1. No Equity Shares or convertible securities have been acquired by the Promoter or the members of the Promoter Group in the last one year immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange.

2. As on date of this Letter of Offer, none of the Equity Shares or other securities held by the Promoter or the members of the Promoter Group of our Company are locked in, pledged, or otherwise encumbered.

3. **Details of outstanding instruments as on the date of this Letter of Offer**

   There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert Equity Shares, loans or other instruments convertible into Equity Shares as on the date of this Letter of Offer.

   Pursuant to a board resolution dated February 4, 2021, our Company had allotted 1,00,00,000 1% Optionally Convertible Cumulative Redeemable Preference Shares of ₹100 each to JSW Cement Limited by way of a private placement. Such private placement was authorised by our Shareholders pursuant to resolution passed in our EGM dated January 21, 2021. However, pursuant to the expiry of the option, the cumulative redeemable preference shares are no longer convertible.

4. **Intention and extent of participation by our Promoters and our Promoter Group shareholder**

Our Corporate Promoter and Anushree Jindal, a member of our Promoter Group and Shareholder, jointly with our Individual Promoter, by way of their letters each dated October 10, 2023, have confirmed their intention to subscribe to the full extent of their Rights Entitlement in the Issue. Each of our Corporate Promoter and Anushree Jindal jointly with our Individual Promoter have reserved their right to subscribe over and above their Rights Entitlement in the Issue, either in the form of subscription to the Rights Entitlement renounced in their favour or subscription to Additional Rights Equity Shares or the unsubscribed portion in the Issue, in accordance with and subject to compliance with the SEBI ICDR Regulations, SEBI Listing Regulations, SEBI Takeover Regulations and other applicable laws.

Further, any acquisition of Rights Equity Shares by our Promoter and Promoter Group, over and above their Right Entitlements, will be in compliance with the minimum public shareholding requirement, in accordance with Regulation 38 of the SEBI Listing Regulations read with rule 19A of SCRA.

5. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ 48.87.

6. Our Company shall ensure that any transaction in the Equity Shares by the Promoter and the members of the Promoter Group during the period between the date of filing this Letter of Offer with the Stock Exchange and the date of closure of the Issue shall be reported to the Stock Exchange within 24 hours of such transaction.

7. At any given time, there shall be only one denomination of the Equity Shares of our Company.

8. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Rights Issue, shall be fully paid-up. For further details on the terms of the Issue, please see "*Terms of the Issue*" on page 262**.**

9. **Shareholding pattern of our Company as per the last filing with the Stock Exchange in compliance with the provisions of the SEBI Listing Regulations**

a. The shareholding pattern of our Company as of December 31, 2023 can be accessed on the website of BSE at www.bseindia.com/stock-share-price/shiva-cement-ltd/shivacem/532323/qtrid/120.01/shareholding-pattern/Dec-2023/.

b. The statement showing holding of Equity Shares of persons belonging to the category "Promoter and Promoter Group" including the details of lock-in, pledge of and encumbrance thereon, as of December 31, 2023, can be accessed on the website of BSE at www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=532323&qtrid=120.00&QtrName=December%202023.

c. The statement showing holding of Equity Shares of persons belonging to the category "Public" including Equity Shareholders holding more than 1% of the total number of Equity Shares as of December 31, 2023 as well as details of Equity Shares which remain unclaimed for public shareholders can be accessed on the website of BSE at www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=532323&qtrid=120.00&QtrName=December%202023.

d. The details of preference shareholders of our Company holding more than 1% of the issued and paid-up preference share capital of our Company:

Name of preference shareholder	Number of preference shares held	Percentage of preference shares held (%)
JSW Cement Limited	1,00,00,000	100
Total	**1,00,00,000**	**100**

OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds from the Issue towards the following objects:

1. Repayment or prepayment, in full or in part, of certain borrowings availed by our Company; and

2. General corporate purposes.

(collectively, referred to as the "**Objects**")

The main objects and objects incidental or ancillary to the main objects as stated in the Memorandum of Association enable our Company to undertake (i) its existing activities; (ii) to undertake the activities for which borrowings were availed and which are proposed to be repaid or prepaid from the Net Proceeds.

Issue Proceeds

The details of the Net Proceeds are summarised in the table below:

(in ₹ lakhs)

Particulars		Amount
Gross proceeds*		40,000
Less:	Estimated Issue related expenses**	841.38
Net Proceeds**		39,158.62

* *Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment.*
** *Estimated and subject to change. See "– Estimated Issue Related Expenses" on page 62.*

Requirement of funds and utilisation of Net Proceeds

The proposed utilization of the Net Proceeds by our Company is set forth in the table below:

(in ₹ lakhs)

Particulars	Estimated amount (up to)**
Repayment or prepayment, in full or in part, of certain borrowings availed by our Company	31,658.62
General corporate purposes	7,500.00*
Total Net Proceeds**	39,158.62

* *Subject to the finalization of the basis of Allotment and the allotment of the Rights Equity Shares. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*
** *Assuming full subscription in the Issue.*

Means of Finance

The funding requirements mentioned above are based on the internal management estimates of our Company and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, and interest or exchange rate fluctuations. Consequently, the funding requirements of our Company and deployment schedules are subject to revision in the future at the discretion of our management, subject to applicable law. If additional funds are required for the purposes as mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them, subject to compliance with applicable laws. Further, depending on the funding requirements of our Company and subject to market and other considerations, our Company may increase the size of the Issue by 20% of the Issue size disclosed in this Letter of Offer in accordance with the SEBI ICDR Regulations and other applicable law.

Since our Company is not proposing to fund any specific project from the Net Proceeds, the requirement to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance for such project proposed to be funded from the Net Proceeds is not applicable.

Schedule of Implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purpose in accordance with the estimated schedule of deployment of funds set forth in the table below.

(in ₹ lakhs)

Particulars	Total estimated amount/expenditure (up to)	Estimated utilisation from Net Proceeds (up to)	Estimated deployment of the Net Proceeds in Fiscal 2025 (up to)
Repayment or prepayment, in full or in part, of certain borrowings availed by our Company	31,658.62	31,658.62	31,658.62
General corporate purposes*	7,500.00	7,500.00	7,500.00
Total Net Proceeds**	**39,158.62**	**39,158.62**	**39,158.62**

* *Subject to the finalization of the basis of Allotment and the allotment of the Rights Equity Shares. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*
** *Assuming full subscription in the Issue.*

In the event that the estimated utilization of the Net Proceeds in a scheduled Fiscal is not completely met (in full or in part), due to factors such as (i) economic and business conditions; (ii) the timing of completion of the Issue; (iii) market conditions outside the control of our Company; and (iv) any other business and commercial considerations, the remaining Net Proceeds shall be utilized (in full or in part) in subsequent periods as may be determined by our Company, in accordance with applicable laws. Any change in estimated schedule of utilization shall be subject to shareholders' approvals and in accordance with applicable laws. If the actual utilisation towards the repayment or prepayment, in full or in part, of certain borrowings availed by our Company is lower than the proposed deployment such balance will be used for future growth and towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Net Proceeds in accordance with the SEBI ICDR Regulations.

In the event that the Net Proceeds are not completely utilized for the purposes stated above and as per the estimated schedule of utilisation specified above, the same would be utilized in subsequent Financial Years for achieving the Objects.

Details of the Objects

The details in relation to the Objects are set forth herein below.

1. ***Repayment or prepayment, in full or in part, of certain borrowings availed by our Company.***

Our Company has, in regular course of business, entered into various borrowing arrangements from time to time, with scheduled commercial banks and other financial institutions. The outstanding borrowing arrangements entered into by our Company includes debt in the form of, *inter alia,* term loans and working capital facilities, as well as fund based and non-fund based borrowings. Further, our Company has also entered into the Loan Agreement with JCL to avail an unsecured loan.

As at February 29, 2024, the amount outstanding under various borrowing arrangements of our Company, including under the Loan Agreement, was ₹1,40,264.25 lakhs. Our Company proposes to utilise an estimated amount of up to ₹34,500.00 lakhs from the Net Proceeds towards repayment and/or pre-payment, in part or full of such borrowings availed by our Company. Our Company may avail further loans and/ or draw down further funds under existing or new borrowing arrangements, from time to time. Further, our Company has obtained consents from the lenders/trustees of these borrowings and made intimations to lenders and trustees, as applicable, as on the date of this Letter of Offer.

The following table provides details of certain borrowings availed by our Company from third party lenders (other than our Corporate Promoter), which are outstanding as on February 29, 2024, which are proposed to be repaid or prepaid, in full or in part, from the Net Proceeds:

Name of the lender	Nature of borrowing	Principal amount sanctioned as on February 29, 2024 (in ₹ lakhs)	Principal amount outstanding as on February 29, 2024 (in ₹ lakhs)	Tenure of repayment	Rate of interest as on February 29, 2024 (in %)
Term loans					
Axis Bank Limited	Rupee Term Loan	55,000.00	47,367.11	To be repaid in 36 structured quarterly installments with the first installment starting from December 31, 2024	8.73
Indian Bank	Rupee Term loan	30,000.00	19,235.29		
Total		**85,000.00**	**66,602.40**		

Notes:

1. *Our Company has obtained a certificate dated March 28, 2024, from Shah Gupta & Co., Chartered Accountants who have certified that the borrowings mentioned in the table above have been utilised towards the purposes for which such borrowings were availed.*
2. *A prepayment premium of 1% may be applicable, subject to certain conditions, in relation to the loans mentioned above. Prepayment penalty, if any, shall be paid by our Company out of our internal accruals.*

Additionally, the details of the unsecured borrowings availed by our Company from JCL in terms of the Loan Agreement is as follows:

Name of the lender	Date of Agreement	Purpose	Nature of borrowing	Principal amount sanctioned as on February 29, 2024 (in ₹ lakhs)	Principal amount outstanding as on February 29, 2024 (in ₹ lakhs)	Tenure of loan	Rate of interest
JCL	• Loan agreement dated March 1, 2023 • Amendment agreement dated October 20, 2023	Meeting Company's business requirements, including capital expenditure and expansion	Unsecured borrowings	70,000.00	67,759.09	For a period of 60 months from the date of each disbursement or March 31, 2026, whichever is earlier	Weighted average cost of long-term borrowings of JCL as per last reported quarter ending interest rate plus 50 basis points per annum credit spread.

Notes:

1. *Our Company has obtained a certificate dated March 28, 2024, from Shah Gupta & Co., Chartered Accountants who have certified that the unsecured borrowings availed by our Company under the Loan Agreement, has been utilised towards the purpose for which such borrowing was availed.*
2. *There is no prepayment penalty payable by our Company in terms of the Loan Agreement. However, in case of prepayment, certain charges may be applicable, as deemed fit by the lender. Such charges, if any, shall be paid by our Company out of our internal accruals.*

We believe that such repayment and/or pre-payment of our borrowings will help reduce our outstanding indebtedness and debt servicing costs, improve our debt to equity ratio and enable utilisation of our accruals for further investment in our business growth and expansion. Additionally, we believe that the since our debt-equity ratio will improve, it will enable us to raise further resources at competitive rates in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

We have considered the following factors for identifying the loans that will be repaid or prepaid out of the Net Proceeds:

1. Costs, expenses and charges relating to the facility including interest rates involved;

2. Presence of onerous terms and conditions under the facility;

3. Ease of operation with the lender;

4. Terms and conditions of consents and waivers;

5. Provisions of any legal requirements governing such borrowings; and/or

6. Other commercial considerations including, *inter alia*, the amount of the loan outstanding and the remaining tenor of the loan.

Given the nature of our borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under these borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of their existing borrowings prior to Allotment or avail additional credit facilities. Further, the outstanding amounts under the aforementioned borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits.

Accordingly, our Company may utilise the Net Proceeds for part prepayment of any such refinanced facilities or repayment of any additional facilities obtained by our Company. However, the aggregate amount to be utilised from the Net Proceeds towards repayment and/or prepayment, in part or full of such borrowings (including refinanced or additional facilities availed, if any), would not exceed ₹34,500.00 lakhs. In the event our Board deems appropriate, the amount allocated for estimated schedule of deployment of Net Proceeds in a particular Financial Year may be repaid/ pre-paid in part or full by our Company in the subsequent Financial Year.

2. General corporate purposes.

Our Company intends to deploy the balance Net Proceeds aggregating up to ₹ 7,500.00 lakhs towards general corporate purposes, provided that the amount to be utilized for general corporate purposes shall not exceed 25% of the Net Proceeds. Such utilisation towards general corporate purposes shall be to drive our business growth, including, amongst other things, acquiring assets, such as land, plant and machinery, furniture and fixtures, and vehicles and intangibles, other marketing expenses, upgradation of information technology infrastructure, insurance related expenses, funding growth opportunities, including strategic initiatives, payment of interest on borrowings, leasehold improvements, meeting of exigencies which our Company may face in the course of any business and any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof, subject to meeting regulatory requirements and obtaining necessary approvals/ consents, as applicable. Our management will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

Estimated Issue Related Expenses

The estimated Issue related expenses are as follows:

(*in ₹ lakhs*)

Particulars	Estimated amount*	As a % of the total estimated Issue expenditure	As a % of the total Issue size (%)
Fee payable to the Lead Manager (including brokerage and selling commission)	472.00	56.10	1.18
Fee payable to the legal counsels	173.50	20.62	0.43
Fee payable to other professional service providers including auditors	37.58	4.47	0.09
Printing and stationery, distribution, postage etc.	23.82	2.83	0.06
Fees payable to the Registrar to the Issue	3.54	0.42	0.01
Advertising and marketing expenses and shareholder outreach expenses	6.51	0.77	0.02
Fees payable to regulators (including Stock Exchange/SEBI, depositories and other statutory fee as applicable)	61.24	7.28	0.15
Other expenses (including miscellaneous expenses)#	63.19	7.51	0.16
Total estimated Issue expenses*	**841.38**	**100.00**	**2.10**

**Includes applicable taxes. Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes.*
#Includes fees payable to CRISIL MI&A for preparing the CRISIL Report, and any such expense not specifically covered.

Bridge financing facilities

Our Company has not availed any bridge loans from any banks or financial institutions as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim use of funds

Our Company shall deposit the Net Proceeds, pending utilisation of the Net Proceeds for the purposes described above, by depositing the same with scheduled commercial banks included in second schedule of Reserve Bank of India Act, 1934.

Monitoring of utilization of funds

Our Company has appointed CARE Ratings Limited as the Monitoring Agency to monitor the utilization of the Net Proceeds and the Monitoring Agency shall submit a report to our Board as required under Regulation 82 of the SEBI ICDR Regulations. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate instances, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchange. Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds including deviations or category wise variations, if any. Further, pursuant to Regulation 32(5) of the SEBI Listing Regulations, on an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Letter of Offer and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchange on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects as stated above. This information will also be published on our website and explanation for such variation (if any) will be included in our Director's report, after placing it before the Audit Committee.

Appraising entity

None of the Objects for which the Net Proceeds will be utilized have been appraised by any agency.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects.

Other confirmations

Except for the prepayment of the outstanding amount of unsecured borrowings under the Loan Agreement to our Corporate Promoter from the Net Proceeds of the Issue, none of the proceeds of the Issue will be paid by our Company to our Promoters, members of the Promoter Group, our Directors, Key Managerial Personnel or Senior Management.

Except as disclosed above, there are no material existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoters, Directors or Key Managerial Personnel or Senior Management or associate companies (as defined under the Companies Act, 2013).

STATEMENT OF SPECIAL TAX BENEFITS

To,

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

Dear Sir/Madam,

Sub: Statement of possible special tax benefits available to Shiva Cement Limited and its shareholders under the applicable direct and indirect taxation laws in India ("the Statement")

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")

We, Shah Gupta & Co., Chartered Accountants, Statutory Auditors of the Company, hereby confirm the enclosed statement in the Annexure prepared and issued by the Company, which provides the possible special tax benefits under direct tax and indirect taxation laws presently in force in India, including the Income-tax Act, 1961 as amended under the Finance Act, 2023 i.e., applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, presently in force in India, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, State Goods and Services Tax Act, 2017, Customs Act, 1962, the Customs Tariff Act, 1975 as amended by the Finance Act 2023, i.e., applicable for the Financial Year 2023-24, Foreign Trade Policy 2023 (collectively the "**Taxation Laws**"), the amendments, rules, regulations, circulars and notifications issued thereon, as applicable to the assessment year 2024-25 relevant to the financial year 2023-24, available to the Company and its shareholders. Several of these benefits are dependent on the Company and its shareholders as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company and its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its shareholders face in the future, the Company and its shareholders may or may not choose to fulfil.

The benefits discussed in the enclosed annexure cover the possible special tax benefits available to the Company and its shareholders and the preparation of the contents stated is the responsibility of the Company's management. While the term 'special tax benefits' has not been defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('**SEBI ICDR Regulations**'), for the purpose of this statement, possible special tax benefits which could be available dependent on the Company or its shareholders fulfilling the conditions prescribed under the taxation laws are enumerated in the statement. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this Statement.

We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing taxation laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

We do not express any opinion or provide any assurance as to whether:

i) the Company and its shareholders will continue to obtain these benefits in future;
ii) the conditions prescribed for availing the benefits have been/would be met with; and
iii) the revenue authorities/courts will concur with the views expressed herein.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise arising from the supply of incorrect or incomplete information of the Company.

We consent to the references to us as "Experts" as defined under Section 2(38) and Section 26 and any other applicable provisions of the Companies Act, 2013 to the extent and in our capacity as the Statutory Auditors of the Company and in respect of this Statement to be included in the in letter of offer and any other material in connection with the Issue. We consent to the inclusion of this Statement, 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.

This Statement is addressed to Board of Directors and issued at specific request of the Company. The enclosed Annexure to this Statement is intended solely for your information and for inclusion in the letter of offer, and any other material in connection with the Issue. We hereby consent to the submission of this Statement as may be necessary to SEBI, the Registrar of Companies, Odisha at Cuttack ("**RoC**"), the relevant stock exchanges, any other regulatory authority and/or for the records to be maintained by the Book Running Lead Managers and in accordance with applicable law.

We have conducted our examination in accordance with the 'Guidance Note on Audit Reports and Certificates for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

We confirm that we will immediately communicate any changes in writing in the above information to the Lead Manager until the date when the Equity Shares commence trading on the relevant stock exchange(s) pursuant to the Offer. In the absence of receipt of any such communication from us, the Lead Manager and the legal counsels to each of the Company and the Lead Manager can assume that there is no change to the above information.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Letter of Offer.

Shah Gupta & Co.
Chartered Accountants
Firm Registration No.: 109574W

Heneel K Patel
Partner
Membership No.: 114103
ICAI Firm Registration No: 109574W
Unique Document Identification Number (UDIN) for this document is 24114103BKBHAS6267

Place: Mumbai
Date: March 13, 2024

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO SHIVA CEMENT LIMITED AND ITS SHAREHOLDERS

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Taxation Laws. These possible special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the Taxation Laws. Hence, the ability of the Company and its shareholders to derive the possible special tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfil**.**

A. Special tax benefits available to the Company

1. Claim for Additional Depreciation

Under Section 32 (1) (iia) of the Income-tax Act, 1961 (the 'Act'), the Company (being a company engaged in the business of manufacture of Clinker and Cement) is entitled to claim additional depreciation of a sum equal to 20% of the actual cost of any new machinery or plant that is acquired and installed after March 31, 2005, by the Company (other than ships and aircrafts) subject to conditions specified in said section of the Act.

However, if the Company exercises the option of the concessional income tax rate as prescribed under section 115BAA of the Act, the above benefit shall not be available to the Company.

2. Deductions from Gross Total Income

Deduction in respect of employment of new employees

Subject to the fulfilment of prescribed conditions, the Company is entitled to claim a deduction of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided under section 80JJAA of the Act.

B. Special tax benefits available to Shareholders

Apart from the tax benefits available to each class of shareholders as such, there are no special tax benefits for shareholders.

NOTES:

1. The above benefits are as per the current Taxation Laws as amended by the Finance Act, 2023.

2. This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders/investors in the country outside India are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them.

3. At present, since the Company's turnover is less than Rs.400 Cr, the applicable Income Tax slab rate is 25% (else applicable tax rate is 30%). In case the Company opts for concessional tax under section 115BAA, the applicable tax rate will be 22% irrespective of turnover.

4. Surcharge is to be levied on domestic companies at the rate of 7% where the income exceeds INR one crore but does not exceed INR ten crores and at the rate of 12% where the income exceeds INR ten crores. If the Company opts for concessional income tax rate under section 115BAA of the Act, the surcharge shall be levied at the rate of 10% irrespective of the amount of total income.

5. Health and Education Cess at 4% on the tax and surcharge is payable by all category of taxpayers.

6. If the Company opts for the concessional income tax rate as prescribed under section 115BAA of the Act, it will not be allowed to claim any of the following deductions/ exemptions:

- Deduction under the provisions of section 10AA (deduction for newly established units in Special Economic Zone)

- Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)

- Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)

- Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or subsection (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)

- Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)

- Deduction under section 35CCD (Expenditure on skill development)

- Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA (Deduction in respect of employment of new employees) and 80M (Deduction in respect of certain inter-corporate dividends);

- No set-off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above.
- No set-off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred to in clause.

Further, if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Further, such Company will not be entitled to claim tax credit relating to MAT and available MAT credit will be lapsed if the company opts for new tax regime u/s.115BAA.

7. The above statement of possible tax benefits sets out the provisions of the law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Based on the various documents and the evidences produced before us, we would like to certify that the Company is not availing any special tax benefit under the provisions of the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, State Goods and Services Tax Act, 2017, Customs Act, 1962, the Customs Tariff Act, 1975 and Foreign Trade Policy 2015-2020, including the amendments, rules, regulations, circulars and notifications issued thereon, as applicable, such as concessional tax rate or exemption from tax which is contingent upon fulfilment of conditions nor any other similar special tax benefits.

The shareholders of the Company are also not eligible to any special tax benefits under the provisions of the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, State Goods and Services Tax Act, 2017, Customs Act, 1962, the Customs Tariff Act, 1975 and Foreign Trade Policy 2015-2020, including the amendments, rules, regulations, circulars and notifications issued thereon, as applicable.

NOTES:

a) The above is as per the current Taxation Laws in force in India.

b) The above Statement of possible special tax benefits sets out the provisions of Taxation Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.

c) The possible special tax benefits are subject to conditions and eligibility which need to be examined for tax implications.

This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

OUR MANAGEMENT

Board of Directors

The Articles of Association require that our Board shall comprise of not less than three Directors and not more than 15 Directors, provided that our Shareholders may appoint more than 15 Directors after passing a special resolution in a general meeting.

As of the date of this Letter of Offer, the Board comprises six Directors, of whom one is an Executive Director, two are Non-Executive Directors and three are Independent Directors including one independent woman Director. Our Company is in compliance with the corporate governance laws prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

The Board of our Company does not have a permanent chairperson, and a non-executive director is typically appointed as the chairperson of the Board at every meeting of our Company.

The following table provides details regarding the Board of Directors of our Company as of the date of this Letter of Offer*:

Name, designation, date of birth, address, occupation, date of appointment, current term, period of directorship and DIN	Age (in years)	Other directorships
Manoj Kumar Rustagi *Designation*: Whole-Time Director and Chief Executive Officer *Date of birth*: January 15, 1971 *Address*: 1121/a Wing, 12th Floor, Vanashree C.H.S. Plot 1 and 2, Near DPS School, Sector 58, Seawoods Nerul, Navi Mumbai – 400 706, Maharashtra, India *Occupation*: Service *Current term*: For a period of three years with effect from June 26, 2023 till June 25, 2026, liable to retire by rotation *Period of directorship*: Since February 28, 2017 *DIN*: 07742914	53	*Indian companies* 1. GCCA India Private Limited; 2. JSW Green Cement Private Limited; and 3. Utkarsh Transport Private Limited *Foreign companies* Nil
Shouvik Chakraborty *Designation*: Additional Non-Executive Director *Date of birth*: February 27, 1976 *Address*: Rosedale Garden Complex, Tower 2, Flat 7A, Action Area 3, New Town, Opposite Uniworld City, Rajarhat, Kolkata – 700 160, New Town Action Area III, North 24 Parganas, West Bengal, India *Occupation*: Professional *Current term*: Liable to retire by rotation** *Period of directorship*: Since December 21, 2023 *DIN*: 10406430	48	*Indian companies* Nil *Foreign companies* Nil
Narinder Singh Kahlon *Designation*: Non-Executive Director	57	*Indian companies* 1. JSW Cement Limited;

Name, designation, date of birth, address, occupation, date of appointment, current term, period of directorship and DIN	Age (in years)	Other directorships
Date of birth: January 16, 1967 *Address*: 201, Silicon Valley, 8 JK Mehta Road, Santacruz (West), Mumbai- 400 054, Maharashtra, India *Occupation*: Service *Current term*: Liable to retire by rotation *Period of directorship*: Since February 28, 2017 *DIN*: 03578016		2. Utkarsh Transport Private Limited; and 3. Echelon Properties Private Limited *Foreign companies* Nil
Sudeshna Banerjee *Designation*: Independent Director *Date of birth*: October 6, 1968 *Address*: 134/11, Sagar Manna Road, Parnashree Palli, Parnasree Pally S.O, Kolkata- 700 060, West Bengal, India *Occupation*: Business *Current term*: For a period of 5 years with effect from April 23, 2019, till April 22, 2024, not liable to retire by rotation*** *Period of directorship*: Since April 23, 2019 *DIN*: 01920464	55	*Indian companies* 1. PS Digitech-HR (India) Private Limited *Foreign companies* Nil
Sanjay Sharma *Designation*: Independent Director *Date of birth*: June 30, 1956 *Address*: B-46, Near Honda Showroom, Wallfort City, Bhatagaon, Raipur – 492 001, Chhattisgarh, India *Occupation*: Professional *Current term*: For a period of 5 years with effect from October 21, 2022, till October 20, 2027, not liable to retire by rotation *Period of directorship*: Since October 21, 2022 *DIN*: 02692742	67	*Indian companies* Nil *Foreign companies* Nil
Jagdish Chandra Toshniwal *Designation*: Independent Director *Date of birth*: October 17, 1953 *Address*: 31-32 C, Sun City Delight, Behind Celebration Mall, Bhuwana, Udaipur -313 001, Rajasthan, India *Occupation*: Professional	70	*Indian companies* 1. Star Cement Limited; and 2. Jindal Panther Cement Private Limited *Foreign companies* Nil

Name, designation, date of birth, address, occupation, date of appointment, current term, period of directorship and DIN	Age (in years)	Other directorships
Current term: For a period of 5 years with effect from April 21, 2022, till April 20, 2027, not liable to retire by rotation *Period of directorship*: Since April 21, 2022 *DIN*: 01539889		

Our Company is unable to trace certain corporate records and filings, including from the RoC records and the minutes of the board or shareholders meeting, in relation to the appointment of certain Directors. Our Company has relied on the certificate issued by Meghana Mhatre & Associates, Practicing Company Secretary vide its certificate dated June 29, 2023, for disclosing the details of the date of initial appointment of certain Directors. Also, see "Risk Factors – 34. Some of our corporate records for forms filed with the RoC in relation to changes in the registered office of our Company are not traceable" on page 37.
***Shouvik Chakraborty has been appointed as an Additional Non-Executive Director by way of a resolution dated December 21, 2023, passed by our Board. However, on account of a technical issue we have been unable to file the Form DIR-12 electronically with the RoC till date, in relation to the said appointment. For details, see "Risk Factors – 33. We have been unable to make relevant secretarial filing with the RoC in relation to the appointment of one of our Directors on account of technical issues" on page 37.*
****Sudeshna Banerjee has been appointed for an additional term of five years by way of a resolution dated January 24, 2024, passed by our Board, with effect from April 23, 2024.*

Confirmations

Except as disclosed below, none of our Directors is or was a director of any listed company during the five years preceding the date of filing of this Letter of Offer with the Stock Exchange, whose equity shares have been or were suspended from being traded on any stock exchange, during the term of their directorship in such company.

Sr. No.	Particulars	Details
1.	Name of the company	Shiva Cement Limited
2.	Name of Directors	Sanjay Sharma
		Narinder Singh Kahlon
		Manoj Kumar Rustagi
		Sudeshna Banerjee
3.	Name of the stock exchange(s) on which the company was listed	Calcutta Stock Exchange
4.	Date of suspension on stock exchanges	March 21, 2014
5.	If trading suspended for more than three months, reasons for suspension and period of suspension	Yes. The trading of Equity Shares of our Company was suspended as the capital issued was not listed on the Calcutta Stock Exchange.
6.	If the suspension of trading revoked, the date of revocation of suspension	Yes. The suspension was revoked on June 21, 2021.
7.	Term of directorship (along with relevant dates) in the above company	Sanjay Sharma: From April 23, 2019, till April 27, 2022.
		Narinder Singh Kahlon: From February 28, 2017, till date.
		Manoj Kumar Rustagi: February 28, 2017, till date.
		Sudeshna Banerjee: From April 23, 2019, till date.

Except as disclosed below, none of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange, during the term of their directorship in such company, in the last ten years immediately preceding the date of filing of this Letter of Offer with the Stock Exchange.

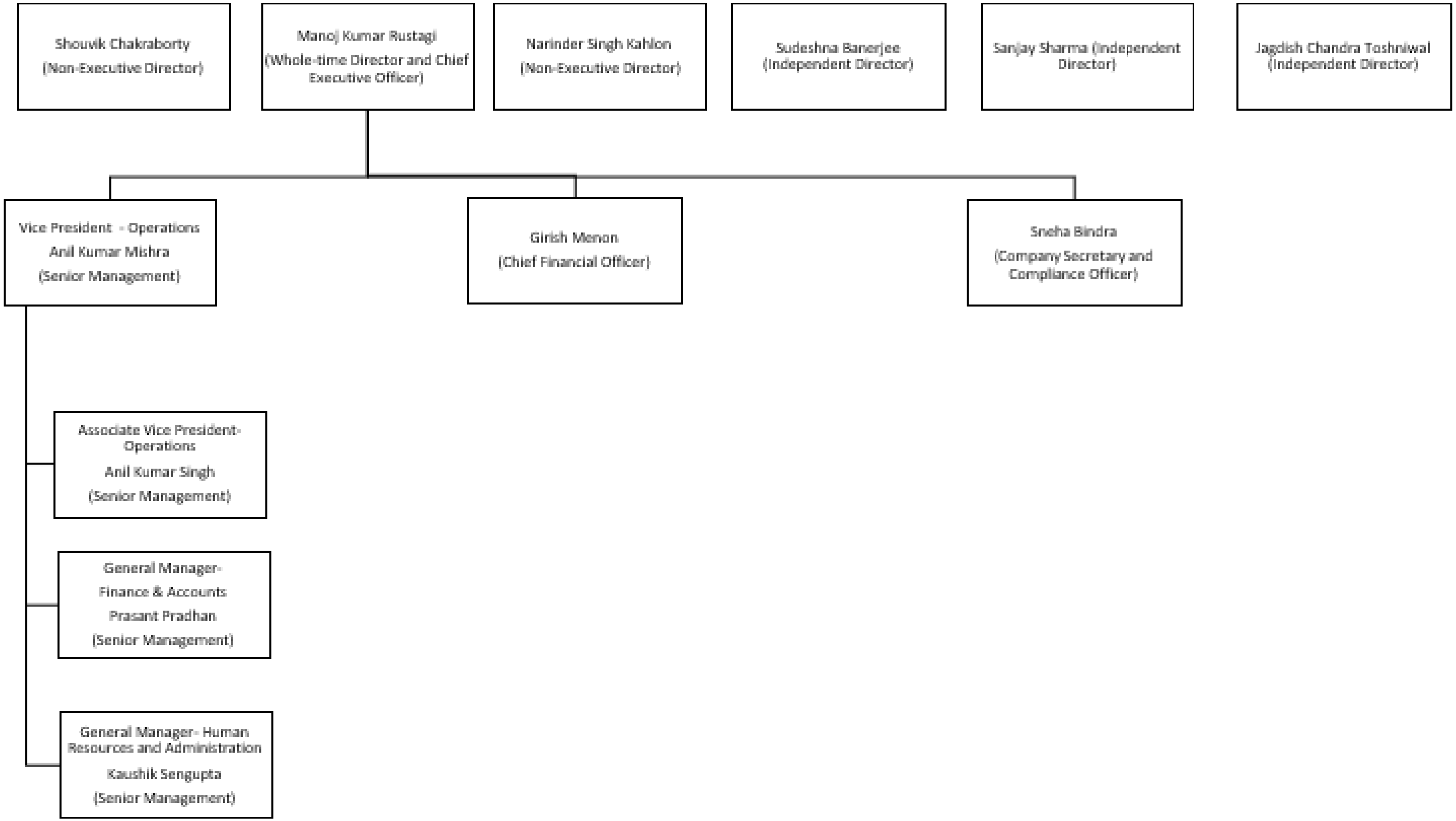
Sr. No.	Particulars	Details
1.	Name of the company	Shiva Cement Limited
2.	Name of Directors	Sanjay Sharma
		Narinder Singh Kahlon
		Manoj Kumar Rustagi
		Sudeshna Banerjee
3.	Name of the stock exchange(s) on which the company was listed	Calcutta Stock Exchange
4.	Date of delisting on stock exchanges	November 24, 2021
5.	Whether delisting was compulsory or voluntary	Voluntary

Sr. No.	Particulars	Details
6.	Reasons for delisting	No trading in the Equity Shares of our Company
7.	Whether the company has been relisted	N.A.
8.	Date of relisting	N.A
9.	Term of directorship (along with relevant dates) in the above company	Sanjay Sharma: From April 23, 2019 till April 27, 2022.
		Narinder Singh Kahlon: From February 28, 2017 till date.
		Manoj Kumar Rustagi: February 28, 2017 till date.
		Sudeshna Banerjee: From April 23, 2019 till date.

Details of Key Managerial Personnel and Senior Management

S. No.	Name of Key Managerial Personnel/Senior Management	Designation	Date of joining Company
Key Managerial Personnel			
1.	Manoj Kumar Rustagi	Whole-time Director and Chief Executive Officer	February 28, 2017
2.	Girish Menon	Chief Financial Officer	June 26, 2017
3.	Sneha Bindra	Company Secretary and Compliance Officer	June 26, 2017
Senior Management			
1.	Anil Kumar Mishra	Vice President - Operations	April 1, 2023
2.	Anil Kumar Singh	Associate Vice President - Operations	June 6, 2023
3.	Kaushik Sengupta	General Manager - Human Resources and Administration	April 1, 2023
4.	Prasant Pradhan	General Manager - Finance & Accounts	April 1, 2023

Organisational Structure



SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Indian economy review and outlook

GDP trend

The first advance estimates of the National Statistical Office (NSO) project India's real gross domestic product (GDP) growth at 7.3%[1] on-year for fiscal 2024, marginally higher than 7.2% in the previous one.

Despite weak agricultural growth (1.8% in fiscal 2024 vs 4.0% in fiscal 2023), overall GDP growth is seen as robust, indicating the surge in non-agricultural sectors has more than offset the agricultural slowdown. Construction, the most labour-intensive sector, is estimated to have grown the fastest in fiscal 2024 (10.7% vs 10.0%). This is attributable to infrastructure spending by the government and revival of housing. Manufacturing, too, picked up (6.5% vs 1.3%), supported by lower input prices. Utilities posted a healthy growth (8.3% vs 9.0%) propelled by a surge in electricity production. Services is estimated to have seen a mild moderation in growth (7.7% vs 9.4%).

On the demand side, investment emerged as the primary driver of growth (10.3% on-year vs 11.4%), spurred by the government's infrastructure push. Government consumption expenditure was also higher this year (4.1% vs 0.1%) but punched less than its weight in the GDP. However, private consumption growth, with almost 60% share in GDP, is estimated to have fallen short of overall GDP growth (4.4% vs 7.5%).

Overall GDP growth is estimated to have been stronger in the first half (7.7%) compared with the second (6.9%). Growth is estimated to have slowed in the second half for private consumption (4.3% vs 4.5%), government consumption expenditure (3.0% vs 5.1%) and imports (12.8% vs 13.5%), and picked up for investments (11.1% vs 9.5%) and exports (4.5% vs -1.7%).

We expect the slowdown to continue next fiscal due to the following reasons:

Impact of rising interest rates: Financial conditions are expected to be less supportive for domestic demand next year. The transmission of past rate hikes by the Reserve Bank of India (RBI) is still in playing out, which suggests a further rise in lending rates. The central bank's recent regulatory measures of increasing risk weights on consumer credit exposures of banks and NBFCs will further affect credit growth into next year.

Waning pent-up demand for services: With recovery to pre-pandemic levels complete, services growth has begun slowing. Slowing consumption spending will further drag growth next fiscal.

Fiscal consolidation: The government has budgeted a reduction in the fiscal deficit to 5.1% of GDP in fiscal 2025 from 5.8% in fiscal 2024. This will take some steam off robust investment growth.

Geopolitical uncertainty: Persisting unrest in the Middle East is a risk to global trade flows and commodity prices. Rising crude oil prices can particularly disrupt India's growth.

GDP and macroeconomic outlook

Macro variable	FY22	FY23	FY24E	FY25F	Rationale for outlook
Real GDP (%, y-o-y)	9.1	7.2	7.3*	6.4	The peak impact of past rate hikes will weigh on domestic demand. Waning pent-up demand for services will also contribute to the moderation in growth. Budgetary support to capex and rural incomes to support growth
Consumer Price Index inflation (%, y-o-y)	5.5	6.7	5.5	4.5	Range-bound crude oil prices, high-base effect, especially in food inflation, and cooling domestic demand will help moderate inflation. A non-inflationary budget that focusses on asset-creation, rather than direct cash support, bodes well for core inflation
Current account balance/GDP (%)	-1.2	-2.0	-1.0	-1.0	Support from remittances and healthy services exports will help keep current account deficit in check

[1] Based on April-November data. An updated number is likely in May 2024

Macro variable	FY22	FY23	FY24E	FY25F	Rationale for outlook
Rs/$ (March)	76.2	82.3	83	83.5	Low current account deficit, and healthy foreign portfolio debt inflows, amid favourable domestic macro environment will support the rupee

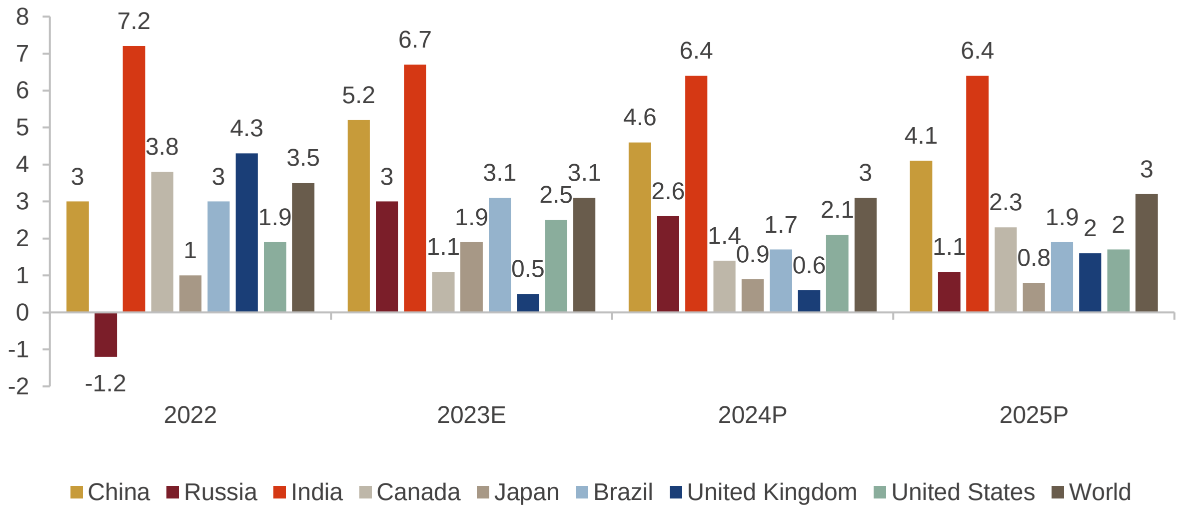
*E: Estimate, F: Forecast, *NSO First Advance Estimates*

Source: RBI, NSO, CRISIL MI&A Research

India among fastest-growing economies

Before the pandemic, India was one of the fastest-growing economies globally. With the subsiding of the pandemic, India's macroeconomic situation has started improving gradually. The twin deficits (current account and fiscal) are narrowing, and the growth-inflation mix is improving, and durably so. Also, the government has adopted an inflation-targeting framework to provide an institutional mechanism for controlling inflation, while modernising the banking system.

GDP growth outlook for key economies



P: Projected

**Forecast for calendar year, while for India, it is fiscal year, i.e., 2021 = fiscal 2022, 2022 = fiscal 2023*

Note: All forecasts refer to International Monetary Fund forecasts

Source: International Monetary Fund (January 2024 outlook), CRISIL MI&A Research

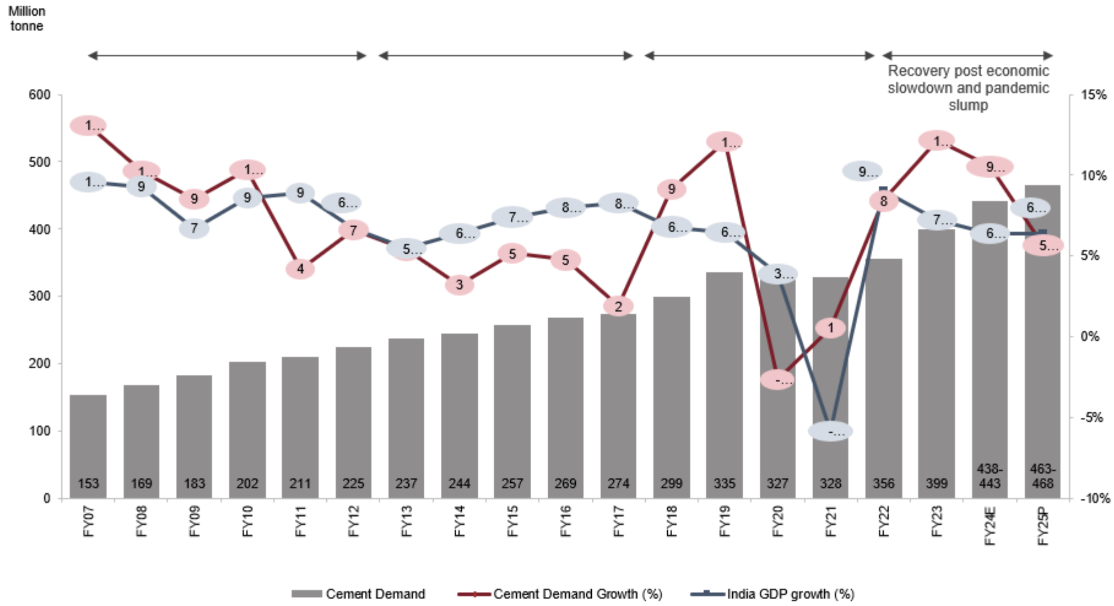
Cement demand growth multiplier

Cement demand correlates with economic development and GDP trajectory, as infrastructure investments and construction activities, which are key components of GDP, are major drivers of cement demand. Rural housing, which depends on agriculture productivity, is a key component of GDP as well, and a determinant of cement demand.

Data suggests that between fiscals 2005 and 2010, average cement consumption grew at 1.2x the GDP growth rate, supported by strong growth in the real estate sector. From fiscal 2011 to 2020, however, cement demand lagged, and was only 0.7x the GDP growth rate, owing to slowdown in the real estate sector, quantitative tapering in 2013, demonetisation in November 2016, implementation of the Real Estate (Regulation and Development) Act /Goods and Services Tax (GST) in 2016/2017, credit crisis in 2019, and Covid-19 fallout in late fiscal 2020. In fact, the cement demand-to-GDP multiplier fell into the negative territory in fiscals 2020 and 2021 at (0.7)% and (0.1)%, respectively, because of the pandemic-induced economic slowdown.

However, the growth multiplier recovered rapidly in fiscal 2022 to ~0.93x, on the back of sharp recovery in cement demand due to pent-up demand, further printing ~1.7x in fiscal 2023, led by higher cement demand growth of ~12% on-year, despite the GDP moderating to 7.2%.

Cement demand-to-GDP multiple



Source: CRISIL MI&A Research, industry

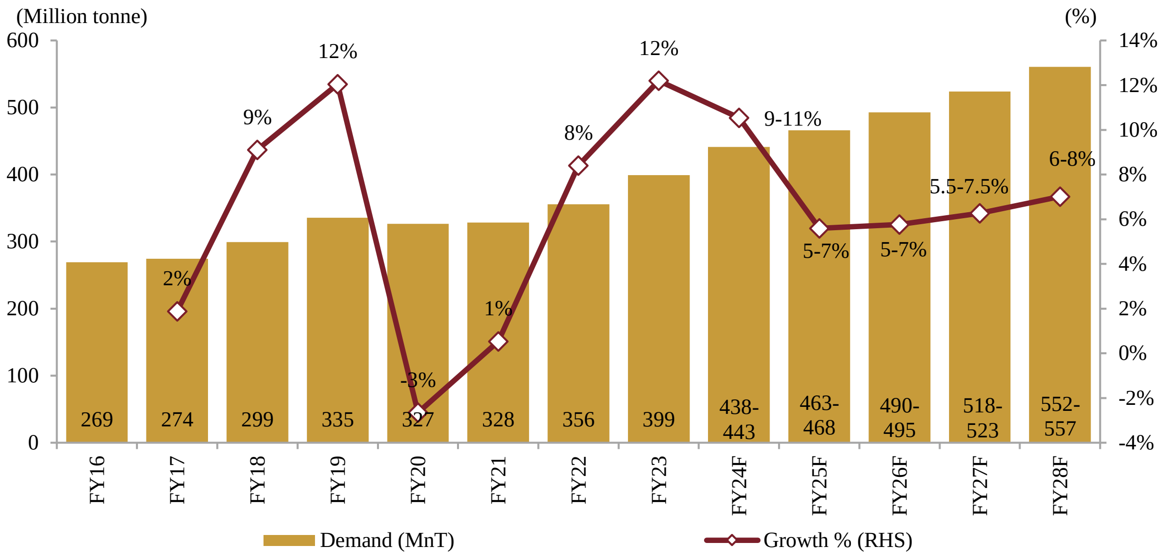
CRISIL MI&A Research expects the multiplier to trend above 1.5x this fiscal, but decrease slightly on a high base, as cement demand is likely to moderate to 9-11%, while GDP growth slackens to ~6.4% because of the global economic slowdown, transmission of interest rate hikes to consumers (leading to weakening industrial activity), and as catch-up in contact-based services fades.

Cement industry assessment

Demand review and outlook

Pan-India cement demand review and outlook

Cement demand review and outlook



F: Forecasted

Source: CRISIL MI&A Research, industry

Domestic cement demand grew at a healthy 5.5-6.5% CAGR over fiscals 2019 to 2023, despite pandemic-induced slowdown, majorly led by sustained government thrust on infrastructure and affordable housing. In fact, a large part of the growth was due to pre-election spending between fiscals 2018 and 2019 and a healthy uptick in fiscals 2022 and 2023, while in fiscals 2020 and 2021, demand was weak because of pandemic-induced lockdowns. On a low base, pan-India cement demand recovered 8% in fiscal 2022, accelerating ~12% in fiscal 2023, supported by strong demand for rural housing and infrastructure.

Fiscal 2023: Demand rose ~12% on-year. In the first quarter, demand logged a robust growth of ~18% on-year on a low base, on a pick–up in infrastructure activities as well as strong recovery in individual housing – both rural and urban. The second quarter witnessed some moderation sequentially on the back of seasonal weakness, but still grew ~9% on-year. Further, with the monsoon receding, inflationary pressures easing, real estate and affordable housing gaining traction, as well as pick-up in infrastructure project execution ahead of the general elections in 2024, demand grew a healthy ~10% on-year in the third quarter. The last quarter registered ~12% on-year growth, driven by continued traction from infra and housing projects ahead of the general elections. In fact, high construction costs, which impacted demand in the early months, cooled off somewhat in the second half of the fiscal. Volume was also supported by tailwinds from strong demand for rural housing and infrastructure. The individual housing segment, especially rural, which was expected to bear the brunt of inflation in the early months of the fiscal, fared well in the second half amid cooling construction costs, higher rural income owing to healthy yields, and increase in crop prices, indirectly supporting demand growth from the rural housing segment. Infrastructure continued its strong growth momentum, led by government spending, primarily across its flagship schemes such as PM Gati Shakti and the National Infrastructure Pipeline.

In **fiscal 2024**, a pre-election boost is expected to spur a 9-11% on-year rise in cement demand. Infrastructure is expected to be the major contributor, supported by the government's focus to improve infrastructure and a higher budgeted spending. From April-December 2023, the Central government's capital expenditure has been ~47% higher for road ministry and ~52% higher for railways compared with the same period the previous fiscal. Also, during the nine months of fiscal 2024, the Central government has spent 85% and 77% of budgeted capex for roads and railways, respectively. Other infrastructure projects are estimated to have continued at a strong pace, led by government spending, primarily across flagship schemes, such as PM Gati Shakti and National Infrastructure Pipeline. Capacity expansion plans of large players in capital intensive sectors (steel and cement), implementation of the PLI scheme, rising demand for warehousing space, and return to office/hybrid model is expected to drive demand from the industrial and commercial segments. However, on a high base of last fiscal, rural housing is expected to register moderate growth; but cement demand will still rise, supported by rising shortage of houses and the government's push to attain PMAY-G targets. Although, adverse impact of El Nino on agricultural profitability in various regions is likely to limit further growth.

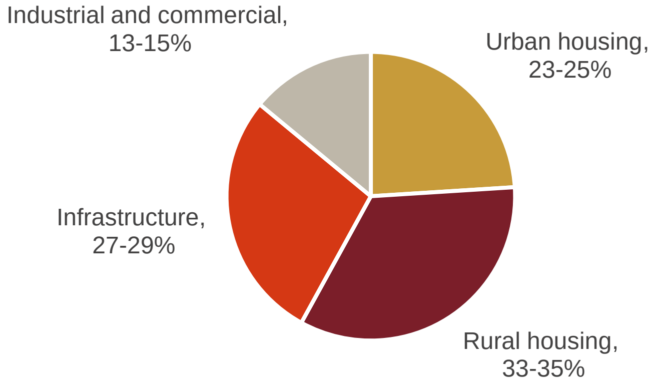
Also, urban housing segment's growth will be at a slower pace as PMAY-U scheme nears closure and elevated interest rates and capital values to lead to slow down the momentum in the real estate space on high base.

Fiscal 2025: On two consecutive healthy bases, and the impact of post-election slowdown, demand growth is expected to moderate to 5-7% in fiscal 2025. While the infrastructure segment is expected to remain the key demand driver, a marginal rise of 4% in capex for core infrastructure ministries for fiscal 2025BE over fiscal 2024RE is expected to slow down demand growth of the segment to 6.5-8.5% in next fiscal. That said, the moderation is on a high base and the overall quantum of capex allocation is still high. The government's focus on developing dedicated rail corridors for energy, mineral and cement sectors, higher budget allocation for metro (~7.57% higher allocation in 2025BE over 2024RE), UDAN scheme for airports, expansion of metro rail and Namo Bharat to more cities, ongoing NHAI and Bharatmala road projects should continue to support infrastructure demand. Demand from the housing segment is expected to moderate to 4-6%, primarily due to an expected slowdown in rural housing because of lower agricultural profitability in the previous year, which will impact rural income and liquidity. Additionally, fund release under PMAY-G should remain monitorable after the elections. Higher capital appreciation and interest rates to limit urban housing growth from real estate segment. Also, closure of PMAY-U scheme by Dec 2024 to further restrict growth in fiscal 2025. Hence, demand growth from housing is likely to moderate. Further, on three consecutive healthy base, growth from Industrial and commercial belt is expected to slow down in tandem with moderation in private investments. As a result, at an overall level demand growth is expected to moderate down to 5-7% in fiscal 2025.

Over the next five years, i.e., fiscals 2024 to 2028, CRISIL MI&A Research expects cement demand to clock a healthy 6-7% CAGR, moderately higher than 5.5-6.5% CAGR in the previous five years. Growth will be driven by a raft of infrastructure investments and healthy momentum from housing segment. Initiatives undertaken by the Government of India, such as the Bharatmala Pariyojna, Sagar Mala, the Pradhan Mantri Awaas Yojana - Gramin, Atmanirbhar Bharat Abhiyan, Product Linked Incentive Scheme, Swachh Bharat Mission, UDAN for airports and metro projects along with the thrust on infrastructure will drive demand growth in the medium term for the cement industry in India. This presents a major opportunity for growth in the cement industry in India.

Demand across key end-user industries

Sectoral mix (FY23)



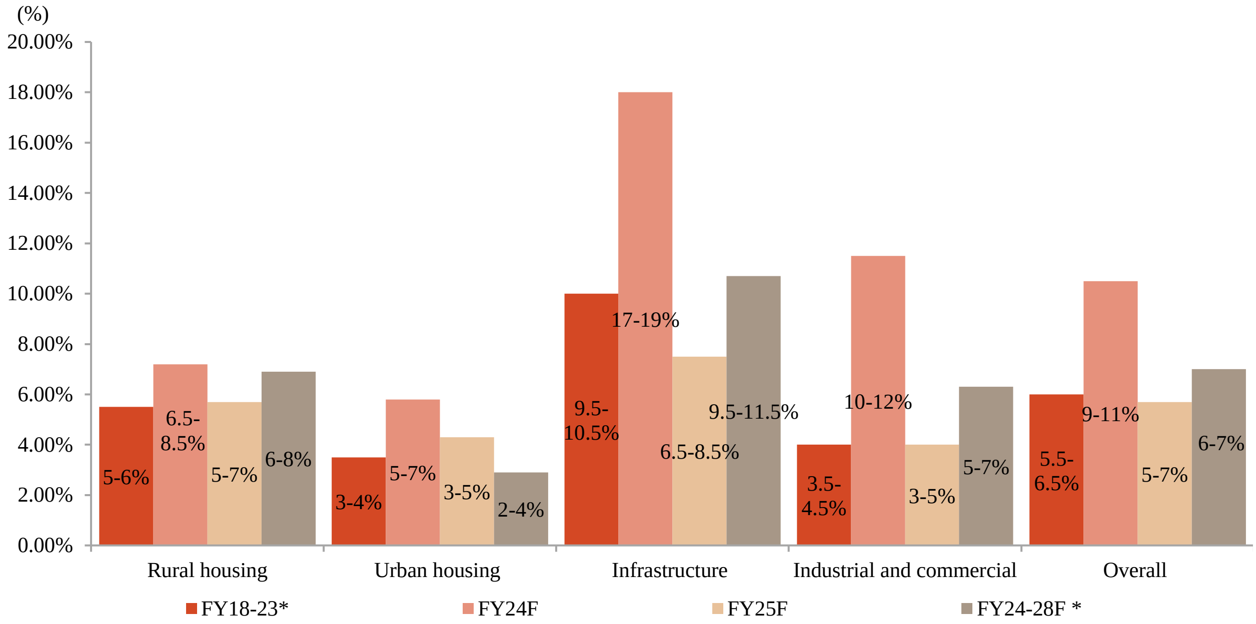
Source: CRISIL MI&A Research, industry

Growth in the housing segment is expected to moderately rise over the next five years (fiscals 2024 to 2028) despite a high base, and will remain a key contributor, backed by a lower concretisation rate in the country (which means high potential for cement demand growth). Even as housing will be the key volume contributor, infrastructure will expand its share, with the government focusing on infrastructure spending through its flagship schemes, such as PM Gati Shakti, and rising investments in roads, railways, metros, airports, and irrigation. The segment's share is expected to increase from 27-29% in fiscal 2023 to 31-33% in fiscal 2028. The Central government's focus on roads, railways, urban infrastructure, and irrigation will boost infrastructure investments.

On the other hand, the share of the industrial and commercial segment is expected to remain almost at par at 12-14% in fiscal 2028. Recent government initiatives, such as the PLI scheme and Atmanirbhar Bharat, focus on multimodal logistics, warehousing, hybrid model of working and rising capex owing to a long-term positive demand outlook are expected to support demand from the industrial segment.

Demand drivers and end-use-wise demand growth

Segment-wise demand growth outlook



*Note: *CAGR*
Source: CRISIL MI&A Research

The Central government's thrust on infrastructure with a plethora of projects in the National Infrastructure Pipeline and the state governments' efforts to increase capex will drive healthy infrastructure-led demand growth in the medium term. In the longer run, cement demand will be led by the infrastructure and rural housing followed by I&C segment and urban housing.

The housing segment will see a moderate growth trajectory with rural housing outpacing the urban segment on the back of a lower development base and continued rise in concretisation. In the longer run, urban housing growth is expected to be lower owing to completion of Real Estate Regulatory Authority (RERA) projects, rising capital values exerting pressure on affordability as well as completion of ongoing central scheme of PMAY-U.

On the other hand, the industrial/commercial segment will witness higher growth on a low base, supported by implementation of the PLI scheme, pick-up in industrial capex, higher investments in warehouses and data centres and need for higher commercial spaces with return to office and hybrid work models in place.

Hence, CRISIL MI&A Research expects cement demand to log a CAGR of 6-7% over the next five years, moderately higher than the 5.5-6.5% CAGR during the past five years driven by a raft of infrastructure investments and healthy momentum from industrial and commercial segment.

Housing

Rural housing demand

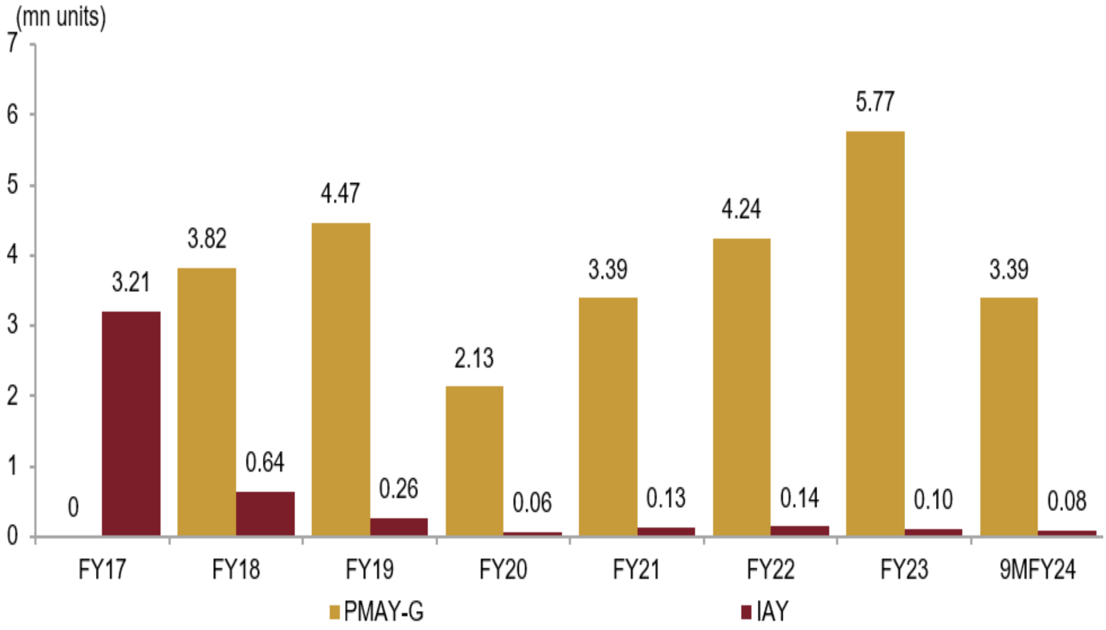
To achieve the Housing for All by 2022 mission, the government launched a restructured rural housing scheme, PMAY-G in November 2016, with the target of constructing 29.5 million houses with basic amenities by 2022. As of December 2023, ~27.9 million units were sanctioned, of which, construction of ~25.4 million houses have been completed (~91% completion against sanctioned units), and ~2.6 million units are under construction under the PMAY-G scheme. Execution pace in fiscal 2024 continued on a strong note, with ~3.39 million houses built during the first nine months of fiscal 2024. Around 5.77 million units were constructed in fiscal 2023 and 4.24 million units in fiscal 2022, after constructing around 3.39 million units in fiscal 2021 and only ~2.1 million units in fiscal 2020.

In fiscal 2021, the scheme gained traction on the back of the mass exodus of labourers to their native villages, which propelled them to build their own houses during the lockdown; healthy rabi productivity; increase in crop procurement; and government fund allocation through the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). In fiscal 2022, construction picked up further on a high base since higher sanctioning over fiscals 2020 and 2021 led to strong execution and construction momentum improved further in fiscal 2023, as the scheme surpassed the set timeline. In 9M fiscal 2024 pace has been healthy on back of pre-election boost by government.

However, the adverse impact of uneven and delayed monsoon on agricultural profitability across various regions is expected to directly impact rural income and rural housing demand from PMAY-G as well as the individual house building segment (rural housing accounts for 33–35% of total cement demand). Hence, CRISIL Research expects cement demand growth from rural housing to moderate to 6.5-8.5% in fiscal 2024, albeit on high base of 12-13% in fiscal 2023. Execution pace under PMAY-G is expected to slightly moderate in the first half of fiscal 2025, due to fund diversion during elections, however, it is expected to ramp up in the second half of fiscal 2025 because of higher focus on rural development. Also, the announcement to bring two crore additional houses under the ambit of PMAY-G over the next five years is to support demand. The incremental target will support cement and building construction segments, too, as it will lead to incremental cement demand of at least 15 MTPA.

Further, the actual shortage remains well above the deficit identified at 29.5 million units and will continue to drive demand even beyond fiscal 2026. Hence, in the longer run, rural housing is expected to grow by healthy 6-8% CAGR over the next five years, supported by lower development base and continued concretisation of kutcha houses.

PMAY-G construction



Source: CRISIL MI&A Research, MoRD, Data as of 31st December,2023

Urban housing demand

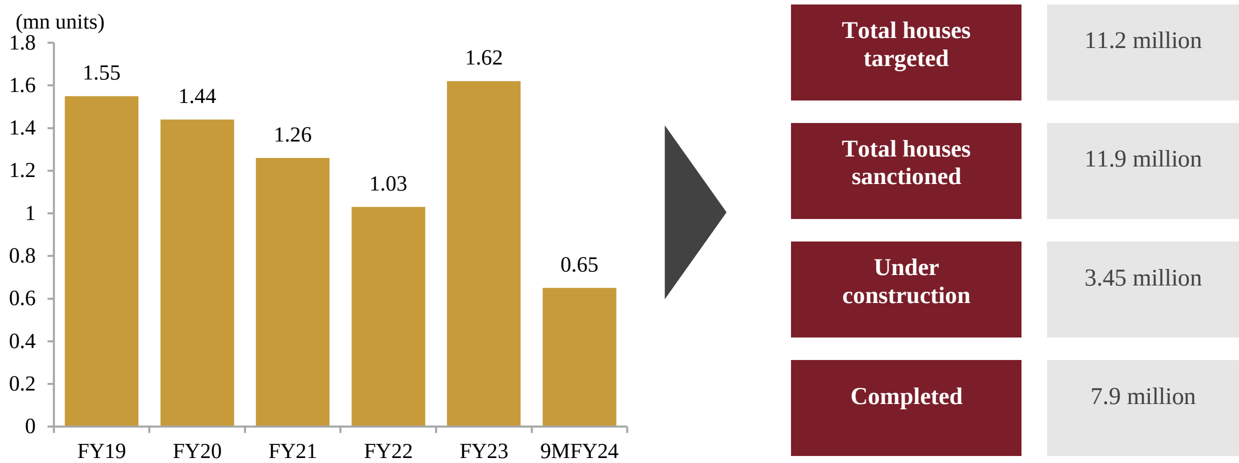
PMAY-U is an affordable housing scheme under implementation from 2015. It seeks to achieve the objective of Housing for All by 2022. The scheme comprises four components: (i) in situ rehabilitation of existing slum dwellers (using the existing land under slums to provide houses for slum dwellers) through private participation; (ii) credit-linked subsidy scheme for economically weaker sections and low- and middle-income groups; (iii) affordable housing partnership with states/union territories /cities, including private sector and industries; and (iv) subsidy for beneficiary-led individual house construction.

The PMAY-U programme witnessed healthy construction in fiscals 2019 and 2020, but lost momentum in fiscal 2021 as urban construction was adversely impacted by the pandemic-induced lockdown. While ~1.55 and ~1.44 million units were constructed in fiscals 2019 and 2020, respectively, ~1.26 million were constructed in fiscal 2021, despite the pandemic, as construction pace was healthy in the second half. In fiscal 2022, construction momentum slowed down further to ~1.03 million units due to weak execution in the second quarter. In fiscal 2023, construction pace recovered with fast-paced and steady execution of ~1.62 million units during the fiscal.

Further, after a ramp up during fiscal 2023 (~1.62 mn constructed), the pace moderated in the nine months of fiscal 2024 with the construction of ~0.65 mn units, as sanctioning surpassed the target and construction momentum slowed down on a high base. Although execution is expected to remain sturdy in fiscal 2024 with ~3.45 million units under construction, completion is expected to moderate in fiscal 2024 on a high base.

As of December 2023, the government has already approved higher sanctions than the target. Around 11.9 million houses have been sanctioned with over ~7.9 million houses constructed as of Dec'23 (~66% constructed against sanctioned). Another ~3.45 million are under various stages of construction. In fiscal 2025, the pace of execution is expected to slow down, as the ministry targets the scheme's closure by December 2024. However, with higher under-construction units as of December 2023, the scheme's execution is likely to be extended beyond December 2024. A significant pick-up in approved houses and the announcement in the Vote of account budget 2025 of a new housing scheme for eligible middle-class households, who live in rented houses, slums, chawls and other unauthorised colonies, should support demand from urban housing.

PMAY-U construction



Note: Data as of December 2023; sanctioned units include under-construction and completed units.
Source: CRISIL MI&A Research, Ministry of Housing and Urban Affairs, Government of India

On the real estate front, with home buyers making use of reduction in stamp duty in metro cities, aided by bumper offers, residential sales numbers indicate a stunning post-pandemic recovery. The work-from-home culture and social distancing norms have boosted affordable and mid-segment home buying. Real estate construction surged in fiscal 2022 and remained strong last fiscal. After witnessing strong momentum over the past two fiscals, demand growth is expected to see some moderation this year amid higher interest rates and rise in capital values. However, the industry is structurally stronger than it was before the pandemic struck. In the longer run, falling inventory levels amid a gradual pick-up in demand will aid the segment’s growth.

Infrastructure

Within infrastructure, roads have been the largest contributor to cement demand. There has been a sharp rise in the capex spending towards infrastructure. From April to December 2023, the Central government’s capital expenditure has been ~47% higher for road ministry and ~52% higher for railways compared to same period in previous fiscal. Infrastructure to continue its strong growth momentum, led by the government’s spending, primarily across its flagship schemes, such as PM Gati Shakti and the National Infrastructure Pipeline. Projects focusing on port connectivity, tourism infrastructure and amenities on islands, including Lakshadweep, to also support infra segment along with ongoing metro construction, development of airports. While the infrastructure segment is expected remain a key demand driver, only a marginal rise of 4% in capex for core infrastructure ministries for fiscal 2025BE over fiscal 2024RE is expected to slow down demand growth of the infrastructure segment to 6.5-8.5% in next fiscal. The government’s focus of developing dedicated rail corridors for energy, mineral and cement sector, higher budget allocation for metro, UDAN scheme for airports, expansion of metro rail and Namo Bharat to more cities, ongoing NHAI and Bharatmala road projects should continue to support infrastructure demand in fiscal 2025. Under Sagarmala, the flagship Central Sector Scheme of the Ministry of Ports, Shipping and Waterways, at an overall level, 241 projects worth Rs 1.23 lakh crore have been completed out of 839 identified projects worth Rs. 5.8 lakh crore and 598 projects worth Rs 4.57 lakh crore are under implementation and various stages of development as of Feb 2024.

Budgetary allocation for roads, railways and urban development:

	Budgeted outlay FY25 (Rs bn)	Revised estimates FY24 (Rs bn)	Increase/(Decrease) %
Ministry of Road Transport and Highways	2810	2733	3%
Ministry of Railways	2650	2600	2%
Ministry of Urban development	845	771	10%

Source: Budget documents

Industrial and commercial segments

Cement demand from the industrial and commercial segments is expected to have grown by 12-14% in fiscal 2023 and is expected to grow further 10-12% in fiscal 2024, after growing 20-22% in fiscal 2022 on a low base of fiscal

2021. In fiscal 2021, major industrial sectors were already operating below optimum utilisation levels, and the pandemic led to a further fall in utilisation across industries owing to the lockdown and subdued buyer sentiment. The depressed utilisation and stretched financials of players led to the deferral of planned capex for fiscals 2021 and 2022, as companies looked to conserve cash in uncertain times. However, the capex announced after the imposition of the lockdown was revised upwards due to faster-than-expected recovery in the economy in the second half of fiscal 2021 and higher utilisation levels for large players. Hence, players announced fresh rounds of capex, which will be implemented in upcoming fiscals. With easing cost pressures and improving profitability, steel and cement players are keen on expanding in order to capture higher market share leading to higher capacity additions. Also, timely implementation of the PLI scheme will boost industrial construction this fiscal.

Hence, cement demand from the segment is projected to grow 10-12% in this fiscal, led by: 1) greenfield/brownfield capacity expansions by large cement, steel and auto component manufacturers; 2) healthy utilisation levels of large players, leading to more capex; and 3) timely implementation of the PLI scheme. Going ahead, growth from this segment is expected to moderate to 3-5% in fiscal 2025 owing to two consecutive healthy bases.

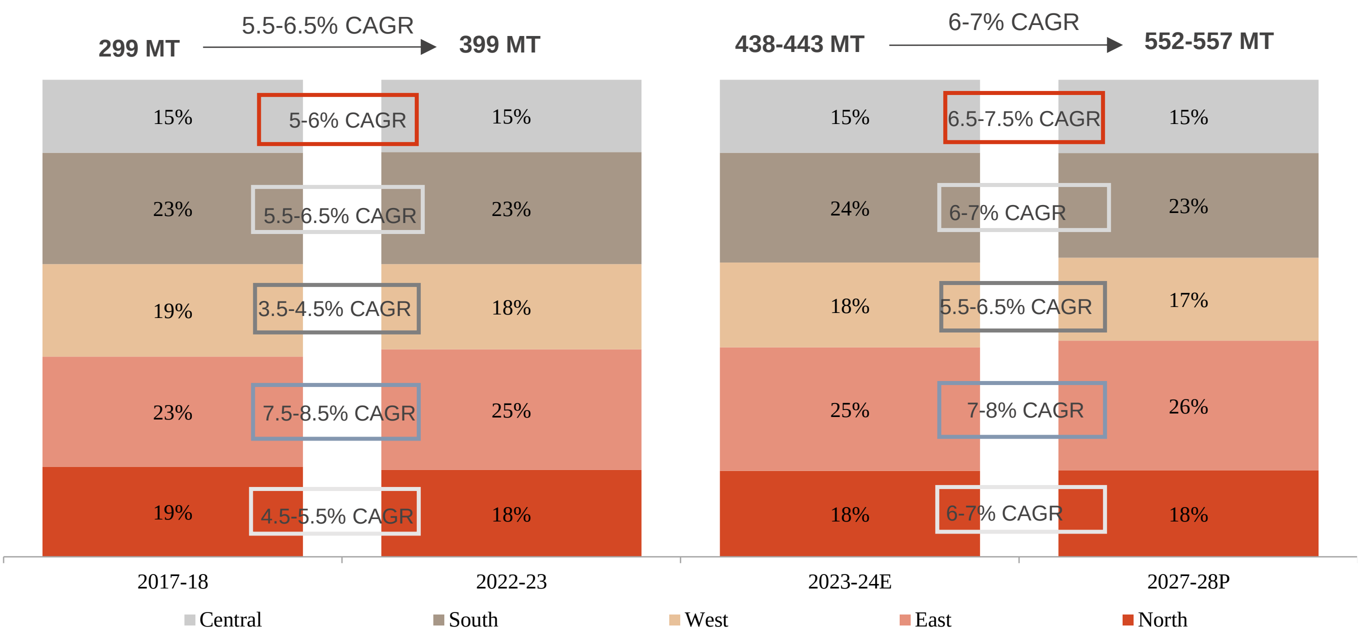
Region-wise cement demand review and outlook

Demand segregation

During fiscals 2018-2023, demand in the eastern region (Odisha, Bihar and West Bengal) strengthened, followed by the southern region (Karnataka, Tamil Nadu and Andhra Pradesh/Telangana) due to surge in infrastructure construction and rural housing. The eastern region witnessed the highest growth, as it was less-affected by the Covid-19 pandemic-led demand disruptions as it has more rural areas than urban expanse.

Overall, cement demand increased at a healthy CAGR of 5.5-6.5% over the five-year period, albeit dragged down by the economic slowdown in fiscal 2020 and the pandemic-caused disruptions in fiscal 2021.

Regional cement demand trend



Source: CRISIL MI&A Research

CRISIL MI&A Research expects cement demand to increase at a healthy 6-7% CAGR between fiscals 2024 and 2028.

During this period, the eastern and central regions, which have a higher housing shortage and a lower base in terms of per capita cement consumption, are expected to exhibit robust growth, followed by the north and south.

Strong demand is projected to push up the eastern region's share in overall cement consumption to ~26% in fiscal

2028 from ~25% in fiscal 2023. Demand in the southern region will be supported by real estate and urban housing projects, and road and irrigation infrastructure projects. Central vistas project, DFC in Haryana and Rajasthan, and metro projects in Delhi and Gurgaon will continue to support demand in the north.

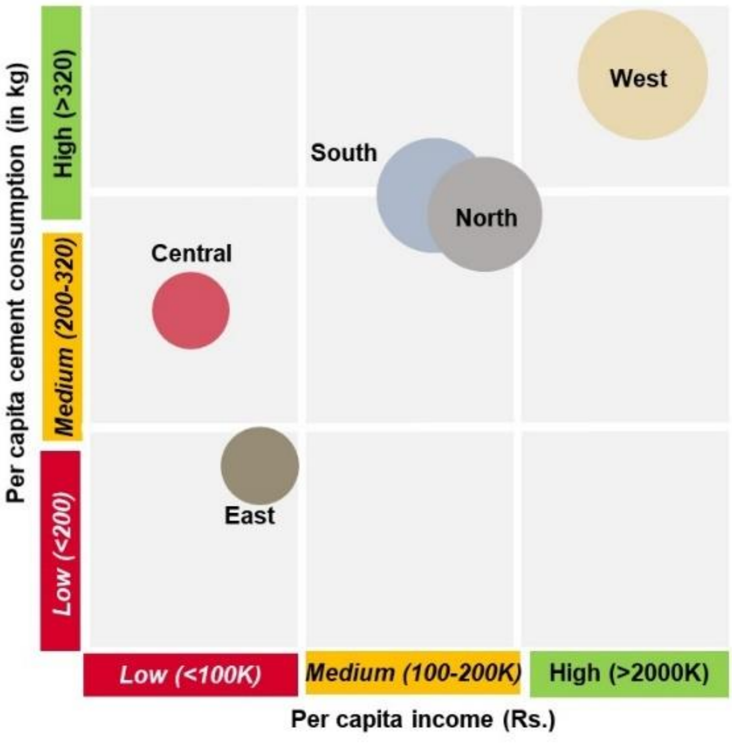
The western region is expected to witness moderate growth but likely to grow at a faster rate compared with the previous five fiscals. This region has high-budget infrastructure projects under execution (Mumbai-Ahmedabad bullet train, the trans-harbour link and metro projects in Mumbai) but already has the highest per capita cement consumption, which will limit the demand growth potential.

Eastern and central regions to outperform others in the long term

Continuing the past decade's trend, the eastern and central regions will continue to drive cement demand in India in the medium term, led by the government's thrust on infrastructure and housing, coupled with a low base of development. These two regions' per capita income and per capita cement consumption are well-below pan-India numbers, thereby providing significant potential upside. Though the northern, western and southern regions comprise the more industrialised states, these have seen relatively low demand growth in the past and are expected to continue lagging the other two regions in the future as well.

Further, the eastern and central regions account for over a third of the rural housing shortage, according to the 2011 census. Although the shortage has lessened over the years on the back of central and state government schemes such as PMAY-G and Biju Pucca Ghar Yojana, it remains high.

Region-wise per capita income vs per capita cement consumption



Source: CRISIL MI&A Research, Ministry of Statistics and Programme Implementation (MoSPI), 2011 Census

East: Social infrastructure and housing development to boost demand

Review: At a CAGR of 7.5-8.5% between fiscals 2018 and 2023, cement demand in the eastern region outpaced that in most other regions. State governments' focus on development in the region and the low base effect (the east is one of the country's lowest cement-consuming regions) backed growth. Demand gained pace during the period, led by healthy growth in the affordable housing segment thanks to the PMAY-G scheme, strong rural demand, smart-city-related construction and individual home builders (IHBs). However, a slowdown was seen in fiscals 2020 and 2021 because of Cyclone Fani-caused demand destruction in Odisha and a slowdown in construction activity in Bihar and Jharkhand amid acute water shortage. Further, improving cash flows of farmers and migrant labourers, with their return to their native places during the pandemic, resulted in the construction/extension of houses, which aided cement demand. Demand has been largely propelled by traction from the PMAY-G scheme, given that more than 50% of the units in the region were constructed under the scheme. Rural housing remains the key demand driver in the region amid increased housing shortage.

Outlook: CRISIL MI&A Research expects demand to increase at a CAGR of 7.5-8.5% in fiscal 2024 on an already high base of fiscal 2023. Though the first half of this fiscal witnessed strong growth momentum in the region, we expect moderation in the latter half due to sluggish demand in the third quarter caused by sand and aggregate availability issue as well as funding issue in West Bengal and Bihar. As a result, demand growth in fiscal 2024 is expected to be the lowest compared with other regions. In fiscal 2025, growth is expected to moderate to 5-7% in line with post-election moderation in demand. Also, state elections in Bihar and Odisha during April-June 2024 will impact demand in the region. State elections in Jharkhand in January 2025 will support housing demand.

In the longer run, rural housing (IHB and PMAY-G) and infrastructure (roads and railways) development should propel healthy cement demand during fiscals 2024-2028. Demand in this region is expected to log 7-8% CAGR during the period. With the lowest per capita cement consumption in the country and a 30-35 million housing shortage identified in the region, CRISIL MI&A Research expects demand for cement to remain healthy in the long term. Further, an uptick in infrastructure investments is also expected via key projects, such as metro development in Kolkata, Patna and Ranchi; several road and rail connectivity projects in the north-east; smart-city-related development in Odisha (Bhubaneswar), West Bengal (Newtown Kolkata), Jharkhand (Ranchi), Bihar (Bhagalpur), and Chhattisgarh (Raipur); and several other road and highway projects. Industrial demand is also expected to be healthy on the back of investments by the government and private players in the railways, power, cement and steel sectors.

Region	Housing	Infrastructure	Commercial/industrial	FY18-23	FY24E	FY25P	FY24-28P
East				**7.5-8.5%**	**8-9%**	**5-7%**	**7-8%**

Source: CRISIL MI&A Research, industry

Central: Housing and infrastructure development to drive healthy growth

Review: Over the five-year period, cement demand increased at 5-6% CAGR in the region. Demand growth remained healthy in fiscals 2018 and 2019 owing to pre-election expenditure by the Madhya Pradesh government. Moreover, demand from the housing segment was robust, given sand mining issues were resolved and there was a pick-up in the affordable housing segment. However, fiscals 2020 and 2021 witnessed a slowdown on the healthy base of the previous two years, and due to water scarcity in Bundelkhand and floods in Madhya Pradesh. However, in fiscals 2022 and 2023, pre-election spending in Uttar Pradesh, with a slew of infrastructure projects under execution (majorly roads, airports, and metro), supported the revival of demand in the region, which grew at a healthy rate.

Outlook: CRISIL MI&A Research expects demand in the central region to grow a healthy 11-12% in this fiscal owing to infrastructure construction, a pick-up in urban housing development in Uttar Pradesh and healthy rural housing demand in Madhya Pradesh. However, on two consecutive healthy bases, demand growth is expected to moderate to 5-7% in fiscal 2025. Expected fund diversion during elections will cause temporary slowdown of infra projects in the next fiscal leading to moderation. During fiscals 2024-2028, cement demand in the region is expected to log 6.5-7.5% CAGR, moderately higher than growth seen in the previous five years. Key infrastructure projects in the region, such as metro projects in Bhopal, Meerut, Agra and Indore; smart-city-related development in Madhya Pradesh (Bhopal, Indore and Jabalpur) and Uttar Pradesh (Lucknow); road and highway projects; irrigation projects and the waterway project across Varanasi-Haldi will back cement demand. Further, housing demand in the new emerging pockets of Meerut (after metro linkage to the NCR) and Aligarh, and development in the key centres of Indore, Bhopal and Noida will continue to boost demand.

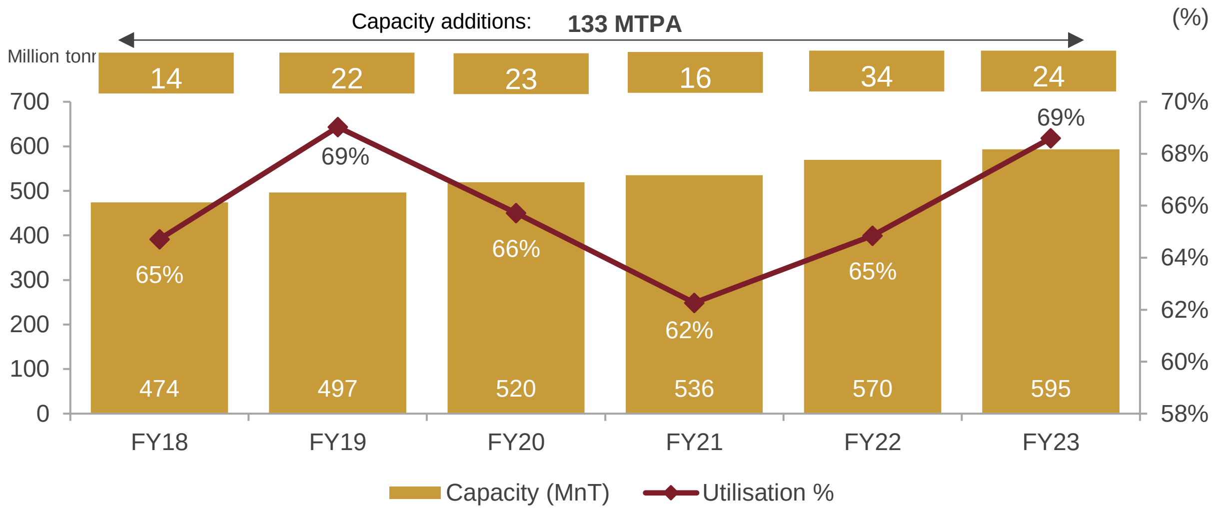
Region	Housing	Infrastructure	Commercial/industrial	FY18-23	FY24E	FY25P	FY24-28P
Central				**5-6%**	**11-12%**	**5-7%**	**6.5-7.5%**

Source: CRISIL MI&A Research, industry

Cement supply assessment

Pan-India supply review

Historical capacity and capacity utilisation



Source: CRISIL MI&A Research

Player-wise capacity growth

The Indian cement industry is highly fragmented and competitive, with the presence of a few large players and several medium and small players.

Large and mid-sized players have used both organic and inorganic routes to grow. While UltraTech Cement has undertaken the maximum capacity additions in absolute terms, other large players such as Dalmia Bharat and Shree Cement have added capacity aggressively as well.

Among the mid-sized players, JK Cement, JK Lakshmi and Ramco Cements have undertaken healthy capacity growth, led by organic expansion to newer regions.

Player-wise installed capacity (top 10 players)

MTPA	FY18	FY19	FY20	FY21	FY22	FY23
UltraTech Cement	85.0	98.0	111.4	113.4	116.6	126.2
Adani Cement	63.1	63.1	63.1	64.2	67.5	67.5
Shree Cement	34.9	37.9	40.4	43.4	46.4	46.4
Dalmia Bharat	25.0	26.5	27.3	30.7	35.9	41.1
Nuvoco Vistas	18.3	19.6	22.1	22.1	23.6	23.6
The Ramco Cement	16.5	16.7	18.8	19.4	19.4	20.9
JK Cement	10.5	10.5	14.0	14.7	14.7	20.7
Birla Corporation	15.4	15.4	15.4	15.4	19.3	19.3
Chettinad Cement	12.0	12.0	15.1	15.1	17.1	17.1
JSW Cement	11.6	12.8	14.0	14.0	15.7	16.6

Source: Source: CRISIL MI&A Research, company annual reports

Note: Only Domestic operations have been considered for UltraTech Cement and Shree Cement, and only grey cement sales have been included for JK Cement and UltraTech Cement. The company-wise installed base is mentioned and includes capacity additions through expansion, de-bottlenecking and reclassification.

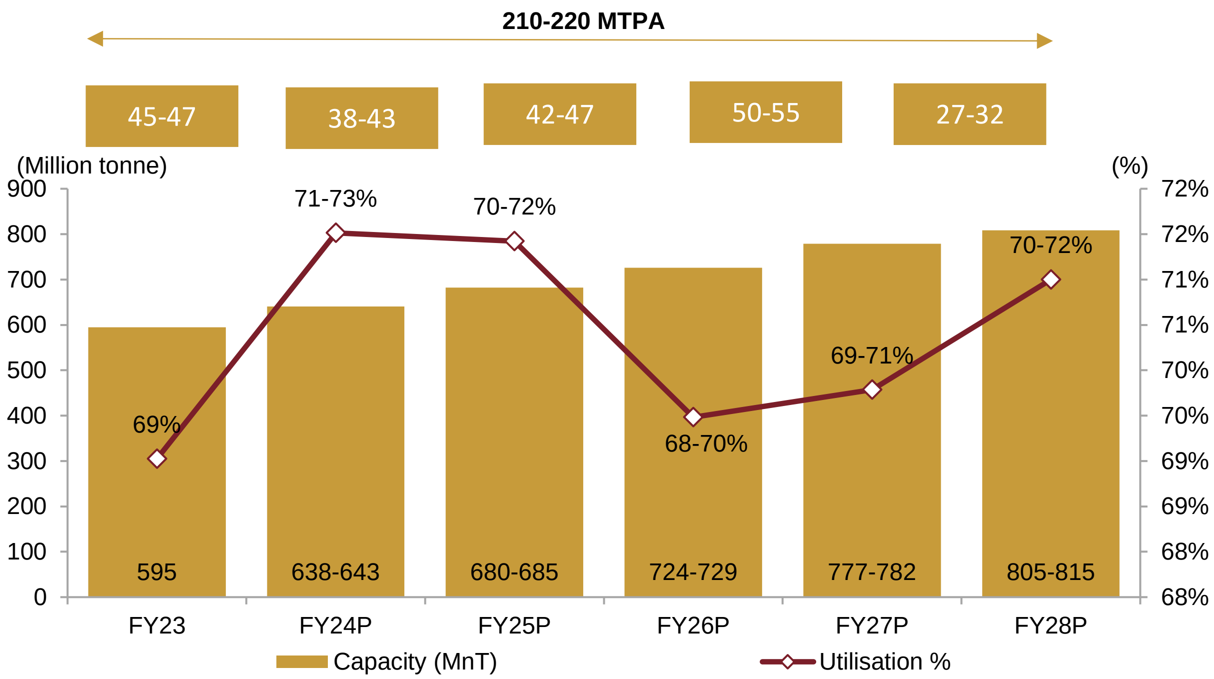
Fiscal 2021: The cement industry, already struggling amid the economic slowdown in fiscal 2020, was hit hard by the Covid-19 pandemic. Many cement manufacturers delayed their capex plans with no capacity additions undertaken in the first half to focus on cash in hand. With a sharp demand revival, backed by affordable housing and government expenditure on infrastructure in the latter half of the year, cement companies started resuming capex despite the pressure of overcapacity and rising input costs. Around 15 MTPA capacity was added in fiscal 2021, taking the total installed base to 535 MTPA. Despite lower capacity additions during the year, utilisation dropped to ~62% since cement demand was still impacted by pandemic-induced disruptions.

Fiscal 2022: Capacity additions announced on the back of strong demand growth in fiscals 2018 and 2019 came online in the second half of fiscals 2021 and 2022, mounting pressure on the already low utilisation levels. Around 34 MTPA capacity was added in fiscal 2022, taking the total capacity base to 569 MTPA. With a sharp recovery in demand, operating rates rose from 62% to 65% during the year.

Fiscal 2023: After healthy additions in fiscal 2022, capacity addition moderated to ~24 MTPA in fiscal 2023 (inclusive of grinding and integrated units). Higher input costs, led by rising power, fuel and freight prices, which rose further in the first half of 2022, affected profitability, thereby slowing down capex plans. However, strong demand growth led by infrastructure and housing propelled healthy additions during the year as well as strong operating rates of ~69%.

Pan-India supply outlook

Installed capacity and utilisation rates outlook



Note: Capacities include announcements of capacity addition plans during fiscals 2024-2028

Source: CRISIL MI&A Research, company reports

CRISIL MI&A Research projects the cement industry to add 210-220 MTPA of grinding capacities between fiscals 2024 and 2028. The industry added ~34 MT of grinding capacity in fiscal 2022. However, higher input costs in the form of elevated power and fuel prices in early fiscal 2023 dented profitability, leading to lower cash flows and capex slowdown. Hence, relatively lower capacity of ~24 MT was added in fiscal 2023.

That said, improving demand expectations in the medium term and efforts to gain higher market share has triggered a wave of new-capacity announcements, especially by large players. Although with rising supply, operating ratings are expected to sustain going forward and remain at 70-72% in the coming five fiscals.

In fiscal 2023, the installed capacity totalled ~595 MTPA. Assuming 210-220 MT of capacity additions, the total installed capacity is projected at 805-815 MTPA by fiscal 2028.

CRISIL MI&A Research expects most capacities (~93%) over the next five years to be added by large and mid-size players, since they have better financial capability to sustain in challenging times. We believe large companies will be able to fund capex through internal accrual. Their comfortable gearing levels give them the financial flexibility to raise debt, if required, for the investments.

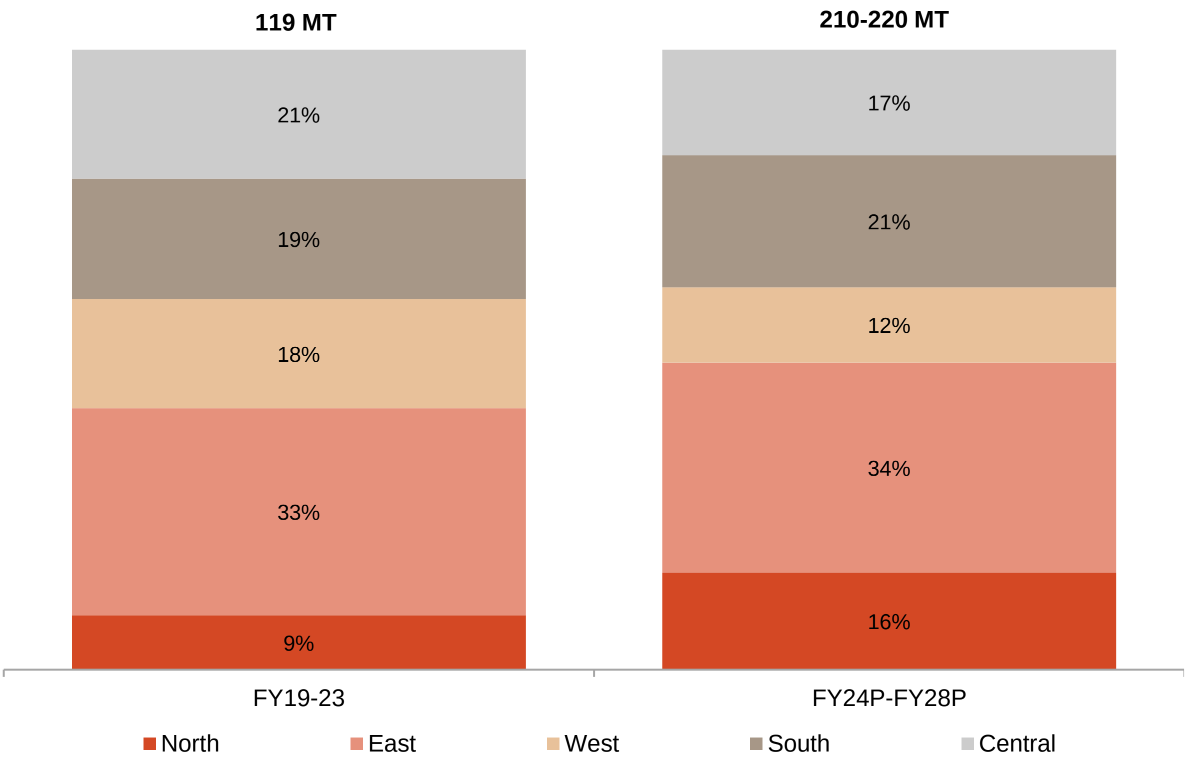
Regional supply dynamics

Over fiscals 2019-2023, the north, east and central regions collectively comprised ~63% of overall capacity additions. The eastern region has seen the largest share of capacity additions in recent years, led by the rapid expansion by Nu Vista Ltd (formerly Emami Cement, now a wholly owned subsidiary of Nuvoco), Dalmia Cement, JSW Cements, Ram.co Cements and Shree Cement, which helped these companies gain share in a fast-growing market.

Over fiscals 2024-2028, the east and south are expected to drive capacity additions followed by the central region, and the north and west.

Improving demand outlook over the medium term and the push to gain market share have triggered a wave of capacity addition announcements from cement manufactures, especially large players. Over fiscals 2024-2028, CRISIL MI&A Research expects the industry to add 210-220 MTPA of grinding capacities, taking the country's total installed capacity to 805-815 MTPA.

Regional break-up of capacity additions

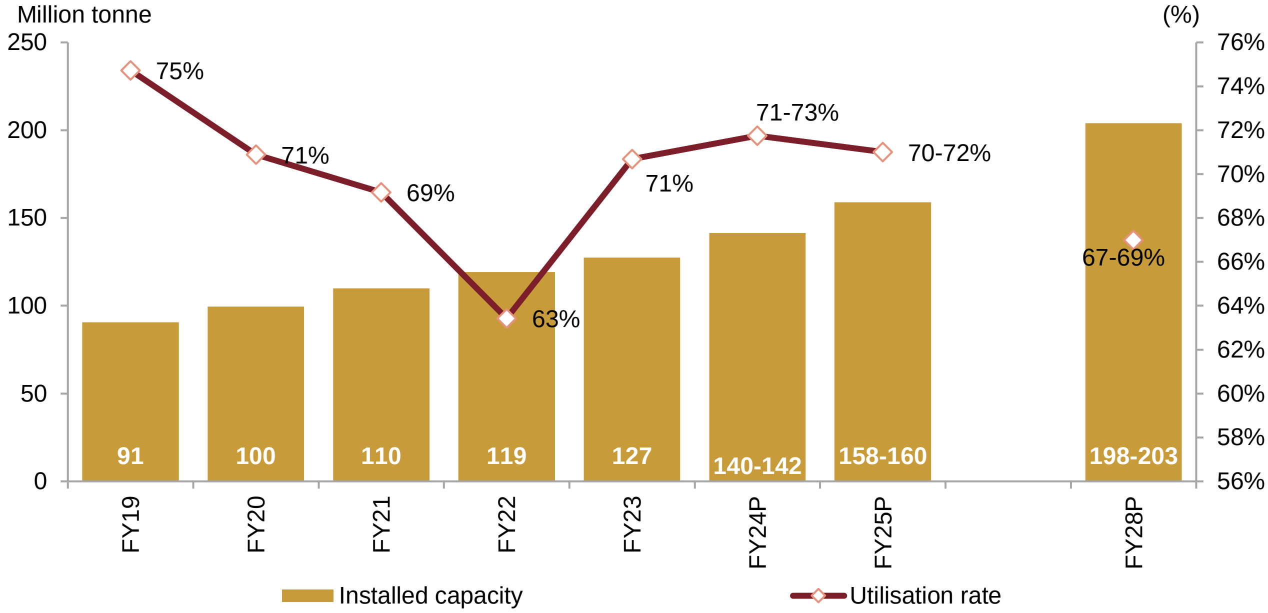


Source: CRISIL MI&A Research, industry

Capacity, growth and utilisation in the east

The eastern region was able to better tackle the pandemic owing to a large share of rural areas and lesser congested urban settlements. Demand support from rural housing and government-led infrastructure projects led to healthy production, Hence, the decline in utilisation levels was lower at ~69% in fiscal 2021. However, with positive demand outlook amid low per capita cement consumption and healthy government spending, many players announced capacity addition plans in fiscal 2021. This put pressure on the utilisation levels, which dropped to ~63% in fiscal 2022 amid higher capacity additions (~20 MT commissioned in fiscals 2021 and 2022) and weak demand due to sand issues and untimely rainfall. However, in fiscal 2023, utilisation rebounded to 71% on the back of robust demand growth on a low base, supported by traction in rural housing and infra push, lower per capita consumption and higher housing shortage to support demand growth. In the current fiscal, the operating rate is expected to marginally rise to 71-73% led by strong demand but is expected to fall in fiscal 2025 and slide further to 67-69% in fiscal 2028 amid surge in capacity additions in the region.

Operating rate to rise this fiscal, to moderate in coming years amid robust capacity additions

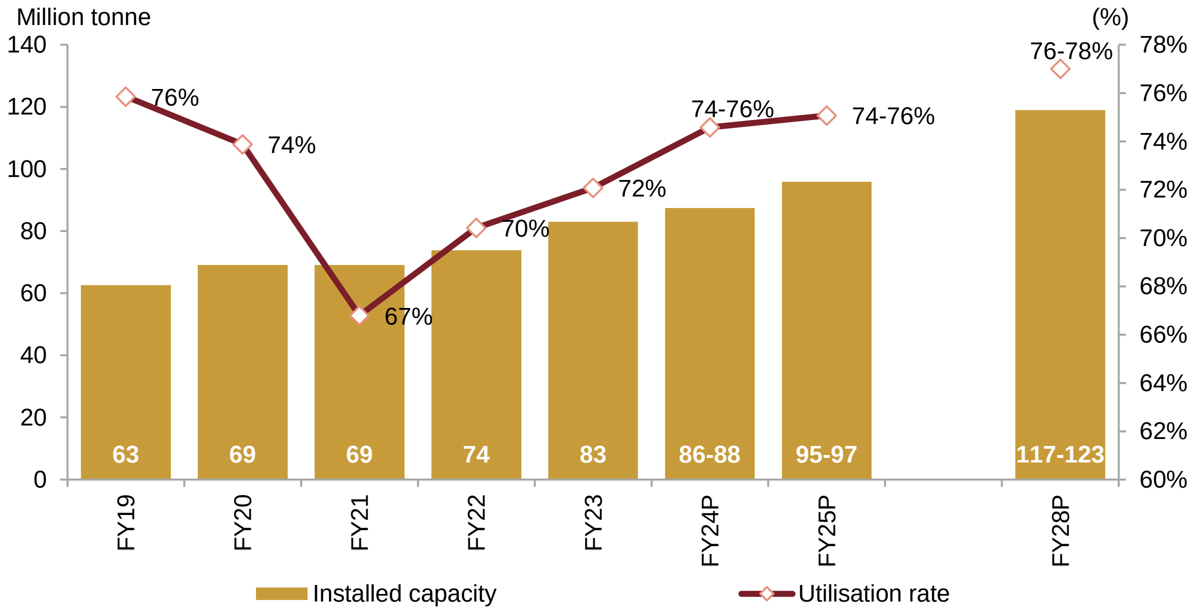


Note: Capacity utilisation is calculated on effective capacity based on the date of commissioning of the plant and does not take into consideration inter-regional movement
Source: CRISIL MI&A Research, industry

Capacity, growth and utilisation in the central region

In the central region, capacity utilisation was a low ~67% in fiscal 2021 due to production shutdowns in the first quarter. However, it recovered in fiscal 2022, as demand rebounded on the back of pre-election spending in Uttar Pradesh and pick-up in housing and construction activity, leading to ~70% utilisation level. From 72% in fiscal 2023, utilisation is expected to improve to 74-76% in fiscal 2024 on the back of increasing demand. However, it will stabilise in fiscal 2025 in lieu of higher capacity additions. In the long run, operating rates are expected to improve due to healthy demand in the region.

Operating rate to improve this fiscal and remain stable in the next, to rise further in the long term



Note: Capacity utilisation is calculated on effective capacity based on the date of commissioning of the plant and does not take into consideration inter-regional movement
Source: CRISIL MI&A Research, industry

Regulations and manufacturing process

Government policies and regulations impacting cement sector

Environmental regulations impacting cement industry.

Environmental issues in India are handled by the Central Pollution Control Board (CPCB) and the corresponding state pollution control boards (SPCBs). To ensure compliance with emission standards, SPCBs undertake routine inspection of cement plants and limestone quarries. In accordance with the actions of the environmental surveillance squad, the CPCB also inspects cement facilities to ensure compliance with emission requirements. The CREP (Corporate Responsibility for Environmental Protection) charter, which promotes corporate responsibility for environmental protection, must also be followed by cement companies.

Indian cement industry needs to comply with the various environmental Acts and regulations introduced by the Ministry of Environment, Forest and Climate Change, among others. These regulations cover a variety of environmental aspects, including noise pollution, use of forest land and wildlife, generation and discharge of trade effluents, and generation and discharge of air pollutants under the Water (Prevention & Control of Pollution) Act, 1974. Following are the various Acts applicable to the cement industry:

- Water (Prevention and Control of Pollution) Cess Act, 1977
- Air (Prevention and Control of Pollution) Act, 1981
- Environment (Protection) Act, 1986
- Hazardous Waste (Management Handling and Transboundary Movement), 2008
- Forest (Conservation) Act, 1980
- Factories Act, 1948
- Wildlife (Protection) Act, 1972.
- Mines Act, 1952.

Recent changes in MMDR Act impacting cement industry

To streamline the regulatory framework of mining sector in India, the Mines and Minerals (Development and Regulation) Amendment Bill, 2021, (MMDR Amendment Bill) was passed in the Lok Sabha and Rajya Sabha in March 2021. The bill comprises various big-bang reforms as part of the government's efforts to usher in structural changes in the mining sector, enhancing mineral productivity, reducing dependency on imports, thereby paving the way to a self-reliant India. Key policy changes in the bill that impacted limestone mining and consequently the cement industry are as follows:

1) **Removal of restriction on end-use of minerals and provision to sell mineral used for captive purpose**

The MMDR Amendment Bill, 2021, provides that no mine will be reserved for end-use, thereby scrapping the difference between captive and non-captive mines. Also, captive miners will be allowed to sell up to 50% of their mineral production in the open market after meeting their own requirements. However, the lessee will have to pay additional charges for minerals sold in the open market. This amendment will incentivise captive miners to increase production, especially of key minerals like iron ore and coal to gain from selling in open markets. Increased flexibility would allow miners to maximise output from mines and will create an efficient energy market, bringing in more competition as well as reducing coal imports.

2) **Provisions for transfer of statutory clearances for expired mining leases**

Upon expiry of mining lease, mines are leased to a new lessee through an auction process. Statutory clearances issued to the previous lessee are transferred to the new lessee for a period of two years during which the latter will have to obtain fresh clearances, approvals, and licences for the acquired mine. This was a repetitive process, and a tremendous amount of time was spent in obtaining clearances for the same mine. The amendment replaces this provision and states that statutory clearances, approvals, and licences will be transferred to the new lessee and will be considered valid throughout the lease period. The new lessee will not have to obtain fresh clearances, approvals, licences, etc, for the same mine again and can continue mining operations on the land till the expiry or termination of the mining lease granted to it. This amendment ensures continuity of mining operations and early commencement of operations after the transfer and helps avoid the repetitive process of obtaining clearances again for the same mine.

3) **Additional royalty for grant/renewal of leases to public sector units**

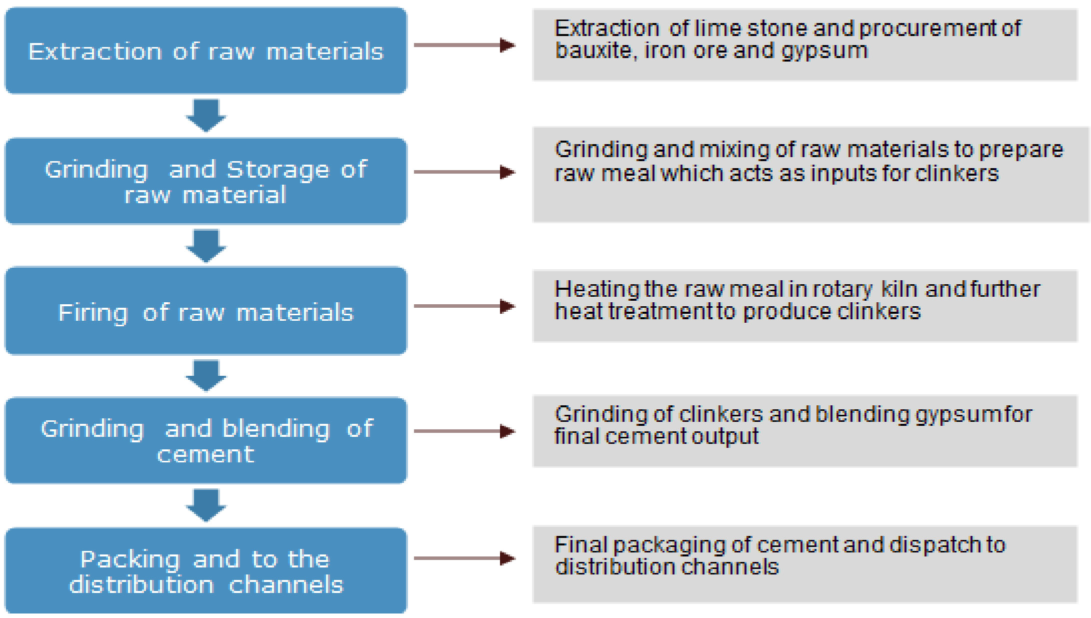
As per the earlier amendment in 2019, all mining leases granted to government companies can be extended by the state government for up to 20 years at a time. The recent amendment states that period of mining leases granted to government companies will be prescribed by the central government and the period of mining leases of government companies may be extended on payment of additional amount prescribed in the bill. This payment of additional amount to the state government on grant/extension of mining lease of government companies will draw a level playing field between the auctioned mines and the mines of government companies.

4) **Removal of additional fee applicable on transfer of mining lease**

Limestone is one of the key raw materials required for manufacturing cement. Post the MMDR Bill of 2015, limestone mining costs had surged as auctions were made compulsory for allocation of new blocks, resulting in higher mining costs on the back of premiums and incremental royalty. The amendment to this Act in 2016 stated that transfer of mining lease of captive mines from the transferor to the transferee would require an additional transfer fee to be paid to the state government above the royalty amount. Transfer charges payable by the transferee will be equal to 80% of the royalty paid. For example, UltraTech Cement paid transfer fee of Rs 64/ton of limestone produced from mines acquired by JP Associates and Century above the royalty amount of Rs 80 per ton. The additional transfer fee was considered one of the major hurdles in the merger and acquisition process. The issues around transfer of mining lease were cited as a reason for putting on hold the merger of ACC and Ambuja in 2018. The MMDR Amendment Bill, 2021, removes this additional transfer fee to make the transfer process simpler and help mining leases pending with bad assets to be transferred to the new lessee. There will be no refund of old payments, but cement companies will not be required to pay any transfer fee on acquired limestone mines going forward. Transfer of mining lease without additional charges will propel companies to carry their consolidation plans and trigger potential mergers and acquisitions.

Cement production process

Stages of cement manufacturing



Source: CRISIL MI&A Research, industry

Key inputs

Limestone is a key input to produce clinker, to which additives such as bauxite, iron ore, and gypsum are added to manufacture cement. The grades of limestone and proportion of additives used determine the quality of cement produced. Similarly, the choice of fuel depends on availability, cost, and process efficiency. Players are also considering using alternatives generated from agro waste, waste oils, animal meal, rice husk, etc to address the shortage in these inputs and their rising prices.

Stage 1: Manufacturing clinker

Step1: Limestone mining, exploration, drilling and blasting

Step 2: Crushing

Step 3: Pre-homogeneous stage

Step 4: Raw mill grinding

Step 5: Blending and storage

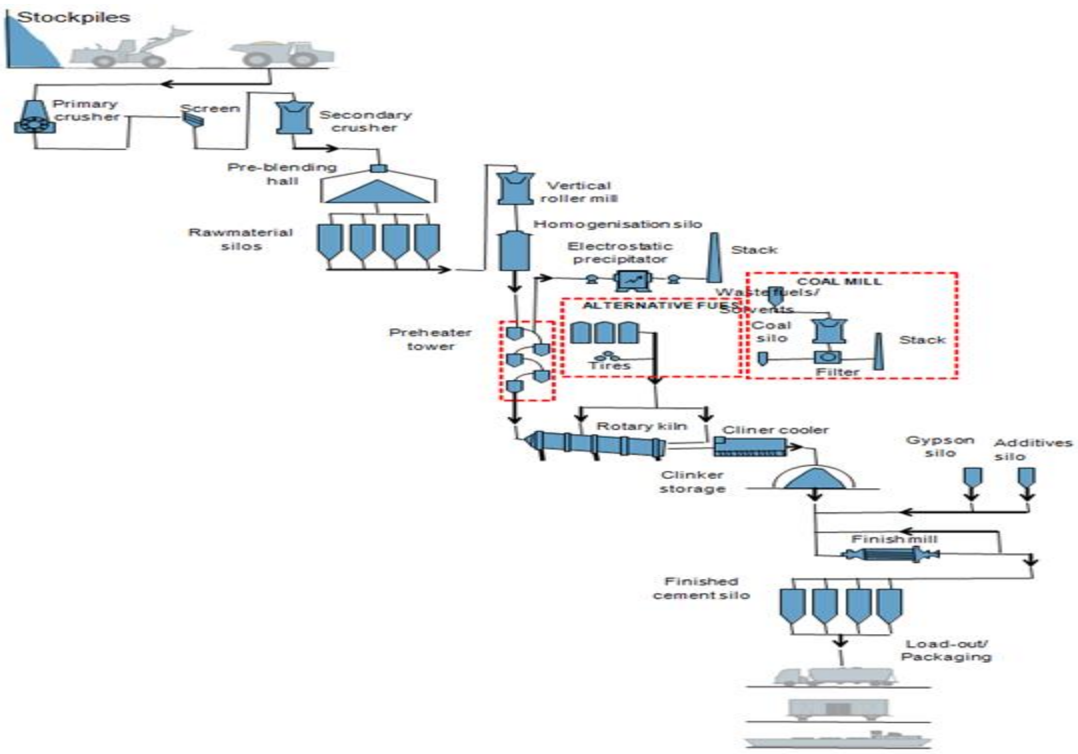
Step 6: Pre-heating stage and kiln

Stage 2: Clinker to cement

Step 1: Grinding and blending

Step 2: Blending

Cement manufacturing process



Source: CRISIL MI&A Research, industry

Heat treatment processes

There are four heat treatment processes – dry, wet, *semi-wet*, and semi-dry. Until the 1970s, wet process technology was predominantly used. However, since the early 1980s, *use of the dry process has increased significantly*.

Dry process -The dry process is commonly used globally to manufacture cement as it is more energy efficient. In the dry process, the kiln feed has moisture content of 0.5%.

Wet process - In the wet process, the kiln feed has a moisture content of 30-40% and deflocculates (for reducing viscosity) to enable pumping.

Semi-wet process - In the semi-wet process, the slurry is dehydrated in a filter press to form a cake with moisture content of about 20%.

Semi-dry process - Here, the raw meal is pre-treated, as in the dry process. In an inclined rotating dish or drum, the raw meal is made into nodules of ~15 mm spheres, with moisture content of ~12%.

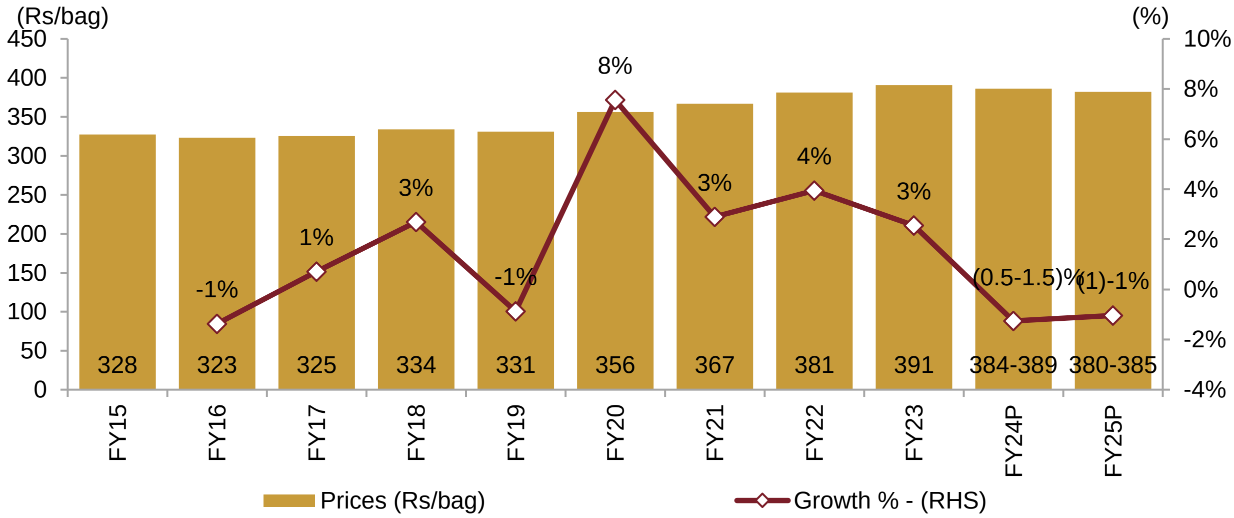
Use of alternative fuels

The cement industry predominantly uses coal-based power, generating 3,200-3,300 kilo joules/kg of heat. Burning fossil fuels such as pulverised coal/oil in the rotary kiln, generates high-grade heat. But, as these fuels are progressively becoming expensive and difficult to procure, there is an increasing need for alternative fuels such as agro wastes, waste oils, animal meal, and rice husk. These are being tested and used based on the manufacturing method, its cost-effectiveness, and availability.

Price, cost, and profitability overview

Pan-India and region-wise cement price trends

Overview of cement prices



Note: Cement prices are average pan-India retail (dealer prices for <25 bags) prices (Rs 50 kg per bag) for CAT A brands, and are inclusive of dealer margins and GST
Source: CRISIL MI&A Research

Fiscal 2023: Cement prices rose ~3% on-year to Rs 391 per 50 kg bag, as players tried to cushion profitability under high-cost pressure. Power and fuel costs (34-36% share of the industry's cost) skyrocketed during the first half of the fiscal, led by a rally in crude oil prices and supply constraints because of the Russia-Ukraine conflict. Cement prices soared in the first quarter of fiscal 2023, following high coal and crude oil prices. However, price hikes could not sustain sequentially during the seasonally lean second quarter on account of lower cement demand because of the monsoon. With a pick-up in demand, prices inched up sequentially in the third quarter, but were limited by subdued demand in October owing to the festive season and extended monsoon in certain regions. Price hikes could not be taken by players in the last quarter, amid highly competitive intensity and prices moderated in line with easing cost pressure. Prices fell ~1% to Rs 388 per bag, on average, sequentially in the fourth quarter, despite manufacturers carrying high-cost inventory. On-year, though, prices were ~1% higher.

Fiscal 2024P: This fiscal, CRISIL MI&A Research expects cement prices to inch down by 0.5-1.5% to Rs 384-389 per 50 kg bag on an already high base of fiscal 2023, in line with easing inflation and input costs. Also, the entry of new players into already competitive markets, inorganic expansion by large players, and continued capacity addition in low utilisation-level regions will put pressure on prices. Intensifying competition can be gauged from the fact that for the first time in several years there were no pre-monsoon price hikes in the first quarter of fiscal 2024 despite steady demand. Further prices remained subdued in the second quarter due to seasonal weakness. Minor hikes were implemented in the third quarter, although a slower demand momentum due to various regional factors limited any price rise and prices continue to be under pressure.

Fiscal 2025P: CRISIL MI&A Research expects cement prices to stabilise in the range of (1)-1% at Rs 380-385 per 50 kg bag on a low base of fiscal 2024. With demand expected to moderate during the post-election year coupled with softening of power and fuel cost, prices are expected to remain rangebound without exerting pressure on profitability. Also, higher supply in the market amidst organic and inorganic expansions, intensified competition and the race to capture market share will keep prices in check in the next fiscal.

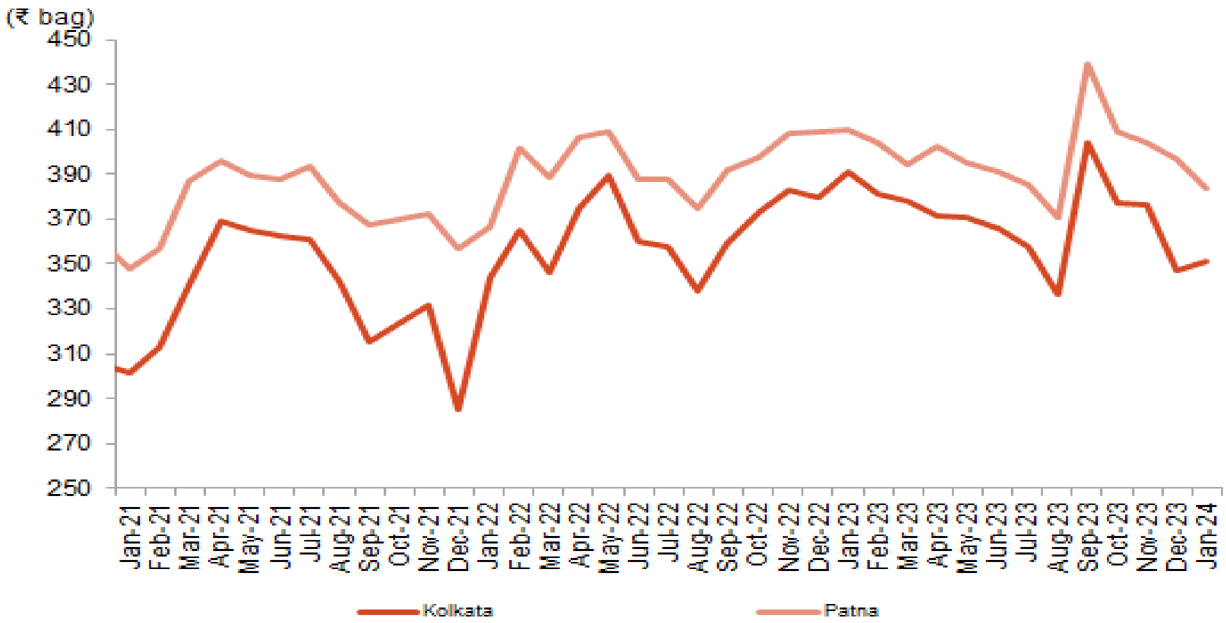
East: Prices to cool down this fiscal amid intensifying competition

Fiscal 2023: Demand growth was healthy owing to rural housing and government infrastructure projects supporting cement prices in the region. Higher cost was another trigger. Lower growth in steel production owing to exports duty on steel products limited slag production in the region and drove up slag prices. However, a strong pipeline of capacity additions and intense competition in the region limited a sharper rise. Overall, cement prices in the region rose 6-7% on-year last fiscal on a low base, propelled by robust demand growth.

Fiscal 2024P: Prices are expected to soften this fiscal in line with easing cost pressure. CRISIL MI&A Research expects prices to decline by 1.5-2.5% amidst healthy capacity additions and higher competitiveness as players focus on volume push in the pre-election year. Also, prices are expected to reverse on the very high base of the previous fiscal. Further, moderation in demand growth during the fiscal coupled with healthy 13-15 MT capacity addition expected in the region will keep prices in check.

Fiscal 2025P: Despite the low base of the previous fiscal, prices in the region are expected to tumble further by 2.5-4.5% as more capacities will add up (16-18 MT is expected to be onboarded in the region in fiscal 2025). Among other regions, the eastern region is expected to witness highest capacity additions during the year which will marginally bring down utilisation rates and result in lower prices.

East region price trend:



Note: Cement prices are average pan-India retail prices (dealer prices for <25 bags; Rs/50 kg bag) for category A brands and are inclusive of dealer margins and GST

Source: Industry, CRISIL MI&A Research

Pricing of coal (domestic and imported) and petcoke

Domestic coal

In India, Coal India Ltd (CIL) accounts for over ~82% of domestic coal production and it is the primary supplier of fuel. It has two mechanisms to sell coal—long-term fuel-supply agreements (FSAs) and 'e-auctions'. The FSAs in the non-regulated sectors (sponge iron, steel, cement and captive power plants), which account for ~90% of the total sales volume are signed/renewed based on an auction in the new mechanism. Under e-auctions, which account for the remaining 10% of the total sales volume, fuel is sold on the spot with prices aligned with the international market. Sales through this mechanism are also typically at a premium to the coal sold under the FSA route.

Notified coal price is primarily based on a cost-plus model, with CIL revising the prices on an ad-hoc basis, depending on factors such as employee cost and cost of consumables, such as fuel and explosives. Among various costs, the employee expense is the largest, accounting for over half of CIL's total operating cost. Therefore, it is a key determinant for revision in coal prices. CIL also considers the demand-supply scenario; imported coal prices; and cost of production from new projects while revising prices. Thus, price hikes are undertaken to maintain the profitability of the government-owned miner.

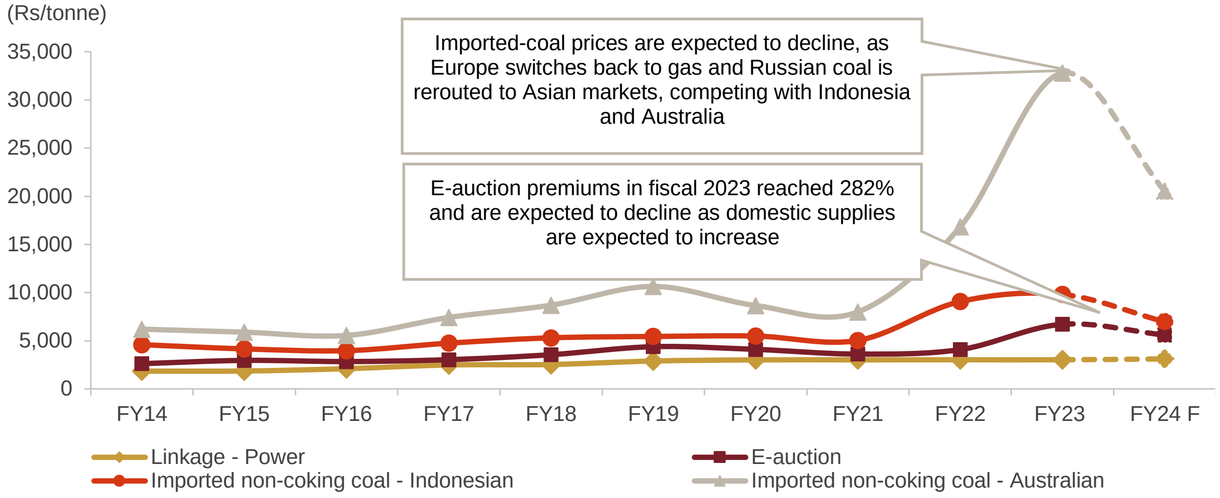
CRISIL MI&A Research expects domestic coal price to increase, due to the following factors:

1) **Linkage prices**: CIL announced an 8% increase in notified prices effective from May 2023. With this revision, the notified price for the lowest and the highest grades under the purview of the revision, i.e., G10 and G2, will be Rs 1,117 and Rs 3,562, respectively. Additionally, with the inclusion of various costs, such as royalty, sand-filling reclamation, clean environment duty, excise, and GST, the final landed cost would arrive at Rs 3,205 for G10 and Rs 6,132 for G2. This price has been revised for the grades G2 to G10, which are mainly used in the cement, fertilizer and sponge iron industries. In India, thermal power plants mostly rely on grades G11, G12 and G13 with calorific values between 3,400 kcal to 4,300 kcal. Thus, the impact would be limited to the plants that use higher grade of domestic coal for blending. The cement sector, which uses non-coking coal with calorific values between 4,000 kcal and 4,500 kcal will see a minimal impact as domestic coal accounts for only 15-20% of the fuel mix in terms of quantity, with the rest being pet coke and imported coal. While power and fuel costs account for 34-36% of the total cost of the industry, highly competitive intensity and declining input materials costs of pet coke and imported coal price will limit any sharp rise in cement prices this fiscal.

2) **Auction of linkages**: The price of coal sold under auctions to the non-power sectors, such as cement, under long-term linkages (~30% higher than the price applicable for the power sector) is typically at a discount to imported coal. This gives a competitive advantage to companies with CIL's linkages. To move towards a market-determined pricing, the Ministry of Coal has introduced a new mechanism in the linkage policy for the non-power sectors in December 2019. This system stipulates that the existing linkages of non-power companies will not be renewed, and new linkages will only be awarded through auctions, wherein players bid at a premium over the notified price. CIL has so far conducted four tranches of linkage auctions for non-power sectors, with average premiums over the notified price increasing in consecutive tranches.

3) **Spot auctions**: Coal companies also sell coal through spot auctions for power and non-power sectors, periodically. Demand for spot-auctioned coal from non-power sectors increased, due to the diversion of linkage coal to the power sector following coal shortage amid rising power demand. In fiscal 2023, CIL sold 53.3 million tonne of coal through spot e-auction at a premium of 252%, with MCL (Mahanadi Coalfields Ltd) accounting for 32% of the quantity offered. It also received the highest premium of 366% amongst other CIL subsidiaries in the same period. Premium offered in fiscal 2024 (April-September 2023) has been 89%, compared with 335% in the same period of fiscal 2023. High premiums for these e-auctions indicate the demand sentiment. Between April-November 2023, premiums received by ECL and CCL have been the highest at 114%, followed by MCL of 107%.

Domestic coal pricing to remain stable under the linkage route with a decline expected in e-auctions



Note: In the graph above linkage -power, linkage - non power and e-auction categories relate to domestic non-coking coal prices which are run of the mine and not delivered cost.
Source: Ministry of Coal, CRISIL MI&A Research, industry publication, CIL

International coal

International coal prices have been retreating from their highs in 2022 but remain well above the 2017-2021 average. Global coal consumption reached an all-time high in 2022, led by India and China. A broad-based pick-up in economic activity across major economies led to an increase in non-coking coal prices accompanied with supply disruptions over the short term. Further, the tense geopolitical situation increased uncertainty, impacting coal demand.

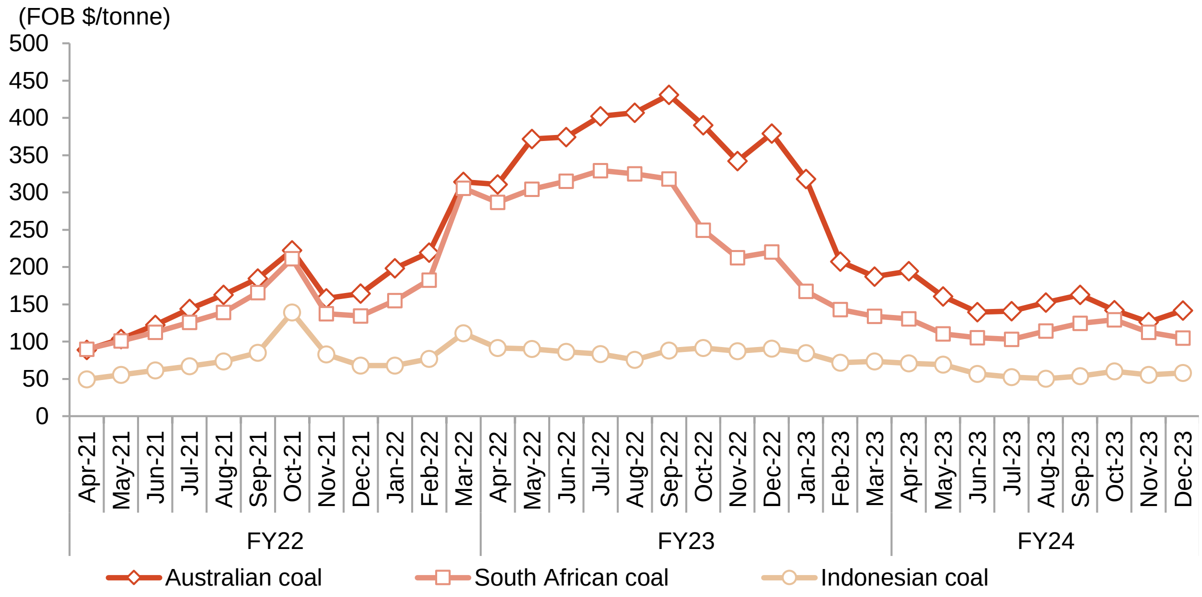
In the past two years, coal prices declined on-year for the first time in the fourth quarter of fiscal 2023 and further witnessed a decline of ~54% in the first quarter of fiscal 2024 as prices cooled down from all-time highs caused by geopolitical tensions and impositions of ban on imports. Prices also cooled down sequentially by ~25%. Despite a jump in demand for thermal coal in China, India and South Korea, Indonesian thermal coal was under pressure as European sellers continued to sell supplies to relieve pressure on their multi-month high stockpiles. Also, high grade coal from Australia was under pressure due to greater exposure to competition from LNG in Japan, South Korea and Taiwan.

Coal prices declined further in the second quarter of fiscal 2024 by ~61% on-year and ~8% on-quarter. However, prices of Australian coal inched up in September 2023 due to fears of a supply crunch caused by threats of strike action by Australian LNG workers which was resolved in late September. A directive from the South Korean government to limit Russian coal imports also supported Australian thermal coal prices. Robust demand from the Indian and Chinese power sectors contributed to on-month hike of Indonesian coal prices.

After cooling down since the past three quarters, coal prices declined further in the third quarter by ~55% on-year and ~3% on-quarter. However, prices of Australian coal inched up in December 2023 owing to supply disruptions caused by derailment of a major coal transporting rail route in New South Wales along with impact of tropical cyclone Jasper on major ports of Queensland. That being said, subdued demand from Indonesia's key export nations due to inventory build-up kept Indonesian coal prices under pressure during the quarter. Also, continuing logistical challenges have continued to hit South African thermal coal exports leading to price decline during the quarter.

At an overall level, international coal prices (average of Australia, South Africa and Indonesia non-coking coal) cooled down with ~57% on-year decline during the first nine months of fiscal 2024, indicating easing of energy costs.

Monthly coal price trend



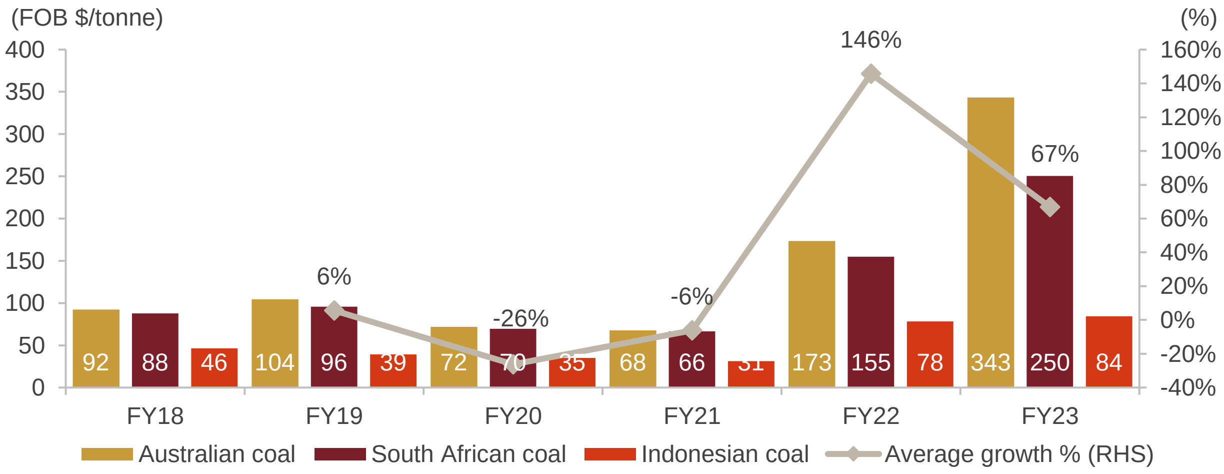
Source: CRISIL MI&A Research

CRISIL MI&A Research expects global non-coking coal prices of Australian (FoB Newcastle, 6,300 kcal/kg) to remain in the range of $130-135/MT, while Indonesian prices are expected to be at $54-58/MT for calendar year 2024, with the summary for some key factors driving our price forecasts below:

- First quarter of 2024: Subdued demand for heating requirement owing to milder temperatures in the key Australian markets of Taiwan, Japan and South Korea as El Nino is expected to continue until April 2024. Indonesian prices are expected to be range bound between $56-58 per tonne during this period as increasing domestic supply along with milder temperature will lead to lower thermal coal requirement. For India, increase in economic activity will be supported by domestic thermal coal supplies.
- Second quarter of 2024: Warmer temperatures are expected to increase power demand in Asian countries along with monsoon season in Australia which usually leads to cases of mine flooding, thereby causing supply chain shocks.

Rising emission concerns in countries such as the US and Canada, lack of adequate transport infrastructure in South Africa, and weather-related issues such as the rainy season in Indonesia are some risk factors, which remain key monitorables for the forecast.

Annual coal price trend



Source: CRISIL MI&A Research

Petcoke pricing

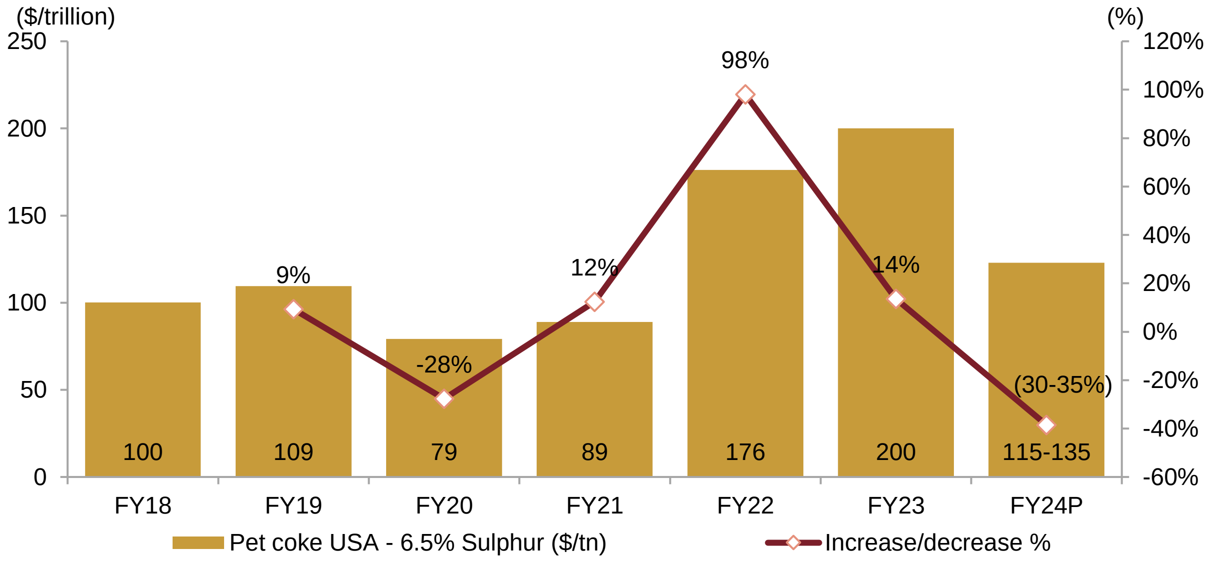
The cement industry is the key consumer of petcoke in India. While historically cement players have used more coal than petcoke due to better availability of domestic coal, players have shifted towards pet coke since fiscal 2016, as prices crashed across the globe. However, the cycle turned again in fiscal 2019 owing to several regulatory changes aimed at cutting down industrial pollution.

Petcoke competes with coal as a feedstock in cement manufacturing. Cement plants generally use imported coal of 6,000 kilo calories (kcal) per tonne of calorific value whereas petcoke has ~8,000 kcal per tonne value. While domestic coal is the first preference for cement manufacturers, its low availability leads to dependence on imports – coal or petcoke.

Usually the low-grade domestic coal (GCV between 4,000-4,600 kcal/kg) is used in captive power plants (CPP) and higher grades (above 5,500 kcal/kg) are used in clinker kilns. However, smaller captive power plants (<30MW) cannot use low-grade coal owing to poor ash-handling capabilities, which further increases the dependence on imported coal or petcoke. As cement players can use both petcoke and coal in modern kilns, without incurring much capex, switchover between the fuels is easy and depends on cost competitiveness. However, cement players in the eastern region with higher coal availability are expected to continue using coal, which is cost-competitive in comparison with domestic and imported petcoke. Further, several players have started blending biofuels, industrial waste and tar in their clinker to reduce costs and help in disposing waste materials.

After being elevated for the past two years, international pet coke prices started dwindling on-year since the second half of fiscal 2023 and declined further by ~47% in the first quarter of fiscal 2024 on a very high base of the previous fiscal, averaging at $128/tonne. International pet coke prices cooled down in line with the corrections being witnessed in crude oil prices. Continuing the downward trend, international pet coke prices fell further on-year in the second quarter of fiscal 2024 by ~36% and also slid ~4% sequentially on a soft base to $122/tonne. In the third quarter, prices dropped ~30% on-year. However, prices witnessed a moderate rise of ~6% sequentially as crude prices started to rise moderately during the latter half of the second quarter and beginning of the third quarter, but stabilised at the end of the third quarter to $84/bbl.

Annual petcoke price trend

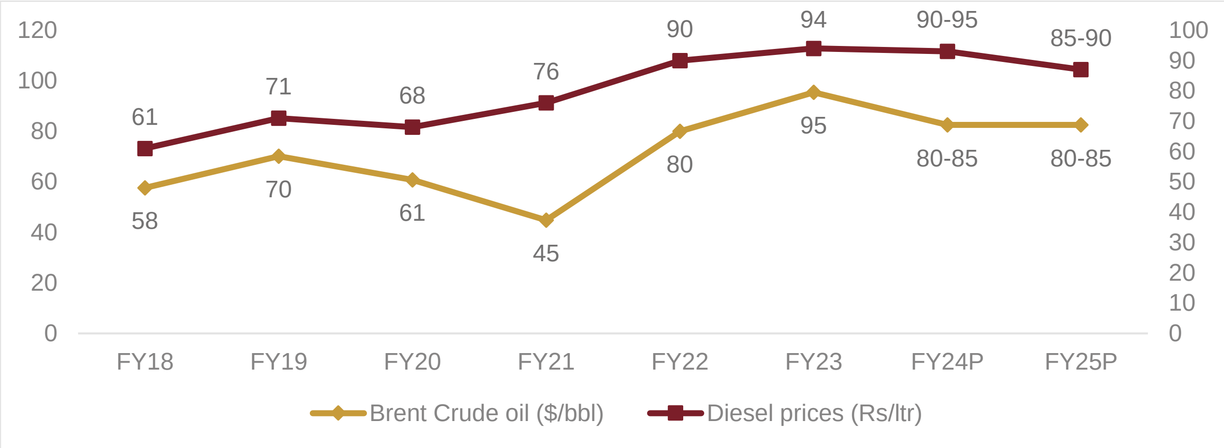


Source: CRISIL MI&A Research

At an overall level, pet coke (US) prices skyrocketed in fiscal 2022 by ~98% despite the high base of fiscal 2021. Further, prices increased ~14% in fiscal 2023, compared with fiscal 2022, as prices soared during the first half of the fiscal but started easing during the second half. With correction in crude prices, pet coke prices fell sharply by ~40% on-year during the first nine months. Thus, CRISIL MI&A Research expects pet coke (US) prices to ease by 30-35%, averaging to $115-135/tonne in fiscal 2024, in line with easing crude oil prices.

Domestic pet coke (ex-refinery) prices follow the international trend in petcoke prices. Domestic pet coke prices rose ~80% in fiscal 2022 and further by ~32% on a high base, reaching average ~Rs 19,000 per tonne in fiscal 2023. Prices spiked in the first half of fiscal 2023 by ~62% on-year averaging to Rs 20,100 per tonne on the back of rising crude oil and international petcoke prices. However, prices plunged in the latter half of the fiscal to average Rs 17,900 per tonne. Prices moderated further by ~16% and ~11% on-quarter in the first and second quarters of fiscal 2024, respectively, averaging at ~Rs 14,800/tonne and Rs 13,100 per tonne, respectively. In the third quarter of fiscal 2024, domestic petcoke prices continued to decline on-year, but witnessed a moderate rise of ~6% on sequential basis on a soft base. In tandem with international petcoke prices, domestic pet coke prices are expected to see correction in fiscal 2024 on the high base of two consecutive fiscals.

Crude oil and diesel price trend



Note: Diesel prices include all taxes and are the average of 4 cities - Mumbai, Delhi, Kolkata and Chennai
Crude prices are as per calendar year; FY24 indicates 2024 and so on
Source: CRISIL MI&A Research

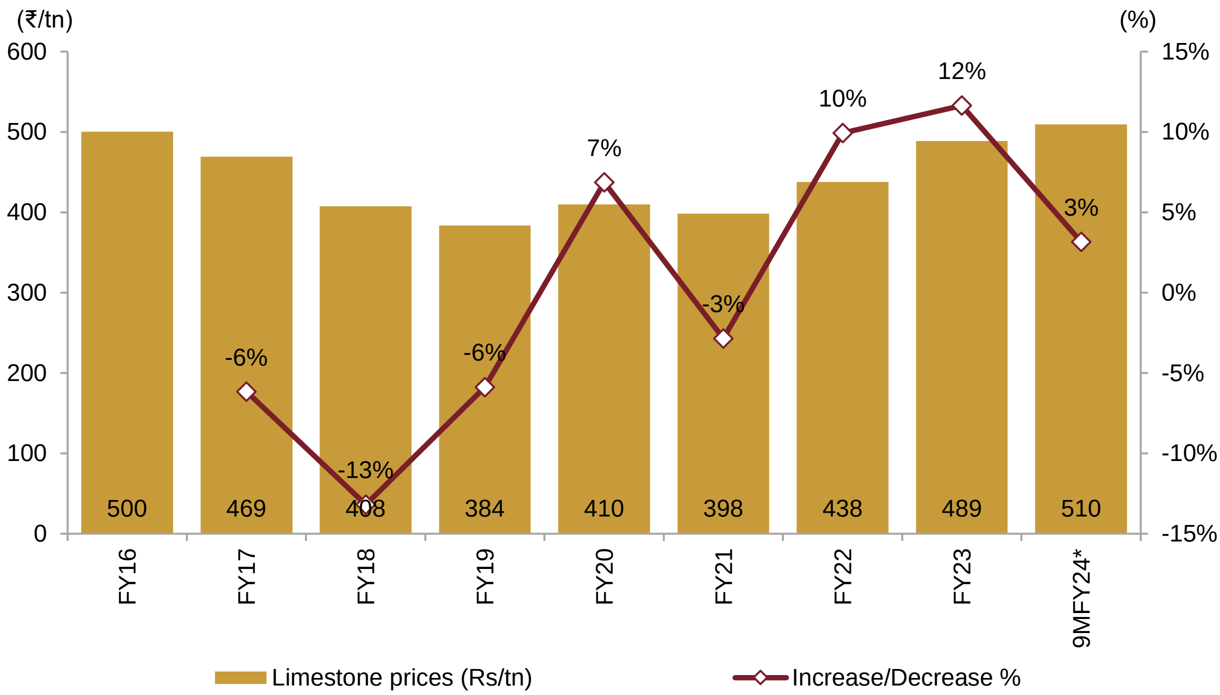
Trend in limestone prices

The growth of the cement industry is contingent on the availability of limestone — the key raw material, accounting for almost 85% of the total raw material cost. It is also used in iron and steel, chemical, sugar, glass, fertiliser and paper industries. About 97% of the limestone produced in India is cement-grade, ~2% chemical, and ~1% iron, steel and other grades.

The Indian mining sector is governed by the Mines and Minerals (Development and Regulation) Act, 1957, (MMDR Act). It specifies the process and requirements for obtaining and granting mining leases for mining operations. After an amendment to the MMDR Act in 2015, limestone mining costs surged since auctions were made compulsory for allocation of new blocks. This made mining costs higher on the back of premiums and incremental royalty (royalty increased from Rs 72 per tonne to Rs 90 per tonne). Another amendment in 2016 stated transfer of the mining lease of captive mines from the transferor to transferee would require an additional transfer fee to be paid to the state government above the royalty amount. Transfer charges payable by the transferee are to be an amount equal to 80% of the royalty paid. The additional transfer fees were considered one of the major hurdles in the merger and acquisition process. This amendment pushed up limestone prices ~7% in fiscal 2016 to above Rs 500 per ton.

Limestone consumption per tonne of cement produced declined during fiscals 2017 to 2019, primarily due to a shift from ordinary Portland cement (OPC, which requires higher proportion of limestone) to blended cement (PPC, PSC and composite cement). This lowered prices during the period. However, they inched up in fiscal 2020 amid supply constraints but declined 2-3% in fiscal 2021, primarily because of Covid-19 lockdowns and manufacturing shutdowns. The prices recovered in the latter half of fiscal 2021 on the back of rapid cement demand recovery, thus limiting the overall decline to ~3% during the fiscal. In fiscal 2022, the prices increased ~10% and in fiscal 2023, ~12%, mostly owing to high clinker utilisation and high bid premiums on new mines. Healthy cement demand growth of ~8% in fiscal 2022 and ~12% in fiscal 2023 led to higher cement and clinker utilisation, leading to higher limestone requirement. This pushed up limestone prices to Rs 489 per tonne in fiscal 2023. Further, the higher share of the infrastructure segment and healthy demand for infrastructure projects increased the requirement of OPC cement and, thus, higher usage of clinker (limestone). This resulted in a further ~3% price rise during the first nine months of this fiscal on already elevated bases.

Annual limestone price trend



Source: IBM, CRISIL MI&A Research

**Note: 9MFY24 growth on YoY basis compared to 9MFY23*

Of the various amendments to the MMDR Act, removal of the fee in the transfer of mining leases was a key positive for the cement industry. MMDR Amendment Bill, 2021, revoked the additional transfer fee to make the transfer simpler. It aimed to enable the transfer of mining leases with bad assets to a new lessee. The existing acquisitions also benefitted from the amendment as they do not have to pay the incremental transfer charges for mining limestone from acquired mines. The amendment helped limit the rise in raw material cost to ~10% in fiscal 2022, after it declined ~3% in fiscal 2021, due to higher premiums, incremental royalties and higher mining costs.

A look at the monthly and quarterly limestone price trend shows there is an uptrend in prices in the third quarter of every calendar year on the back of supply constraints due to lower limestone mining during the monsoon. After averaging at Rs 488 per tonne in fiscal 2023, prices dropped sharply in April and May on account of higher production and supply in the market; however, they corrected in June, averaging Rs 442 per tonne during the first quarter of this fiscal. Prices have been rising in the second and third quarters at Rs 534 and Rs 553 per tonne, respectively, in lieu of the higher clinker requirement, especially for infrastructure projects.

Profitability: Review and outlook

Cost and profitability

The cement industry has seen two consecutive years of margin contraction, with margin declining ~430 bps and ~620 bps in fiscals 2022 and 2023, respectively. The margin nosedived to ~14% in fiscal 2023 from the highs of ~25% and ~20% in fiscals 2021 and 2022, respectively. The fall in margins is majorly on the back of elevated power and fuel costs, which are estimated to have increased 36-37% and 31-32% in fiscals 2022 and 2023, respectively.

The cement industry is power-intensive, with power and fuel costs accounting for 34-36% of the total cost of cement sales as of fiscal 2023. Pet coke, the key fuel for the industry, is a derivative of crude and follows crude prices. After providing some breather over fiscal 2019 and 2020, power and fuel and freight costs have risen sharply since the second half of fiscal 2021 on the back of rising coal, petcock and diesel prices. Pet coke prices more than doubled in fiscal 2022 amid the post-pandemic recovery and supply constraints, forcing players to shift to imported coal, which had seen a relatively smaller rally initially, but also elevated by two times in fiscal 2022 amidst high demand and became cost-competitive to US petcock. Thus, power and fuel costs rose 36-37% while freight costs rose 7-8% due to higher diesel prices in fiscal 2022, driving overall cost upwards.

On the other hand, raw material cost had seen a steady rise over the years, led by a rise in mining cost along with higher royalty outgo. On high base of fiscal 2021, raw material costs only saw moderate rise as players benefitted from the removal of limestone mine transfer charges as per the MMDR Amendment Bill, 2021. Overall, the cost of sales rose 11-13%, led by power/ fuel and freight costs, which shrank the margin ~430 bps to ~20% in fiscal 2022. Higher realisation with a ~4% rise in cement prices in fiscal 2022 on an already high base limited any further erosion in the margin.

Further, the profitability of cement players was impacted in fiscal 2023 with crude oil and coal prices rallying during the first half of the fiscal due to geopolitical tensions between Russia and Ukraine. Brent crude, which was hovering at ~$80 on average in fiscal 2022, crossed the $120-per-barrel mark in June 2022. It bottomed below the $100-mark in August 2022, after which it has been declining, hovering at $80-82 per barrel. It moderated from all-time highs during the latter half of the fiscal. Overall, the average price for the entire fiscal rose to $96.

International coal prices had reached new heights, with Australian coal (GCV 6300 kcal/kg) prices soaring to $430 per tonne in September 2022. However, the prices started correcting from October 2022 onwards from all-time highs due to tepid demand from Europe (on account of relatively warm winters during December) and China (due to low activity during the festival season). Lower demand from Europe due to a relatively warm winter and weak demand from India and other Southeast Asian countries due to availability of coal from Russia and South Africa led to a decline in Australian and Indonesian coal prices in the second half of the fiscal. However, average prices for fiscal 2023 remained ~67% higher on-year because of the higher prices in the first half. Thus, for cement players, overall power and fuel costs increased 31-32% in fiscal 2023 on an already high base of 36-37% rise in fiscal 2022.

Also, raw material cost jumped 10-11% in fiscal 2023 as fly-ash and slag prices continued to their northward journey on account of demand acceleration and inflation. Freight costs inched up 2-3% owing to elevated diesel prices. However, higher volume through the railways and new capacity additions in the east led to lower lead distances, resulting in a limited price rise despite elevated diesel costs. Overall, cost of sales rose 13-14% on-year in fiscal 2023, led by higher power, fuel and raw material costs which eroded margins ~620 bps to ~14%. Pick-up in realisations and healthy uptick in volume cushioned a sharper margin shrinkage in the fiscal.

Annual profitability trend

	FY22	FY23	FY24E	FY25P
Net realisations	▲ 5.5-6.5%	▲ 4-6%	0-(1)%	0-(1)%
	Rs 267/bag	Rs 281/bag	Rs 278-283/bag	Rs 272-282/bag
Power & fuel costs	▲ 36-37%	▲ 31-33%	▼ (15-17)%	▼ (8-10)%
Raw material	▲ 6-7%	▲ 10-12%	▲ 2-4%	(1)-1%
Freight expenses	▲ 7-8%	2.5-3.5%	0-(2)%	▼ (1-3)%
Cost of sales	▲ 11-13%	▲ 13-14%	▼ (3-5)%	▼ (1-3)%
Operating margin	▼ 430 bps	▼ (620)bps	▲ 300-350 bps	▲ 100-200 bps
	20.7%	14.1%	16-18%	18-20%

Source: CRISIL MI&A Research, industry

This fiscal, the margin is expected to expand 300-350 bps to 16-18%. Crude oil prices are expected to decline 15-20%. Pet coke prices softened in line with crude oil prices. Further, coal prices also dipped as European energy supplies stabilised. Thus, power and fuel costs are expected to decline by 15-17% this fiscal. Raw material costs are expected to rise by a moderate 2-4%. However, freight costs are likely to fall a marginal 0-2% as diesel prices decline moderately. But the decline in diesel prices will be much lower than the expected 15-20% drop in crude oil prices during the fiscal. Other costs are also likely to moderate in line with reducing packaging costs (led by declining crude oil prices) as well as decelerating inflation.

Overall, the cost of sales is expected to reduce 3-5%, largely on account of lower power and fuel costs and freight costs, which will lead to 300-350 bps margin expansion in fiscal 2024 to 16-18%. With easing input costs, the margin is expected to bounce back after taking a knock in the previous two consecutive fiscals. Despite slightly lower realisations this fiscal, profitability in the cement industry is likely to revive amid declining input costs.

After rebounding in fiscal 2024, the operating margin of cement players is expected to further improve and expand in fiscal 2025 by 100-200 bps at 18-20% margin. Realisations are expected to remain flattish on the back of moderation in demand growth. Despite flat realisations, margins are expected to improve largely due to the further 8-10% drop in power and fuel cost due to softening of crude and coal prices. Freight expenses are expected to marginally inch down by 1-3% on account of the reduction in lead distances of players due to aggressive expansions. After rising continuously for the past three years, raw material costs are expected to remain rangebound in fiscal 2025 on an already elevated base. As a result, total cost of sales is expected to dwindle by 1-3%, leading to margin expansion of 100-200 bps in next fiscal.

However, impact of geopolitical issues and/or supply constraints on commodity costs will remain a key monitorable.

Competitive landscape in East India

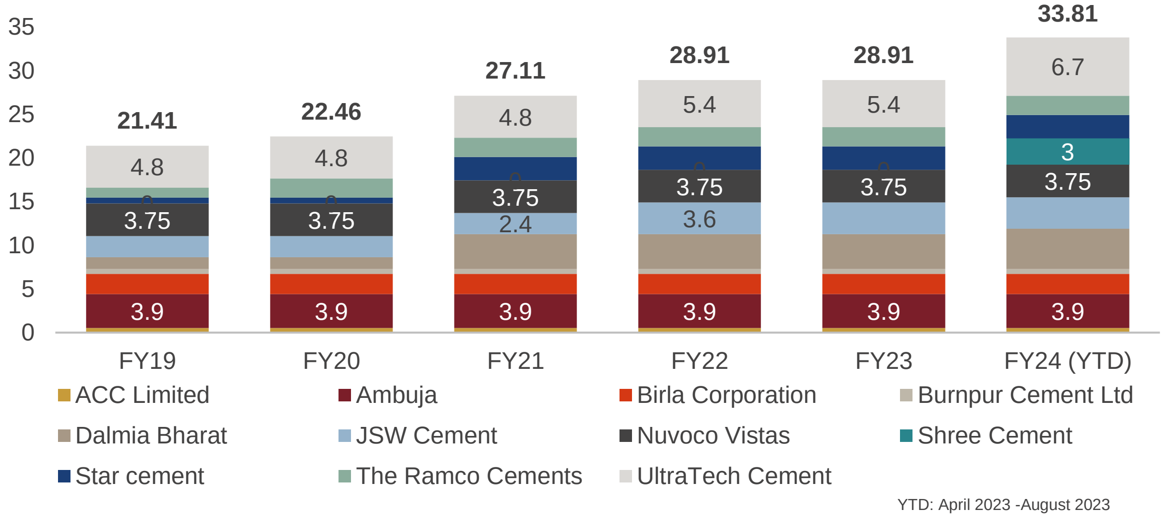
Player-wise cement grinding and clinker capacity at state level

Grinding capacity: West Bengal

West Bengal accounts for ~23% of grinding capacity present in East India. Dalmia Bharat, UltraTech Cement, Nuvoco Vistas, and Ambuja Cement are the top players in West Bengal, accounting for ~60% of total grinding capacity available in the region.

JSW Cement increased its grinding capacity to 3.6MT in fiscal 2022 from 2.4 MT in fiscal 2021. Shree Cement is eyeing a grinding capacity expansion this fiscal year to 3MT.UltraTech Cement increased its grinding capacity by 0.6MT in fiscal 2022, and it is planning to add 1.3MT this fiscal. UltraTech's total grinding capacity is anticipated to be ~6.7 MT in the coming fiscals.

Grinding capacities (MTPA)

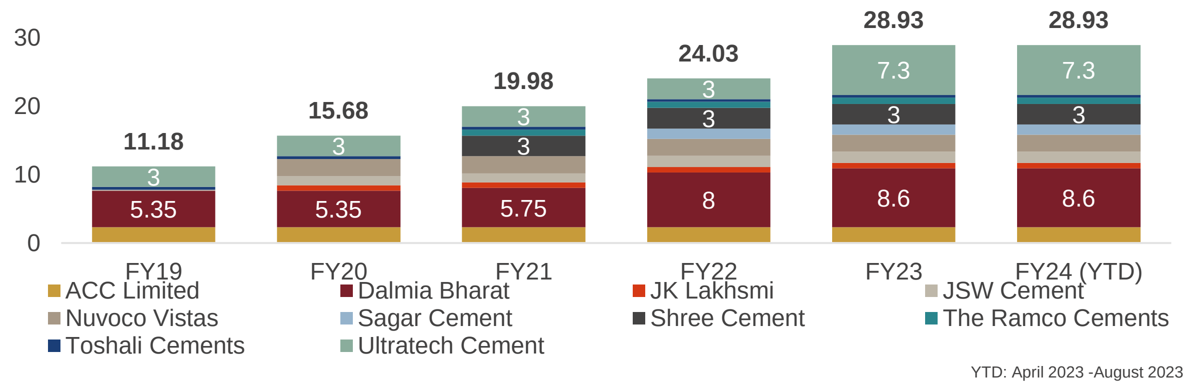


Grinding capacity: Odisha

Odisha accounts for ~23% of grinding capacity present in east India. Dalmia Bharat and UltraTech Cement account for ~55% of total grinding capacity available in Odisha.

Dalmia Bharat increased its grinding capacity by 2.25MT in fiscal 2022 and a further 0.6MT in fiscal 2023. The player's grinding capacity is ~8.6 MT in Odisha. Grinding capacities of JK Lakshmi Cement and Nuvoco Vista became operational in fiscal 2020, while those of Shree Cement and The Ramco Cements incepted in fiscal 2021. UltraTech Cement made a major grinding capacity expansion during fiscal 2023, taking its capacity to 7.3 MT in the fiscal from 3 MT in fiscal 2022.

Grinding capacities (MTPA)



Clinker capacity: Odisha

Dalmia – Rajgangpur has started commercial production of clinkers from its new clinker manufacturing plant of 3 MTPA. Dalmia Bharat has significant clinker capacity in Odisha. JSW Shiva is also planning to expand its clinker grinding capacity to 3 MTPA from 1.36 MTPA. It has received clearance recently for expansion and expects to commission the plant by fiscal 2025.

Odisha clinker capacities

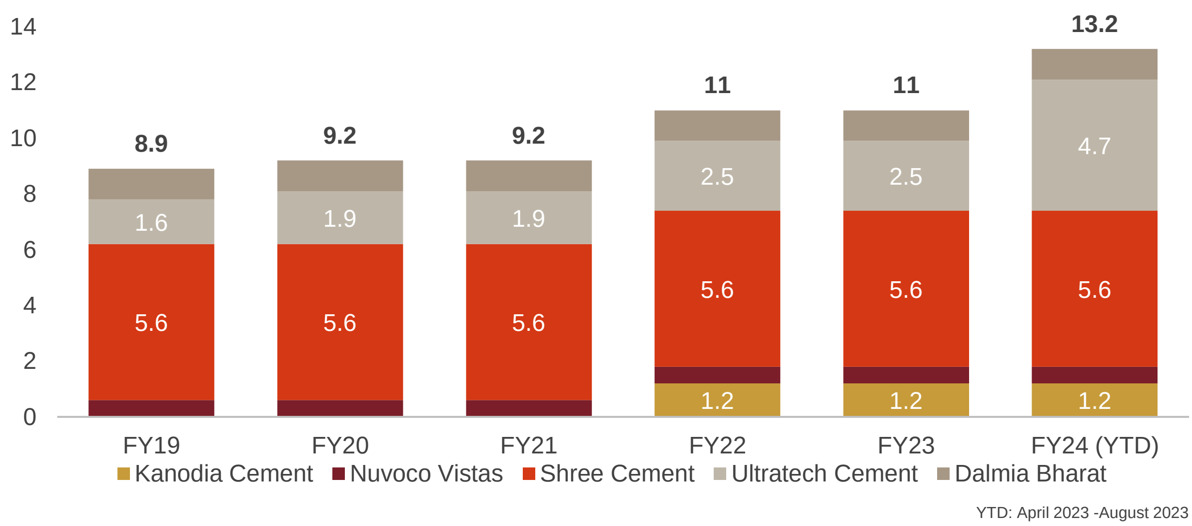
Player	Location	Capacity (MTPA) FY23
Dalmia Bharat	Rajgangpur	5.9
JSW Cement	Rourkela	1.3
ACC Limited	Bargarh	0.9
Toshali cements	Koraput	-

Grinding capacity: Bihar

Bihar accounts for ~9% of total grinding capacity in East India. The cement grinding capacity of Bihar is expected to increase to 13.2MT in fiscal 2024 as UltraTech Cement is planning a capacity expansion of 2.2MT.

Shree Cement and UltraTech Cement are the top two players with cumulative grinding capacity of ~8.1 MT. in the region.

Grinding capacities (MTPA)



The grinding capacity of 1.2MT got operational in fiscal 2022 by Kanodia Cement.

Clinker capacity: Bihar

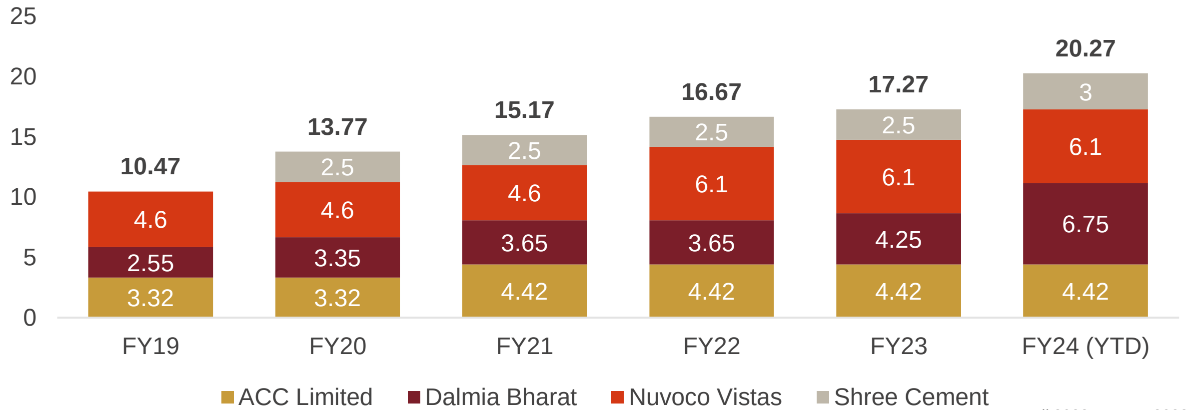
Clinker capacity: Bihar

In Bihar, Dalmia Cement (Kalyanpur) houses clinker capacity of 1550TPD. Production expansion to 2400TPD is expected in coming years.

Grinding capacity: Jharkhand

Jharkhand accounts for ~14% of total grinding capacity present in East India. The cement grinding capacity of Jharkhand increased to ~17.27 MT in fiscal 2023 from ~16.67 MT in fiscal 2022. Dalmia Bharat increased its grinding capacity by 0.6MT to 4.25 MT in fiscal 2023 and further plans to increase it to 6.75 MT this fiscal. Post the launch of Shree Cement's clinker grinding unit in fiscal 2020 with a capacity of 2.5 MT, it is eyeing capacity expansion of 0.5MT this fiscal.

Grinding capacities (MTPA)



YTD: April 2023 -August 2023

Clinker capacity: Jharkhand

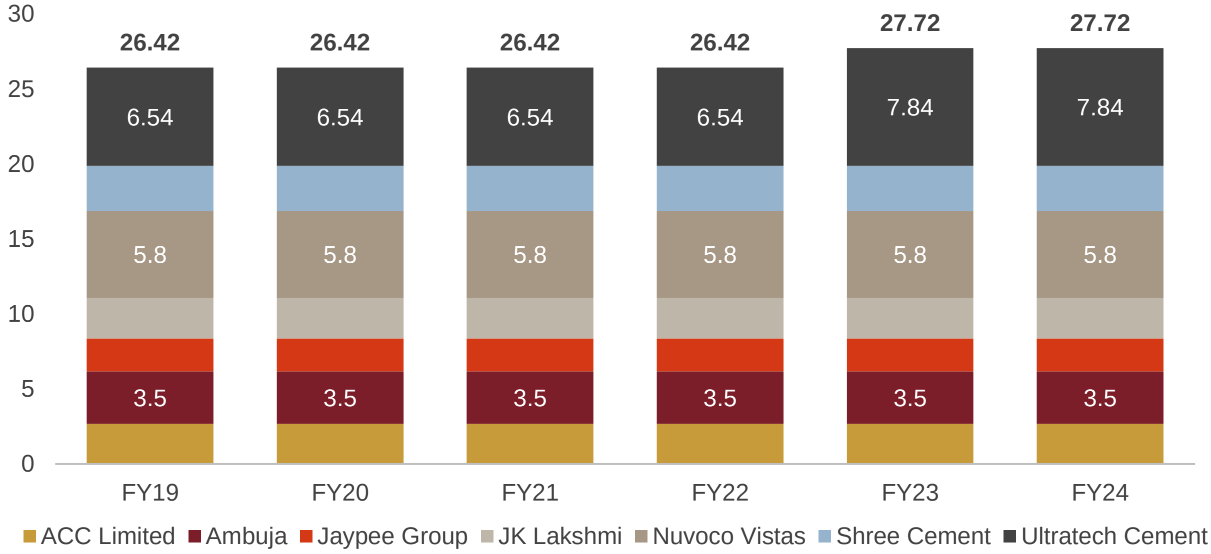
In Jharkhand, ACC Limited has clinker capacity of 1.2MTPA at Chaibasa.

Grinding capacity: Chhattisgarh

Chhattisgarh accounts for ~22% of total grinding capacity present in East India. The cement grinding capacity of Chhattisgarh increased by ~5% to ~27.72 MT in fiscal 2023 from ~26.42 MT in fiscal 2022, UltraTech has done capacity addition of 1.3MT.

In Chhattisgarh, cumulative grinding capacities of UltraTech Cement, Nuvoco Vistas, and Ambuja Cement is ~17.14 MT.

Grinding capacities (MTPA)



YTD: April 2023 -August 2023

Clinker capacity: Chhattisgarh

UltraTech Cement has the highest clinker capacity in Chhattisgarh, followed by Nuvoco Vistas, with a cumulative capacity of 9.9 MT.

Clinker capacity: Chhattisgarh

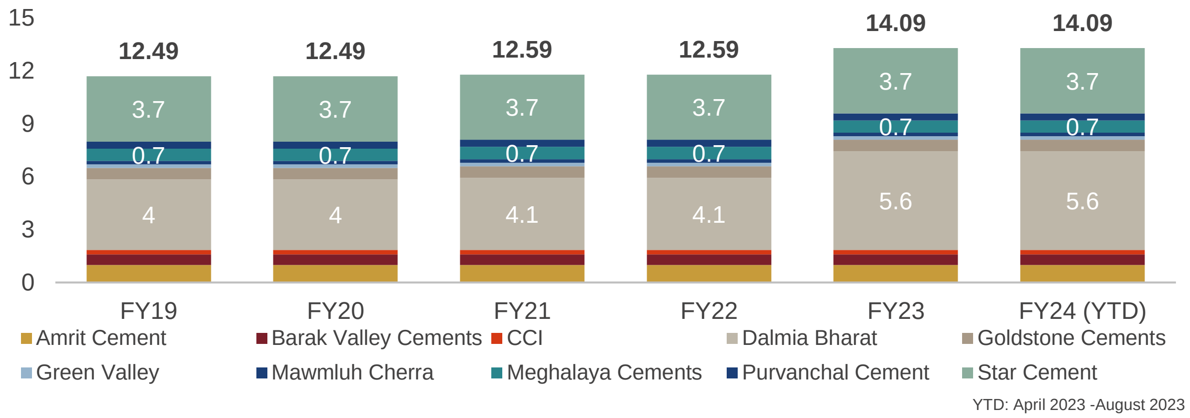
Player	Location	Capacity (MTPA) FY23
UltraTech Cement	Raipur	6.8
UltraTech Cement	Baloda Bazar	6.5
Shree Cement	Baloda Bazar	5.2
Ambuja	Bhatapara	4.8
Nuvoco Vistas	Sonadih	3.5
Nuvoco Vistas	Arasmeta	3.2
Nuvoco Vistas	Risda	3.2
ACC Limited	Jamul	2.79
JK Lakhsmi	Durg	1.98

Grinding capacity: Others (Assam and Meghalaya)

Meghalaya & Assam are the only locations with grinding facilities in Northeast India. Star Cement and Dalmia Bharat are the top two grinding capacities in the region with a combined grinding capacity of ~8.30 MT. In fiscal 2023, these players accounted for ~60% of total grinding capacity in the northeast region.

Dalmia Bharat has increased its grinding capacity by 1.5MT in fiscal 2023 from 4.1MT in fiscal 2022 to 5.6MT. With this expansion, the grinding capacity of the northeast region increased to ~14.09 MT.

Grinding capacities (MTPA)



Clinker capacity: Others (Assam and Meghalaya)

Clinker capacity: Assam and Meghalaya

Player	Location	State	Capacity (MTPA) FY23
Star Cement	Lumshnong	Meghalaya	2.8
CCI	Bokajan	Assam	1.86
Dalmia Bharat	Calcom	Assam	1.52
Dalmia Bharat	Adhunik	Meghalaya	1.3
Amrit Cement	Jaintia Hills	Meghalaya	1
Meghalaya Cements Ltd	Shillong	Meghalaya	0.858
Green Valley (Max brand)	Jaintia Hills	Meghalaya	0.49
Purvanchal Cement	Kamrup	Assam	0.252
Barak Valley Cements	Barak valley	Assam	0.25
Mawmluh Cherra	East khashi hills	Meghalaya	-
Goldstone Cements	Jaintia Hills	Meghalaya	-

Dalmia Cement (Calcom) has proposed a greenfield Clinkerisation plant of 3.63 MTPA. Meghalaya Cements has proposed to increase its clinker capacity from 2,600 TPD (0.858 MTPA) to 4,500 TPD (1.485 MTPA) in coming years.

Limestone reserve mapping in eastern region

States	Sum of Proven Reserves (MT)	Sum of Remaining Reserves (MT)	Total Reserves	Share (%) of Total Reserves across Region
East				
Chhattisgarh	1486.35	11724.87	13211.22	29%
Odisha	468.58	1727.42	2196.00	5%
Bihar	11.81	994.19	1006.00	2%
Jharkhand	10.69	610.08	620.77	1%
West Bengal	0.00	44.71	44.71	0%
Northeast				
Arunachal Pradesh	0.00	482.80	482.80	1%
Meghalaya	251.04	23583.95	23834.99	53%
Assam	188.13	1683.54	1871.67	4%
Nagaland	0.00	1752.20	1752.20	4%
Manipur	0.00	46.05	46.05	0%
Sikkim	0.00	2.38	2.38	0%
East & Northeast	**2,417**	**42,652**	**45,069**	

In east part of India, Chhattisgarh has major limestone reserves. In Northeastern states, Meghalaya is the leader with maximum remaining reserves, followed by Assam & Nagaland.

In eastern part of India, West Bengal and Bihar are limestone-deficient regions, clinkers are majorly produced in Chhattisgarh and are transported to grinding units of West Bengal and Bihar. Odisha has less limestone reserves. Dalmia and JSW both have major deposits in Odisha.

The Indian Minerals Yearbook 2021 estimates that India possesses 227 billion tonne of cement-grade limestone deposits. East India accounts for 8% of total limestone deposits accessible in Pan India, while the Northeast accounts for 12%. When Pan India is considered East India accounts to ~8% and Northeast accounts to ~12% of total limestone reserves available

Limestone mine auctions and trends in premium bidding

S No	State	Name of the block	Date of auction	ML / CL	Area (ha)	Reserves (MT)	Bid Premium (in %)	Preferred bidder
1	Chhattisgarh	Laladhurwa - Jognipali Limestone block	24.11.2022	ML	200.9	48.43	23.55	Green Sustainable Manufacturing Pvt Ltd
2	Chhattisgarh	Kesla	19.02.2016	ML	108	67	10.15	Century Cement
3	Chhattisgarh	Karhi-Chandi	18.02.2016	ML	242.13	155	58.95	Shree Cement
4	Chhattisgarh	Nahardih-Maghaipur	12.10.2021	ML	365.252	77.84	66.05	Nalwa Steel & Power Ltd
5	Chhattisgarh	Guma Limestone block, Palari	12.03.2018	ML	249.03	124	138.3	UltraTech Cement
6	Chhattisgarh	Kathiya-Pachri block	11.10.2021	ML	323.332	190.59	150.1	Mangalam Cement Industries
7	Chhattisgarh	Mohra (Block A), Balodabazar-Bhatapara	08.09.2020	ML	127.05	56.847	5.45	M/s Shree Cement
8	Chhattisgarh	Parsabhadar, Balodabazar-Bhatapara	08.09.2020	ML	28.461	9.614	34.15	M/s Nu Vista Ltd
9	Chhattisgarh	Sandi, Rajnandgaon	03.03.2023	ML	404	178.81	25.05	M/s Shree Cements Ltd.
10	Chhattisgarh	Kesla II	01.05.2017	ML	357.07	215	96.15	Dalmia (Bharat) cement
11	Jharkhand	Hariharpur-Lem-Bicha_Block-I	12.02.2016	CL	180	0.424	12	Burnpur Cement
12	Jharkhand	Hariharpur-Lem-Bicha_Block-II	12.02.2016	CL	379	0.671	12	Burnpur Cement
13	Odisha	BeheraBhanjipali Limestone block	29.03.2022	ML	119.143	3.822	5.05	ACC Ltd
14	Odisha	Kottameta	27.12.2016	ML	801.17	98.69	12.05	Dalmia (Bharat) Cement
15	Odisha	Khatkurbahal block (North)	25.10.2019	ML	156.01	47.308	25.6	Shiva Cements Ltd
16	Odisha	Uskalabgu block	08.02.2023	ML	547.13	141.41	5.05	Ambuja Cements

Since Chhattisgarh has substantial limestone reserves of 1123.13 MT. Clinkers are being delivered to grinding plants located throughout East India from Chhattisgarh region.

Distance benchmarking for integrated and grinding units in East India

The distance between integrated units and grinding units affects the landed cost of clinker, which in turn impact overall cost of sales and profitability. In this section we have mapped the distances between the integrated / clinker units of various companies and their corresponding split grinding units in East India

Distance from integrated unit to grinding unit in West Bengal

The distance between integrated / clinker units in Eastern India and its associated split grinding units in West Bengal spans between 137 to 1306 Kilometres.

State	Company	IU (Distance in Kms)	GU												
			Salboni	Purulia	Sankrail	Farakka	Salboni	Meija	Panagarh	Purulia	Durgapur	Hooghly	Murshidabad	Siliguri	Durgapur
			JSW	ACC	Ambuja	Ambuja	Dalmia Bharat	Nuvoco Vistas	Nuvoco Vistas	Shree Cement	UltraTech	UltraTech	UltraTech	Star	Star
Odisha															
	JSW	Sundargarh	469												
	ACC	Bargarh		488											
	Dalmia Bharat	Sundargarh					515								
Chhattisgarh															
	ACC	Jamul		765											
	Nuvoco Vistas	Balodabazar						694	754						
	Nuvoco Vistas	Risda						699	723						
	UltraTech	Rawan									740	834	870		
	UltraTech	Hirmi									768	857	898		
	Ambuja Cement	Rawan			785	875									
West Bengal															
	Nuvoco Vistas	Gopalnagar						655	706						
	Shree Cement	Balodabazar								780					
Bihar & Jharkhand															
	Dalmia Bharat	Rohtas					515								
	ACC	Chaibasa		137											
North-East															
	Dalmia Bharat	Lumshnong					1267								
	Dalmia Bharat	Umrangso					1306								
	Star	Lumshnong												657	1139

Distance from integrated unit to grinding unit in Odisha.

The distance between integrated / clinker units in Eastern India and its associated split grinding units in Odisha spans between 252 to 1635 Kilometres.

State	Company	IU (Distance in Kms)	GU						
			Jharsuguda	Cuttack	Kapilas	Jajpur	Cuttack	Jajpur	Cuttack
			UltraTech	UltraTech	Dalmia Bharat	JSW	Shree	Nuvoco Vistas	JK Lakshmi
Odisha									
	JSW	Sundargarh				370			
	Dalmia Bharat	Sundargarh			328				
Chhattisgarh									
	UltraTech	Rawan	252	500					
	UltraTech	Hirmi	315	524					
	Nuvoco Vistas	Gopalnagar						586	
	Nuvoco Vistas	Risda						587	
	Nuvoco Vistas	Balodabazar						594	
	JK Lakshmi	Durg							563
	Shree	Balodabazar					493		
North-East									
	Dalmia	Rohtas			704				
	Dalmia	Lumshnong			1597				
	Dalmia	Umrangso			1635				

Distance from integrated unit to grinding unit in Bihar.

The distance between integrated / clinker units in Eastern India and its associated split grinding units in Bihar spans between 556 to 1081 Kilometres.

State	Company	IU (Distance in Kms)	GU			
			Kalyanpur (Banjari)	Bhabua	Aurangabad	Shajahnapur
			Dalmia Bharat	Nuvoco Vistas	Shree Cement	Ultratech Cement
Odisha						

State	Company	IU (Distance in Kms)	GU			
			Kalyanpur (Banjari)	Bhabua	Aurangabad	Shajahnapur
			Dalmia Bharat	Nuvoco Vistas	Shree Cement	Ultratech Cement
	Dalmia Bharat	Sundargarh	638			
Chhattisgarh						
	UltraTech	Rawan				703
	UltraTech	Hirmi				711
	Nuvoco Vistas	Gopalnagar		556		
	Nuvoco Vistas	Risda		571		
	Nuvoco Vistas	Balodabazar		609	840	
	Shree	Balodabazar				
Bihar						
	Dalmia	Rohtas				
North-East						
	Dalmia	Lumshnong	1043			
	Dalmia	Umrangso	1081			

Distance from integrated unit to grinding unit in Jharkhand.

The distance between integrated / clinker units in Eastern India and its associated split grinding units in Jharkhand spans between 197 to 1182 Kilometres.

State	Company	IU (Distance in Kms)	GU				
			Chaibasa	Sindri	Bokaro	Jojobera	Kharsawan (Saraeikela)
			ACC Limited	ACC Limited	Dalmia Bharat	Nuvoco Vistas	Shree Cement
Odisha							
	Dalmia Bharat	Sundargarh			360		
	ACC Limited	Bargarh	343	558			
Chhattisgarh							

State	Company	IU (Distance in Kms)	GU				
			Chaibasa	Sindri	Bokaro	Jojobera	Kharsawan (Saraeikela)
			ACC Limited	ACC Limited	Dalmia Bharat	Nuvoco Vistas	Shree Cement
	Nuvoco Vistas	Gopalnagar				534	
	Nuvoco Vistas	Risda				542	
	Nuvoco Vistas	Balodabazar				573	
	Shree	Balodabazar					498
	ACC Limited	Jamul	636	818			
Bihar							
	Dalmia	Rohtas			315		
North-East							
	Dalmia	Lumshnong			1143		
	Dalmia	Umrangso			1182		
Jharkhand							
	ACC Limited	Chaibasa		197			

****Crisil research has focussed largely on the players who have both the grinding units and clinker production facility present in eastern region.***

Shiva Cements has an advantage since its clinker producing facility is located closer to its associated grinding units of JSW Cement in Odisha and West Bengal as compared to other integrated / clinker units in eastern India and this is an important factor to its costs and profitability.

OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward Looking Statements" on page 15 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also, see "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 18 and 226, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the twelve months ended March 31 of that year. All financial information included herein is given on a consolidated basis unless stated otherwise. Please read "Presentation of Financial Information and Other Information – Financial Data" on page 12, before reading this section. We have, in this Letter of Offer, included various operational and financial performance indicators, some of which may not be derived from our Financial Statements and may not have been subjected to an audit or review by our Statutory Auditors. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and should consult their own advisors and evaluate such information in the context of the Financial Statements and other information relating to our business and operations included in this Letter of Offer.

Unless otherwise indicated, all industry and market data used in this section has been derived from the CRISIL Report which was exclusively prepared for the purpose of the Issue. Our Company commissioned and paid for the CRISIL Report pursuant to the engagement letter dated February 15, 2024. CRISIL Research is not related in any manner to our Company, any of the Directors or the Promoters or the Lead Manager.

Overview

We are part of the JSW group, an Indian conglomerate with an international portfolio of diversified assets across various sectors, including steel, energy, infrastructure, cement, paints, venture capital and sports. We were incorporated in 1985 and are engaged in manufacturing of clinker and trading of other allied products. We commenced our operations in 1985 and were acquired by the JSW Cement Limited in January 2017, with a view to expand and grow our operations and also capitalise on synergies with JSW Cement Limited. We recently completed the Expansion Project and currently operate a clinkerisation unit with a capacity of 4,000 TPD (equivalent to 1.32 MTPA), a waste heat recovery system with a capacity of 8.9 MW, along with a dedicated incoming power line of 132KV and are also in the process of setting up a 4 MTPA limestone crushing plant at our mines at Khatkurbahal, Odisha.

Our manufacturing facility is strategically located near the geographical border of three eastern states of India, namely Odisha, Chhattisgarh and Jharkhand, in close proximity to the raw materials that we require for our operations and is well connected to our key markets by road and railways. Prior to the Expansion Project, our Corporate Promoter, JSW Cement Limited used to rely on purchase of either imported or locally produced clinker to meet its raw material requirements in the eastern region of India, prices of which were not cost efficient and its availability was also uncertain. Post the Expansion Project, our clinker manufacturing facility is acting as a feeder to the eastern grinding units of JSW Cement Limited to meet their requirements. Our manufacturing facility is also located in close proximity of approximately 12 kms to our captive limestone mine located in Khatkurbahal in Odisha with a mineral resource volume of 65.50 million MT of limestone as on December 31, 2023. We also acquired a new mine which is located adjacent to our old mine, pursuant to letter of intent dated November 2019, in an auction by the Government of Odisha, with a mineral resource volume of 53.36 million MT of limestone, as on December 31, 2023. As on December 31, 2023, our mines have an aggregate mineral resource volume of 118.86 million MT of limestone. The new mine being a merchant mine also allows us to sell the mined limestone commercially. The new mine also has reserves of dolomite of approximately 73.04 million MT which, subject to regulatory approval, may be sold to steel plants in the Eastern region.

The operations at our manufacturing facility were suspended in the months of May and June of 2021, on account of the COVID-19 pandemic, and subsequently till January 2023 on account of the Expansion Project. From January 2023, we have commenced production on a trial basis at our manufacturing facility and as intimated to BSE on June 30, 2023, we have and declared commercial production on June 30, 2023. Pursuant to the Expansion Project, which was approved by a resolution of our Board dated October 20, 2020, we have set up a 1.32 MTPA clinkerisation unit, a waste heat recovery system with a capacity of 8.9 MW along with a dedicated incoming power line of 132 KV. Further, as part of the Expansion Project we are also in the process of setting up a 4 MTPA limestone crushing plant at our mines at Khatkurbahal, Odisha. Further, pursuant to a resolution of our Board dated October 20, 2020, as an ancillary part of the upgradation activities, our Company also proposes to, at a later stage, install an approximately 8 km long overland belt conveyor ("**OLBC**") to transport limestone from our mines to the manufacturing facility along with a railway siding with an approximately 12.5 km long railway track, to ensure seamless transportation of finished goods to the market. Our Company is in the process of acquiring additional land for setting up the OLBC and the railway siding. Going forward, we may also set up a cement grinding unit and we are in the process of evaluating the most feasible site for this grinding unit.

Prior to undertaking the Expansion Project, our product portfolio included Portland Slag Cement ("**PSC**") and Portland Pozzolana Cement ("**PPC**"), which were sold under the brand name of '*Mahabal Cement*' in Odisha. We also undertook production of cement for JSW Cement Limited on a contract manufacturing basis, which was sold by JSW Cement Limited under its brand of '*JSW Cement*'. With a view to streamline our sales and realisations, our product distribution was undertaken through the ex-factory model of supplies to dealers, wherein prices were worked out accordingly so that the dealers could competitively further sell our products in the primary markets of Odisha like Keonjhar, Sundargarh and Jharsuguda and in select markets of Jharkhand like Ranchi, Bokaro and Dhanbad. Post the Expansion Project being completed, our product portfolio includes clinker and dolomite (subject to regulatory approval) and in the future, once the grinding unit is set up, may also include various types of cement.

We have entered into an agreement dated March 1, 2023 with JSW Cement Limited for supply of clinker ("**Clinker Supply Agreement**"). This arrangement has been entered into for a period of three years and is effective from the earlier of the date of execution of the Clinker Supply Agreement or commencement of our commercial production. Under the terms of the Clinker Supply Agreement JSW Cement Limited has agreed to purchase from us, on an average, up to 1.00 lakh MT of clinker per month at a price based on the landed price (prevailing market price) and such price is for delivery of clinker at Salboni and Jajpur plants of JSW Cement Limited, excluding all taxes, duties and levies. The Clinker Supply Agreement shall be terminated on completion of the term of its term or by either parties, with a 90 days prior written notice, on account of failure to comply with the terms and conditions of the Clinker Supply Agreement by the other party. This arrangement with JSW Cement Limited provides a customer base for a substantial portion of our clinker production and allows us to have a strong visibility of future revenue.

We have an experienced and dedicated management team and our Board of Directors comprises a balanced team of independent directors, qualified and experienced personnel, who have extensive knowledge and understanding of the cement industry. We also benefit from the support extended by our corporate promoter, JSW Cement Limited. Further, as of March 3, 2023, CRISIL Ratings Limited have reaffirmed our long term borrowing, a long term rating of '*CRISIL A+ (CE)/ Stable*'.

The following table provides certain key performance indicators of our business[#]:

(*in million MT*)

Sr. No.	Particulars	For the nine months ended December 31, 2023	For the Fiscal		
			2023[*]	2022[**]	2021[**]
1.	Installed capacity for cement	Nil	Nil	0.25	0.25
2.	Installed capacity for clinker	1.32[^]	1.32	0.17	0.17
3.	Capacity utilization for cement (%)	Nil	Nil	4.74	34.23
4.	Capacity utilization for clinker (%)	63.81	43.96	3.42	30.28

[#] *As certified by the Chartered Engineer, by way of his certificate dated March 28, 2024.*
[*] *As of March 31, 2023, our manufacturing facility for clinker was operating on a trial run basis. The installed capacity and capacity utilisation figures for cement and clinker for Fiscal 2023 and for the nine months ended December 31, 2023 are post the Expansion Project (including the trial run period).*
[**] *The cement and clinker capacity prior to the Expansion Project has been dismantled. The figures for cement and clinker capacity for Fiscals 2021 and 2022 are prior to the Expansion Project.*
[^] *Represents the current installed capacity for clinker.*

Competitive Strengths

We believe the following are our competitive strengths:

Well poised to capitalise on the growth of the Indian cement industry

The demand for cement in India is expected to sustain growth at a high base CAGR of 5% to 6% between Fiscals 2024 and 2028 primarily on account of a number of infrastructure investments and a healthy revival in housing demand. Initiatives undertaken by the Government of India, such as the Bharatmala Pariyojna, Sagar Mala, the Pradhan Mantri Awaas Yojana - Gramin and the Pradhan Mantri Awas Yojana - Urban, Atmanirbhar Bharat Abhiyan, Product Linked Incentive Scheme, Swachh Bharat Mission, dedicated freight corridors and metro projects along with the thrust on infrastructure will drive demand growth in the medium term for the cement industry in India. (Source: CRISIL Report) This presents a major opportunity for growth in the cement industry in India.

The cement industry is expected to add 155-165 MTPA of clinker grinding capacities between Fiscals 2024 to 2028 (Source: CRISIL Report). With our recent Expansion Project which comprised a clinkerisation unit with a capacity of 1.32 MTPA, along with acting as a feeder to the eastern grinding units of JSW Cement Limited we will also be able to sell clinker to other third parties. Further, on account of the strategic location of our manufacturing facility, being located in close proximity to raw material and fuel sources as well as being well connected with the local transportation infrastructure, we believe that we will be well poised to capitalise on the growth of the Indian cement industry.

Strategically located and well connected manufacturing facility

Our manufacturing facility is strategically located in a mineral rich area of Telighana, Odisha, in close proximity to raw material and fuel sources such as the coal mines of Odisha and Chhattisgarh and consumption centres. Further, the location of our manufacturing facility affords us a competitive edge since most of the mineral deposits in eastern parts of India are located in the states of Odisha, Chhattisgarh and Jharkhand enabling us a better access to our primary input raw material which may include limestone, clay, laterite, red mud, slag NM fines and fly ash. For further details about our raw materials and their sourcing, see " – *Raw Material, Fuel and Utilities*" on page 117.

As cement and clinker are bulk commodities, transportation costs contribute significantly to the overall cost of sales. Our facility is well connected to local transportation infrastructure and is located at a distance of 2 kms from the state highway SH-10 connecting Rourkela and Jharsuguda. In addition, the nearest railway stations is located at Sonakhan and Sagra which are located at a distance of about 20.90 kms and 18.30 kms, respectively, from our manufacturing facility by road. Since, our manufacturing facility is located closer to JSW Cement Limited's grinding units in West Bengal and Odisha as compared to other clinker manufacturing units in eastern India and this is an important factor to our cost and profitability.

Further, as an ancillary part of our Expansion Project, we are in the process of installing a dedicated captive railway siding at our manufacturing facility and have undertaken feasibility study for the same. The proposed railway siding project will be set up for sourcing raw materials and fuel as wells as for dispatching clinker. Being located close to the raw materials and principal markets helps us save time and cost towards transportation of raw materials, and allows for lesser turnaround time for supply of final products to our customers while maintaining cost efficiency.

Large captive limestone reserves and access to raw materials

The primary raw materials for clinker manufacturing are limestone, coal and minerals, and energy, continuous supply of which is critical for our long-term viability. We obtain limestone for our clinker production from our captive mine located at Khatkurbahal, Odisha which will operate as fully mechanized limestone mine, having a mineral resource volume of 65.50 million MT of limestone as on December 31, 2023 with a remaining lease validity of approximately 18 years up till January 2042 and is located at a distance of approximately 12 kms from our manufacturing facility. The mining lease granted in favour of our Company in respect of the said mine covers an area of 72.439 hectares.

We had also acquired a new mine pursuant to letter of intent dated November 2019, which is located adjacent to our old mine, in an auction by the Government of Odisha, with a mineral resource volume of 53.36 million MT of limestone and 73.04 million MT of dolomite, as on December 31, 2023, 2024, with a remaining lease validity of approximately 48 years till November 2072. The letter of intent obtained by our Company in respect of the said mine covers an area of 156.43 hectares. The new mine being a merchant mine also enables us to sell the mined limestone commercially. The dolomite extracted from the new mine can, subject to regulatory approval, also be sold to steel plants in the eastern region of India.

As on December 31, 2023, our mines have an aggregate mineral resource volume of 118.86 million MT of limestone. At the present clinker capacity, the mineral resource is sufficient for approximately 61 years of production. The following table provides details of the Company's mining lease and residual reserves, as at December 31, 2023*:

Sr. No.	Mine - reserve	Location	Type	Valid up to	Residual reserves, as at December 31, 2023 (*in million MT*)
1	Khatkurbahal – limestone	Sundergarh district, Odisha	Captive	January 14, 2042	65.50
2	Khatkurbahal (North) - limestone	Sundergarh district, Odisha	Merchant	November 14, 2072	53.36
	Total limestone reserves				**118.86**
3	Khatkurbahal (North) – dolomite	Sundergarh district, Odisha	Merchant	November 14, 2072	73.04

* *As certified by the Mining Geologist through his certificate dated March 28, 2024.*

We also procure high grade limestone from nearby limestone mines and blend it with the captive limestone, on requirement basis. We also benefit from our manufacturing facility being located in close proximity to domestic sources of coal, thereby reducing our fuel costs. Our geographical proximity with coal fired power plants which produce cementitious by-products like 'fly ash' allow us to procure such raw materials at cost effective rates resulting in increased operating efficiencies. Further, our manufacturing facility is also located within close proximity of steel manufacturing plants, which will permit us a cost effective access to 'slag' which is a waste byproduct of steel industries. For further details about our raw materials and their sourcing, see " – *Raw Material, Fuel and Utilities*" on page 117.

Strong parentage of JSW group and JSW Cement

We are a part of the JSW group, which is an Indian conglomerate with an international portfolio of diversified assets across various sectors, including steel, energy, infrastructure, cement, paints, venture capital and sports. Our corporate promoter, JSW Cement Limited is engaged in manufacturing various grades of cement such as Portland Slag Cement, ordinary portland cement, Concreel HD cement and composite cement. It operates manufacturing facilities located at Vijayanagar (Karnataka), Nandyal (Andhra Pradesh), Dolvi (Maharashtra), Salboni (West Bengal) and Jajpur (Odisha), and as of March 31, 2023 has an aggregate installed capacity of 16.60 MTPA for production of cement. JSW Cement Limited has a presence in 11 states spread across western, southern and eastern parts of India along with a large distribution network of dealers. JSW Cement Limited is a green cement producer and recently, the company was ranked first in the world by Sustainalytics on ESG risk ratings amongst construction material industry group.

With a view to cater to JSW Cement Limited's requirement of sourcing clinker in the eastern region of India, we recently undertook the Expansion Project to, *inter alia*, increase our production capacity, and to modernise our manufacturing facility and currently operate a clinkerisation unit with a capacity of 4,000 TPD (equivalent to 1.32 MTPA), a waste heat recovery system with a capacity of 8.9 MW. To support the Expansion Project, JSW Cement Limited has extended unsecured inter-corporate loan to our Company aggregating up to ₹70,000 lakhs.

Our Company under the aegis of the JSW group also undertakes various CSR activities in and around our manufacturing facility from which the local populace derives social benefits, such as undertaking (a) healthcare awareness exercises including supply of oxygen cylinders and conducting sanitising activities; (b) assisting education initiatives by supplying furniture to local schools, engaging tutors to provide education at local schools; (c) generation of livelihood by organising awareness programs for empowering women, training on organic cultivation, imparting training to women on producing indigenous goods; and (d) development activity including setting up of solar street lights, distributing saplings, providing drinking water and construction of a community hall.

Experience of our promoters and senior management team

We attribute our growth to the experience of our Promoters and senior management team. Our corporate Promoter, JSW Cement Limited, is an established player in the cement manufacturing industry, with whom we share synergies and garner benefit of their operational capabilities and experience. Our Individual Promoter, Parth Jindal has been the Managing Director of JSW Cement Limited since 2016. We also have an experienced management team consisting of qualified professionals with a deep understanding of the markets in which we operate. For details of qualifications and experience of our Directors, see "*Our Management*" on page 69. We also have a qualified management team for implementing our business strategies and identifying new opportunities with experience in the cement industry, including in the areas of manufacturing, quality control, sales and marketing. We believe that our experienced management team positions us well to capitalize on future growth opportunities.

Our Strategies

Expansion and modernisation of the manufacturing facility to increase production capacity

We have recently undertaken the Expansion Project at our manufacturing facility at Telighana in Odisha.

Pursuant to the Expansion Project, as on December 31, 2023, we have set up, *inter alia*:

- 1.32 MTPA clinkerisation unit;
- 8.9 MW waste heat recovery system; and
- a dedicated incoming power line of 132 KV.

Further, as part of the Expansion Project we are also in the process of setting up a 4 MTPA limestone crushing plant at our mines at Khatkurbahal, Odisha. As an ancillary part of the upgradation activities, our Company also proposes to install (a) an overland belt conveyor ("**OLBC**") which would be approximately 8 kms long and (b) installing a dedicated captive railway siding at our manufacturing facility with an approximately 12.5 kms long railway track for which we have undertaken a feasibility study. The proposed railway siding project will be set up for inward movement of raw material and fuel and outward movement of finished products. Currently, our Company is in the process of acquiring additional land for setting up the OLBC and the railway siding.

Going forward, we may also set up a cement grinding unit and we are in the process of evaluating the most feasible site for this grinding unit. Post commissioning of grinding unit, we plan to also undertake sales of cement products along with clinker which is presently being sold.

Increasing synergies with JSW group and JSW Cement Limited

As part of JSW group, we supply clinker to JSW Cement Limited with a view to increase efficiency and productivity of the JSW group. Our Expansion Project has been a strategic initiative to enable uninterrupted supply of clinker to JSW Cement Limited, and will mitigate concerns about the high cost of procurement of clinker in the eastern region of India, as well as the availability of such clinker. The strategic location of our manufacturing facility enables us to act as a clinker feeder to JSW group's eastern grinding units at Salboni in West Bengal and Jajpur in Odisha.

Pursuant to the Clinker Supply Agreement which has been entered into for a period of three years between JSW Cement Limited and our Company, JSW Cement Limited has agreed to purchase from us, on an average, up to 1.00 lakh MT of clinker per month at a price based on the landed price (prevailing market price) and such price is for delivery of clinker at Salboni and Jajpur plants of JSW Cement Limited, excluding all taxes, duties and levies. This arrangement with JSW Cement Limited provides a customer base for a substantial portion of our clinker production and allows us to have a strong visibility of future revenue.

Further, the JSW group recently acquired Bhushan Power & Steel Limited, which has its steel manufacturing plant located at in Jharsuguda, Odisha within a radius of approximately 80-85 kms from our manufacturing facility, providing us the ability to source cost efficient input raw materials such as 'fly ash'.

Improve operations and employ cost efficient measures

Power and energy costs is one of the major cost components in our industry. To optimize our operational efficiency and reduce our costs, we intend to focus on developing energy efficient technologies and practices, increase usage of alternative raw material and fuels, and waste utilization technologies, to further improve the quality of our products and reduce our production costs.

For instance, pursuant to the Expansion Project, we have installed a waste heat recovery system with a capacity of 8.9 MW, to generate electrical power from the waste heat of our plant. The power generated from this recovery system shall be evacuated at 11 KV and synchronized with the grid power for optimum output. Further, we are setting up a facility to utilise alternative fuels such as refuse derived fuel ("**RDF**"), agro-waste, paper / plastic waste, municipal solid waste etc. to reduce our dependence on coal / pet coke.

We have also set up a robotic laboratory (Robo Lab) in the manufacturing facility as part of the Expansion Project for automatic sampling of raw meal, kiln feed and clinker. This state of art laboratory (robot based) is equipped for automated testing of major process related materials, for sample preparation as well as for chemical testing. This will help us to optimise the raw mix design based on the quality parameters and optimise the cost.

Additionally, we are also planning to acquire land to set up a dedicated railway siding with a 12 kms long railway track from our manufacturing facility up to Sagra railway station and have also obtained an in-principle approval from the railway board for the same. We believe this will allow us to efficiently transport raw materials and finished products. We are an environmental conscious company and being aware of our carbon footprint we intend to adopt measures to reduce the same. For instance, for our proposed expansion project, we have selected pollution control equipment designed to achieve dust emission much below emission levels specified by the Central Pollution Control Board. We intend to continue to employ such cost reduction measures and implement more sustainable methods in our operations.

Manufacturing process for clinker

'Clinker' as it is commonly known, is a mixture of compounds made by burning limestone and clay together at very high temperatures. Clinker is an intermediary product in the manufacture of Cement. Our manufacturing facility uses the following process to produce clinker:

Primary raw materials*:* Limestone, red mud, fly ash and slag NM fines are the key materials which shall be utilised by us to manufacture clinker which is an intermediary product in the cement manufacturing process. Limestone is usually mined from captive mines and if required, some quantity of limestone is also procured from nearby third party limestone mines to maintain the quality parameters. The other materials are purchased from nearby sources. The quality of limestone and additives are selected based on the quality of clinker to be produced. Our manufacturing facility shall have provision to utilise coal and/or petcoke including a combination of both as main fuel depending on availability cost and process efficiency. In order to promote sustainable manufacturing and to reduce carbon foot print, we also envisage to utilise alternative fuels such as RDF, agro-waste, paper / plastic waste, municipal solid waste and other kinds of alternative fuels to the extent possible.

Preparation of raw materials: Limestone from mechanised mines are received in dumpers at the limestone crusher located within the boundary of our mines. The limestone received from mines is crushed to suitable size for onward transportation and use. The crushed limestone is transported to the stockpile at the mines with the help of dumpers and subsequently moved to manufacturing facility by road. Covered linear stockpile is used for pre-blending of crushed limestone. The stockpile is adequately sized to store the material comfortably. Requirement of various correctives is based on the raw material analysis and proposed raw mix design. All the correctives required are handled through this "corrective crushing system" which is located within our manufacturing facility.

Proportion of different components forming part of the raw mix#:

Components	Used in Raw Mix
Limestone	86.00%
High grade / sweetener	9.20%
Wet fly ash	2.90%
Red mud / slag NM fines	1.90%
Total	**100.00%**

#As certified by the Chartered Engineer, by way of his certificate dated March 28, 2024.

Raw Grinding: In the raw grinding process, a high pressure grinding roll in finish mode is used for drying and grinding of raw materials comprising of limestone, iron ore, fly ash, alumina and other additives. The ground raw meal is then transported to the homogenising silo with the help of belt bucket elevator and stored in a blending silo. The raw meal is proportioned to meet a desired chemical composition of clinker. One continuous homogenising silo is used for storing and homogenising of the raw meal. The raw meal is then fed to a preheater through a belt bucket elevator.

Pyro processing: The raw meal is converted into clinker in a five-stage string preheater, calciner and rotary kiln. Fuel is fired through the burner pipe into the kiln and then into the calciner. The material is 90% to 92% calcined before entering into kiln and balance calcination, pre-burning and sintering takes place in the kiln for ensuring completion of chemical reactions. The material is then cooled using a clinker grate cooler which has a high heat recuperation efficiency. The clinker after cooling is transported mechanically to the clinker storage silo.

Clinker Storage and Transport: Pan conveyors are utilised for collection of clinker from cooler and for transportation to the clinker silo where the clinker is stored. The clinker is extracted from the bottom of the clinker silo through a set of deep pan conveyors and transported to clinker hoppers for bulk truck loading. Clinker can be distributed to customers by road / rail.

Raw material, Fuel and Utilities

The principal raw materials that we use to manufacture clinker are limestone, slag NM fines, fly ash, clay and red mud. In addition, we use a variety of fuel, such as coal and petcoke, as well as alternative fuels in the manufacturing process. We transport the raw materials and fuel to our plants *via* road, rail or water.

Raw material

Limestone & Dolomite:

Limestone is the main raw material required in the manufacturing of clinker. We currently operate one captive limestone mine and have acquired a new mine which is located adjacent to our old mine, pursuant to letter of intent dated November 2019, in an auction by the Government of Odisha. These mines are located in geographical proximity of approximately 12 kms from our manufacturing facility at Khatkurbahal in Odisha having an aggregate volume capacity of 118.86 million MT of limestone and 73.04 million MT of dolomite in the new mine. The lease to our existing mine was granted by the Government of Odisha to our Company on January 15, 1992. The lease to the new mine was granted by the Government of Odisha to our Company on November 16, 2022. For details, see "*Risk Factors – 18. Our business is dependent upon our ability to mine/ procure sufficient limestone for our operations. If we are unable to mine/ procure sufficient limestone, on reasonable terms or at all, or our rights are revoked or not renewed, or significant restrictions on the usage of the rights are imposed or we are required to pay substantially higher royalties, it could have an adverse impact on our business, financial condition and results of operations*" on page 30. The Indian Bureau of Mines, Government of India have approved our mining plan for a capacity of 1.5 MTPA for limestone from our existing mine and a mining plan for a capacity of 1.6 MTPA for limestone and 2.4 MTPA of dolomite from the new mine.

As on December 31, 2023, our mines have an aggregate mineral resource volume of 118.86 million MT of limestone. At the present clinker capacity, the mineral resource is sufficient for approximately 61 years of production. The following table provides details of the Company's mining lease and residual reserves, as at December 31, 2023*:

Sr. No.	Mine - reserve	Location	Type	Valid up to	Residual reserves, as at December 31, 2023 (*in million MT*)
1	Khatkurbahal – limestone	Sundergarh district, Odisha	Captive	January 14, 2042	65.50
2	Khatkurbahal (North) - limestone	Sundergarh district, Odisha	Merchant	November 14, 2072	53.36
	Total limestone reserve				**118.86**
3	Khatkurbahal (North) – dolomite	Sundergarh district, Odisha	Merchant	November 14, 2072	73.04

* *As certified by the Mining Geologist through his certificate dated March 28, 2024.*

Fly ash:

Fly ash is a pozzolanic material and a by-product of the coal burning process at thermal power plants. We source our fly ash from thermal power plants located in Jharsuguda, Odisha, by road, which are at a radius of 80-85 kms from our manufacturing facility.

Red Mud and slag NM fines:

Red mud and slag NM fines are used as additives to limestone to achieve the desired composition in the raw material. We procure our supply of red mud from Jharkhand. Other additives may also be procured as and when required.

Fuel

Coal:

Coal is primarily used as fuel in the kiln and calciner during the process of clinker manufacturing. Company uses a blend of imported as well as domestic coal. We source coal through traders who import coal from various countries like US, South Africa and Australia, through the Paradeep / Gangavaram ports and transport the same to our manufacturing facility via road / rail. We also procure domestic coal from various traders situated in Odisha / Chhattisgarh, which is transported to our manufacturing facility via road.

Alternate Fuel:

We are setting up a facility to be able to use various types of alternate fuel such as refuse derived fuel (RDF), agro-waste, paper / plastic waste, municipal solid waste etc. We have entered into arrangements with various vendors for supply of such alternate fuels.

Pet coke:

Pet coke can also be used as a fuel in the kiln to make clinker. We plan to procure domestic pet coke from Paradeep, Odisha, who is located at an approximate distance of 420 kms from our manufacturing facility. We may also import pet coke from various countries, through the Paradeep / Gangavaram ports and transport the same to our manufacturing facility via road / rail.

Utilities

Our enhanced manufacturing operations, post completion of the Expansion Project, require a steady supply of significant amount of power and water.

Power:

We source part of our electrical energy requirement for our manufacturing facility from the state owned power grid at 132 KV for which a dedicated power line has been installed. The power at 132KV is brought to main receiving substation in the plant from the power grid substation, stepped down to 11KV and distributed to different process departments in the facility. As part of the Expansion Project, we have also set up a waste heat recovery system with a capacity of 8.9 MW, to recover the electrical power from the waste heat generated by our manufacturing facility. The power generated from the Waste Heat Recovery system shall be evacuated at 11KV and synchronized with the grid power. To meet any emergency power requirement at the manufacturing facility, our Company may also install diesel generator sets.

Water:

The water requirement for our manufacturing operations post the completion of the Expansion Project is estimated at about $781m^3$ per day. We source water for our operations from ground water through bore wells as well as from recycled water, which shall be stored in a combination of underground and overhead tanks. Our Company has obtained relevant permission from the Department of Water Resources, Government of India, for the extraction of the ground water up to $688m^3$ per day, which is valid up to July 19, 2023. We have applied for renewal of this permission on June 1, 2023 and resubmitted a modified application in respect of the same on August 30, 2023. Subsequently, the Department of Water Resources, Government has informed us vide email dated January 23, 2024, that the said application has been revived on December 12, 2023 and is currently under process as per applicable law. We also plan to use up to $93m^3$ of recycled water. In the future, we also intend to source water from our captive mine pit.

Health and safety

Our manufacturing activities are subject to a number of national and regional laws and regulations. These include regulations on technical safety and environment protection, including, restrictions on air and noise pollution, discharge of effluents, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, natural resource damages, and employee health and employee safety regulations. We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted safety, health and environment policies and procedures that are aimed at complying with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees and the people working at our facilities or under our management. We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees. We also believe that our manufacturing facility possesses adequate effluent treatment processes and minimizes any contamination of the surrounding environment or pollution.

To ensure the wellbeing of our workforce, we conduct health check-ups of our employees and mine workforce. We regularly conduct mock drills at our mines for assessing and improving the preparedness of our workforce to deal with unforeseen emergency situations. We also conduct various on-site training programmes at regular intervals for executive and mine workforce on relevant topics to spread awareness of health related risks and promote safeguards. We also celebrate ‘Mine Safety Week’ at our mines, every year with a view to create awareness where safety and precautionary measures adopted by the workforce are awarded.

Employees

Our employees are imperative in undertaking all of our business operations and our human resource policies focus on attracting, developing and retaining talent. As on December 31, 2023, we had 220 permanent employees. In addition, we also engage with third party personnel companies for the supply of contract labourers to facilitate operations at our manufacturing facility and as of December 31, 2023, we had employed 462 contract labourers. The numbers of contract labourers vary from time to time based on the nature and extent of work contracted to independent contractors. Certain of our employees are unionised into a labour union with whom we have entered into certain collective bargaining arrangement. We have not experienced any major work stoppages due to occurrence of any labour disputes or cessation of work in the last three years.

The following table sets forth the details of our employees as of December 31, 2023:

Function	Number of permanent employees
Manufacturing	157
Quality control	18
Finance	9
Human Resource	22
Commercial	5
Project	9
Total	**220**

We train all our employees in our manufacturing operations, including machine utilization, operations flow and work safety. We offer our employees comprehensive on-going training in order to raise their competence and capability. Our human resources practices aim to recruit a talented and qualified workforce, facilitate their integration and encourage development of their skills in order to facilitate the growth of our operations. We also maintain employees’ provident fund for our employees.

Information Technology

We believe that an appropriate information technology infrastructure is important in order to support the growth of our business. We have implemented an integrated business management software for planning and management of operations at our manufacturing facility, including an integrated SAP enterprise resource planning solution covering sales, production planning, material management, quality control, finance and accounting, plant maintenance and human resources. We believe such systems and processes enable us to manage our operations efficiently, quality and customer service along with incorporating necessary controls and checks and balances in the business operations. Our IT infrastructure also enables us to generate the reports and information required to assist our management in decision making.

Insurance

Our operations are subject to risks inherent in the manufacturing industry, which include equipment failure, work accidents, fire, earthquakes, flood and other force majeure events. Our principal types of coverage include industrial all risks, public liability insurance, marine import insurance and marine inland insurance. We believe that our insurance coverage is consistent with industry standards. Also, see "*Risk Factors – 8. An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability"* on page 23.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Independent Auditors' Report on Review of the Unaudited Interim Condensed Financial Statements

To,

The Board of Directors

Shiva Cement Limited

Telighana, PO: Birangatoli, Kutra,

Sundargarh – 770 01, Odisha, India

1. We have reviewed the accompanying Unaudited Interim Condensed Financial Statements of Shiva Cement Limited (the "Company"), which comprise the Unaudited Interim Condensed Balance Sheet as at December 31, 2023 and the Unaudited Interim Condensed Statement of Profit and Loss (including other comprehensive income), Unaudited Interim Condensed Statement of Changes in Equity and the Unaudited Interim Condensed Cash Flow Statement for the nine months then ended and a summary of select explanatory notes (including the comparative financial information for the quarter ended December 31, 2022) (together hereinafter referred to as the "Unaudited Interim Condensed Financial Statements"). The Unaudited Interim Condensed Financial Statements have been prepared by the Company solely in connection with the proposed rights offering of equity shares of the Company in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations") and other applicable laws.

2. The preparation of the Unaudited Condensed Interim Financial Statements is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 (the "Act"), read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Unaudited Interim Condensed Financial Statements based on our review.

3. We conducted our review of the Unaudited Interim Condensed Financial Statements 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 Unaudited Interim Condensed Financial Statements 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 specified under sub-section (10) of section 143 of the Act 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 Unaudited Interim Condensed Financial Statements are not prepared, in all material respects, in accordance with requirements of Ind AS 34 "Interim Financial Reporting" as specified under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India.

5. We draw attention to note 16 (f) to the Unaudited Interim Condensed Financial Statements which indicates that during nine month ended December 31, 2023 the Company has incurred loss of Rs. 5,651.26 lakhs and as on December 31, 2023, the Company's accumulated loss is Rs.27,886.34 lakhs resulting in erosion of net worth of the Company. The Unaudited Interim Condensed Financial Statements of the Company have been prepared on a going concern basis for the reasons stated in the notes 16 (f) of the Unaudited Interim Condensed Financial Statements. The validity of the going concern assumption would depend upon the performance of the Company as per its future business plan. Our conclusion is not modified in respect of this matter.

6. This report is addressed to the Board of Directors of the Company and has been prepared for and only for the purposes of submission to the Securities and Exchange Board of India ("SEBI"), BSE Limited ("Stock Exchange") or any other authority as may be required under applicable law and for the purposes of including it in the Letter of Offer and/or Letter of Offer, to be filed by the Company with the SEBI, Stock Exchange and the Registrar of Companies, Odisha at Cuttack, as applicable, in connection with proposed rights issue of the equity shares of the Company.

For SHAH GUPTA & CO.,

Chartered Accountants

Firm Registration No.: 109574W

Heneel K Patel

Partner

M. No. 114103

Unique Document Identification Number (UDIN) for this document is: 24114103BKBHAR6044

Place: Mumbai

Date: March 13, 2024

SHIVA CEMENT LIMITED

UNAUDITED INTERIM CONDENSED BALANCE SHEET AS AT 31.12.2023

₹ in lakhs

	Particulars	Note No.	As at 31.12.2023	As at 31.03.2023
I	**ASSETS**			
	Non-current assets			
	(a) Property, plant and equipment	4	97,201.94	2,276.30
	(b) Capital work-in-progress	5	13,575.43	89,018.09
	(c) Right-of-use assets		162.29	164.95
	(d) Other intangible assets	6	841.04	1,103.12
	(e)Intangible assets under development	7	2,228.23	1,462.23
	(f) Financial assets			
	(i) Other financial assets		3,468.26	3,466.39
	(g) Income tax assets (net)		120.66	67.00
	(h) Deferred tax assets (net)		9,615.69	7,630.80
	(i) Other non-current assets		14,538.33	14,220.30
	Total non-current assets		**1,41,751.87**	**1,19,409.18**
	Current assets			
	(a) Inventories		7,237.62	3,227.92
	(b) Financial assets			
	(i) Trade receivables		-	799.24
	(ii) Cash and cash equivalents	8	231.67	90.56
	(iii) Bank balances other than (ii) above		179.32	177.91
	(iv) Other financial assets		425.31	228.25
	(c) Other current assets		11,297.42	15,216.06
	Total current assets		**19,371.34**	**19,739.94**
	Total assets		**1,61,123.21**	**1,39,149.12**
II	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity share capital	9	3,900.00	3,900.00
	(b) Other equity	10	(17,384.17)	(11,732.59)
	Total Equity		**(13,484.17)**	**(7,832.59)**
	Non current Liabilities			
	(a) Financial liabilities			
	(i) Borrowings	11	1,35,605.47	1,14,756.03
	(ii) Lease liabilities		4.99	4.61
	(b) Provisions		1,209.65	1,096.91
	Total non-current liabilities		**1,36,820.11**	**1,15,857.55**
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	11	1,262.05	14,175.08
	(ii) Lease liabilities		0.50	0.50
	(iii) Trade payables			-
	I. Total outstanding dues of Micro enterprises and small enterprises		1,379.54	285.77
	II. Total outstanding dues of creditors other than Micro enterprises and small enterprises		6,671.22	4,788.16
	(iv) Other financial liabilities		14,539.82	11,371.72
	(b) Other current liabilities		13,899.35	485.72
	(c) Provisions		34.79	17.21
	Total current liabilities		**37,787.27**	**31,124.16**
	Total liabilitites		**1,74,607.38**	**1,46,981.71**
	Total equity and liabilities		**1,61,123.21**	**1,39,149.12**

The accompanying notes form an integral part of unaudited interim condensed financial statement

As per our attached report of even date
For Shah Gupta & Co.
Chartered Accountants
F.R.N. 109574W

For and on behalf of the Board of Directors

Heneel K Patel
Partner
Membership No.: 114103
UDIN: 24114103BKBHAR6044

Narindersingh Kahlon
Director
DIN No :0378016

Manoj kumar Rustagi
CEO & Whole Time Director
DIN No : 07742914

Place: Mumbai
Date: 13.03.2024

Sneha Bindra
Company Secretary

Girish Menon
Chief Financial Officer

SHIVA CEMENT LIMITED
UNAUDITED INTERIM CONDENSED STATEMENT OF PROFIT AND LOSS
For the period ended 31.12.2023

₹ in lakhs

	Particulars	Note No.	For the period ended 31.12.2023	For the period ended 31.12.2022
I	Revenue from operations	12	20,227.81	-
II	Other income	13	161.74	259.46
III	**Total Income (I+ II)**		**20,389.55**	**259.46**
IV	**Expenses**			
	Cost of raw material consumed		5,121.64	488.33
	Changes in inventories of finished goods, work-in-progress and stock-in-trade		(460.06)	(721.53)
	Employee benefits expense		995.73	219.41
	Power and fuel		8,014.79	81.03
	Finance costs		7,108.93	870.89
	Depreciation and amortization expense		2,107.25	3,235.62
	Freight and handling expenses		3,514.12	-
	Other expenses		1,623.18	2,768.26
	Total Expenses (IV)		**28,025.58**	**6,942.01**
V	**Loss before tax (III-IV)**		**(7,636.03)**	**(6,682.55)**
VI	**Total tax expenses**		(1,984.77)	(1,758.60)
VII	**Loss for the year (V- VI)**		**(5,651.26)**	**(4,923.95)**
VIII	**Other comprehensive income**			
	i) Items that will not be reclassified to profit or loss			
	(a) Re-measurements of the defined benefit plans		(0.43)	4.47
	ii) Income tax relating to items that will not be reclassified to profit or loss		0.11	(1.16)
	Total other comprehensive income (VIII)		**(0.32)**	**3.31**
IX	**Total comprehensive income (VII + VIII)**		**(5,651.58)**	**(4,920.64)**
X	**Earnings per equity share (face value of ₹ 2/- each) (not annualised)**			
	- Basic (In ₹)	16 (e)	(2.90)	(2.53)
	- Diluted (In ₹)	16 (e)	(2.90)	(2.53)

The accompanying notes form an integral part of unaudited interim condensed financial statement

As per our attached report of even date

For Shah Gupta & Co.
Chartered Accountants
F.R.N. 109574W

For and on behalf of the Board of Directors

Heneel K Patel
Partner
Membership No.: 114103
UDIN: 24114103BKBHAR6044

Narindersingh Kahlon
Director
DIN No :0378016

Manoj kumar Rustagi
CEO & Whole Time Director
DIN No : 07742914

Place: Mumbai
Date: 13.03.2024

Sneha Bindra
Company Secretary

Girish Menon
Chief Financial Officer

SHIVA CEMENT LIMITED
UNAUDITED INTERIM CONDENSED STATEMENT OF CASH FLOWS
For the period ended 31.12.2023

(₹ in lakh)

Particulars	For the period ended 31.12.2023	For the period ended 31.12.2022
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
PROFIT/(LOSS) BEFORE TAX	(7,636.03)	(6,682.55)
Adjustments for :		
Depreciation and amortisation expenses	2,107.25	3,235.62
Loss/(profit) on sale of property, plant & equipment(net)	(4.62)	2,246.45
Interest Income	(26.93)	(18.95)
Allowance for doubtful debts	-	1.62
Provision no longer required written back	(0.67)	(0.55)
Finance costs	6,630.24	870.89
Unwinding of interest on financial liabilities carried at amortised cost	478.69	57.47
Operating Profit/(loss) before working capital changes	**1,547.93**	**(290.00)**
Movements in Working Capital:		
(Increase)/Decrease in trade receivables	799.24	0.88
(Increase)/Decrease in inventories	(4,009.70)	(702.61)
(Increase) / Decrease in financial and other assets	3,897.26	(8,490.75)
Increase/(Decrease) in Trade payables	2,976.14	162.84
Increase/(Decrease) in Other liabilities	13,412.68	(47.35)
Increase /(Decrease) in provisions	131.24	57.36
Cash flow from operations	**18,754.79**	**(9,309.63)**
Income taxes paid (net of refund received)	(53.65)	(15.23)
Net cash generated from operating activities	**18,701.14**	**(9,324.86)**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment ,Intangible assets (including capital work-in-progress and capital advances)	(20,511.65)	(30,262.12)
Interest received	(9.32)	20.25
Bank deposits not considered as cash and cash equivalents (net)	(1.41)	730.81
Net cash used in investing activities	**(20,522.38)**	**(29,511.06)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from non-current borrowings	20,431.47	9,046.77
Proceeds/(Repayment) from current borrowings (net)	(12,913.03)	32,218.67
Interest paid	(5,556.09)	(2,127.38)
Net cash generated from financing activities	**1,962.35**	**39,138.06**
Net increase/ (decrease) in cash and cash equivalents(A+B+C)	**141.11**	**302.14**
Cash and cash equivalents - opening balances	**90.56**	**434.33**
Cash and cash equivalents - closing balances (refer note 8)	**231.67**	**736.47**

Notes:

1.The cash flow statement is prepared using the "indirect method" set out in IND AS 7 – Statement of Cash Flows

As per our attached report of even date

For Shah Gupta & Co.
Chartered Accountants
F.R.N. 109574W

For and on behalf of the Board of Directors

Heneel K Patel
Partner
Membership No.: 114103
UDIN: 24114103BKBHAR6044

Narindersingh Kahlon
Director
DIN No :0378016

Manoj kumar Rustagi
CEO & Whole Time Director
DIN No : 07742914

Place: Mumbai
Date: 13.03.2024

Sneha Bindra
Company Secretary

Girish Menon
Chief Financial Officer

SHIVA CEMENT LIMITED

UNAUDITED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31.12.2023

Equity Share Capital (A)

₹ Lakhs

Particular	Total
As at 01.04.2022	**3,900.00**
Movement during the year	-
As at 31.03.2023	**3,900.00**
Movement during the period	-
As at 31.12.2023	**3,900.00**

Other equity (B)

₹ Lakhs

Particulars	Reserves & Surplus				Total
	Securities Premium (Refer note 10)	Capital Reserve	Equity component of compound financial instrument (refer note 11)	Retained Earnings	
Opening Balance as at 01.04.2022	**5,206.13**	**812.31**	**-**	**(14,190.58)**	**(8,172.14)**
Loss for 9 month period	-	-	-	(4,923.95)	(4,923.95)
Other comprehensive income for the period,net of income tax	-	-	-	3.30	3.30
Total	**5,206.13**	**812.31**	**-**	**(19,111.23)**	**(13,092.79)**
Balance at 31.12.2022	**5,206.13**	**812.31**	**-**	**(19,111.23)**	**(13,092.79)**
Loss for 3 month period	-	-		(3,123.08)	(3,123.08)
Other comprehensive income for the period,net of income tax	-	-	-	(0.45)	(0.45)
Equity component of optionally convertible cumulative preference shares	-		4,483.73	-	4,483.73
Total	**-**	**-**	**4,483.73**	**(3,123.53)**	**1,360.20**
Closing balance at 31.03.2023	**5,206.13**	**812.31**	**4,483.73**	**(22,234.76)**	**(11,732.59)**
Loss for 9 month period	-	-		(5,651.26)	(5,651.26)
Other comprehensive income for the year (net of tax)	-	-	-	(0.32)	(0.32)
Total	**-**	**-**	**-**	**(5,651.58)**	**(5,651.58)**
Balance at 31.12.2023	**5,206.13**	**812.31**	**4,483.73**	**(27,886.34)**	**(17,384.17)**

The accompanying notes form an integral part of unaudited interim condensed financial statement

As per our attached report of even date

For Shah Gupta & Co.
Chartered Accountants
F.R.N. 109574W

Heneel K Patel
Partner
Membership No.: 114103
UDIN: 24114103BKBHAR6044

Narindersingh Kahlon
Director
DIN No :0378016

Manoj kumar Rustagi
CEO & Whole Time Director
DIN No : 07742914

Place: Mumbai
Date: 13.03.2024

Sneha Bindra
Company Secretary

Girish Menon
Chief Financial Officer

SHIVA CEMENT LIMITED

Notes to the Condensed Financial Statement as at and for the period ended 31st December,2023.

1. General Information

Shiva Cement Limited ("the Company") is engaged in the business of manufacture and sale of cement, clinker and trading of allied products. The company is operating its clinkerisation facility with production capacity of 1.36 Million MT.

Shiva Cement Limited is a public limited company and is listed on Bombay Stock Exchange having its registered office at Biringatoli, Teleghana, Kutra Sundargarh-770018, Odisha.

2. Significant Accounting Policies

A. Statement of compliance

Unaudited condensed Interim Financial Statements which comprises the unaudited interim condensed Balance sheet as at 31st December 2023, the unaudited interim condensed statement of Profit and Loss (including other comprehensive income) , unaudited interim condensed statement of change in Equity and unaudited interim condensed statement of Cash flow for the period ended 31st December ,2023 (together herein after referred to as "Unaudited Interim condensed Financial Statements") have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards – 34 " Interim Financial Reporting " (Ind AS 34) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation and disclosures requirement of Division II of revised Schedule III of the Companies Act 2013, (Ind AS Compliant Schedule III), as applicable to financial statement.

The Unaudited Interim Condensed Financial Statements have been prepared by the Company solely in connection with the proposed rights offering of equity shares of the Company in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations") and other applicable laws.

These financial statements are approved for issue by the Board of Directors on 24.01.2024.

B. Basis of preparation & presentation

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair value at the end of each reporting year, as explained in the accounting policies below.

Fair value is the price that would be received on sell of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except leasing transactions that are within the scope of Ind AS116, fair value of plan assets within scope the of Ind AS 19 and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1,2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are prepared in INR and all values are rounded to the nearest lakhs except when otherwise stated.

Current and non-current classification

The company presents the assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised or is intended for sale or consumption in the company's normal operating cycle.
- It is held primarily for the purpose of being traded.
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria :

- It is expected to be settled in the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of liability that could, at the option of the counterparty result in its settlement by the issue of equity instruments do not affect its classification.

  All other liabilities are classified as non-current.

  The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

  Deferred tax assets and liabilities are classified as non-current only.

C. Revenue Recognition

i. Sale of Goods

The Company recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has generally concluded that it is the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customer.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

The Company recognises revenue generally at the point in time when the products are delivered to customer which is when the control over product is transferred to the customer.

Contract Balances

- **Contract assets**

  A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration.

- **Trade receivables**

  A receivable is recognised when the goods are delivered and to the extent that it has an unconditional contractual right to receive cash or other financial assets (i.e., only the passage of time is required before payment of the consideration is due).

  Trade receivables is derecognised when the Company transfers substantially all the risks and rewards of ownership of the asset to another party including discounting of bills on a non-recourse basis.

- **Contract liabilities**

  A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract including Advance received from Customer.

- **Refund liabilities**

  A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer including volume rebates and discounts. The Company updates its estimates of refund liabilities at the end of each reporting period.

ii. Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

D. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Company as lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are subject to impairment test.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e., below Rs. 5,00,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

E. Foreign currencies

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the year in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks

F. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalized as part of the cost of such asset up to the date when the asset is ready for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale .

All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

The Company determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalization are determined by applying a capitalization rate to the expenditures on that asset.

Borrowing Cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

G. Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the Balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of profit and loss. Past service cost is recognised in Statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item ‘Employee benefits expenses’. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

H. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of expected tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are off set when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

I. Property, Plant and Equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

Assets in the course of construction are capitalised in the assets under Capital work in progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels, revenue (net of cost) generated from production during the trial period is capitalised.

Property, plant and equipment held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Class of assets	**Useful life of assets (in Years)**
Plant and Machinery	2 to 40
Approach Roads	5 to 50

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

J. Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Class of assets	Useful life of assets (in Years)
Computer Software & Licenses	3 – 6 years

Mining assets are amortised using unit of production method over the entire lease term.

Mining Assets

Acquisition/ Stripping Cost

The cost of Mining Assets capitalised includes costs associated with acquisition of licenses and rights to explore, stamp duty, registration fees and other such costs. Bid premium and royalties payable with respect to mining operations is contractual obligation. The said obligations are variable and linked to market prices. The Company has accounted for the same as expenditure on accrual basis as and when related liability arises as per respective agreements/ statute.

Exploration and evaluation

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

The Company measures its exploration and evaluation assets at cost and classifies as Property, plant and equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently. To the extent that tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

General exploration costs - costs of surveys and studies, rights of access to properties to conduct those studies (e.g., costs incurred for environment clearance, defense clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.

Costs of exploration drilling and equipping exploration - Expenditure incurred on the acquisition of a license interest is initially capitalised on a license-by-license basis. Costs are held, undepleted, within exploration and evaluation assets until such time as the exploration phase on the license area is complete or commercial reserves have been discovered.

Stripping cost

Developmental stripping costs in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets. Capitalisation of developmental stripping costs ends when the commercial production of the mineral reserves begins.

Production stripping costs are incurred to extract the minerals in the form of inventories and/or to improve access to an additional component of an mineral body or deeper levels of material. Production stripping costs are accounted for as inventories to the extent the benefit from production stripping activity is realised in the form of inventories.

Other production stripping cost incurred are expensed in the statement of profit and loss.

Developmental stripping costs are presented within mining assets. After initial recognition, stripping assets are carried at cost less accumulated amortisation and impairment. The expected useful life of the identified component of mineral is used to depreciate or amortise stripping cost.

Site restoration, rehabilitation and environmental costs: Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine. The costs are estimated on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalised. The provision for decommissioning assets is based on the current estimates of the costs for removing and decommissioning production facilities, the forecast timing of settlement of decommissioning liabilities and the appropriate discount rate. A corresponding provision is created on the liability side. The capitalised asset is charged to profit and loss over the life of the asset through amortisation over the life of the operation and the provision is increased each period via unwinding the discount on the provision. Management estimates are based on local legislation and/or other agreements are reviewed periodically.

The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology.

K. Impairment of Non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any

L. Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of semi-finished /finished goods and work in progress include cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost of semi-finished mining inventory includes a proportion of cost of mining, bid premium, royalties and other manufacturing overheads depending on stage of completion of related activities. Cost of traded goods include purchase cost and inward freight.

Costs of inventories are determined on weighted average basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. In case of semi finished inventory from mining operations, estimated cost includes any bid premium, royalties and duties payable to the authorities.

M. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. However, before a separate provision for an onerous contract is established, the Company recognises any write down that has occurred on assets dedicated to that contract. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

N. Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

(i) Financial assets

(a) Recognition and initial measurement

A financial asset is initially recognised at fair value and, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

(b) Classification of financial assets

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit and loss.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL;

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of Ind AS 109 are measured at fair value. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrumentby-instrument basis. The classification is made on initial recognition and is irrevocable.The equity instruments which are strategic investments and held for long term purposes are classified as FVTOCI.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognized in statement of profit or loss. The net gain or loss recognized in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item.

(c) De-recognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

(d) Impairment

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount

e) Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the 'Other income' line item.

(ii) Financial liabilities and equity instruments

a) Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments

c) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

(i) Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in Statement of Profit and Loss. The net gain or loss recognized in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the Statement of Profit and Loss. For Liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

(ii) Other financial liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

d) Reclassification of financial assets/ liabilities:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations.

If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortized cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortized Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortized cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in Consolidated OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

e) De-recognition of financial/ liabilities :

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

O. Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of directors of the Company has been identified as the Chief Operating Decision Maker which reviews and assesses the financial performance and makes the strategic decisions.

P. Cash and cash equivalents:

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalent consists of cash and short term deposits, as defined above.

Q. Earnings Per Share:

Basic EPS is computed by dividing the net profit or (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit or loss after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees

R. Statement of cash flows:

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

i. changes during the period in inventories and operating receivables and payables, transactions of a non-cash nature;
ii. non-cash items such as depreciation, provisions, and unrealised foreign currency gains and losses etc.; and
iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less and liquid investments, which are subject to insignificant risk of changes in value.

S. Exceptional items:

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the notes to accounts.

3. Key sources of estimation uncertainty and Recent Accounting Pronouncements:

A Key sources of estimation uncertainty

In the course of applying the policies outlined in all notes under section 2 above, the Company is required to make judgments that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

i) Useful lives of property, plant and equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets.

ii) Mines restoration obligation

In determining the fair value of the Mines Restoration Obligation, assumptions and estimates are made in relation to mining reserve, discount rates, the expected cost of mines restoration and the expected timing of those costs.

iii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized. Potential liabilities that are remote are neither recognized nor disclosed as contingent liability. The management decides whether the matters needs to be classified as 'remote,' 'possible' or 'probable' based on expert advice, past judgements, terms of the contract, regulatory provisions etc.

iv) Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flows model . The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include consideration of inputs such as liquidity risk, credit risk and volatility.

v) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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vii) Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgment to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of time value of money and the risk specific to the liability.

viii) Expected credit loss:

The measurement of expected credit loss on financial assets is based on the evaluation of collectability and the management's judgement considering external and internal sources of information. A considerable amount of judgement is required in assessing the ultimate realization of the loans having regard to, the past collection history of each party and ongoing dealings with these parties, and assessment of their ability to pay the debt on designated dates.

Note 4. Property, plant and equipment										₹ in lakhs
Description of Assets	**Freehold Land**	**Buildings**	**Plant and Equipments**	**Computers**	**Office Equipments**	**Furniture and Fixtures**	**Vehicles**	**Switching Station**	**Concrete Road**	**Tangibles Total**
I. Gross Block										
Balance as at April 1, 2022	**509.96**	**1,313.39**	**11,287.87**	**66.44**	**16.53**	**119.51**	**22.10**	**-**	**161.62**	**13,497.42**
Additions for 9 month	191.34	-	-	-	-	-	-	-	-	191.34
Other -Deductions/Adjustments	-	268.87	2,801.41	-	0.62	24.52	7.47	-	-	3,102.89
Balance as at 31.12.2022	**701.30**	**1,044.52**	**8,486.46**	**66.44**	**15.91**	**94.99**	**14.63**	**-**	**161.62**	**10,585.87**
Additions for 3 months	-	-	761.71	-	-	-	-	-	-	761.71
Other -Deductions/Adjustments	-	707.54	0.38	-	(0.38)	-	-	-	-	707.54
Balance as at 31.03.2023	**701.30**	**336.98**	**9,247.79**	**66.44**	**16.29**	**94.98**	**14.63**	**-**	**161.62**	**10,640.04**
Additions for 9 month	557.16	12,565.48	77,868.81	227.01	214.35	101.70	104.72	3,909.96	1,205.65	96,754.84
Other -Deductions/Adjustments	-	-	4.88	-	-	-	4.43	-	-	9.31
Balance as at 31.12.2023	**1,258.46**	**12,902.46**	**87,111.72**	**293.45**	**230.64**	**196.68**	**114.92**	**3,909.96**	**1,367.27**	**1,07,385.57**
	-			-						-
II. Accumulated depreciation and impairment										
Balance as at April 1, 2022	**-**	**270.17**	**3,062.85**	**51.50**	**8.30**	**84.58**	**17.65**	**-**	**156.45**	**3,651.50**
Depreciation expense for 9 month	-	90.52	3,071.10	5.95	1.04	9.30	0.75	-	5.16	3,183.82
Eliminated on disposal of assets	-	61.52	765.98	-	0.39	19.75	6.24	-	-	853.88
Balance as at 31.12.2022	**-**	**299.17**	**5,367.97**	**57.45**	**8.95**	**74.13**	**12.16**	**-**	**161.61**	**5,981.44**
Depreciation expense for 3 month	-	7.14	2,604.76	-	-	-	-	-	-	2,611.90
Eliminated on disposal of assets	-	231.80	-	-	-	-	-	-	-	231.80
Depreciation adj on Trial run Operation	-	-	-	1.03	0.28	0.68	0.19	-	-	2.18
Balance as at 31.03.2023	**-**	**74.51**	**7,972.73**	**58.48**	**9.23**	**74.81**	**12.35**	**-**	**161.61**	**8,363.72**
Depreciation expense for 9 month	-	255.45	1,436.00	41.40	19.62	7.48	7.39	46.94	14.47	1,828.75
Eliminated on disposal of assets	-	-	4.63	-	-	-	4.21	-	-	8.84
Balance as at 31.12.2023	**-**	**329.96**	**9,404.10**	**99.88**	**28.85**	**82.29**	**15.53**	**46.94**	**176.08**	**10,183.63**
Carrying Value as at 31.12.2023	**1,258.46**	**12,572.50**	**77,707.62**	**193.57**	**201.79**	**114.39**	**99.39**	**3,863.02**	**1,191.19**	**97,201.94**
Carrying Value as at March 31,2023	701.30	262.47	1,275.06	7.96	7.06	20.17	2.28	-	0.01	2,276.30
Useful life of the assets	NA	1-50	5-50	3-6	5	5-10	8	40	5-50	
Method of depreciation	NA	SLM	SLM	SLM	SLM	SLM	SLM	SLM	SLM	

Note 5. Capital work-in-progress		₹ in lakhs
Particulars	**As at 31.12.2023**	**As at 31.03.2023**
Capital Work in Progress	13,575.43	89,018.09
Total	**13,575.43**	89,018.09

Note 6. Intangible assets				₹ in lakhs
Intangibles	**Computer Software**	**Mining Development**	**Mining Rights**	**Intangible Total**
I. Cost/Deemed cost				
At 01.04.2022	**39.00**	**1,018.20**	**387.50**	**1,444.70**
Additions for 9 month	-	-	-	-
Deductions	-	-	-	-
At 31.12.2022	**39.00**	**1,018.20**	**387.50**	**1,444.70**
Additions for 3 month	-	-	-	-
Deductions	-	-	-	-
At 31.03.2023	**39.00**	**1,018.20**	**387.50**	**1,444.70**
Additions for 9 month	108.21	-	-	108.21
Deductions	-	-	-	-
At 31.12.2023	**147.21**	**1,018.20**	**387.50**	**1,552.91**
II. Accumulated amortisation				
Balance as at 01.04.2022	**39.00**	**202.02**	**1.21**	**242.23**
Amortisation expense 9 month	-	44.59	4.56	49.15
Eliminated on disposal of assets	-	-	-	-
At 31.12.2022	**39.00**	**246.61**	**5.77**	**291.38**
Amortisation expense 3 month	-	52.12	-1.92	50.20
Eliminated on disposal of assets	-	-	-	-
At 31.03.2023	**39.00**	**298.73**	**3.85**	**341.58**
Amortisation expense 9 month	18.23	246.94	10.69	275.86
Eliminated on disposal of assets	-	-	-	-
Trial run amortisation adjustment on assets	-	94.43	-	94.43
At 31.12.2023	**57.23**	**640.10**	**14.54**	**711.87**
Net Book Value				
At 31.12.2023	**89.98**	**378.10**	**372.96**	**841.04**
At 31.03.2023	0.00	719.47	383.65	1,103.12

Note 7. Intangible assets under development		₹ Lakhs
Particulars	**As at 31.12.2023**	**As at 31.03.2023**
Mining development	2,228.23	1,235.76
Software	-	226.47
Total	**2,228.23**	**1,462.23**

Note 8. Cash and cash equivalents		₹ Lakhs
Particulars	**As at 31.12.2023**	**As at 31.03.2023**
Balances with banks in current accounts	231.67	90.56
Total	**231.67**	**90.56**

Note 9. Equity Share Capital

Particulars	As at 31.12.2023		As at 31.03.2023	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
Share Capital				
Authorised				
a) Equity shares of the par value of Rs. 2/- each	40,00,00,000	8,000.00	40,00,00,000	8,000.00
b) 1% Optionally Convertible Cumulative Redeemable Preference shares of Rs 100/- each	2,00,00,000	20,000.00	2,00,00,000	20,000.00
Issued, Subscribed and fully paid up				
Outstanding at the beginning of the year	19,50,00,000	3,900.00	19,50,00,000	3,900.00
Changes in equity share capital during the year	-	-	-	-
Outstanding at the end of the year	**19,50,00,000**	**3,900.00**	**19,50,00,000**	**3,900.00**
Outstanding at the beginning of the year	1,00,00,000	10,000.00	1,00,00,000	10,000.00
Changes during the year	-	-	-	-
Outstanding at the end of the year	1,00,00,000	10,000	1,00,00,000	10,000
Total	**20,50,00,000**	**13,900.00**	**20,50,00,000**	**13,900.00**
Less: 1% Optionally Convertible Cumulative Redeemable Preference shares transferred to Non Current Financial Liabilities - Borrowing	(1,00,00,000)	(5,516.27)	(1,00,00,000)	(5,516.27)
Less: Equity componenent of 1% Optionally Convertible Cumulative Redeemable Preference shares transferred to Reserves	-	(4,483.73)		(4,483.73)
Total	**19,50,00,000**	**3,900.00**	**19,50,00,000**	**3,900.00**

Refer Notes (i) to (iii) below

Equity component of Convertible Cumulative Redeemable Preference shares of Rs 100 each		
Particular	Number	₹ in lakhs
At 01.04.2022	-	-
Movement during the year	-	4,483.73
At 31.03.2023	-	4,483.73
Movement during 9 month	-	-
At 31.12.2023	-	4,483.73

(i) Rights, preferences and restriction attached to Equity Shares

The company has only one class of equity shares having a par value of Rs 2/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Terms/rights attached to 1% Optional Convertible Cumulative Reedeemable Preference Share (OCCRPS)

The Company has one class of Preference Shares. These shares carry cumulative dividend @ 1%. These OCCRPS are convertible into Equity Shares at the option of the Holder within a period of 18 months from the date of allotment, in one or more tranches, at a price determined on the relevant date or to be redeemed at par upon maturity after 18 months but within 9 years from date of allotment.

The option to convert the instrument into Equity shares lapsed on 04.08.2022 (valuation date), and hence the nature of instrument changes from this date and will be redeemed at par upon maturity. Accordingly, future estimated cash flows of principal on redemption and cumulative coupon of 1% for 9 years are discounted at pre tax borrowing rate of 9.5% to determine the fair value of the instrument at valuation date.

The difference between the issue price of OCCRPS and the fair value on valuation date Rs. 4483.73 Lakhs treated as Equity component of compounded financial instrument in the financial statement for the year ended 31.03.2023.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31.12.2023		As at 31.03.2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
JSW Cement Limited	11,56,66,750	59.32%	11,56,66,750	59.32%
1% Optionally Convertible Cumulative Redeemable Preference Shares				
JSW Cement Limited	1,00,00,000	100%	1,00,00,000	100%

(iv) Details of shares held by promotors and promotors group:

Class of shares	As at 31.12.2023		As at 31.03.2023		% change during the year
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	
Promoters					
JSW Cement Limited	11,56,66,750	59.32%	11,56,66,750	59.32%	-
Promoter Group					
Anushree Jindal	5,25,000	0.27%	5,25,000	0.27%	-

(v) Shares alloted as fully paid-up pursuant to contracts without payment being received in cash during the year of five years immediately preceding the date of the balance sheet are as under:
Nil

Note 10. Other equity ₹ Lakhs

Particulars	As at 31.12.2023	As at 31.03.2023
Capital Reserve	812.31	812.31
Security Premium reserve	5,206.13	5,206.13
Equity component of optionally convertible cumulative preference shares	4,483.73	4,483.73
Retained earnings	(27,886.34)	(22,234.76)
Total	**(17,384.17)**	**(11,732.59)**

Capital Reserve :

Reserve is primarily created out of share forfeiture amounting ₹ 214.50 lakhs and amalgamation reserve amounting ₹ 566.03 lakhs as per statutory requirement.

Security premium reserve :

The amount received in excess of face value of the equity shares is recognised in securities premium. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013

Equity component of optionally convertible cumulative preference shares(OCCRPS)

During the year, upon expiry of conversion options given in OCCRPS, the Company has computed equity portion (based on concessional rate of interest in OCCRPS) amounting to Rs.4,483.73 lakhs.

Retained earning :

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.

Note 11. Borrowings ₹ Lakhs

Particulars	Non-Current		Current	
	As at 31.12.2023	As at 31.03.2023	As at 31.12.2023	As at 31.03.2023
Term Loans (at amortised cost)				
Secured				
From banks	61,840.36	61,257.43	1,262.05	-
Less: Unamortised upfront fees on borrowings	(265.72)	(317.00)	-	-
	61,574.64	60,940.43	1,262.05	-
Other Loans (at amortised cost)				
Unsecured				
From related parties	67,759.09	47,961.83	-	14,175.08
Other Loans (at fair value through profit and loss)				
Unsecured				
1% Optionally Convertible Cumulative Redeemable Preference Shares of Rs.100/- each	10,000.00	10,000.00	-	-
Less:Equity component of optionally convertible cumulative preference shares	(4,483.73)	(4,483.73)	-	-
Add: Unwinding of interest	755.47	337.50	-	-
	74,030.83	53,815.60	-	14,175.08
Total	**1,35,605.47**	**1,14,756.03**	**1,262.05**	**14,175.08**

Note 12. Revenue From Operations ₹ Lakhs

Particulars	For the Period ended 31.12.2023	For the period ended 31.12.2022
Sale of Products		
Finished goods	20,227.81	-
Total	**20,227.81**	**-**

Note 13. Other Income ₹ Lakhs

Particulars	For the Period ended 31.12.2023	For the period ended 31.12.2022
Scrap sale	131.76	240.51
Other Interest income	26.93	18.95
Write Back of excess provision	0.67	-
Miscellaneous income	2.38	-
Total	**161.74**	**259.46**

Note 14 : Financial instruments

A. Capital risk management

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity. The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by bank borrowing and funding from holding company.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and align maturity profile of its debt commensurate with life of the asset and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents and current investments.

₹ Lakhs

Particulars	As at 31.12.2023	As at 31.03.2023
Long term borrowings	1,35,605.47	1,14,756.03
Short term borrowings	1,262.05	14,175.08
Less: Cash and cash equivalent	(231.67)	(90.56)
Less: Bank balances other than cash and cash equivalents	(179.32)	(177.91)
Less:Term Deposit included in other non current financial assets	-	-
Net Debt	1,36,456.53	1,28,662.64
Total Equity	**(13,484.17)**	**(7,832.59)**
Gearing ratio	**(10.12)**	**(16.43)**

(i) Equity includes all capital and reserves of the company that are managed as capital

(ii) Debt is defined as long-term , short-term borrowings and 1% Optional convertible cumulative redeemable Preference Share

B. Categories of financial instruments :

The accounting classification of each category of financial instruments and their carrying amounts are set out below :

As at 31.12.2023 ₹ Lakhs

Particulars	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Derivatives in hedging relations	Total carrying value	Fair Value
Financial assets						
Other financial assets*	3,893.57	-	-	-	3,893.57	3,893.57
Trade receivables	-	-	-	-	-	-
Cash and cash equivalents	231.67	-	-	-	231.67	231.67
Bank balances other than cash and cash equivalents	179.32	-	-	-	179.32	179.32
Total financial assets	**4,304.56**	**-**	**-**	**-**	**4,304.56**	**4,304.56**
Financial liabilities						
Long term borrowings (**)	1,29,333.73		6,271.74		1,35,605.47	1,35,605.47
Lease liabilities	5.49				5.49	5.49
Short term borrowings	1,262.05				1,262.05	1,262.05
Trade payable	8,050.76				8,050.76	8,050.76
Other financial liabilities	14,539.82				14,539.82	14,539.82
Total financial liabilities	**1,53,191.85**	**-**	**6,271.74**	**-**	**1,59,463.59**	**1,59,463.59**

As at 31.03.2023 ₹ Lakhs

Particulars	Amortised Cost	Fair value through other comprehensive income	Fair value through profit and loss	Derivatives in hedging relations	Total carrying value	Fair Value
Financial assets						
Other financial assets*	3,694.64	-	-	-	3,694.64	3,694.64
Trade receivables	799.24	-	-	-	799.24	799.24
Cash and cash equivalents	90.56	-	-	-	90.56	90.56
Bank balances other than cash and cash equivalents	177.91	-	-	-	177.91	177.91
Total financial assets	**4,762.35**	**-**	**-**	**-**	**4,762.35**	**4,762.35**
Financial liabilities						
Long term borrowings (**)	1,08,902.26	-	5,853.77	-	1,14,756.03	1,14,756.03
Lease liabilities	5.11	-	-	-	5.11	5.11
Short term borrowings	14,175.08	-	-	-	14,175.08	14,175.08
Trade payable	5,073.93	-	-	-	5,073.93	5,073.93
Other financial liabilities	11,371.72	-	-	-	11,371.72	11,371.72
Total financial liabilities	**1,39,528.10**	**-**	**5,853.77**	**-**	**1,45,381.87**	**1,45,381.87**

* including current and non current

(**) including 1% Optional convertible cumulative redeemable Preference Share.

Financial assets and Financial liabilities

Cash and Cash equivalents, trade receivables, investments in term deposits, other financial assets, trade payables, and other financial liabilities (other than those specifically disclosed) have fair values that approximate to their carrying amounts due to their short-term nature.

Loans have fair values that approximate to their carrying amounts as it is based on the net Present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Fair value hierarchy of financial instruments

The Company has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: The hierarchy uses quoted (adjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (for example traded bonds) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing net asset value. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Calculation of fair values:

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31.03.2023.

Level wise disclosure of financial instruments :

₹ in lakhs

Particulars	**As at 31.12.2023**	**As at 31.03.2023**	**Fair value hierarchy**	**Valuation technique(s) and key input(s)**
Borrowing	1,30,595.78	1,23,077.34	Level 2	Inputs other than quoted prices included within level 1 that are observable for an Asset or Liability either directly or indirectly.
1% Optionally Convertible Cumulative Redeemable Preference Shares of Rs.100/- each	6,271.74	5,853.77	Level 3	Future estimated cash flows of principal on redemption and cumulative coupon are discounted at pre tax borrowing

The carrying amount of Trade Receivable, Trade Payable, Capital Creditors, Cash and Cash Equivalents and other Bank Balances are considered to be the same as their fair values due to their short term nature. The management considers that the carrying amount of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

The management consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Financial risk management

Board of Directors of the Company has developed and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aim to mitigate the following risks arising from the financial instruments:

i) Market risk
ii) Credit risk
iii) Liquidity risk

Risk management framework

"The Company's principal financial liabilities, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company operations. The Company's principal financial assets, include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations."

Board of Directors of the Company have developed and are monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

i)Market Risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

All such transactions are carried out within the guidelines set by the management.

a)Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments at the end of the reporting period are as follows:

₹ Lakhs

Particular	As at 31.12.2023	As at 31.03.2023
Fixed rate Borrowing	**6,271.74**	5,853.77
Float Rate Borrowing	**1,30,861.50**	1,23,394.34
Total Gross Borrowing	**1,37,133.24**	1,29,248.11
Less: Upfront Fees	(265.72)	(317.00)
Total Borrowing	**1,36,867.52**	1,28,931.11

Interest Rate Sensitivity -

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

A change of 100 basis points in interest rates would have following impact on profit/(loss) before tax. ₹ Lakhs

Particular	As at 31.12.2023	As at 31.03.2023
100 bp increase - Increase in loss	475.43	-
100 bp decrease- Decrease in loss	475.43	-

b. Commodity risk

Commodity price risk for the Company is mainly related to fluctuations in coal prices linked to various external factors, which can affect the production cost of the Company. Since the fuel costs is one of the primary costs drivers, any fluctuation in fuel prices can lead to drop in operating margin. To manage this risk, the Company take steps to optimize the fuel mix and to pursue longer term and fixed contracts, where Additionally, processes and policies related to such risks are reviewed and controlled by senior management and fuel requirement are monitored by the procurement team.

ii) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The carrying amount of financial assets represent the maximum credit risk exposure.

(a) Trade receivables

Customer credit risk is managed centrally by the Company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an individual credit limits defined in accordance with the assessment.

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. No single customer accounted for 10.0% or more of revenue in any of the years indicated except sales to holding company. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

The movement in allowance for Expected Credit Loss is as follows : ₹ Lakhs

Particular	**As at 31.12.2023**	As at 31.03.2023
Balance at the beginning of the year	130.33	129.26
Change in allowance for the credit impairment during the year	-	1.07
Balance at the end of the year	130.33	130.33

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

Our historical experience of collecting receivables indicate a low credit risk. Hence, trade receivables are considered to be a single class of financial assets.

iii. Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The company generate sufficient cash flow for operation, which together with the available cash and cash equivalent provide liquidity in the short term & long term. The company has established an appropriate liquidity risk management frame work for the management of the company's short, medium & long term funding and liquidity management requirement. The company manages liquidity risk by maintaining adequate reserve, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and by maching the maturity profile of financial asset and liability.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Liquidity exposure as at 31.12.2023

₹ in lakhs

	Contractual cash flows			
	< 1 year	**1-5 year**	**> 5 years**	**Total**
Financial assets				
Cash and cash equivalents	231.67	-	-	231.67
Bank balances other than cash and cash equivalents	179.32	-	-	179.32
Trade receivables	-	-	-	-
Other financial assets*	425.31	3,468.26		3,893.57
Total Financial assets	**836.30**	**3,468.26**	**-**	**4,304.56**
Financial liabilities				
Long term borrowings		87,743.96	47,861.51	1,35,605.47
Short term borrowings	1,262.05	-	-	1,262.05
Trade payable	8,050.76	-	-	8,050.76
Lease liabilities	0.50	4.99	-	5.49
Other financial liabilities	14,539.82	-	-	14,539.82
Total Financial liabilities	**23,853.13**	**87,748.95**	**47,861.51**	**1,59,463.59**

Liquidity exposure as at 31.03.2023				₹ Lakhs
	Contractual cash flows			
	< 1 year	1-5 year	> 5 years	Total
Financial assets				
Cash and cash equivalents	90.56	-	-	90.56
Bank balances other than cash and cash equivalents	177.91	-	-	177.91
Trade receivables	799.24	-	-	799.24
Other financial assets	228.25	3,466.39		3,694.64
Total Financial assets	**1,295.96**	**3,466.39**	**-**	**4,762.35**
Financial liabilities				
Long term borrowings		72,488.16	42,267.87	1,14,756.03
Short term borrowings	14,175.08	-	-	14,175.08
Trade payable	5,073.93	-	-	5,073.93
Lease liabilities	0.50	4.61	-	5.11
Other financial liabilities	11,371.72	-	-	11,371.72
Total Financial liabilities	**30,621.23**	**72,492.77**	**42,267.87**	**1,45,381.87**

Note 15. Trail Run operations

The Company has commissioned the new clinkerisation facility under ongoing expansion projects at kutra plant on 20.01.2023. Till 30.06.2023, the plant was under trial run operation. The summary of Income/expenduiture during trial operation period is as under :

₹ in lakh

Revenue generated from Trial Run operation	For the period ended 30.06.2023	For the period ended 31.03.2023
Revenue from operations	10,811.65	4,763.94
Other income	8.14	-
Total Income (I)	**10,819.79**	**4,763.94**
Expenses		
Cost of raw material consumed	1,920.75	1,439.61
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(306.50)	(1,006.15)
Employee benefits expense	416.22	79.45
Power and fuel	5,875.86	4,004.40
Freight and handling expenses	2,182.46	984.21
Finance costs	303.94	232.31
Depreciation and amortization expense	94.43	2.20
Other expenses	867.51	265.97
Total Expenses (II)	**11,354.68**	**6,002.00**
Loss before tax III (I-II)	**(534.89)**	**(1,238.06)**

15.1.The net trail run expenditure of Rs. 534.89 Lakhs (as on 31.03.2023 Rs. 1,238.06 lakhs) is forming part of capital work in progress.

15.2.The Finished goods Inventory under Trial run operation of Rs. 1,312.64 Lakhs (as on 31.03.2023 Rs. 1,006.15 lakhs) as on 30.06.2023 is forming part of Inventory.

15.3.Trade receivable as on 30.06.2023 includes Rs. NIL (as on 31.03.2023 Rs. 799.24 lakhs) towards outstanding for Sales made during the Trial Run operations.

15.4.Trade payable as on 30.06.2023 includes Rs. 7,455.48 lakhs (as on 31.03.2023 Rs. 4,807.24 lakhs) towards trial run related trade payable.

15.5.Product wise turnover

Particular	For the period ended 30.06.2023	For the period ended 31.03.2023
Clinker	10,811.65	4,763.94
Total	10,811.65	4,763.94

Ind AS 115 Revenue from Contracts with Customers

The Company recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has assessed and determined the following categories for disaggregation of revenue in addition to that provided under segment disclosure:

Particular	For the period ended 30.06.2023	For the period ended 31.03.2023
Revenue from contracts with customer - Sale of products	10,811.65	4,763.94
Total revenue from operations	10,811.65	4,763.94
India	10,811.65	4,763.94
Outside India	-	-
Total revenue from operations	10,811.65	4,763.94
Timimg of revenue recognition		
At a point in time	10,811.65	4,763.94
Total revenue from operations	**10,811.65**	**4,763.94**

15.7.Contract Balance

Particulars	As at 30.06.2023	As at 31.03.2023
Trade receivable	-	799.24
Contract Liabilities		
Advance from customers	4,943.68	3.83

15.8.Contract liabilities include short term advances received for sale of goods. The outstanding balances of these accounts decreased in due to adjustment against receivable balances.

15.9.Out of the total contract liabilities outstanding as on 30.06.2023 Rs. 4,943.68 lakhs (as at 31.03.2023 3.83 lakhs) will be recognised by 31.03.2024.

Note 16 . Other Notes

a) Contingent liabilities not provided for in respect of disputed claims / levies:

₹ in lakhs

Particulars	As at 31.12.2023	As at 31.03.2023
Orissa Sales Tax, VAT, CST	130.00	130.00
Entry Tax	6.38	6.38
Income tax	3,048.73	3,048.73
Differential Royalty demand on the basis of highest royalty rate	111.47	-
Interest @ 1% on Optionaly convertible cumulative redeemable preference shares(OCCRPS)	291.67	216.67
Total	**3,588.25**	**3,401.78**

b) Commitments

₹ in lakhs

Particulars	As at 31.12.2023	As at 31.03.2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	3,470.73	8,883.05

c. Segment Reporting

The Company is primarily in the business of manufacturing and sale of cement and cement related product. As per IND AS 108 "Operating Segments" specified under Section 133 of the Companies Act 2013, there are no other reportable business applicable to the company

d. Related parties disclosure as per IND AS 24:

A) Name of Related Parties

1) Holding Company
JSW Cement Limited
2) Enterprises under common control
JSW Green Cement Private Limited
Utkarsh Transport Private Limited
3) Other Related Party
Bhushan Power & Steel Limited
JSW Steel Ltd
JSW International Tradecorp Pte Ltd
4) Key Managerial Personnel
Manoj Rustagi (CEO & Whole Time Director)
R.P Gupta (Non-Executive Director) (Till 21.12.2023)
Narinder Singh Kahlon (Non-Executive Director)
Shouvik Chakraborty (Non-Executive Director) (w.e.f 21.12.2023)
Sanjay Sharma (Independent Director)
Sudeshna Banerjee (Independent Director)
JC Toshniwal (Independent Director)
Girish Menon (CFO)
Sneha Bindra (Company secretary)

B) Transactions with Related Parties for the year ended ₹ in lakh

Particulars	**As at 31.12.2023**	**As at 31.03.2023**
Purchase of Goods/Services		
JSW Cement Limited	863.58	1,457.81
JSW Steel Limited	302.85	-
Bhushan Power & Steel Limited	0.71	
JSW International Tradecorp PTE Ltd	7,048.32	-
Purchase of Property, plant & equipment		
JSW Cement Limited	-	-
Sale of Goods/ Other Income		
JSW Cement Limited (*)	26,929.40	6,097.85
Interest Repayment		
JSW Cement Limited		2,967.68
Loan Received		
JSW Cement Limited	5,622.18	22,769.00
Interest cost		
JSW Cement Limited	4,335.69	3,662.35

The transactions for Nine month ending December 31, 2023 are exclusive of taxes wherever applicable.

(*) Includes sales made during the Trial Run period

Compensation to key management personnel ₹ in lakh

Nature of Transaction	**As at 31.12.2023**	**As at 31.03.2023**
Short-term employee benefits	-	-
Post employment benefits	-	-
Sitting fees	8.85	8.65
Other long-term benefits	-	-
Termination benefits	-	-
Total compensation to key management personnel	8.85	8.65

1. Key managerial persons such as CEO & Whole Time Director, Chief Financial Officer, Company Secretary are in receipt of remuneration from the holding company.

Terms & Conditions

Sales :

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Sales transactions are based on prevailing price lists and memorandum of understanding signed with related parties. For the period 31.12.2023 the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

Purchases :

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Purchase transactions are made on normal commercial terms and conditions and market rates.

Loan from Related Party :

The company has availed loan from its holding company for general corporate purpose. The loan balance as on 31.12.2023 was amounting ₹ 67,759.09 lakhs (as on 31.03.2023 ₹ 62,136.91 lakhs). The loan is unsecured and carry an interest 8.81% per annum and repayable after the end of the tenure.

Corporate Guarantee by Related Party :

The holding company,JSW Cement Limited has issued corporater guarantee to banks on behalf of and in respect of loan availed by the company.

C. Amount due to/from related parties ₹ in lakh

Particulars	As at 31.12.2023	As at 31.03.2023
Trade Receivable/Advance received against supply		
JSW Cement Limited	(11,909.95)	799.24
Trade Payable		
Bhushan Power & Steel Limited	0.79	-
Advance paid against supply/service		
JSW Steel Limited	72.79	-
Loan Received balance		
JSW Cement Limited	67,759.09	62,136.91
1% Optionally Convertible Cumulative Redeemable Preference shares		
JSW Cement Limited	10,000.00	10,000.00
Interest Payable on loan(net of TDS)		
JSW Cement Limited	4,918.90	1,016.78

e. Earnings per share (EPS) ₹ in lakhs

Particulars	As at 31.12.2023	As at 31.12.2022
Profit/(Loss) attributable to Equity shareholders (₹ in lakhs)(A)	(5,651.26)	(4,923.95)
Weighted average number of Equity shares for basic EPS (B)	19,50,00,000	19,50,00,000
Effect of Dilution :	-	-
Weighted average number of Equity shares adjusted for the effect of dilution (C)	19,50,00,000	19,50,00,000
Basic EPS (Amount in ₹) (A/B)	(2.90)	(2.53)
Diluted EPS(Amount in ₹) (A/C)	(2.90)	(2.53)

Note : Basic & Diluted earning per share as at 31.12.2023 are not annualised as stated above.

f. As on December 31, 2023 the Company's accumulated loss is Rs.27,886.34 lakh resulting in erosion of net-worth of the Company. The Management is hopeful of improving the performance of the company considering the plant operational performance. The management is confident that the Company will be able to operate as a “Going Concern” and meet its liabilities as they fall due for payment and continued support being received from its shareholders/lenders. Accordingly, these financial statements continue to be presented on a going concern basis..

g. The financial statements are approved for issue by the audit committee at its meeting held on 13.03.2024 and by the board of directors on 13.03.2024.

h. Previous year's figures have been regrouped / reclassified wherever necessary including those as required in keeping with revised Schedule III amendments.

As per our report of even date

For Shah Gupta & Co.	**For and on behalf of the Board of Directors**	
Chartered Accountants		
FRN No : 109574W		
Heneel K Patel	**Narindersingh Kahlon**	**Manoj kumar Rustagi**
Partner	Director	CEO & Whole Time Director
Membership No.: 114103	DIN No :0378016	DIN No : 07742914
UDIN: 24114103BKBHAR6044		
Place Mumbai	**Sneha Bindra**	**Girish Menon**
Date: 13.03.2024	Company Secretary	Chief Financial Officer

Independent Auditors' Report

To the Members of Shiva Cement Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Shiva Cement Limited** ("the Company"), which comprise the balance sheet as at March 31, 2023, and the statement of Profit and Loss (including the statement of other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under sub-section (10) of Section 143 of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the financial statements' 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 statements 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 audit opinion on the financial statements.

Material Uncertainty related to going concern

We draw attention to Note 37(i) to the financial statements which indicates that during the year ended March 31, 2023, the Company has incurred loss of Rs.8,044.18 lakhs and as on March 31, 2023, the Company's accumulated loss is Rs.22,234.75 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 said note. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the Key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

<table>
<tr><th>The Key Audit Matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Capital Expenditure in respect of property, plant and equipment and capital work in progress (as described in note 5 read with note 36 of the financial statements)</td></tr>
<tr><td>The Company has incurred significant expenditure on capital projects, as reflected by the total value of additions in property plant and equipment and capital work in progress in notes 4 & 5 of the financial statements.

The Company is in the process of executing projects for expansion of existing capacity. These projects take a substantial period of time to get ready for intended use.

We considered Capital expenditure as a Key audit matter due to:
▪ Significance of amount incurred on such items during the year ended March 31, 2023.
▪ Judgement and estimate required by management in assessing assets meeting the /capitalisation criteria set out in Ind AS 16 Property, Plant and Equipment.
▪ Judgement involved in determining the eligibility of costs including borrowing cost and other directly attributable costs for capitalisation as per the criteria set out in Ind AS 16 Property, Plant and Equipment.</td><td>Our audit procedures included the following:
▪ We obtained an understanding of the Company's capitalisation policy and assessed for compliance with the relevant accounting standards.
▪ We obtained understanding, evaluated the design and tested the operating effectiveness of controls related to capital expenditure and capitalisation of assets.
▪ We performed substantive testing on a sample basis for each element of capitalised costs including inventory issued to contractors for the purpose of these projects and physical verification performed by management alongwith reconciliation and directly attributable cost, including verification of underlying supporting evidence and understanding nature of the costs capitalised.
▪ In relation to borrowing costs we obtained the supporting calculations, verified the inputs to the calculation and tested the arithmetical accuracy of the model.
▪ We obtained understanding on management assessment relating to progress of projects and their intention to bring the asset to its intended use.</td></tr>
<tr><td colspan="2">Provision for Mines Restoration - Refer to the accounting policies in Note 2(J) to the financial statements: Provision for mine restoration; Note 3(ii) and 21 to the financial statements: use of estimates and judgements – determination of provision for mine restoration to the financial statements</td></tr>
<tr><td>The provision for Mines Restoration relates to mines located at Khaturbahal (Kutra District)

The calculation of the provisions requires significant management's judgment because of the inherent complexity in estimating future costs. These costs are provided at the present value of expected costs to settle the obligation using estimated cash flows. The provisions are subject to the effects of any changes in local regulations, Management's expected approach to decommissioning and discount rates.

The provision for Mines Restoration was identified as a key audit matter due to the significance of the Management's judgement involved in the determination of forecasted closure and restoration costs, life of mines and discount rate.</td><td>In evaluating the reasonability of provisions for closure and restoration costs, we performed detailed assessment of the Management's assumptions. Our audit procedures included the following:
▪ As at March 31, 2023, we reviewed the assumptions used by the Management in their calculations and verified the calculations and assessed the assumptions used.
▪ We verified the arithmetical accuracy of the provision based on the assumptions used by the Management for the discount rates, areas to be rehabilitated, the nature of expenses to be incurred (i.e., related to asset or expense).

We assessed the competence of the work of the Management's expert, who produced the cost estimates.</td></tr>
</table>

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Board of directors for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and financial performance including other comprehensive income, change in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, 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 clause (i) of sub-section (3) of Section 143 of the Act, we are also responsible for expressing our opinion 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 made by the management.

- Conclude on the appropriateness of Management's and Board of Directors use of the going concern basis of accounting in preparation of financial statement 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 statements 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 statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by sub-section (3) of Section 143 of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The balance sheet, the statement of profit and loss (including the statement of other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act.

f. The going concern matter described under material uncertainty related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

h. In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

i. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule (11) of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in the financial statements – Refer Note 37 (a) of the financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall,

      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or

      - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

   (b) The Management has represented that, to the best of its knowledge and belief, no funds (which are either material either individually or in aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall,

      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Parties or

      - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries

   (c) Based on the audit procedures that have been considered reasonable and appropriate on the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub-clause (a) and (b) contain any material misstatement.

   v. The Company has not declared and paid any dividend during the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11 (g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Heneel K Patel
M. No. 114103
Unique Document Identification Number (UDIN) for this document is : 23114103BGYHJU5330
Place: Mumbai
Date: May 16, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Shiva Cement Limited of even date

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) The Company has a program of verification to cover all the items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. No material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in note 4 to the financial statements included in property, plant and equipment are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated during the year or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory by the Management, as compared to book records were not material and have been appropriately dealt with in the books of account. No discrepancies of 10% or more in aggregate for each class of inventory were noticed in respect of such physical verification.

(b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

(iii) The Company has not made investment in, provided any guarantee or security or granted any loans and advances in nature of loans, secured or unsecured to companies, firms, limited liability partnerships, or other parties during the year. Accordingly, reporting under clause 3 (iii) (a), (b), (c), (d), (e) and (f) of the Order are not applicable to the Company.

(iv) The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Accordingly, reporting under clause 3 (iv) of the Order are not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, reporting under clause 3 (v) of the Order is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, reporting under clause 3 (vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us, and the records of the Company examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, goods and service tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, service tax, goods and service tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable except given below:

Name of the Statue	Nature of dues	Amount (Rs in lakhs)	Period to which the amount relates
Odisha VAT Act 2004	Interest on VAT	28.75	2014-15
	Interest on VAT	4.94	2015-16
Orissa Entry Tax Act, 1999	Interest on Entry Tax	0.59	2014-15
	Interest on Entry Tax	2.14	2015-16
	Interest on Entry Tax	0.14	2016-17
Orissa Employee State Insurance (ESI) Act, 1948	Interest on ESI	0.01	2011-12
	Interest on ESI	0.02	2012-13
	Interest on ESI	0.08	2013-14
	Interest on ESI	0.25	2014-15
	Interest and Penalty on ESI	2.60	2015-16
	Interest and Penalty on ESI	0.10	2016-17
Income Tax Act, 1961	Interest on Income Tax	47.29	2013-14
	Interest on Income Tax	23.03	2014-15
	Interest on Income Tax	2.14	2015-16

(b) According to the information and explanations given to us, there are no dues of sales tax, wealth tax, service tax, goods and service tax, income tax, duty of excise, value added tax, and cess which have not been deposited on account of any dispute except as follows:

Name of the Statue	Nature of Dues	Amount (Rs in lakh)	Period to which the amount relates	Forum where dispute is pending
Orissa Sales Tax Act, 1947	Denial for incentive under various Industrial Policy Resolutions (IPRs) on the production of expanded unit of SCL's Unit-I, Penalty on late payment, etc.	0.89	1998-99	Asst. Commissioner of commercial Tax, Rourkela
		30.34	2003-04	Hon'ble High Court of Odisha
		57.96	2004-05	Hon'ble High Court of Odisha
		1.03	2003-04	Asst. Commissioner of commercial Tax, Rourkela
Central Sales Tax Act, 1956	Denial for incentive under various IPRs on the production of expanded unit of SCL's Unit-I, Pending Form filings.	0.19	1988-99	Asst. Commissioner of Commercial Tax, Rourkela
		1.71	2003-04	Commissioner of Commercial Tax, Cuttack

Orissa Entry Tax Act, 1999	Tax-Credit, levy of tax on certain raw materials procured.	0.38	1999-20	Asst. Commissioner of commercial Tax, Rourkela
		1.60	2001-02	Commissioner of commercial Tax, Cuttack
		0.40	2003-04	Commissioner of commercial Tax, Cuttack
Income Tax Act, 1961	Interest and Penalty	466.32	2015-16	Asst. Commissioner of Income Tax, Sambalpur
Income Tax Act, 1961	Block Assessment Order u/s 153A read with section 143(3) of Income Tax Act, 1961	2,582.41	AY 2010-11 to AY 2014-15	Assistant Commissioner of Income Tax, (Appeal)

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, reporting under clause 3 (viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender.

(b) The Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) The money raised by way of the term loans have been applied by the Company during the year for the purpose for which it was raised.

(d) On an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended on March 31, 2023. Accordingly, reporting under clause 3 (ix) (e) of the Order is not applicable.

(f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended on March 31, 2023. Accordingly, reporting under paragraph 3 (ix) (f) of the Order is not applicable.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3 (x) (a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period. Accordingly, reporting under clause 3 (x) (b) of the Order is not applicable to the Company.

(xi) (a) No material fraud by the Company or on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor/secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) No whistle-blower complaints have been received during the year by the Company.

(xii) The Company is not a nidhi company as per the provisions of the Act. Therefore, the requirement to report on clause 3 (xii) (a), (b) and (c) of the Order are not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with Directors or persons connected with him. Accordingly, reporting under clause 3 (xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the reporting under clause 3 (xvi) (a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any non-banking financial / housing finance activities. Accordingly, the reporting under clause 3 (xvi) (b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3 (xvi) (c) of the Order is not applicable to the Company.

(d) We have been informed by the management that as at March 31, 2023 as per the definition of Group under Core Investment Companies (Reserve Bank) Directions 2016, there is one Core Investment Company (CIC) which is registered and three CICs which are not required to be registered with the Reserve Bank of India, forming part of the promoter group.

(xvii) The Company has incurred cash losses in the current financial year Rs.1,833.78 Lakh and in the immediately preceding financial year Rs.1343.46 Lakh.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under paragraph (xviii) is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 35 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans read with note 37 (i) to the financial statements on going concern and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act.

(b) There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (6) of Section 135 of the said Act.

(xxi) The reporting under clause 3 (xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Heneel K Patel
M. No. 114103
Unique Document Identification Number (UDIN) for this document is : 23114103BGYHJU5330
Place: Mumbai
Date: May 16, 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Shiva Cement Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to an audit of internal financial controls both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to these financial statements.

Meaning of Internal Financial Controls with reference to these financial statements

A Company's internal financial control with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to these financial statements

Because of the inherent limitations of internal financial controls with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these financial statements to future periods are subject to the risk that the internal financial control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial controls criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

Heneel K Patel
M. No. 114103
Unique Document Identification Number (UDIN) for this document is : 23114103BGYHJU5330
Place: Mumbai
Date: May 16, 2023

SHIVA CEMENT LIMITED
BALANCE SHEET AS AT 31.03.2023

₹ lakhs

	Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
I	**ASSETS**			
	Non-current assets			
	(a) Property, plant and equipment	4	**2,276.30**	9,845.92
	(b) Capital work-in-progress	5	**89,018.09**	45,933.07
	(c) Right-of-use assets	6	**164.95**	168.49
	(d) Other intangible assets	7	**1,103.12**	1,202.47
	(e)Intangible assets under development	8	**1,462.23**	425.77
	(f) Financial assets			
	(i) Other financial assets	9	**3,466.39**	3,467.32
	(g) Income tax assets (net)	10	**67.00**	37.79
	(h) Deferred tax assets (net)	11	**7,630.80**	4,813.63
	(i) Other non-current assets	12	**14,220.30**	13,805.67
	Total non-current assets		**1,19,409.18**	**79,700.13**
	Current assets			
	(a) Inventories	13	**3,227.92**	1,133.55
	(b) Financial assets			
	(i) Trade receivables	14	**799.24**	2.50
	(ii) Cash and cash equivalents	15	**90.56**	434.33
	(iii) Bank balances other than (ii) above	16	**177.91**	896.96
	(iv) Other financial assets	9	**228.25**	77.93
	(c) Other current assets	12	**15,216.06**	7,590.33
	Total current assets		**19,739.94**	10,135.60
	Total assets		**1,39,149.12**	89,835.73
II	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity share capital	17	**3,900.00**	3,900.00
	(b) Other equity	18	**(11,732.59)**	(8,172.12)
	Total Equity		**(7,832.59)**	(4,272.12)
	Non current Liabilities			
	(a) Financial liabilities			
	(i) Borrowings	19	**1,14,756.03**	80,176.11
	(ii) Lease liabilities	20	**4.61**	4.61
	(b) Provisions	21	**1,096.91**	1,015.76
	Total non-current liabilities		**1,15,857.55**	81,196.48
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	19	**14,175.08**	-
	(ii) Lease liabilities	20	**0.50**	0.50
	(iii) Trade payables			-
	I. Total outstanding dues of Micro enterprises and small enterprises	22	**-**	-
	II. Total outstanding dues of creditors other than Micro enterprises and small enterprises	22	**5,073.93**	509.69
	(iv) Other financial liabilities	23	**11,371.72**	12,057.24
	(b) Other current liabilities	24	**485.72**	321.04
	(c) Provisions	21	**17.21**	22.90
	Total current liabilities		**31,124.16**	**12,911.37**
	Total liabilitites		**1,46,981.71**	**94,107.85**
	Total equity and liabilities		**1,39,149.12**	**89,835.73**

The accompanying notes form an integral part of financial statement

As per our attached report of even date
For Shah Gupta & Co.
Chartered Accountants
F.R.N. 109574W

For and on behalf of the Board of Directors

Heneel K Patel
Partner
Membership No.: 114103
UDIN: 23114103BGYHJU5330

R.P.Gupta
Director
DIN No : 01325989

Manoj kumar Rustagi
Whole Time Director
DIN No : 07742914

Place: Kutra
Date: 16.05.2023

Sneha Bindra
Company Secretary

Girish Menon
Chief Financial Officer

SHIVA CEMENT LIMITED
STATEMENT OF PROFIT AND LOSS
For the year ended 31.03.2023

₹ lakhs

	Particulars	Note No.	For the year ended 31.03.2023	For the year ended 31.03.2022
I	Revenue from operations	25	**-**	346.55
II	Other income	26	**347.38**	380.49
III	**Total Income (I+ II)**		**347.38**	727.04
IV	**Expenses**			
	Cost of raw material consumed	27A	**31.57**	983.30
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	27B	**15.60**	(715.66)
	Employee benefits expense	28	**265.31**	274.87
	Power and fuel	29	**212.54**	319.83
	Finance costs	30	**1,285.30**	879.26
	Depreciation and amortization expense	31	**5,898.63**	705.55
	Other expenses	32	**3,502.63**	1,930.91
	Total Expenses (IV)		**11,211.58**	**4,378.06**
	Less : Self Consumption of manufactured goods		**-**	199.26
V	**Loss before tax (III-IV)**		**(10,864.20)**	(3,451.76)
VI	**Total tax expenses**	33	**(2,817.17)**	(899.84)
VII	**Loss for the year (V - VI)**		**(8,047.03)**	(2,551.92)
VIII	**Other comprehensive income**			
	i) Items that will not be reclassified to profit or loss			
	(a) Re-measurements of the defined benefit plans		**3.59**	9.11
	ii) Income tax relating to items that will not be reclassified to profit or loss		**(0.74)**	(2.37)
	Total other comprehensive income (VIII)		**2.85**	**6.74**
IX	**Total comprehensive income (VII + VIII)**		**(8,044.18)**	(2,545.18)
X	**Earnings per equity share (face value of ₹ 10/- each)**	37 h		
	- Basic (In ₹)		**(4.13)**	(1.31)
	- Diluted (In ₹)		**(4.13)**	(1.31)

The accompanying notes form an integral part of financial statement

As per our attached report of even date
For Shah Gupta & Co.
Chartered Accountants
F.R.N. 109574W

For and on behalf of the Board of Directors

Heneel K Patel
Partner
Membership No.: 114103
UDIN: 23114103BGYHJU5330

R.P.Gupta
Director
DIN No : 01325989

Manoj kumar Rustagi
Whole Time Director
DIN No : 07742914

Place: Kutra
Date: 16.05.2023

Sneha Bindra
Company Secretary

Girish Menon
Chief Financial Officer

STATEMENT OF CASH FLOWS
For the Year ended 31.03.2023

(₹ in lakh)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
LOSS BEFORE TAX	(10,864.20)	(3,451.76)
Adjustments for :		
Depreciation and amortisation expenses	5,898.63	705.55
Loss on sale of property, plant & equipment(net)	2,717.35	1,340.72
Interest Income	(29.62)	(41.44)
Allowance for doubtful debts	1.06	5.03
Provision no longer required written back	(0.55)	(23.51)
Finance costs	871.36	799.28
Unwinding of interest on financial liabilities carried at amortised cost	413.93	80.48
Operating loss before working capital changes	**(992.04)**	**(585.65)**
Movements in Working Capital:		
Decrease in trade receivables	-	191.00
(Increase)/Decrease in inventories	(1,088.23)	56.16
(Increase) in financial and other assets	(9,769.57)	(11,041.33)
Increase/(Decrease) in Trade payables	680.80	(274.72)
Increase/(Decrease) in Other liabilities	168.54	(71.84)
Increase in provisions	77.29	408.81
Cash flow from operations	**(10,923.21)**	**(11,317.57)**
Income taxes paid (net of refund received)	(29.21)	(14.21)
Net cash generated from operating activities	**(10,952.42)**	**(11,331.78)**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment ,Intangible assets (including capital work-in-progress and capital advances)	(34,975.12)	(36,135.70)
Interest received	47.42	64.00
Bank deposits not considered as cash and cash equivalents (net)	719.05	(172.48)
Net cash used in investing activities	**(34,208.65)**	**(36,244.18)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from non-current borrowings	38,726.15	56,001.03
Proceeds/(Repayment) from current borrowings (net)	14,175.08	(474.96)
Interest paid	(8,083.93)	(7,588.21)
Net cash generated from financing activities	**44,817.30**	**47,937.86**
Net increase/ (decrease) in cash and cash equivalents(A+B+C)	**(343.77)**	**361.90**
Cash and cash equivalents - opening balances	**434.33**	**72.43**
Cash and cash equivalents - closing balances (note 15)	**90.56**	**434.33**

Notes:

1.The cash flow statement is prepared using the "indirect method" set out in IND AS 7 – Statement of Cash Flows

Reconciliation part of cash flows

Particulars	01.04.2022	Cash flows (net)	Others	31.03.2023
Borrowings (Non Current)	80,176.11	34,896.92	(317.00)	**1,14,756.03**
Borrowings (Current)	-	14,175.08	-	14,175.08
Lease liabilities (including Current maturities)	5.11			5.11

Particulars	01.04.2021	Cash flows	Others	31.03.2022
Borrowings (Non Current)	24,650.04	55,708.81	(182.74)	80,176.11
Borrowings (Current)	-			-
Lease liabilities (including Current maturities)	5.11			5.11

Others comprises of Upfront fees amortisation.

As per our attached report of even date

For Shah Gupta & Co.
Chartered Accountants
F.R.N. 109574W

For and on behalf of the Board of Directors

Heneel K Patel
Partner
Membership No.: 114103
UDIN: 23114103BGYHJU5330

R.P.Gupta
Director
DIN No : 01325989

Manoj kumar Rustagi
Whole Time Director
DIN No : 07742914

Place: Kutra
Date: 16.05.2023

Sneha Bindra
Company Secretary

Girish Menon
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2023

Equity Share Capital (A)

₹ Lakhs

Particular	Total
As at 01.04.2021	**3,900.00**
Movement during the year	-
As at 31.03.2022	**3,900.00**
Movement during the year	-
As at 31.03.2023	**3,900.00**

Other equity (B)

₹ Lakhs

Particulars	Reserves & Surplus				Total
	Securities Premium (Refer note 18)	Capital Reserve	Equity component of compounded financial instrument (Refer Note 17)	Retained Earnings	
Opening Balance as at 01.04.2021	**5,206.13**	**812.31**		**(11,645.41)**	**(5,626.97)**
Loss for the year	-	-		(2,551.91)	(2,551.91)
Other comprehensive income for the year,net of income tax	-	-		6.74	6.74
Closing balance at 31.03.2022	**5,206.13**	**812.31**		**(14,190.58)**	**(8,172.14)**
Loss for the year	-	-		(8,047.03)	(8,047.03)
Other comprehensive income for the year,net of income tax	-	-	-	2.85	2.85
Equity component of 1% optionally convertible cumulative redeemable preference shares	-		4,483.73	-	4,483.73
Closing balance at 31.03.2023	**5,206.13**	**812.31**	**4,483.73**	**(22,234.76)**	**(11,732.59)**

The accompanying notes form an integral part of financial statement

As per our attached report of even date
For Shah Gupta & Co.
Chartered Accountants
F.R.N. 109574W

Heneel K Patel
Partner
Membership No.: 114103
UDIN: 23114103BGYHJU5330

R.P.Gupta
Director
DIN No : 01325989

Manoj kumar Rustagi
Whole Time Director
DIN No : 07742914

Place: Kutra
Date: 16.05.2023

Sneha Bindra
Company Secretary

Girish Menon
Chief Financial Officer

Notes to Financial Statements:

1. General Information

Shiva Cement Limited ("the Company") is engaged in the business of manufacture and sale of cement, clinker and trading of allied products. The company is operating its clinkerisation facility with production capacity of 660000 MT.

Shiva Cement Limited is a public limited company and is listed on Bombay Stock Exchange having its registered office at Biringatoli, Teleghana, Kutra Sundargarh-770018, Odisha.

2. Significant Accounting Policies

A. Statement of compliance

Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation and disclosures requirement of Division II of revised Schedule III of the Companies Act 2013, (Ind AS Compliant Schedule III), as applicable to financial statement.

Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements").

These financial statements are approved for issue by the Board of Directors on 16.05.2023.

B. Basis of preparation & presentation

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair value at the end of each reporting year, as explained in the accounting policies below.

Fair value is the price that would be received on sell of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except leasing transactions that are within the scope of Ind AS116, fair value of plan assets within scope the of Ind AS 19 and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1,2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are prepared in INR and all values are rounded to the nearest lakhs except when otherwise stated.

Current and non-current classification

The company presents the assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised or is intended for sale or consumption in the company's normal operating cycle.
- It is held primarily for the purpose of being traded.
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria :

- It is expected to be settled in the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of liability that could, at the option of the counterparty result in its settlement by the issue of equity instruments do not affect its classification.

  All other liabilities are classified as non-current.

  The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

  Deferred tax assets and liabilities are classified as non-current only.

C. Revenue Recognition

i. Sale of Goods

The Company recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has generally concluded that it is the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customer.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

The Company recognises revenue generally at the point in time when the products are delivered to customer which is when the control over product is transferred to the customer.

Contract Balances

- **Contract assets**

  A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration.

- **Trade receivables**

  A receivable is recognised when the goods are delivered and to the extent that it has an unconditional contractual right to receive cash or other financial assets (i.e., only the passage of time is required before payment of the consideration is due).

  Trade receivables is derecognised when the Company transfers substantially all the risks and rewards of ownership of the asset to another party including discounting of bills on a non-recourse basis.

- **Contract liabilities**

  A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract including Advance received from Customer.

- **Refund liabilities**

  A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer including volume rebates and discounts. The Company updates its estimates of refund liabilities at the end of each reporting period.

ii. Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

D. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Company as lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are subject to impairment test.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e., below Rs. 5,00,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

E. Foreign currencies

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the year in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks

F. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalized as part of the cost of such asset up to the date when the asset is ready for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale .

All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

The Company determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalization are determined by applying a capitalization rate to the expenditures on that asset.

Borrowing Cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

G. Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the Balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of profit and loss. Past service cost is recognised in Statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

H. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of expected tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are off set when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

I. Property, Plant and Equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

Assets in the course of construction are capitalised in the assets under Capital work in progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels, revenue (net of cost) generated from production during the trial period is capitalised.

Assets in the course of construction are capitalised in the assets under Capital work in progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels, revenue (net of cost) generated from production during the trial period is capitalised.

Property, plant and equipment held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Class of assets	Useful life of assets (in Years)
Plant and Machinery	2 to 25
Approach Roads	5

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

J. Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Class of assets	Useful life of assets (in Years)
Computer Software & Licenses	3 – 5 years

Mining assets are amortised using unit of production method over the entire lease term.

Mining Assets

Acquisition/ Stripping Cost

The cost of Mining Assets capitalised includes costs associated with acquisition of licenses and rights to explore, stamp duty, registration fees and other such costs. Bid premium and royalties payable with respect to mining operations is contractual obligation. The said obligations are variable and linked to market prices. The Company has accounted for the same as expenditure on accrual basis as and when related liability arises as per respective agreements/ statute.

Exploration and evaluation

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

The Company measures its exploration and evaluation assets at cost and classifies as Property, plant and equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently. To the extent that tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

General exploration costs - costs of surveys and studies, rights of access to properties to conduct those studies (e.g., costs incurred for environment clearance, defense clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.

Costs of exploration drilling and equipping exploration - Expenditure incurred on the acquisition of a license interest is initially capitalised on a license-by-license basis. Costs are held, undepleted, within exploration and evaluation assets until such time as the exploration phase on the license area is complete or commercial reserves have been discovered.

Stripping cost

Developmental stripping costs in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets. Capitalisation of developmental stripping costs ends when the commercial production of the mineral reserves begins.

Production stripping costs are incurred to extract the minerals in the form of inventories and/or to improve access to an additional component of an mineral body or deeper levels of material. Production stripping costs are accounted for as inventories to the extent the benefit from production stripping activity is realised in the form of inventories.

Other production stripping cost incurred are expensed in the statement of profit and loss.

Developmental stripping costs are presented within mining assets. After initial recognition, stripping assets are carried at cost less accumulated amortisation and impairment. The expected useful life of the identified component of mineral is used to depreciate or amortise stripping cost.

Site restoration, rehabilitation and environmental costs: Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine. The costs are estimated on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalised. The provision for decommissioning assets is based on the current estimates of the costs for removing and decommissioning production facilities, the forecast timing of settlement of decommissioning liabilities and the appropriate discount rate. A corresponding provision is created on the liability side. The capitalised asset is charged to profit and loss over the life of the asset through amortisation over the life of the operation and the provision is increased each period via unwinding the discount on the provision. Management estimates are based on local legislation and/or other agreements are reviewed periodically.

The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology. Details of such provisions are set out in note 21.

K. Impairment of Non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any

L. Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of semi-finished /finished goods and work in progress include cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost of semi-finished mining inventory includes a proportion of cost of mining, bid premium, royalties and other manufacturing overheads depending on stage of completion of related activities. Cost of traded goods include purchase cost and inward freight.

Costs of inventories are determined on weighted average basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. In case of semi finished inventory from mining operations, estimated cost includes any bid premium, royalties and duties payable to the authorities.

M. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. However, before a separate provision for an onerous contract is established, the Company recognises any write down that has occurred on assets dedicated to that contract. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

N. Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

(i) Financial assets

(a) Recognition and initial measurement

A financial asset is initially recognised at fair value and, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

(b) Classification of financial assets

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit and loss.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL;

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of Ind AS 109 are measured at fair value. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrumentby-instrument basis. The classification is made on initial recognition and is irrevocable.The equity instruments which are strategic investments and held for long term purposes are classified as FVTOCI.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognized in statement of profit or loss. The net gain or loss recognized in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item.

(c) De-recognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

(d) Impairment

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount

e) Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the 'Other income' line item.

(ii) Financial liabilities and equity instruments

a) Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments

c) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

(i) Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in Statement of Profit and Loss. The net gain or loss recognized in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the Statement of Profit and Loss. For Liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

(ii) Other financial liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

d) Reclassification of financial assets/ liabilities:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortized cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortized Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortized cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in Consolidated OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized

		in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

e) De-recognition of financial/ liabilities :

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

O. Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of directors of the Company has been identified as the Chief Operating Decision Maker which reviews and assesses the financial performance and makes the strategic decisions.

P. Cash and cash equivalents:

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalent consists of cash and short term deposits, as defined above.

Q. Earnings Per Share:

Basic EPS is computed by dividing the net profit or (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit or loss after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees

R. Statement of cash flows:

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

i. changes during the period in inventories and operating receivables and payables, transactions of a non-cash nature;
ii. non-cash items such as depreciation, provisions, and unrealised foreign currency gains and losses etc.; and
iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less and liquid investments, which are subject to insignificant risk of changes in value.

S. Exceptional items:

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the notes to accounts.

3. Key sources of estimation uncertainty and Recent Accounting Pronouncements:

A Key sources of estimation uncertainty

In the course of applying the policies outlined in all notes under section 2 above, the Company is required to make judgments that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

i) Useful lives of property, plant and equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets.

ii) Mines restoration obligation

In determining the fair value of the Mines Restoration Obligation, assumptions and estimates are made in relation to mining reserve, discount rates, the expected cost of mines restoration and the expected timing of those costs.

iii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized. Potential liabilities that are remote are neither recognized nor disclosed as contingent liability. The management decides whether the matters needs to be classified as 'remote,' 'possible' or 'probable' based on expert advice, past judgements, terms of the contract, regulatory provisions etc.

iv) Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flows model . The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include consideration of inputs such as liquidity risk, credit risk and volatility.

v) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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vii) Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgment to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of time value of money and the risk specific to the liability.

viii) Expected credit loss:

The measurement of expected credit loss on financial assets is based on the evaluation of collectability and the management's judgement considering external and internal sources of information. A considerable amount of judgement is required in assessing the ultimate realization of the loans having regard to, the past collection history of each party and ongoing dealings with these parties, and assessment of their ability to pay the debt on designated dates.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2023

Note 4. Property, plant and equipment

₹ in lakhs

Description of Assets	Freehold Land	Buildings	Plant and Equipments	Computers	Office Equipments	Furniture and Fixtures	Vehicles	Tangibles Total
I. Cost/Deemed cost								
As at 01.04.2021	**426.01**	**1,836.10**	**12,730.72**	**66.44**	**16.53**	**119.51**	**22.10**	**15,217.41**
Additions	83.95	-	3.62	-	-	-	-	87.57
Deductions/Disposal		361.09	1,446.47	-	-	-	-	1,807.56
At 31.03.2022	**509.96**	**1,475.01**	**11,287.87**	**66.44**	**16.53**	**119.51**	**22.10**	**13,497.42**
Additions	**191.34**	**-**	**761.71**	**-**	**-**	**-**	**-**	953.05
Deductions/Disposal	**-**	976.41	2,801.41	**-**	**0.62**	**24.53**	**7.47**	3,810.44
At 31.03.2023	**701.30**	**498.60**	**9,248.17**	**66.44**	**15.91**	**94.98**	**14.63**	**10,640.03**
II. Accumulated depreciation and impairment								
As at 01.04.2021	**-**	**407.15**	**2,943.98**	**32.78**	**5.44**	**43.23**	**16.52**	**3,449.10**
Depreciation expense	**-**	99.91	495.59	18.72	2.86	41.35	1.12	659.55
Eliminated on disposal of assets	**-**	80.44	376.72	-	-	-	-	457.16
At 31.03.2022	**-**	**426.62**	**3,062.85**	**51.50**	**8.30**	**84.58**	**17.64**	**3,651.49**
Depreciation expense	-	102.82	5,675.87	5.95	1.04	9.30	0.76	5,795.74
Eliminated on disposal of assets	-	293.32	765.98	-	0.39	19.75	6.24	1,085.68
At 31.03.2023	**-**	**236.12**	**7,972.74**	**58.45**	**9.23**	**74.83**	**12.35**	**8,361.55**
Net Book Value								
At 31.03.2023	**701.30**	**262.48**	**1,275.43**	**7.99**	**6.68**	**20.15**	**2.28**	**2,276.30**
At 31.03.2022	**509.96**	**1,048.39**	**8,225.02**	**14.94**	**8.23**	**34.93**	**4.46**	**9,845.92**

4.1. Property, plant and equipment include assets with net block of ₹ NIL (as at 31.03.2022 ₹ 5.16 Lakhs) not owned by the Company.

4.2. Deduction of Property,plant and equipment include dismantalling of certain civil and mechanical structure of existing immovable assets at Kutra Plant book value of ₹ 2717.35 lakhs (as at 31.03.2022 ₹ 1340.72 lakhs)

4.3. First pari-passu charge on project fixed assets (both movable & immovable) including assignment of lease hold right of the land acquired for mining and project.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2023

Note 5. Capital work-in-progress

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Capital Work in Progress	89,018.09	45,933.07
Total	**89,018.09**	45,933.07

Capital work-in-progress Ageing Schedule
As at 31.03.2023

Capital work-in-progress	Amount in Capital work in progress for a period of				
	Less than 1 year	1 - 2 year	2 - 3 years	More than 3 years	Total
Project in progress	43,085.02	45,545.24	387.83		89,018.09
Project temporarily suspended	-	-	-	-	-
Total	**43,085.02**	**45,545.24**	**387.83**		**89,018.09**

As at 31.03.2022

Capital work-in-progress	Amount in Capital work in progress for a period of				
	Less than 1 year	1 - 2 year	2 - 3 years	More than 3 years	Total
Project in progress	45,545.24	387.83	-		45,933.07
Project temporarily suspended	-	-	-	-	-
Total	**45,545.24**	**387.83**	**-**		**45,933.07**

5.1.Projects has been grouped into various heads basis nature of the projects.
5.2. Capital work-in-progress includes borrowing cost of ₹ 10,544.59 lakhs (as at 31.03.2022 ₹ 3,433.97 lakhs)
5.3. Capital work-in-progress includes trial run expenditure amounting ₹ 1,238.06 lakhs.
5.4. There were no capital work in progress assets where completion was overdue against original planned timelines or where estimated cost exceeded its original plant cost as on 31.03.2023 (for the year ended 31.03.2022 : ₹NIL).

Note 6. Right of Use assets

₹ in lakhs

Description of Assets	Land	Lease hold land Mines	Total
I. Cost/Deemed cost			
At 01.04.2021	144.33	32.17	176.50
Additions	-	-	-
Deductions	-	-	-
At 31.03.2022	**144.33**	**32.17**	**176.50**
Additions	-	-	-
Deductions	-	-	-
Balance as at March 31, 2023	**144.33**	**32.17**	**176.50**
II. Accumulated depreciation and impairment			
At 01.04.2021	3.92	0.55	4.47
Depreciation expense	1.96	1.58	3.54
Eliminated on disposal of assets			
Balance as at March 31, 2022	**5.88**	**2.13**	**8.01**
Depreciation expense	1.96	1.58	3.54
Eliminated on disposal of assets			
Balance as at March 31, 2023	**7.84**	**3.71**	**11.55**
Carrying Value			
As at March 31, 2023	**136.49**	**28.46**	**164.95**
As at March 31, 2022	138.45	30.04	168.49

Note
6.1 The land at Teleghana on which factories have been built were taken on 90 years lease from Industrial Development Corporation of Odissa.
6.2. The lease hold land Rs.144.33 lakhs have been pledged against term loan from bank, the detail relating to which have been described in note 19.

Note 7. Intangible assets

₹ in lakhs

Intangibles	Computer Software	Mining Development	Mining Rights	Intangible Total
I. Cost/Deemed cost				
At 01.04.2021	**39.00**	**1,018.20**	**23.36**	**1,080.56**
Additions	-	-	364.14	364.14
Deductions	-	-	-	-
At 31.03.2022	**39.00**	**1,018.20**	**387.50**	**1,444.70**
Additions	**-**	**-**	**-**	**-**
Deductions	**-**	**-**	**-**	**-**
At 31.03.2023	**39.00**	**1,018.20**	**387.50**	**1,444.70**
II. Accumulated amortisation				
At 01.04.2021	**36.80**	**162.82**	**0.15**	**199.78**
Amortisation expense	2.20	39.20	1.06	42.46
Eliminated on disposal of assets	**-**	**-**	**-**	-
At 31.03.2022	**39.00**	**202.02**	**1.21**	**242.23**
Amortisation expense	**-**	**96.71**	**2.64**	99.35
Eliminated on disposal of assets	**-**	**-**	**-**	-
At 31.03.2023	**39.00**	**298.73**	**3.85**	**341.58**
Net Book Value				
At 31.03.2023	**-**	**719.47**	**383.65**	**1,103.12**
At 31.03.2022	**-**	**816.18**	**386.29**	**1,202.47**

7.1.Mining rights includes:
a) Acquisition cost incurred for mines such as stamp duty, registration fees and other such costs have been capitalised as Intangible Assets.
b) Restoration liabilities estimated through a mining expert and accordingly the Company recognized mining rights and corresponding liability (refer note 21.1).

SHIVA CEMENT LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2023

Note 8. Intangible assets under development ₹ Lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Mining development	1,235.76	357.79
Software	226.47	67.98
Total	**1,462.23**	**425.77**

Intangible Asset under development Ageing Schedule is as below:

As at 31.03.2023 ₹ Lakhs

Particulars	Amount in Intangible asset under development for a period of				
	Less than 1 year	1 - 2 year	2 - 3 years	More than 3 years	Total
Project in progress	1,036.46	197.11	228.66	-	1,462.23
Project temporarily suspended	-	-	-	-	-
Total	**1,036.46**	**197.11**	**228.66**	**-**	**1,462.23**

As at 31.03.2022 ₹ Lakhs

Particulars	Amount in Intangible asset under development for a period of				
	Less than 1 year	1 - 2 year	2 - 3 years	More than 3 years	Total
Project in progress	197.11	228.66	-	-	425.77
Project temporarily suspended		-	-	-	-
Total	**197.11**	**228.66**	**-**	**-**	**425.77**

8.1.Projects has been grouped into various heads basis nature of the projects.

8.2.There were no intangible asset under development assets where completion was overdue against original planned timelines or where estimated cost exceeded its original plant cost as on 31.03.2023 (for the year ended 31.03.2022 : ₹NIL).

8.3. Intangible assets under development include expenditure incurred on development of mining rights and other related costs for mines which are yet to be made operational and expenditure towards software upgrades.

Note 9. Other financial assets (unsecured) ₹ Lakhs

Particulars	Non-Current		Current	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Bank balances with maturity more than 12 months (Margin money)	3,466.39	3,467.32	-	-
Interest accrued	-	-	228.25	77.93
Less: Allowance for doubtful receivables	-	-	-	-
Total	**3,466.39**	**3,467.32**	**228.25**	**77.93**

Note 10. Income tax assets (net) ₹ Lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Advance Income Tax and Tax Deducted at Source [net of provisions]	67.00	37.79
Total	**67.00**	**37.79**

Note 11. Deferred tax assets (net)

Indian companies are subject to Indian income tax on a standalone basis. For each fiscal year, the entity profit and loss is subject to the higher of the regular income tax payable or the Minimum Alternative Tax (“MAT”).

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income Tax Act, 1961. Statutory income tax is charged at 25% plus a surcharge and education cess.

MAT is assessed on book profits adjusted for certain items as compared to the adjustments followed for assessing regular income tax under normal provisions. MAT paid in excess of regular income tax during a year can be set off against regular income taxes within a period of fifteen years succeeding the fiscal year in which MAT credit arises subject to the limits prescribed.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

A. Income tax expense ₹ Lakhs

Particulars	For the year ended 31.03.2023	For the year ended 31.03.3022
Current Tax:		
Current tax	-	-
Deferred tax	(2,845.65)	(899.84)
Minimum alternate tax credit reversed	28.48	-
Total Deferred tax	(2,817.17)	(899.84)
Total Tax Expenses	(2,817.17)	(899.84)

A reconciliation of income tax expense applicable to accounting Profit / (Loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

₹ Lakhs

Particulars	For the year ended 31.03.2023	For the year ended 31.03.3022
Reconciliation:		
Profit before tax	(10,864.20)	(3,451.76)
Enacted tax rate in India (%)	26.00%	26.00%
Expected income tax expense at statutory tax rate	(2,824.69)	(897.46)
Deferred tax pertaining to earlier period	7.52	(2.38)
Tax expense for the year	(2,817.17)	(899.84)
Effective income tax rate	25.93%	26.07%

Wherever the Company has a present obligation and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation, such amounts have been adequately provided for, and the Company does not currently estimate any probable material incremental tax liabilities in respect of these matters (refer note 37 (a))

B. Deferred tax assets (net)

Significant components of deferred tax assets / (liabilities), deductible temporary differences and unused tax losses recognised in the financial statements are as follows:

₹ Lakhs

Particulars	As at 01.04.2022	Recognised / (reversed) through profit or loss or OCI	As at 31.03.2023
Property, plant and equipment	(1,590.90)	2,027.06	436.16
Provisions for employee benefit / loans and advances / mining reserves	287.45	19.88	307.33
Unused tax losses	5,677.84	798.55	6,476.39
Lease liabilities	11.09	0.16	11.25
MAT Credit	428.15	(28.48)	399.67
Total	4,813.63	2,817.17	7,630.80

₹ Lakhs

Particulars	As at 01.04.2021	Recognised / (reversed) through profit or loss or OCI	As at 31.03.2022
Property, plant and equipment	(1,828.13)	237.23	(1,590.90)
Provisions for employee benefit / loans and advances / mining reserves	177.56	109.90	287.45
Unused tax losses	5,125.64	552.20	5,677.84
Lease liabilities	10.58	0.51	11.09
MAT Credit	428.15	-	428.15
Total	3,913.80	899.84	4,813.63

Note 12. Other assets

₹ Lakhs

Particulars	Non-Current		Current	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Capital advances (secured, considered good)*	5,952.45	2,768.39	-	-
Capital advances (Unsecured, considered good)*	2,677.27	9,473.04		
Advance to suppliers	-	-	1,882.47	76.32
Security deposits	1,290.62	254.60	-	-
Indirect tax balances/recoverable/credits	-	-	13,326.49	7,500.82
Prepayments and others	3,893.01	881.27	2.29	5.74
Mining leasehold land pre-payment	406.95	428.37	-	-
Advance to employees	-	-	4.81	7.45
Total	**14,220.30**	**13,805.67**	**15,216.06**	**7,590.33**

***Capital Advance**

₹ Lakhs

Particulars	Non-Current		Current	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Capital Advance considered good, Secured	5,952.45	2,768.39		-
Capital Advances considered good, Unsecured	2,677.27	9,473.04		-
Capital Advances which have significant increase in credit risk	-	-	-	-
Capital Advances-credit impaired	-	-	-	-
	8,629.72	12,241.43	-	-
Less: Allowance for doubtful advances	-	-	-	-
Total	**8,629.72**	**12,241.43**	**-**	**-**

Note 13. Inventories ₹ Lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Raw materials (at cost)	83.16	49.86
Semi finished goods (at cost)	907.24	922.84
Finished goods (at lower of cost and net realisable value) *	1,006.15	-
Stores and spares (at cost)	195.71	83.48
Fuel (at cost)	1,035.66	77.37
Total	**3,227.92**	**1,133.55**

Note :

* 13.1. Inventories are in respect of trial run operations (Refer note 36)

13.2. Cost of inventory recognised as an expense ₹ Lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Cost of material consumed	31.57	983.30
Changes in inventories of finished goods, semi finished goods and stock in trade	15.60	(715.66)
Stores and spares	19.78	62.76
Fuel	104.37	121.79
Total	**171.32**	**452.19**

Note 14. Trade Receivables ₹ Lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Trade Receivable considered good, Unsecured	799.24	2.50
Trade receivable which have significant increase in credit risk	130.33	126.24
Trade Receivables-credit impaired	-	3.02
	929.57	131.76
Less: Allowance for doubtful debts	(130.33)	(129.26)
Total	**799.24**	**2.50**

Movement in allownaces for bad and doubtful debts

Balance at the beginning of the year	129.26	124.23
Additional Allowance	1.07	5.03
Balance at the end of the year	**130.33**	**129.26**

Note :

14.1.The credit period on sales of goods ranges from 0 to 30 days with or without security. The Company charges interest on receivable beyond credit period in case of certain customers.

14.2. Trade Receivable does not include any receivable from Directors and Officers of the Company.

14.3. Refer note 37 g for details of receivables from related party.

14.4. Loss allowance is estimated for disputed receivables based on assessmenmt of each case where consider necessary.

14.5. Trade receivables are in respect of sales made during trial run operations (Refer note 36)

14.6. Credit risk management regarding trade receivables has been described in note 34.

Ageing as at 31.03.2023 ₹ Lakhs

Particulars	Outstanding for following periods from due date of payment						
	Not yet due	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2 - 3 years**	**More than 3 years**	**Total**
Trade receivables - considered good							
- Disputed	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- Undisputed	**799.24**	**-**	**-**	**-**	**-**	**-**	**799.24**
Trade receivables - which have significant increase in credit risk							
- Disputed	**-**	**-**	**-**	**-**	**0.50**	**129.82**	**130.33**
- Undisputed	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Trade receivables - credit impaired							
- Disputed	-	-	-	-	-	-	**-**
- Undisputed	-	-	-	-	-	**-**	**-**
Less:Allowance for doubtful debts	-	-	-	-	(0.50)	**(129.83)**	**(130.33)**
Total	**799.24**	**-**	**-**	**-**	**0.00**	**(0.01)**	**799.24**

As at 31.03.2022							₹ Lakhs
Particulars	Outstanding for following periods from due date of payment						
	Not yet due	Less than 6 months	6 months - 1 year	1-2 years	2 - 3 years	More than 3 years	Total
Trade receivables - considered good							
- Disputed	-	-	-	-	-	-	-
- Undisputed	-	-	0.02	1.16	-	1.32	2.50
Trade receivables - which have significant increase in credit risk							
- Disputed	-	-	-	0.50	8.70	117.04	126.24
- Undisputed	-	-	-	-	-	-	-
Trade receivables - credit impaired							
- Disputed	-	-	-	-	-	-	-
- Undisputed	-	-	-	-	-	3.02	3.02
Less:Allowance for doubtful debts	-	-	-	(0.50)	(8.70)	(120.06)	(129.26)
Total	-	-	0.02	1.16	-	1.32	2.50

Unbilled dues for the financial year 2022-23 Rs. Nil (Previous year Rs. Nil)

Note 15. Cash and cash equivalents ₹ Lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Balances with banks in current accounts	90.56	434.33
Total	**90.56**	**434.33**

Note 16. Bank balances other than cash and cash equivalents ₹ Lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Term deposit with maturity of more than 3 months but less than 12 months at inception	177.91	896.96
Term deposit with maturity for more than 12 months at inception	3,466.39	3,467.32
Less: Term deposit with maturity for more than 12 months disclosed under Non Current financial assets	(3,466.39)	(3,467.32)
Total	**177.91**	**896.96**

16.1. Includes deposits of ₹ 3,644.30 lakhs (as at 31.03.2022 ₹ 4,364.28 lakhs) with bank as security against bank guarantee given to government department and others.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2023

Note 17. Equity Share Capital

Particulars	As at 31.03.2023		As at 31.03.2022	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
Share Capital				
Authorised				
a) Equity shares of the par value of Rs. 2/- each	**40,00,00,000**	**8,000.00**	40,00,00,000	8,000.00
b) 1% Optionally Convertible Cumulative Redeemable Preference shares of Rs 100/- each	**2,00,00,000**	**20,000.00**	2,00,00,000	20,000.00
Issued, Subscribed and fully paid up				
Outstanding at the beginning of the year	**19,50,00,000**	**3,900.00**	19,50,00,000	3,900.00
Changes in equity share capital during the year	**-**	**-**	-	-
Outstanding at the end of the year	**19,50,00,000**	**3,900.00**	**19,50,00,000**	**3,900.00**
b) 1% Optionally Convertible Cumulative Redeemable Preference shares of Rs 100/- each				
Outstanding at the beginning of the year	**1,00,00,000**	**10,000.00**	1,00,00,000	10,000.00
Changes during the year	-	-	-	-
Outstanding at the end of the year	1,00,00,000	10,000.00	1,00,00,000	10,000
Total	**20,50,00,000**	**13,900.00**	**20,50,00,000**	**13,900.00**
Less: 1% Optionally Convertible Cumulative Redeemable Preference shares transferred to Non Current Financial Liabilities - Borrowing	**(1,00,00,000)**	**(5,516.27)**	(1,00,00,000)	(10,000.00)
Less: 1% Optionally Convertible Cumulative Redeemable Preference shares transferred to Reserves(Refer Note 18)	**-**	**(4,483.73)**	-	
Total	**19,50,00,000**	**3,900.00**	19,50,00,000	3,900.00

Refer Notes (i) to (iii) below

Equity component of 1% Optionally Convertible Cumulative Redeemable Preference shares of Rs 100 each

Particular	Number	₹ in lakhs
At 01.04.2021	-	-
Movement during the year	-	-
At 31.03.2022	-	-
Movement during the year	-	4,483.73
At 31.03.2023	-	4,483.73

(i) Rights, preferences and restriction attached to Equity Shares

The company has only one class of equity shares having a par value of Rs 2/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Terms/rights attached to 1% Optional Convertible Cumulative Redeemable Preference Share (OCCRPS)

The Company has one class of Preference Shares. These shares carry cumulative dividend @ 1%. These OCCRPS are convertible into Equity Shares at the option of the Holder within a period of 18 months from the date of allotment, in one or more tranches, at a price determined on the relevant date or to be redeemed at par upon maturity after 18 months but within 9 years from date of allotment.

The option to convert the instrument into Equity shares lapsed on 04.08.2022 (valuation date), and hence the nature of instrument changes from this date and will be redeemed at par upon maturity. Accordingly, future estimated cash flows of principal on redemption and cumulative coupon of 1% for 9 years are discounted at pre tax borrowing rate of 9.5% to determine the fair value of the instrument at valuation date.

The difference between the issue price of OCCRPS and the fair value on valuation date Rs. 4483.73 Lakhs treated as Equity component of compounded financial instrument in the financial statement for the year ended 31.03.2023.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31.03.2023		As at 31.03.2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
JSW Cement Limited	11,56,66,750	59.32%	11,56,66,750	59.32%
1% Optionally Convertible Cumulative Redeemable Preference Shares				
JSW Cement Limited	-	100%	-	100%

(iv) Details of shares held by promotors and promotors group:

Class of shares	As at 31.03.2023		As at 31.03.2022		% change during the year
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	
Promoters					
JSW Cement Limited	11,56,66,750	59.32%	11,56,66,750	59.32%	-
Promoter Group					
Anushree Jindal	5,25,000	0.27%	5,25,000	0.27%	-

(v)Shares alloted as fully paid-up pursuant to contracts without payment being received in cash during the year of five years immediately preceding the date of the balance sheet are as under:

Nil

Note 18. Other equity ₹ Lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Capital Reserve	812.31	812.31
Security Premium reserve	5,206.13	5,206.13
Equity component of compounded financial instrument	4,483.73	-
Retained earnings	(22,234.76)	(14,190.56)
Total	**(11,732.59)**	**(8,172.12)**

Capital Reserve :

Reserve is primarily created out of share forfeiture amounting ₹ 214.50 lakhs and amalgamation reserve amounting ₹ 566.03 lakhs as per statutory requirement.

Security premium reserve :

The amount received in excess of face value of the equity shares is recognised in securities premium. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013

Equity component of optionally convertible cumulative redeemable preference shares(OCCRPS)

During the year, upon expiry of conversion options given in OCCRPS, the Company has computed equity portion (based on concessional rate of interest in OCCRPS) amounting to Rs.4,483.73 lakhs.

Retained earning :

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.

Note 19. Borrowings ₹ Lakhs

Particulars	Non-Current		Current	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Term Loans (at amortised cost)				
Secured				
From banks	61,257.43	30,990.94	-	-
Less: Unamortised upfront fees on borrowings	(317.00)	(182.74)	-	-
Unsecured				
From related parties				
'1% Optionally Convertible Cumulative Redeemable Preference Shares of	-	10,000.00		
	60,940.43	40,808.20	-	-
Other Loans (at amortised cost)				
Unsecured				
From related parties	47,961.83	39,367.91	14,175.08	-
Other Loans (at Fair value through profit and loss)				
Unsecured				
'1% Optionally Convertible Cumulative Redeemable Preference Shares of Rs.100/- each	10,000.00	-	-	-
Less : Equity component of 1% optionally convertible cumulative reedemable preference shares	(4,483.73)	-		
Add : Unwinding of interest (refer note 30)	337.50	-	-	-
	53,815.60	39,367.91	14,175.08	-
Total	**1,14,756.03**	**80,176.11**	**14,175.08**	**-**

Notes :

(i) The above unsecured loan from related party has been taken from holding company, M/s. JSW Cement Limited. The tenure of the loan is 3 years from the date of disbursement or such extended time as may be agreed and repayable at the end of the tenure alongwith interest accrued on the same. The rate of interest is 8.00 %

(ii) The company raised fund of Rs. 10000 lakhs by issue of One Crore 1% optionally convertible cumulative redeemable preference share (OCCRPS) of Rs.100 each. These OCCRPS are convertible into Equity Shares at the option of the Holder within a period of 18 months from the date of allotment in one or more tranches, at a price determined on the relevant date or to be redeemed at par upon maturity after 18 months but within 9 years from date of allotment.

The option to convert the instrument into Equity shares lapsed on 04.08.2022 (valuation date), and hence the nature of instrument changes from this date and will be redeemed at par upon maturity. Accordingly, future estimated cash flows of principal on redemption and cumulative coupon of 1% for 9 years are discounted at pre tax borrowing rate of 9.5% to determine the fair value of the instrument at valuation date.

The difference between the issue price of OCCRPS and the fair value on valuation date Rs. 4483.73 Lakhs treated as Equity component of compounded financial instrument in the financial statement for the year ended 31.03.2023.

(iii) Out of the sanctioned amount of Rs.106600 lakhs by consortium of Banks having Axis Bank Limited as a lead banker with other Banks such as Bank of India, Bank of Maharastra & Punjab National Bank, disbursement of loan made during the year is for Rs. 30266.49 lakhs (previous year Rs.30990.94 lakhs). Cumulative disbursement of loan done by the banks as on 31.03.2023 is Rs. 61257.43 lakhs . The applicable rate of interest is of 8.75% per annum till 17.12.2022 & 9.65% from 18.12.2022 to 31.03.2023 during construction period. (8.50% after date of schedule operation 30.09.2023) and payable on monthly basis.

a. Term of Repayment

- 9 years (36 quarterly structured repayment) after one year of moratorium from schedule date of operation i.e. 30.09.2024

b. Nature of security

- First pari-passu charge on project fixed assets (both moveable & immoveable) including assignment of lease hold right of the land acquired for mining and
- Unconditional and irrevocable Corporate Guarantee of JSW Cement Limited - Holding company.

(iv) Term loans were applied for the purpose for which the Term loans have been obtained from Banks.

(v) As per the term sheet, the company is not required to file Stock statements or any Bank returns with its bankers.

(vi) All charges are registered with ROC within statutory period by the company.

(vii) The company has not declared wilful defaulter by any bank or financial institution or lender during the year.

Note 20. Lease Liabilities ₹ in lakhs

Particulars	Non-Current		Current	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Lease liability	4.61	4.61	0.50	0.50
Total	**4.61**	**4.61**	**0.50**	**0.50**

Note 20.1. Lease liabilities ₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Opening Lease liability	**5.11**	5.11
Additions	**-**	-
Interest accrued	0.50	0.50
Lease principal payments	-	-
Lease interest payments	0.50	0.50
Reversal	-	-
Closing lease liability	**5.11**	5.11
Current	**0.50**	**0.50**
Non Current	**4.61**	**4.61**

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2023 on an undiscounted basis:

₹ Lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Less than 1 years	0.50	0.50
1-5 years	2.49	2.49
more than 5 years	35.34	35.84
Total	**38.34**	**38.83**

Note 20.2. Lease liabilities

The Company incurred ₹ Nil for the year ended March 31, 2023 (₹ 2.74 lakhs for year ended March 31,2022) towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹ Nil for the year ended March 31, 2023 (₹ 2.74 lakhs for year ended March 31,2022), including cash outflow for short term and low value leases.

The company does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Note 21. Provisions **₹ Lakhs**

Particulars	Non Current		Current	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Provision for employee benefits				
Gratuity (Refer note 37(d)(ii))	104.19	100.78	14.49	21.00
Leave encashment (Refer note 37(d)(vi))	11.21	9.59	2.72	1.90
Others	-	-	-	-
Restoration liabilities(refer note 21.1)	981.51	905.39	-	-
Total	**1,096.91**	**1,015.76**	**17.21**	**22.90**

Note 21.1 Movement of restoration liabilities provision during the year

₹ Lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Opening Balance	905.39	469.03
Add: Unwinding of discount on mine restoration expenditure	76.12	72.22
Add: Additional asset created on account of revision of estimates	-	364.14
Closing Balance	**981.51**	**905.39**

Site restoration expenditure is incurred on an ongoing basis until the closure of the site. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenditure.

Note 22. Trade Payables **₹ Lakhs**

Particulars	As at 31.03.2023	As at 31.03.2022
Total outstanding dues of micro enterprise and small enterprise	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	-	-
Other than acceptances	5,073.93	509.69
Total	**5,073.93**	**509.69**

Trade payable ageing schedule

At 31st March, 2023 **₹ Lakhs**

Particulars	Outstanding for following period from due date of payment					
	Not yet due	Less than 1 year	1- 2 years	2 - 3 years	More than 3	Total
MSME	-	-	-	-	-	-
Others	1,472.95	3,396.49	8.01	13.19	183.29	5,073.93
Disputed - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	**1,472.95**	**3,396.49**	**8.01**	**13.19**	**183.29**	**5,073.93**

As at 31st March, 2022						₹ Lakhs
Particulars	Outstanding for following period from due date of payment					
	Not yet due	Less than 1 year	1- 2 years	2 - 3 years	More than 3	Total
MSME	-	-	-	-	-	-
Others	217.22	92.12	16.77	5.80	177.78	509.69
Disputed - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	**217.22**	**92.12**	**16.77**	**5.80**	**177.78**	**509.69**

22.1. Payables Other than acceptances are normally settled within 180 days.

22.2. Trade payables from related parties' details has been described in note 37 g.

22.3. Unbilled dues for current financial year ₹ Nil (previous financial year ₹ 322.40 lakhs)

22.4. Disclosure pertaining to micro and small enterprises (as per information available with the Company): ₹ Lakhs

Description	As at 31.03.2023	As at 31.03.2022
Principal amount outstanding as at end of year	-	-
Principal amount overdue more than 45 days	-	-
Interest due and unpaid as at end of year	-	-
Interest paid to the supplier	-	-
Payments made to the supplier beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid as at end of year	-	-
Amount of further interest remaining due and payable in succeeding year	-	-

Note 23. Other financial liabilities (Current,at amortised cost) ₹ Lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Interest accrued but not due on borrowings	1,016.78	688.34
Payable for capital projects		
- Acceptances	347.68	990.54
- Other than acceptances	9,983.43	10,358.38
Security Deposit received	23.83	19.98
Total	**11,371.72**	**12,057.24**

Acceptances include credit availed by the company from banks for payment to suppliers for capital items purchased by the company. The arrangements are interest bearing and are payable within one year.

Note 24. Other current liabilities ₹ Lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Advances from customers	3.83	51.50
Statutory liabilities	481.89	269.54
Total	**485.72**	**321.04**

Note 25. Revenue From Operations ₹ Lakhs

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Sale of Products		
Finished goods	-	346.55
Total	**-**	**346.55**

Product wise turnover ₹ Lakhs

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Portland pozzolana cement (PPC)	-	288.73
Portland slag cement (PSC)	-	57.82
Total	-	346.55

Ind AS 115 Revenue from Contracts with Customers

The Company recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has assessed and determined the following categories for disaggregation of revenue in addition to that provided under segment disclosure (refer note 37 e):

₹ Lakhs

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Revenue from contracts with customer - Sale of products	-	346.55
Total revenue from operations	**-**	**346.55**
India	-	346.55
Outside India	-	-
Total revenue from operations	**-**	**346.55**
Timimg of revenue recognition		
At a point in time	-	346.55
Total revenue from operations	**-**	**346.55**

Contract Balances ₹ Lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Trade receivable (refer note 14)	799.24	2.50
Contract Liabilities		
Advance from customers (refer note 24)	3.83	51.50

25.1.The credit period on sales of goods ranges from 0 to 30 days with or without security.

25.2.As at 31 March 2023 130.33 lakh (previous 129.26 lakh) was recognised as provision for allowance for doubtful debts on trade receivables

25.3.Contract liabilities include short term advances received for sale of goods. The outstanding balances of these accounts decreased in due to adjustment against receivable balances. Short term advances are detailed in note 24.

25.4.Out of the total contract liabilities outstanding as on 31 March 2023, 3.83 lakh (previous 51.50 lakh) will be recognised by 31 March 2023 and remaining thereafter.

25.5. Trade receivables are in respect of sales made during trial run operations (Refer note 36)

Refund Liabilities ₹ Lakhs

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Arising from volume rebates and discount	-	(0.87)

Note 26. Other Income ₹ Lakhs

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Scrap sale	317.21	314.80
Other Interest income	29.62	41.45
Write Back of excess provision	0.55	23.49
Miscellaneous income	-	0.75
Total	**347.38**	**380.49**

Note 27A. Cost of raw material consumed ₹ Lakhs

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Inventory at the beginning of the year	16.48	34.65
Add : Purchases during the year	98.25	998.51
Less: Inventory at the end of the year	(83.16)	(49.86)
Total	**31.57**	**983.30**

Note 27B. Changes in inventories of finished goods, work-in- progress and stock-in-trade ₹ Lakhs

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Opening stock :		
Finished goods	-	26.56
Semi finished goods	922.84	180.62
	922.84	**207.18**
Trial run stock at the end of the year :		
Finished goods	-	-
Semi finished goods	-	-
	-	**-**
Closing stock :		
Finished goods	-	-
Semi finished goods	907.24	922.84
Total Inventories at the end of the year	**907.24**	**922.84**
	15.60	**(715.66)**
Total	**15.60**	**(715.66)**

Note 28. Employee benefits expense ₹ Lakhs

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Salaries and wages(net)	177.91	202.05
Contributions to provident fund and other funds (Refer note 37 d)	27.41	27.64
Gratuity expense (Refer note 37 d)	12.42	18.05
Staff welfare expenses	47.57	27.13
Total	**265.31**	**274.87**

Note 29. Power and Fuel ₹ Lakhs

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Power procured	108.17	198.04
Fuel	104.37	121.79
Total	**212.54**	**319.83**

Note 30. Finance Costs ₹ Lakhs

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Interest expenses	870.16	797.12
Interest on lease liabilities	0.50	0.50
Unwinding of interest on financial instrument (at fair value through profit and loss)	337.81	-
Unwinding of discount on mine restoration expenditure (at amortised cost)	76.12	80.48
Other borrowing cost	0.71	1.16
Total	**1,285.30**	**879.26**

Note 31. Depreciation and amortization expense ₹ Lakhs

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Depreciation on Property, plant and equipment	5,790.57	621.51
Depreciation on Right of use assets	3.54	3.54
Depreciation of Asset constructed on property not owned by company	5.16	40.25
Amortization of Intangible assets	99.36	40.25
Total	**5,898.63**	**705.55**

Note 32. Other expenses ₹ Lakhs

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Consumption of stores and spares	19.78	62.76
Repairs and maintenance expenses:		
-Repairs to buildings	-	31.74
-Repairs to machinery	11.26	26.15
-Others	11.92	13.23
Rent (including amortisation of mining lease pre payment)	22.58	24.85
Rates and taxes	20.87	22.11
Insurance	20.91	14.41
Legal & professional (Refer note 32.1)	188.25	178.38
Advertisement & publicity	4.47	3.89
Selling & distribution expenses	23.66	7.91
Auditors remuneration (Refer note 32.1)	12.65	12.35
Loss/(Profit) on sale /write off of assets	2,717.35	1,340.72
Postage & telephone	8.50	3.58
Printing & stationery	5.55	3.20
Travelling expenses	35.21	11.39
Corporate social responsibility expense	5.75	2.71
Software and IT related expenses	6.42	4.92
Miscellaneous expenses	387.50	166.61
Total	**3,502.63**	**1,930.91**

Note 32.1. Auditors remuneration (excluding Tax) ₹ Lakhs

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Statutory audit fees	11.00	11.00
Tax Audit fees	1.00	1.00
Other services	0.65	0.35
Total	**12.65**	**12.35**

Note 33.Income tax

Indian companies are subject to Indian income tax on a standalone basis. For each fiscal year, the entity profit and loss is subject to the higher of the regular income tax payable or the Minimum Alternative Tax (“MAT”).

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income Tax Act, 1961. Statutory income tax is charged at 25% plus a surcharge and education cess.

MAT is assessed on book profits adjusted for certain items as compared to the adjustments followed for assessing regular income tax under normal provisions. MAT paid in excess of regular income tax during a year can be set off against regular income taxes within a period of fifteen years succeeding the fiscal year in which MAT credit arises subject to the limits prescribed.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

A. Income tax expense ₹ Lakhs

Particulars	**For the year ended 31.03.2023**	**For the year ended 31.03.3022**
Current Tax:		
Current tax	-	-
Deferred tax	(2,845.65)	(899.84)
Minimum alternate tax credit reversed	28.48	-
Total Deferred tax	(2,817.17)	(899.84)
Total Tax Expenses	(2,817.17)	(899.84)

A reconciliation of income tax expense applicable to accounting Profit / (Loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

₹ Lakhs

Particulars	For the year ended 31.03.2023	For the year ended 31.03.3022
Reconciliation:		
Profit before tax	(10,864.20)	(3,451.75)
Enacted tax rate in India (%)	26.00%	26.00%
Expected income tax expense at statutory tax rate	(2,824.69)	(897.46)
Deferred tax pertaining to earlier period	(7.52)	(2.38)
Tax expense for the year	(2,817.17)	(899.84)
Effective income tax rate	25.93%	26.07%

Wherever the Company has a present obligation and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation, such amounts have been adequately provided for, and the Company does not currently estimate any probable material incremental tax liabilities in respect of these matters (refer note 37 (a))

B. Deferred tax assets (net)

Significant components of deferred tax assets / (liabilities), deductible temporary differences and unused tax losses recognised in the financial statements are as follows:

₹ Lakhs

Particulars	As at 01.04.2022	Recognised / (reversed) through profit or loss or OCI	As at 31.03.2023
Property, plant and equipment	(1,590.90)	2,027.06	436.16
Provisions for employee benefit / loans and advances / mining reserves	287.45	19.88	307.33
Unused tax losses	5,677.84	798.55	6,476.39
Lease liabilities	11.09	0.16	11.25
MAT Credit	428.15	(28.48)	399.67
Total	4,813.63	2,817.17	7,630.80

₹ Lakhs

Particulars	As at 01.04.2021	Recognised / (reversed) through profit or loss or OCI	As at 31.03.2022
Property, plant and equipment	(1,828.13)	237.23	(1,590.90)
Provisions for employee benefit / loans and advances / mining reserves	177.56	109.90	287.45
Unused tax losses	5,125.64	552.20	5,677.84
Lease liabilities	10.58	0.51	11.09
MAT Credit	428.15	-	428.15
Total	3,913.79	899.84	4,813.63

Shiva Cement Limited
Notes to the Financial Statements as at and for the year ended 31.03.2023

Note 34
Financial instruments
A. Capital risk management

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity. The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by bank borrowing and funding from holding company.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and align maturity profile of its debt commensurate with life of the asset and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents and current investments.

₹ Lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Long term borrowings	1,14,756.03	80,176.11
Short term borrowings	14,175.08	-
Less: Cash and cash equivalent	(90.56)	(434.33)
Less: Bank balances other than cash and cash equivalents	(177.91)	(896.96)
Less:Term Deposit included in other non current financial assets	(3,466.39)	(3,467.32)
Net Debt	1,25,196.25	75,377.50
Total Equity	**(7,832.59)**	**(4,272.12)**
Gearing ratio	**(15.98)**	**(17.64)**

(i) Equity includes all capital and reserves of the company that are managed as capital

(ii) Debt is defined as long-term , short-term borrowings and 1% Optional convertible cumulative redeemable Preference Share

B. Categories of financial instruments :

The accounting classification of each category of financial instruments and their carrying amounts are set out below :

As at 31.03.2023 ₹ Lakhs

Particulars	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Derivatives in hedging relations	Total carrying value	Fair Value
Financial assets						
Other financial assets*	3,694.64	-	-	-	3,694.64	3,694.64
Trade receivables	799.24	-	-	-	799.24	799.24
Cash and cash equivalents	90.56	-	-	-	90.56	90.56
Bank balances other than cash and cash equivalents	177.91	-	-	-	177.91	177.91
Total financial assets	**4,762.35**	**-**	**-**	**-**	**4,762.35**	**4,762.35**
Financial liabilities						
Long term borrowings (**)	1,14,756.03				1,14,756.03	1,14,756.03
Lease liabilities	5.11				5.11	5.11
Short term borrowings	14,175.08				14,175.08	14,175.08
Trade payable	5,073.93				5,073.93	5,073.93
Other financial liabilities	11,371.72				11,371.72	11,371.72
Total financial liabilities	**1,45,381.87**			**-**	**1,45,381.87**	**1,45,381.87**

As at 31.03.2022 ₹ Lakhs

Particulars	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Derivatives in hedging relations	Total carrying value	Fair Value
Financial assets						
Other financial assets*	3,545.25	-	-	-	3,545.25	3,545.25
Trade receivables	2.50	-	-	-	2.50	2.50
Cash and cash equivalents	434.33	-	-	-	434.33	434.33
Bank balances other than cash and cash equivalents	896.96	-	-	-	896.96	896.96
Total financial assets	**4,879.04**	**-**	**-**	**-**	**4,879.04**	**4,879.04**
Financial liabilities						
Long term borrowings (**)	80,176.11	-	-	-	80,176.11	80,176.11
Lease liabilities	5.11	-	-	-	5.11	5.11
Short term borrowings	-	-	-	-	-	-
Trade payable	509.69	-	-	-	509.69	509.69
Other financial liabilities	12,057.24	-	-	-	12,057.24	12,057.24
Total financial liabilities	**92,748.15**	**-**	**-**	**-**	**92,748.15**	**92,748.15**

* including current and non current
(**) including 1% Optional convertible cumulative redeemable Preference Share.

Fair value hierarchy of financial instruments

The Company has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: The hierarchy uses quoted (adjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (for example traded bonds) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing net asset value. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Calculation of fair values:

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31.03.2023.

Financial assets and Financial liabilities

Cash and Cash equivalents, trade receivables, investments in term deposits, other financial assets, trade payables, and other financial liabilities (other than those specifically disclosed) have fair values that approximate to their carrying amounts due to their short-term nature.

Loans have fair values that approximate to their carrying amounts AS it is based on the net Present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Level wise disclosure of financial instruments :

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022	Fair value hierarchy	Valuation technique(s) and key input(s)
Borrowing	1,28,931.11	80,176.11	Level 1	Inputs other than quoted prices included within level 1 that are observable for an Asset or Liability either directly or indirectly.

The carrying amount of Trade Receivable, Trade Payable, Capital Creditors, Cash and Cash Equivalents and other Bank Balances are considered to be the same as their fair values due to their short term nature. The management considers that the carrying amount of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

The management consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Financial risk management

Board of Directors of the Company has developed and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aim to mitigate the following risks arising from the financial instruments:

i) Market risk
ii) Credit risk
iii) Liquidity risk

Risk management framework

"The Company's principal financial liabilities, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company operations. The Company's principal financial assets, include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations."

Board of Directors of the Company have developed and are monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

i)Market Risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

a)Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments at the end of the reporting period are as follows:

₹ Lakhs

Particular	**As at 31.03.2023**	**As at 31.03.2022**
Fixed rate Borrowing	**1,29,248.11**	**80,358.85**
Float Rate Borrowing	-	-
Total Gross Borrowing	**1,29,248.11**	**80,358.85**
Less: Upfront Fees	(317.00)	(182.74)
Total Borrowing	**1,28,931.11**	**80,176.11**

Interest Rate Sensitivity -

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

A change of 100 basis points in interest rates would have following impact on profit before tax.

Particular	**As at 31.03.2023**	**As at 31.03.2022**
100 bp increase - Decrease in profit	-	-
100 bp decrease- Increase in profit	-	-

b. Commodity risk

Commodity price risk for the Company is mainly related to fluctuations in coal prices linked to various external factors, which can affect the production cost of the Company. Since the fuel costs is one of the primary costs drivers, any fluctuation in fuel prices can lead to drop in operating margin. To manage this risk, the Company take steps to optimize the fuel mix and to pursue longer term and fixed contracts, where Additionally, processes and policies related to such risks are reviewed and controlled by senior management and fuel requirement are monitored by the procurement team.

ii) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The carrying amount of financial assets represent the maximum credit risk exposure.

(a) Trade receivables

Customer credit risk is managed centrally by the Company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an individual credit limits defined in accordance with the assessment.

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. No single customer accounted for 10.0% or more of revenue in any of the years indicated except sales to holding company. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

The movement in allowance for Expected Credit Loss is as follows : ₹ Lakhs

Particular	As at 31.03.2023	As at 31.03.2022
Balance at the beginning of the year	129.26	124.23
Change in allowance for the credit impairment during the year	1.07	5.03
Balance at the end of the year	130.33	129.26

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

Our historical experience of collecting receivables indicate a low credit risk. Hence, trade receivables are considered to be a single class of financial assets.

iii. Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The company generate sufficient cash flow for operation, which together with the available cash and cash equivalent provide liquidity in the short term & long term. The company has established an appropriate liquidity risk management frame work for the management of the company's short, medium & long term funding and liquidity management requirement. The company manages liquidity risk by maintaining adequate reserve, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and by maching the maturity profile of financial asset and liability.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Liquidity exposure as at 31.03.2023

₹ in lakhs

	Contractual cash flows			
	< 1 year	**1-5 year**	**> 5 years**	**Total**
Financial assets				
Cash and cash equivalents	90.56	-	-	90.56
Bank balances other than cash and cash equivalents	177.91	-	-	177.91
Trade receivables	799.24	-	-	799.24
Other financial assets*	228.25	3,466.39		3,694.64
Total Financial assets	**1,295.96**	**3,466.39**	**-**	**4,762.35**
Financial liabilities				
Long term borrowings	-	72,488.16	42,267.87	1,14,756.03
Short term borrowings	14,175.08	-	-	14,175.08
Trade payable	5,073.93	-	-	5,073.93
Lease liabilities	0.50	4.61	-	5.11
Other financial liabilities	11,371.72	-	-	11,371.72
Total Financial liabilities	**30,621.23**	**72,492.77**	**42,267.87**	**1,45,381.87**

Liquidity exposure as at 31.03.2022 ₹ Lakhs

	Contractual cash flows			
	< 1 year	**1-5 year**	**> 5 years**	**Total**
Financial assets				
Cash and cash equivalents	434.33	-	-	434.33
Bank balances other than cash and cash equivalents	896.96	-	-	896.96
Trade receivables	2.50	-	-	2.50
Other financial assets	77.93	3,467.32		3,545.25
Total Financial assets	**1,411.72**	**3,467.32**	**-**	**4,879.04**
Financial liabilities				
Long term borrowings	-	58,788.11	21,388.00	80,176.11
Short term borrowings	-	-	-	-
Trade payable	509.69	-	-	509.69
Lease liabilities	0.50	4.61	-	5.11
Other financial liabilities	12,057.24	-	-	12,057.24
Total Financial liabilities	**12,567.43**	**58,792.72**	**21,388.00**	**92,748.15**

Note 35. Financial Ratios							
SL No	Particulars	Numerator	Denominator	Ratios For the year ended		Variance (%)	Change in ratio in excess of 25% compared to preceeding year
				31.03.2023	31.03.2022		
1	Current Ratio (times)	Current Assets	Current Liabilities	0.63	0.79	-19.21%	
2	Net Debt Equity Ratio (times)	Total Borrowing (short term + long term)	Total Equity (Equity chare capital + other equity + instrument entirely equity in nature	-16.46	-18.77	-12.29%	Debt has increased due to availment of fresh term loan for project activity and erosion of equity is due to additional loss on suspension of operation.
3	Debt service coverage ratio (times)	Loss before tax + depreciation+interest+loss on asset discard	Interest on loan+ short term borrowing (not due for repayment)	-0.06	-0.76	-91.70%	Primarily due to operating loss in both the year
4	Return on Equity (%age)	Net loss after tax	Average shareholders equity	81%	85%	-4.74%	Increase in loss during the year due to temporary suspension of operation.
5	Inventory Turnover ratio (Days)	Average Inventory	Cost of Goods Sold	-	1.60	-100.00%	Nil as there is no operational sales occurred during the year
6	Trade Receivable Turnover ratio (Days)	Credit Sales	Average trade receivable	-	4.68	-100.00%	Nil as there is no operational sales occurred during the year
7	Trade Payable turnover ratio (Days)	Cost of goods sold	Average trade payable	-	2.92	-100.00%	Nil as there is no operational sales occurred during the year
8	Net Capital Turnover ratio (times)	Revenue from operation	Working capital	-	-0.12	-100.00%	Revenue is Nil as the company yet to generate operational revenue from its new plant.
9	Net Profit Ratio (%age)	Net loss for the year	Total Income	-7.33	-3.01	143.40%	Loss has been increased as the company is yet to generate operational reveue from its new plant.
10	Return on Capital Employed (%age)*			NA	NA		
11	Return on Investment **			NA	NA		

* Capital employed is negative, hence # NA
** Operating EBIDTA is negative, hence # NA

Shiva Cement Limited

Notes to the Financial Statements as at and for the year ended 31.03.2023

Note 36. Trail Run operations

During the year, the company has commissioned the new clinkerisation facility under ongoing expansion projects at kutra plant on 20.01.2023. As on 31.03.2023, the plant is under stabilization. The summary of Income/expenduiture during stabilization process is as

Revenue generated from Trial Run operation **₹ in lakh**

Particulars	**For the period ended 31.03.2023**
Revenue from Trial operations	4,763.94
Other income	-
Total Income (I)	**4,763.94**
Expenses	
Cost of raw material consumed	1,439.61
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,006.15)
Employee benefits expense	79.45
Power and fuel	4,004.40
Freight and handling expenses	984.21
Finance costs	232.31
Depreciation and amortization expense	2.20
Other expenses	265.97
Total Expenses (II)	**6,002.00**
Loss before tax III (I-II)	**(1,238.06)**

36.1.The net trail run expenditure of Rs.1,238.06 lakhs till 31.03.2023 is forming part of capital work in progress - refer note 5.

36.2.The Finished goods Inventory under Trial run operation of Rs.1,006.15 Lakhs as on 31.03.2023 is forming part of Inventory - refer note 13.

36.3.Trade receivable as on 31.03.2023 includes Rs. 799.24 Lakhs towards outstanding for Sales made during the Trial Run operations - refer note 14.

36.4.Trade payable as on 31.03.2023 includes Rs. 4,807.24 Lakhs towards trial run related trade payable - refer note 22.

36.5.Product wise turnover

Particular	**For the period ended 31.03.3023**
Clinker	4,763.94
Total	4,763.94

36.6.Ind AS 115 Revenue from Contracts with Customers

The Company recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has assessed and determined the following categories for disaggregation of revenue in addition to that provided under segment disclosure (refer note 37 e):

Particular	For the period ended 31.03.3023
Revenue from contracts with customer - Sale of products	4,763.94
Total revenue from trial operations	4,763.94
India	4,763.94
Outside India	-
Total revenue from trial operations	4,763.94
Timimg of revenue recognition	
At a point in time	4,763.94
Total revenue from trial operations	**4,763.94**

36.7.Contract Balance

Particulars	As at 31.03.2023
Trade receivable (refer note 14)	799.24
Contract Liabilities	
Advance from customers (refer note 24)	3.83

36.8.The credit period on sales of goods ranges from 0 to 30 days with or without security.

36.9.Contract liabilities include short term advances received for sale of goods.
The outstanding balances of these accounts decreased in due to adjustment against receivable balances. Short term advances are detailed in note 24.

36.10.Out of the total contract liabilities outstanding as on 31.03.2023, 3.83 lakh will be recognised by 31.03.2024.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2023

Note 37 . Other Notes

a) Contingent liabilities not provided for in respect of disputed claims / levies:

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Orissa Sales Tax, VAT, CST	130.00	130.00
Entry Tax	6.38	6.38
Income tax	466.32	466.32
Compensation for excess mining of Limistone	-	1,857.74
Interest @ 1% on Optionaly convertible cumulative redeemable preference shares (OCCRPS)	216.67	116.67
Total	819.37	2,577.11

b) Commitments

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	8,883.05	17,870.04

c) The Company is yet to receive balance confirmation in respect of certain Trade Payables, Advances and Trade Receivables. The Management does not expect any material difference affecting the amount at which they are stated.

d) Employee Benefits:

i) Defined Contribution Plan:

The Company operates defined contribution retirement benefit plans for all qualifying employees. Under these plans, the Company is required to contribute a specified percentage of payroll costs.

Company's contribution to provident fund recognized in statement of Profit and Loss ₹ 23.90 Lakhs (Previous Year ₹ 22.55 Lakh)(included in note 28)

ii) Defined Benefit Plans

Under the Gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days salary for each year of service until the retirement age of 58 and 60 without any payment ceiling. The vesting period for Gratuity as payable under The Payment of Gratuity Act is 5 years.

Under the compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation. At the rate of daily salary, as per current accumulation of leave days.

The plans in India typically expose the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest Rate Risk	The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).
Demographic Risk	The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
Salary Escalation Risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liabilty.

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31.03.2023 by KP Actuaries and Consultants. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Gratuity Unfunded:

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
a. Changes in Present Value of obligations:		
Opening Balance of present value of obligation	121.78	145.48
Acquisition adjustment		
Service Cost	9.17	8.82
Interest Cost	8.70	9.23
Actuarial (gain)/loss on obligation	(2.86)	(9.10)
Benefits paid	(18.11)	(32.64)
b. Net Asset/(Liability) recognised in the Balance Sheet:		
Present Value of obligations	118.68	121.78
Fair Value of plan asset	-	-
Net Asset/(Liability) recognised in the Balance Sheet	**118.68**	**121.78**
c. Expenses during the Year:		
Service cost	9.17	8.82
Interest cost	8.70	9.23
Total	**17.87**	**18.05**
d. Principal actuarial assumptions:		
Rate of Discounting	7.45% p.a.	7.15% p.a.
Rate of increase in salaries	6.0% p.a.	6.0% p.a.
Attrition Rate	2.0% p.a.	2.0% p.a.

iii) Experience adjustments

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020	As at 31.03.2019
Defined Benefit Obligation	118.68	121.78	145.48	159.90	127.04
Plan Assets	-	-	-	-	-
Deficit	(118.68)	(121.78)	(145.48)	(159.90)	(127.04)
Experience Adjustments on Plan Liabilities–Loss/(Gain)	(0.50)	(2.67)	(9.85)	14.95	(0.25)
Experience Adjustments on Plan Assets–Loss/(Gain)	-	-	-	-	-

In assessing the Company's post retirement liabilities, the Company monitors mortality assumptions and uses up-to-date mortality tables. The base being the LIC Ultimate Tables 2012-14.

The estimates of future salary increase considered in actuarial valuation , take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The discount rate is based on the prevailing market yeilds of Government of India securities as at the balance sheet date for estimate term of the obligations.

iv) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate,expected salary increase and attrition. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting year, while holding all other assumptions constant.

₹ in lakh

Particulars	As at 31.03.2023		As at 31.03.2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	111.52	126.97	114.68	129.96
Future salary growth (1% movement)	127.01	111.36	129.97	114.55
Attrition rate (1% movement)	119.38	117.89	122.31	121.18
Mortality rate (1% movement)	118.71	118.66	121.80	121.76

v) Maturity analysis of projected defind benefit obligation

Weighted average duration (based on discounted cashflows) : 5 years

₹ in lakh

Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total
As at 31.03.2023	30.22	52.17	148.82	231.22
As at 31.03.2022	21.00	68.87	134.16	224.03

vi) Compensated Absences

Under the compensated absences plan, leave encashment is payable to certain eligible employees on separation from the company due to death,retirement,superannuation or resignation.Employees are entitled to encash leave while serving the company at the rate of daily salary, as per current accumulation of leave days.

The company also has leave policy for certain employees to compulsorily encash unavailed leave on 31st December every year at the current basic salary .

Assumptions used in accounting for compensated absences

₹ in lakh

Particulars	As at 31.03.2023	As at 31.03.2022
Present value of un-funded obligation	13.93	11.48
Expense recognized in Statement of Profit or loss	4.94	(0.46)
Discount rate (p.a)	7.45%	7.15%
Salary escalation (p.a)	6.00%	6.00%

vii) The Code on Social Security, 2020 ("the Code") relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect.

e. Segment Reporting

The Company is primarily in the business of manufacturing and sale of cement and cement related product. As per IND AS 108 "Operating Segments" specified under Section 133 of the Companies Act 2013, there are no other reportable business applicable to the company

Customer contributing more than 10% of Revenue

₹ in lakh

Particulars	As at 31.03.2023	As at 31.03.2022
JSW Cement Limited	799.24	-
Total	**799.24**	**-**

f. Non-current operating assets

All non- current assets of the company are located in India.

g. Related parties disclosure as per IND AS 24:

A) Name of Related Parties

1) Holding Company
JSW Cement Limited
2) Enterprises under common control
JSW Green Cement Private Limited
JSW Cement FZE
Utkarsh Transport Private Limited
3) Key Managerial Personnel
Manoj Rustagi (Whole Time Director)
R.P Gupta (Non-Executive Director)
Narinder Singh Kahlon (Non-Executive Director)
B.K.Mangaraj (Independent Director) (Term expired on 31 March, 2023)
Sanjay Sharma (Independent Director)
Sudeshna Banerjee (Independent Director)
JC Toshniwal (Independent Director) (Appointed wef 21 April, 2023)
Girish Menon (CFO)
Sneha Bindra (Company secretary)

B) Transactions with Related Parties for the year ended

₹ in lakh

Particulars	As at 31.03.2023	As at 31.03.2022
Purchase of Goods/Services		
JSW Cement Limited	1,457.81	1,182.64
Utkarsh Transport Private Limited	-	4.00
Purchase of Property, plant & equipment		
JSW Cement Limited	-	30.24
Sale of Goods/ Other Income		
JSW Cement Limited	6,097.85	128.38
Lease rent received (incl. GST)		
JSW Cement Limited	-	0.89
Interest Repayment		
JSW Cement Limited	2,967.68	6,000.00
Loan Received		
JSW Cement Limited	22,769.00	25,192.83
Interest cost		
JSW Cement Limited	3,662.35	2,433.58

The transactions are inclusive of taxes wherever applicable.

Compensation to key management personnel ₹ in lakh

Nature of Transaction	As at 31.03.2023	As at 31.03.2022
Short-term employee benefits	-	-
Post employment benefits	-	-
Sitting fees	8.65	12.55
Other long-term benefits	-	-
Termination benefits	-	-
Total compensation to key management personnel	8.65	12.55

Key managerial persons such as Whole Time Director, Chief Financial Officer, Company Secretary are in receipt of remuneration from the holding company.

Terms & Conditions

Sales :

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Sales transactions are based on prevailing price lists and memorandum of understanding signed with related parties. For the year ended 31.03.2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

Purchases :

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Purchase transactions are made on normal commercial terms and conditions and market rates.

Loan from Related Party :

The company has availed loan from its holding company for general corporate purpose. The loan balance as on 31.03.2023 was amounting ₹ 62,136.91 lakhs . The loan is unsecured and carry an interest 8.00% per annum and repayable after the end of the tenure.

Corporate Guarantee by Related Party :

The holding company,JSW Cement Limited has issued corporater guarantee to banks on behalf of and in respect of loan availed by the company.

C. **Amount due to/from related parties** ₹ in lakh

Particulars	As at 31.03.2023	As at 31.03.2022
Trade Receivable		
JSW Cement Limited	**799.24**	-
Trade Payable		
JSW Cement Limited	**-**	1,065.37
Loan Received		
JSW Cement Limited	**62,136.91**	39,367.92
1% Optionally Convertible Cumulative Redeemable Preference shares		
JSW Cement Limited	**10,000.00**	10,000.00
Interest Payable on loan		
JSW Cement Limited	**1,016.78**	688.33

h. **Earnings per share (EPS)** ₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Profit/(Loss) attributable to Equity shareholders (₹ in lakhs)(A)	(8,047.03)	(2,551.92)
Weighted average number of Equity shares for basic EPS (B)	19,50,00,000	19,50,00,000
Effect of Dilution :	-	-
Weighted average number of Equity shares adjusted for the effect of dilution (C)	19,50,00,000	19,50,00,000
Basic EPS (Amount in ₹) (A/B)	(4.13)	(1.31)
Diluted EPS(Amount in ₹) (A/C)	(4.13)	(1.31)

i. During the year ended 31.03.2023, the Company has incurred a loss of Rs.8,044.18 lakh and as on 31.03.2023, the Company's accumulated loss is Rs.22,234.75 lakh resulting in erosion of net-worth of the Company. The Management is hopeful of improving the performance of the company after expansion and commissioning of 4000 TPD clinkerisation unit. The management is confident that the Company will be able to operate as a "Going Concern" and meet its liabilities as they fall due for payment based on its future business plans as indicated in this note and continues support being received from its shareholders/lenders. Accordingly, these financial statements continue to be presented on a going concern basis.

j **Other Statutory information**

1. The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property

2. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

3. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

4. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

5. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act,
1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

6. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017

7. The Company is not declared wilful defaulter by and bank or financials institution or lender during the year

8. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

9. Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts

10. The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

11. The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.

12. The Company does not have any transactions with companies which are struck off.

k The financial statements are approved for issue by the audit committee at its meeting held on 16.05.2023 and by the board of directors on 16.05.2023.

m Previous year's figures have been regrouped / reclassified wherever necessary including those as required in keeping with revised Schedule III amendments.

As per our report of even date
For Shah Gupta & Co.
Chartered Accountants
FRN No : 109574W

For and on behalf of the Board of Directors

Heneel K Patel	**R.P.Gupta**	**Manoj kumar Rustagi**
Partner	Director	Whole Time Director
M.No : 37606	DIN No : 01325989	DIN No : 07742914
UDIN :233114103BGYHJU5330		
Place : Kutra	**Sneha Bindra**	**Girish Menon**
Date : 16.05.2023	Company Secretary	Chief Financial Officer

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios computed on the basis of amounts derived from the Audited Financial Statements and Unaudited Interim Condensed Financial Statements and included in the section "*Financial Statements*" on page 121:

Particulars	As at and for the nine months ended		As at and for the Fiscal ended	
	December 31, 2023	December 31, 2022	March 31, 2023	March 31, 2022
Basic EPS (₹)/Diluted EPS (₹)	(2.90)	(2.53)	(4.13)	(1.31)
Return on Net Worth* (%)	NA	NA	NA	NA
Net Asset Value per Equity Share (₹)	(6.91)	(4.71)	(4.02)	(2.19)
EBITDA (in ₹ lakhs)	1,418.41	(2,835.48)	(4,027.65)	(2,247.44)

** Net Worth is fully eroded.*

The formulae used in the computation of the above ratios are as follows:

Basic EPS	Profit after tax after exceptional items/ Weighted average number of Equity Shares as outstanding at the end of the year
Diluted EPS	Profit after tax after exceptional items/ Weighted average number of Equity Shares as outstanding at the end of the year
Return on Net Worth (%)	Total comprehensive income for the year/ Average Net Worth. Average Net Worth is average of opening and closing Net Worth. Net Worth here refers to the aggregate of equity and other equity as shown on the face of the Audited Financial Statements
Net Asset Value per Equity Share	Net Worth/ Number of Equity Shares outstanding as at the year end
EBITDA	EBITDA is profit before exceptional items and tax minus other income plus finance costs, depreciation and amortisation expense

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on our Audited Financial Statements and Unaudited Interim Condensed Financial Statements included in this Letter of Offer. For further information, see "Financial Statements" on page 121. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year.

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" on page 15 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also, see "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant Factors Affecting our Results of Operations" on pages 18 and 226, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

*Unless otherwise indicated, industry and market data used in this section has been extracted from the CRISIL Report. We commissioned and paid for the report titled "Market review of cement sector" dated March, 2024 prepared by CRISIL Limited ("**CRISIL Report**") pursuant to an engagement letter dated February 15, 2024, for the purposes of confirming our understanding of the industry exclusively in connection with the Issue. Also see, "Presentation of Financial Information and Other Information" on page 12.*

Overview

We are part of the JSW Group, an Indian conglomerate with an international portfolio of diversified assets across various sectors, including steel, energy, infrastructure, cement, paints, venture capital and sports. We were incorporated in 1985 and are engaged in manufacturing of clinker and trading of other allied products. We commenced our operations in 1985 and were acquired by the JSW Cement Limited in January 2017, with a view to expand and grow our operations and also capitalise on synergies with JSW Cement Limited. We recently completed the Expansion Project and currently operate a clinkerisation unit with a capacity of 4,000 TPD (equivalent to 1.32 MTPA), a waste heat recovery system with a capacity of 8.9 MW, along with a dedicated incoming power line of 132KV and are also in the process of setting up a 4 MTPA limestone crushing plant at our mines at Khatkurbahal, Odisha.

Our manufacturing facility is strategically located near the geographical border of three eastern states of India, namely Odisha, Chhattisgarh and Jharkhand, in close proximity to the raw materials that we require for our operations and is well connected to our key markets by road and railways. Prior to the Expansion Project, our Corporate Promoter, JSW Cement Limited used to rely on purchase of either imported or locally produced clinker to meet its raw material requirements in the eastern region of India, prices of which were not cost efficient and its availability was also uncertain. Post the Expansion Project, our clinker manufacturing facility is acting as a feeder to the eastern grinding units of JSW Cement Limited to meet their requirements. Our manufacturing facility is also located in close proximity of approximately 12 kms to our captive limestone mine located in Khatkurbahal in Odisha with a mineral resource volume of 65.50 million MT of limestone as on December 31, 2023. We also acquired a new mine which is located adjacent to our old mine, pursuant to letter of intent dated November 2019, in an auction by the Government of Odisha, with a mineral resource volume of 53.36 million MT of limestone, as on December 31, 2023. As on December 31, 2023, our mines have an aggregate mineral resource volume of 118.86 million MT of limestone. The new mine being a merchant mine also allows us to sell the mined limestone commercially. The new mine also has reserves of dolomite of approximately 73.04 million MT as on December 31, 2023, which, subject to regulatory approval, may be sold to steel plants in the Eastern region.

The operations at our manufacturing facility were suspended in the months of May and June of 2021, on account of the COVID-19 pandemic, and subsequently till January 2023 on account of the Expansion Project. From January 2023, we have commenced production on a trial basis at our manufacturing facility and declared commercial production on June 30, 2023. Pursuant to the Expansion Project, we have set up a 1.32 MTPA clinkerisation unit, a waste heat recovery system with a capacity of 8.9 MW along with a dedicated incoming power line of 132 KV. Further, as part of the Expansion Project we are also in the process of setting up a 4 MTPA limestone crushing plant at our mines at Khatkurbahal, Odisha. As an ancillary part of the upgradation activities, our Company also proposes to, at a later stage, install an approximately 8 km long overland belt conveyor ("**OLBC**") to transport limestone from our mines to the manufacturing facility along with a railway siding with an approximately 12.5 km long railway track, to ensure seamless transportation of finished goods to the market. Our Company is in the process of acquiring additional land for setting up the OLBC and the railway siding. Going forward, we may also set up a cement grinding unit and we are in the process of evaluating the most feasible site for this grinding unit.

Prior to undertaking the Expansion Project, our product portfolio included Portland Slag Cement ("**PSC**") and Portland Pozzolana Cement ("**PPC**"), which were sold under the brand name of '*Mahabal Cement*' in Odisha. We also undertook production of cement for JSW Cement Limited on a contract manufacturing basis, which was sold by JSW Cement Limited under its brand of '*JSW Cement*'. With a view to streamline our sales and realisations, our product distribution was undertaken through the ex-factory model of supplies to dealers, wherein prices were worked out accordingly so that the dealers could competitively further sell our products in the primary markets of Odisha like Keonjhar, Sundargarh and Jharsuguda and in select markets of Jharkhand like Ranchi, Bokaro and Dhanbad. Post the Expansion Project being completed, our product portfolio includes clinker and dolomite (subject to regulatory approval) and in the future, once the grinding unit is set up, may also include various types of cement.

We have entered into an agreement dated March 1, 2023 with JSW Cement Limited for supply of clinker ("**Clinker Supply Agreement**"). This arrangement has been entered into for a period of three years and is effective from the earlier of the date of execution of the Clinker Supply Agreement or commencement of our commercial production. Under the terms of the Clinker Supply Agreement JSW Cement Limited has agreed to purchase from us, on an average, up to 1.00 lakh MT of clinker per month at a price based on the landed price (prevailing market price) and such price is for delivery of clinker at Salboni and Jajpur plants of JSW Cement Limited, excluding all taxes, duties and levies. The Clinker Supply Agreement shall be terminated on completion of the term of its term or by either parties, with a 90 days prior written notice, on account of failure to comply with the terms and conditions of the Clinker Supply Agreement by the other party. This arrangement with JSW Cement Limited provides a customer base for a substantial portion of our clinker production and allows us to have a strong visibility of future revenue.

We have an experienced and dedicated management team and our Board of Directors comprises a balanced team of independent directors, qualified and experienced personnel, who have extensive knowledge and understanding of the cement industry. We also benefit from the support extended by our corporate promoter, JSW Cement Limited. Further, as of March 3, 2023, CRISIL Ratings Limited have reaffirmed our long term borrowing, a long term rating of '*CRISIL A+ (CE)/ Stable*'.

The following table provides certain key performance indicators of our business#:

(*in million MT*)

Sr. No.	Particulars	For the nine months ended December 31, 2023	For the Fiscal		
			2023*	2022**	2021**
1.	Installed capacity for cement	Nil	Nil	0.25	0.25
2.	Installed capacity for clinker	1.32^	1.32	0.17	0.17
3.	Capacity utilization for cement (%)	Nil	Nil	4.74	34.23
4.	Capacity utilization for clinker (%)	63.81	43.96	3.42	30.28

As certified by the Chartered Engineer, by way of his certificate dated March 28, 2024.
* *As of March 31, 2023, our manufacturing facility for clinker was operating on a trial run basis. The installed capacity and capacity utilisation figures for cement and clinker for Fiscal 2023 and for the nine months ended December 31, 2023 are post the Expansion Project (including the trial run period).*
** *The cement and clinker capacity prior to the Expansion Project has been dismantled. The figures for cement and clinker capacity for Fiscals 2021 and 2022 are prior to the Expansion Project.*
^ *Represents the current installed capacity for clinker.*

Presentation of Financial Information

Our statement of assets and liabilities as at March 31, 2023 and March 31, 2022 and the audited statement of profit and loss (including other comprehensive income), cash flows and changes in equity for the years ended March 31, 2023 and March 31, 2022, together with the summary statement of significant accounting policies and other explanatory information thereon (collectively, the "**Audited Financial Statements**"), have been derived from our audited financial statements as at and for the years ended March 31, 2023 and March 31, 2022 prepared in accordance with Ind AS, read with the Companies (Indian Accounting Standards) Rules, 2015. Our unaudited interim condensed financial results are derived from unaudited interim condensed financial statement of our

Company as at and for the nine months ended December 31, 2023 (which includes the comparative figures for the nine months ended December 31, 2022) ("**Unaudited Interim Condensed Financial Statements**").

For the three month period ended June 30, 2023, the operations at our manufacturing facility were under stabilisation and hence all the revenues and expenses are considered part of 'trial run'. The performance of the manufacturing facility and the expense parameters during the trial run period are not representative of operational efficiency of the manufacturing facility post June 30, 2023, i.e., the date of commercial operations. For details, see "*Risk Factors – 11. The performance of the manufacturing facility and the expense parameters during the trial run period are not indicative of our expected financial performance in future periods or a substitute for our past results*" on page 25.

Significant Factors Affecting Our Results of Operations and Financial Condition

Our ability to manage and ramp up production

The operations at our manufacturing facility were suspended in the months of May and June of 2021, on account of the COVID-19 pandemic, and subsequently till January 2023 on account of the Expansion Project. Pursuant to the Expansion Project, we have set up a 4,000 TPD (equivalent to 1.32 MTPA) clinkerisation unit, a waste heat recovery system with a capacity of 8.9 MW along with a dedicated incoming power line of 132 KV. Further, as part of the Expansion Project we are also in the process of setting up a 4 MTPA limestone crushing plant at our mines at Khatkurbahal, Odisha. As an ancillary part of the upgradation activities, our Company also proposes to, at a later stage, install the OLBC along with a railway siding with an approximately 12.5 km long railway track. Our Company is in the process of acquiring additional land for setting up the OLBC and the railway siding. Going forward, we may also set up a cement grinding unit and we are in the process of evaluating the most feasible site for this grinding unit.

JSW Cement Limited, our Corporate Promoter, has in the past sourced either imported or locally produced clinker to meet its raw material requirements from the eastern region of India, at prices which were not cost efficient and without certainty of availability. Our clinker manufacturing facility is now acting as a feeder to the grinding units of JSW Cement Limited for which we have also entered into the Clinker Supply Agreement with JSW Cement Limited to supply clinker. During the trial run for the Expansion Project in Fiscal 2023, and the three months period ended June 30, 2023 we have supplied 90,770 MT and 1,96,676 MT of clinker, respectively, to JSW Cement Limited. Further, in the nine months ended December 31, 2023, we have supplied an aggregate of 5,08,814 MT of clinker to JSW Cement Limited. While we currently supply clinker primarily to JSW Cement Limited, we also supply clinker to certain third parties. During the nine months ended December 31, 2023 we have supplied 1,02,393 MT of clinker to third party customers. Any failure by JSW Cement Limited to purchase clinker in accordance with the terms of the Clinker Supply Agreement or our inability to sell the clinker to alternate buyers could materially and adversely affect our business, financial condition and results of operation. Additionally, any inability on our part to produce the requisite quantities of clinker, due to unavailability of raw material or technical reasons or any other reason, may have a negative impact on our business and revenue of operations.

Demand for cement products

The demand for cement in India is expected to sustain growth at a high base CAGR of 5% to 6% between Fiscals 2024 and 2028 primarily on account of a number of infrastructure investments and a healthy revival in housing demand. Initiatives undertaken by the Government of India, such as the Bharatmala Pariyojna, Sagar Mala, the Pradhan Mantri Awaas Yojana - Gramin and the Pradhan Mantri Awas Yojana - Urban, Atmanirbhar Bharat Abhiyan, Product Linked Incentive Scheme, Swachh Bharat Mission, dedicated freight corridors and metro projects along with the thrust on infrastructure will drive demand growth in the medium term for the cement industry in India. This presents a major opportunity for growth in the cement industry in India. The cement industry is expected to add 155-165 MTPA of grinding capacities between Fiscals 2024 to 2028 (Source: CRISIL Report).

We rely on the demand for clinker which is directly linked with demand for cement and is directly affected by the cyclical nature of the construction industry, especially in the areas of residential construction, commercial property construction and infrastructure project development. Cement sales volume and prices are influenced by growth in segments such as housing, infrastructure, commercial and industrial segments. The demand and supply of cement and construction of new capacity are also affected by factors such as availability of limestone and other raw materials, general economic environment, state and central Government spending on various sectors including construction, infrastructure and housing, perception of prospective demand and the cost of capital. In addition, fiscal, tax and other policies of national and state governments have the effect of stimulating or discouraging construction activity. Accordingly, our results of operations are cyclical, with periods of growth typically followed by downturns.

Availability and cost of raw materials, coal, power and fuel

Our business and operating margins are significantly dependent on the availability and price of raw materials, such as limestone, fly ash, coal, pet coke and water, used in our manufacturing process. Raw materials also represent a significant portion of our expenses. We primarily source our limestone requirements from our captive limestone mine in Khatkurbahal in Odisha which is in close proximity to our manufacturing facility. This mine has a residual reserves volume of 65.50 million MT of limestone as on December 31, 2023. We were also granted a lease for a new mine which is located adjacent to our old mine, pursuant to a letter of intent dated November 2019, in an auction by the Government of Odisha, with a residual reserves volume of 53.36 million MT of limestone as on December 31, 2023. As on December 31, 2023, our mines have an aggregate residual reserves volume of 118.86 million MT of limestone. The new mine being a merchant mine also allows us to sell the mined limestone commercially. The new mine also has reserves of dolomite of approximately 73.04 million MT, as on December 31, 2023, which, subject to regulatory approvals, can be sold to steel plants in the eastern region of India. During the nine month period ended December 31, 2023, our cost of raw materials consumed constituted 25.12% of our total income during this period.

While we have obtained long term leases for limestone mines, our leases are subject to various terms and conditions which provides for the relevant authorities with the right to impose fines or restrictions, revoke mining leases or change the amount of royalties payable for mining the mines. Further, in case any of the leases are revoked or not renewed upon expiration, or significant restrictions on the usage of the leases are imposed or applicable environmental standards are substantially increased or royalties are increased to significant levels, our ability to operate our manufacturing facilities adjacent to the affected limestone mining sites could be disrupted until alternative limestone sources are located, which could materially and adversely affect our business, financial condition and results of operations.

Our competitiveness, costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of fuel and power at acceptable prices. Typically, power and fuel expenses constitute the largest portion of our operating expenses. During nine month period ended December 31, 2023, our power and fuel cost constituted 39.31% of our total income. Any adverse price fluctuations in the cost of power and fuel could have a negative impact on our results of operations.

We use imported and domestic coal to meet our fuel requirements of our operations. Increases in the global prices for coal, have in the past resulted in increases in our cost of fuel expenses. We source coal through traders who import coal from various countries like US, South Africa and Australia, through the Paradeep / Gangavaram ports and transport the same to our manufacturing facility via road / rail. We also procure domestic coal from various traders situated in Odisha and Chhattisgarh, which is transported to our manufacturing facility via road. In addition, as majority of our annual coal requirement is sourced from coal mines located outside of India, we are exposed to the risk of increases in freight rates and foreign exchange.

If we are unable to obtain adequate supplies of coal and raw materials (such as limestone and fly ash) or power in a timely manner or on acceptable commercial terms, or if there are significant increases in the cost of these supplies, our business and results of operations may be materially and adversely affected.

The supply of raw coal and raw material could be disrupted for reasons beyond our control, including extreme weather conditions, fire, natural catastrophes or raw material supply disruptions, including by way of changes in governmental policy and judicial intervention.

Freight and handling expenses

We transport clinker from our plant to JSW Cement Limited’s Salboni and Jajpur plants through rail and road. During the nine month period ended December 31, 2023 our freight and handling expenses constituted 17.23% of our total income.

As an ancillary part of the upgradation activities and in order to reduce our freight and handling expenses, our Company proposes to install, at a later stage, a railway siding with an approximately 12.5 km long railway track, to ensure seamless transportation of finished goods to the market.

Competition

Currently, we sell clinker produced at our manufacturing facility primarily to JSW Cement Limited. JSW Cement Limited sells its products in highly competitive markets. Competition occurs principally on the basis of price, quality and brand name. Historically our production and sales has been relatively smaller than our competitors. Competitors of JSW Cement Limited may have greater financial and marketing resources, larger manufacturing capacities, more cost efficient production processes or stronger relationships with distributors, agents or retail chains in key markets for our products. Competitors of JSW Cement Limited may also benefit from government-sponsored programs that subsidize their manufacturing costs or provide them with marketing or other advantages. In order to remain competitive, we and JSW Cement Limited are required to focus on reducing manufacturing, transportation and distribution costs and improve our operating efficiencies.

We also face competition from players who sell clinker in the open market. Competition from existing and new cement manufacturers could drive prices for our products lower as under our Clinker Supply Agreement, our selling price of clinker is linked to the prevailing market price of clinker.

Consolidation in the Indian cement industry and an increase in the number of larger competitors may also adversely affect our results of operations. As cement manufacturers consolidate and become larger, and as they gain greater access to debt and equity financing, we expect that we will face greater competition, which may lead to lower margins and adversely affect our results of operations.

Capacity utilization and capacity expansion

Our operating margins and profitability depends on capacity utilization as higher capacity utilization results in increased manufacturing volumes, and enables us to achieve greater economies of scale. Manufacturing levels are affected by the number of lost days due to scheduled and unscheduled facility shutdowns. We have started commercial operation of our Expansion project on June 30, 2023. Our actual production levels and utilization rates may differ significantly from the estimated manufacturing capacities of our facilities.

Working Capital and Long Term Debt Financing Requirements

We require significant working capital for our business operations, particularly to maintain and operate our manufacturing facilities. Further, a significant portion of our expected cash flow may be used in repayment of interest and principal on our indebtedness, thereby reducing the funds available to us for use in our general business operations. In addition, our existing level of indebtedness and non-fund based facilities may also restrict our ability to obtain additional financing for capital expenditures, expansions or general corporate purposes and may cause us to be particularly vulnerable during any general economic downturn.

Seasonality and weather conditions

Our business operations are dependent on the weather conditions, resulting in the demand for cement to be seasonal in nature. Weather conditions, particularly the monsoon season, characterized with heavy rains, landslides, floods, may affect the level of activity in the construction industry resulting in reduced demand for cement, clinker, concrete and building materials. As a result, we typically experience a reduction in our sales volume between in the monsoon season in east India. We expect our results of operations will continue to be affected by seasonality in the future. Our results of operations for any quarter in a given year may not, therefore, be comparable with other quarters in that year.

Significant Accounting Policies

1. General Information

The Company is engaged in the business of manufacture and sale of cement, clinker and trading of allied products. The Company is operating its clinkerisation facility with production capacity of 1.32 million MT

Shiva Cement Limited is a public limited company and is listed on BSE Limited having its registered office at Biringatoli, Telighana, Kutra Sundargarh - 770018, Odisha.

2. Significant Accounting Policies

A. Statement of compliance

Financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation and disclosures requirement of Division II of revised Schedule III of the Companies Act 2013, (Ind AS Compliant Schedule III), as applicable to financial statements.

Accordingly, the Company has prepared these financial statements which comprise the balance sheet as at March 31, 2023, the statement of profit and loss, the statement of cash flows and the statement of changes in equity for the year ended as on that date, and accounting policies and other explanatory information.

These financial statements are approved for issue by the Board of Directors on May 16, 2023.

B. Basis of preparation & presentation

The financial statements have been prepared on the basis of historical cost except for certain financial instruments measured at fair value at the end of each reporting year, as explained in the accounting policies below.

Fair value is the price that would be received on sell of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except leasing transactions that are within the scope of Ind AS116, fair value of plan assets within scope the of Ind AS 19 and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are prepared in Indian National Rupee (INR or ₹ or Rs.) and all values are rounded to the nearest lakhs except when otherwise stated.

Current and non-current classification

The company presents the assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised or is intended for sale or consumption in the company’s normal operating cycle.
- It is held primarily for the purpose of being traded.
- It is expected to be realised within 12 months after the reporting date; or

- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of liability that could, at the option of the counterparty result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Deferred tax assets and liabilities are classified as non-current only.

C. Revenue Recognition

(i) Sale of Goods

The Company recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has generally concluded that it is the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customer.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

The Company recognises revenue generally at the point in time when the products are delivered to customer which is when the control over product is transferred to the customer.

Contract Balances

- **Contract assets**

  A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration.

- **Trade receivables**

  A receivable is recognised when the goods are delivered and to the extent that it has an unconditional contractual right to receive cash or other financial assets (i.e., only the passage of time is required before payment of the consideration is due).

  Trade receivables is derecognised when the Company transfers substantially all the risks and rewards of ownership of the asset to another party including discounting of bills on a non-recourse basis.

- **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract including Advance received from customer.

- **Refund liabilities**

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer including volume rebates and discounts. The Company updates its estimates of refund liabilities at the end of each reporting period.

(ii) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

D. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Company as lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are subject to impairment test.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e., below ₹5,00,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

E. Foreign currencies

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

The transactions in currencies other than the entity’s functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in statement of profit and loss in the year in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and

- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

F. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalized as part of the cost of such asset up to the date when the asset is ready for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale.

All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

The Company determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalization are determined by applying a capitalization rate to the expenditures on that asset.

Borrowing Cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

G. Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the Balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of profit and loss. Past service cost is recognised in the Statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item ‘employee benefits expenses’. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the statement of financial position represents the actual deficit or surplus in the Company’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

H. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of expected tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Minimum Alternate Tax ("**MAT**") paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are off set when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

I. Property, Plant and Equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

Assets in the course of construction are capitalised in the assets under Capital work in progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels, revenue (net of cost) generated from production during the trial period is capitalised.

Assets in the course of construction are capitalised in the assets under Capital work in progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels, revenue (net of cost) generated from production during the trial period is capitalised.

Property, plant and equipment held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Class of assets	Useful life of assets (in Years)
Plant and Machinery	Two to 25
Approach Roads	Five

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

J. Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Class of assets	Useful life of assets (in Years)
Computer Software & Licenses	Three to five

Mining assets are amortised using unit of production method over the entire lease term.

Mining Assets

Acquisition/ Stripping Cost

The cost of Mining Assets capitalised includes costs associated with acquisition of licenses and rights to explore, stamp duty, registration fees and other such costs. Bid premium and royalties payable with respect to mining operations is contractual obligation. The said obligations are variable and linked to market prices. The Company has accounted for the same as expenditure on accrual basis as and when related liability arises as per respective agreements/ statute.

Exploration and evaluation

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

The Company measures its exploration and evaluation assets at cost and classifies as Property, plant and equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently. To the extent that tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

General exploration costs - costs of surveys and studies, rights of access to properties to conduct those studies (e.g., costs incurred for environment clearance, defense clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.

Costs of exploration drilling and equipping exploration - Expenditure incurred on the acquisition of a license interest is initially capitalised on a license-by-license basis. Costs are held, undepleted, within exploration and evaluation assets until such time as the exploration phase on the license area is complete or commercial reserves have been discovered.

Stripping cost

Developmental stripping costs in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets. Capitalisation of developmental stripping costs ends when the commercial production of the mineral reserves begins.

Production stripping costs are incurred to extract the minerals in the form of inventories and/or to improve access to an additional component of a mineral body or deeper levels of material. Production stripping costs are accounted for as inventories to the extent the benefit from production stripping activity is realised in the form of inventories.

Other production stripping cost incurred are expensed in the statement of profit and loss.

Developmental stripping costs are presented within mining assets. After initial recognition, stripping assets are carried at cost less accumulated amortisation and impairment. The expected useful life of the identified component of mineral is used to depreciate or amortise stripping cost.

Site restoration, rehabilitation and environmental costs

Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine. The costs are estimated on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalised. The provision for decommissioning assets is based on the current estimates of the costs for removing and decommissioning production facilities, the forecast timing of settlement of decommissioning liabilities and the appropriate discount rate. A corresponding provision is created on the liability side. The capitalised asset is charged to profit and loss over the life of the asset through amortisation over the life of the operation and the provision is increased each period via unwinding the discount on the provision. Management estimates are based on local legislation and/or other agreements are reviewed periodically.

The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology. Details of such provisions are set out in note 21.

K. Impairment of Non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any

L. Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of semi-finished /finished goods and work in progress include cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost of semi-finished mining inventory includes a proportion of cost of mining, bid premium, royalties and other manufacturing overheads depending on stage of completion of related activities. Cost of traded goods include purchase cost and inward freight.

Costs of inventories are determined on weighted average basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. In case of semi-finished inventory from mining operations, estimated cost includes any bid premium, royalties and duties payable to the authorities.

M. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. However, before a separate provision for an onerous contract is established, the Company recognises any write down that has occurred on assets dedicated to that contract. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

N. Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through statement of profit and loss ("**FVTPL**")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in statement of profit and loss.

(i) Financial assets

(a) Recognition and initial measurement

A financial asset is initially recognised at fair value and, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

(b) Classification of financial assets

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit and loss.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL;
- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of Ind AS 109 are measured at fair value. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable. The equity instruments which are strategic investments and held for long term purposes are classified as FVTOCI.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognized in statement of profit or loss. The net gain or loss recognized in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘other income’ line item.

(c) De-recognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

(d) Impairment

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on a twelve month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.
The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount

(e) Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the 'Other income' line item.

(ii) Financial liabilities and equity instruments

(a) Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(c) Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

(iii) Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in Statement of Profit and Loss. The net gain or loss recognized in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the Statement of Profit and Loss. For Liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

(iv) Other financial liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

(a) Reclassification of financial assets/ liabilities:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortized cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortized Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortized cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in Consolidated OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

(b) De-recognition of financial/ liabilities:

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

O. Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of directors of the Company has been identified as the Chief Operating Decision Maker which reviews and assesses the financial performance and makes the strategic decisions.

P. Cash and cash equivalents:

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalent consists of cash and short term deposits, as defined above.

Q. Earnings Per Share:

Basic EPS is computed by dividing the net profit or (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit or loss after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees

R. Statement of cash flows:

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

(i) changes during the period in inventories and operating receivables and payables, transactions of a non-cash nature;
(ii) non-cash items such as depreciation, provisions, and unrealised foreign currency gains and losses etc.; and
(iii) all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less and liquid investments, which are subject to insignificant risk of changes in value.

S. Exceptional items:

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the notes to accounts.

3. Key sources of estimation uncertainty and Recent Accounting Pronouncements:

A. Key sources of estimation uncertainty

In the course of applying the policies outlined in all notes under section 2 above, the Company is required to make judgments that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

(i) Useful lives of property, plant and equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets.

(ii) Mines restoration obligation

In determining the fair value of the Mines Restoration Obligation, assumptions and estimates are made in relation to mining reserve, discount rates, the expected cost of mines restoration and the expected timing of those costs.

(iii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized. Potential liabilities that are remote are neither recognized nor disclosed as contingent liability. The management decides whether the matters needs to be classified as 'remote,' 'possible' or 'probable' based on expert advice, past judgements, terms of the contract, regulatory provisions etc.

(iv) Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include consideration of inputs such as liquidity risk, credit risk and volatility.

(v) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(vi) Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgment to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of time value of money and the risk specific to the liability.

(vii) Expected credit loss:

The measurement of expected credit loss on financial assets is based on the evaluation of collectability and the management's judgement considering external and internal sources of information. A considerable amount of judgement is required in assessing the ultimate realization of the loans having regard to, the past collection history of each party and ongoing dealings with these parties, and assessment of their ability to pay the debt on designated dates.

Results of operations

The operations at our earlier manufacturing facility were suspended in the months of May and June of 2021, on account of the COVID-19 pandemic, and subsequently till January 2023 on account of the Expansion Project. Pursuant to the Expansion Project, we have set up a 4,000 TPD (equivalent to 1.32 MTPA) clinkerisation unit, a waste heat recovery system with a capacity of 8.9 MW along with a dedicated incoming power line of 132 KV. From January 2023, we have commenced production of clinker at the Expansion Project on a trial basis and declared commercial production on June 30, 2023. Hence, no revenue from operations was booked during Fiscal 2023 and for the three months period ended June 30, 2023. Further, the loss before tax for the Trial Pun period does not form part of the Financial Statements. Accordingly, the financial information and results of operations during the trial run operations are not a reflection of the business and operations of the Company.

The following table sets forth certain select information from our statement of profit and loss for the nine months ended December 31, 2023 and December 31, 2022 and for the Fiscals 2023 and 2022 along with the components expressed as a percentage of total income for such periods:

Particulars	For the nine month period ended December 31, 2023		For the nine month period ended December 31, 2022		Fiscal 2023		Fiscal 2022	
	(*in ₹ lakhs*)	% of Total Income	(*in ₹ lakhs*)	% of Total Income	(*in ₹ lakhs*)	% of Total Income	(*in ₹ lakhs*)	% of Total Income
Revenue from operations	20,227.81	99.21	-	-	-	-	346.55	47.67
Other income	161.74	0.79	259.46	100.00	347.38	100.00	380.49	52.33
Total Income	**20,389.55**	**100.00**	**259.46**	**100.00**	**347.38**	**100.00**	**727.04**	**100.00**
Expenses								
Cost of raw material consumed	5,121.64	25.12	488.33	188.21	31.57	9.09	983.30	135.25
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(460.06)	(2.26)	(721.53)	(278.09)	15.60	4.49	(715.66)	-98.43
Employee benefits expense	995.73	4.88	219.41	84.56	265.31	76.37	274.87	37.81
Power and fuel	8,014.79	39.31	81.03	31.23	212.54	61.18	319.83	43.99
Finance costs	7,108.93	34.87	870.89	335.65	1,285.30	370.00	879.26	120.94
Depreciation and amortization expense	2,107.25	10.33	3,235.62	1247.06	5,898.63	1,698.03	705.55	97.04
Freight and handling expenses	3,514.12	17.23	-	-	-	-	-	-
Other expenses	1,623.18	7.96	2,768.26	1,066.93	3,502.63	1,008.30	1,930.91	265.59
Total Expenses	**28,025.58**	**137.45**	**6,942.01**	**2,675.56**	**11,211.58**	**3,227.47**	**4,378.06**	**602.18**
Less: Self Consumption of manufactured goods	-	-	-	-	-	-	199.26	27.41
Loss before tax	**(7,636.03)**	**(37.45)**	**(6,682.55)**	**(2,575.56)**	**(10,864.20)**	**(3,127.47)**	**(3,451.76)**	**(474.77)**
Total tax expenses	**(1,984.77)**	**(9.73)**	**(1,758.60)**	**(677.79)**	**(2,817.17)**	**(810.98)**	**(899.84)**	**(123.77)**
Loss for the year/ period	**(5,651.26)**	**(27.72)**	**(4,923.95)**	**(1,897.77)**	**(8,047.03)**	**(2,316.49)**	**(2,551.92)**	**(351.00)**
Other comprehensive income								
i) Items that will not be reclassified to profit or loss								
(a) Re-measurements of the defined benefit plans	(0.43)	0.00	4.47	1.72	3.59	1.03	9.11	1.25
ii) Income tax relating to items that will not be reclassified to profit or loss	0.11	0.00	(1.16)	(0.45)	(0.74)	(0.21)	(2.37)	(0.33)
Total other comprehensive income	**(0.32)**	**0.00**	**3.31**	**1.28**	**2.85**	**0.82**	**6.74**	**0.93**
Total comprehensive income	**(5,651.58)**	**(27.72)**	**(4,920.64)**	**(1,896.49)**	**(8,044.18)**	**(2,315.67)**	**(2,545.18)**	**(350.07)**

Results from operations during Trial Run Period

During Fiscal 2023 we have commissioned the Expansion project and commenced operations on trial basis in January 2023 and declared commercial production on June 30, 2023. For further details, see "*Unaudited Interim Condensed Financial Statements - Note 15 - Trial Run Operations*" on page 157. The summary of Income/expenditure during such period is as under:

Particulars	For the three month period ended June 30, 2023 (*in ₹ lakhs*)	% of Total Income	For the period ended March 31, 2023 (*in ₹ lakhs*)	% of Total Income
Revenue from operations	10,811.65	99.92	4,763.94	100.00
Other income	8.14	0.08	-	-
Total Income	**10,819.79**	**100.00**	**4,763.94**	**100.00**
Expenses				
Cost of raw material consumed	1,920.75	17.75	1,439.61	30.22
Changes in inventories of finished goods, work-in-progress and stock-in-trade	306.50	(2.83)	(1,006.15)	(21.12)
Employee benefits expense	416.22	3.85	79.45	1.67
Power and fuel	5,875.86	54.31	4,004.40	84.06
Freight and handling expenses	2,182.46	20.17	984.21	20.66
Finance costs	303.94	2.81	232.31	4.88
Depreciation and amortization expense	94.43	0.87	2.20	0.05
Other expenses	867.51	8.02	265.97	5.58
Total Expenses (II)	**11,354.68**	**104.94**	**6,002.00**	**125.99**
Loss before tax III (I-II)	**(534.89)**	**(4.94)**	**(1,238.06)**	**(25.99)**

Notes for the three months period ended June 30, 2023

- The net trial run expenditure of ₹534.89 lakhs is forming part of capital work in progress;
- The finished goods inventory under the trial run operation of ₹1,312.64 lakhs as on June 30, 2023 is forming part of Inventory;
- Trade receivable as on June 30, 2023 includes Nil towards outstanding for sales made during the trial run operations; and
- Trade payable as on June 30, 2023 includes ₹7,455.48 lakhs towards trial run related trade payable.

Notes for the period ended March 31, 2023

- The net trial run expenditure of ₹1,238.06 lakhs till March 31, 2023 is forming part of capital work in progress;
- The finished goods inventory under trial run operation of ₹1,006.15 lakhs as on March 31, 2023 is forming part of Inventory;
- Trade receivable as on March 31, 2023 includes ₹799.24 lakhs towards outstanding for sales made during the trial run operations; and
- Trade payable as on March 31, 2023 includes ₹4,807.24 lakhs towards trial run related trade payable.

NINE MONTHS ENDED DECEMBER 31, 2023, COMPARED TO NINE MONTHS ENDED DECEMBER 31, 2022

Total Income

Our total income increased by 7,758.46% from ₹259.46 lakhs in the nine month ended December 31, 2022 to ₹20,389.55 lakhs in the nine month period ended December 31, 2023, primarily attributable to the following:

Revenue from Operations

As there was no operations in in the nine month ended December 31, 2022, the revenue from operations was Nil. In the nine month period ended December 31, 2023 revenue from operations was ₹20,227.81 lakhs which was due to sale of products during the relevant period.

Other Income

Other income decreased by 37.66% from ₹259.46 lakhs in the nine month ended December 31, 2022 to ₹161.74 lakhs in the nine month period ended December 31, 2023. This was primarily due to a decrease in sale of scrap from ₹240.51 lakhs in the nine month ended December 31, 2022 to ₹131.76 lakhs in the nine month period ended December 31, 2023.

Expenses

Total expenses increased by 303.71% from ₹6,942.01 lakhs in the nine month ended December 31, 2022 to ₹28,025.58 lakhs in the nine month period ended December 31, 2023. This was primarily due to an increase in expenses towards our manufacturing activities such as power and fuel, finance costs and cost of raw materials.

Cost of Materials Consumed and Changes in Inventories

Cost of materials consumed increased by 948.81% from ₹488.33 lakhs in the nine month ended December 31, 2022 to ₹5,121.64 lakhs in the nine month period ended December 31, 2023. This was on account of production and sale of finished goods after the commencement of commercial production on June 30, 2023.

Employee Benefit Expenses

Employee benefit expenses increased by 353.82% from ₹219.41 lakhs in the nine month ended December 31, 2022 to ₹995.73 lakhs in the nine month period ended December 31, 2023. This was on account of salary cost of employees involved in project activities forming part of the capital-work-in progress, prior to the commencement of commercial production on June 30, 2023.

Power & Fuel

Power and fuel expenses increased by 9,791.14% from ₹81.03 lakhs in the nine month ended December 31, 2022 to ₹8,014.79 lakhs in the nine month period ended December 31, 2023. This was primarily due to an increase in the consumption of power units, post the commencement of commercial production from June 30, 2023.

Finance Costs

Finance costs increased by 716.28% from ₹870.89 lakhs in the nine month ended December 31, 2022 to ₹7,108.93 lakhs in the nine month period ended December 31, 2023, primarily due to the finance cost related to the Project being capitalised prior to the commencement of commercial operation, i.e., prior to June 30, 2023.

Depreciation and Amortization Expense

Depreciation and amortization expense decreased by 34.87% from ₹3,235.62 lakhs in the nine month ended December 31, 2022 to ₹2107.25 lakhs in the nine month period ended December 31, 2023. This was on account of the capitalisation of completed capital jobs related to the upgradation of the Expansion Project during the nine month ended December 31, 2023, as against charging accelerated depreciation on the old unused plant and machinery in nine month ended December 31, 2022.

Other Expenses

Other expenses decreased by 41.36% from ₹2.768.26 lakhs in the nine month ended December 31, 2022 to ₹1,623.18 lakhs in the nine month period ended December 31, 2023. This was primarily on account of reduction in the loss on sale / write off of old assets which was set off against increase in consumption of stores and spares, cost of repair of machinery and insurance expense.

Loss before Tax

For the reasons mentioned above our loss before tax was ₹7,636.03 lakhs for the nine month period ended December 31, 2023 as compared to ₹6,682.55 lakhs for the nine month period ended December 31, 2022.

Tax Expense

Our total tax expense for the nine month period ended December 31, 2023, was ₹1,984.77 lakhs, as compared to ₹1,758.60 lakhs for the nine month period ended December 31, 2022.

Loss for the period

For the reasons mentioned above we recorded a loss of ₹5,651.26 for the nine month period ended December 31, 2023, as compared to ₹4,923.95 lakhs for the nine month period ended December 31, 2022.

FISCAL 2023 COMPARED TO FISCAL 2022

Total Income

During Fiscal 2023 total income was ₹347.38 lakhs and total income in Fiscal 2022 was ₹727.04 lakhs.

Revenue from Operations

As there were no operations in Fiscal 2023 the revenue from operations was Nil. In Fiscal 2022 revenue from operations was ₹346.55 lakhs which was primarily due to liquidation of inventory of finished goods during this period.

Other Income

Other income reduced by 8.70% to ₹347.38 lakhs in Fiscal 2023 compared to ₹380.49 lakhs in Fiscal 2022 which was primarily due to reduction in scrap sales, write back of provisions and other interest income.

Expenses

Total expenses increased by 156.09% to ₹11,211.58 lakhs in Fiscal 2023 from ₹4,378.06 lakhs in Fiscal 2022.

Cost of Materials Consumed (Net of Self Consumption) and Changes in Inventories

Cost of materials consumed decreased by 31.02% to ₹47.17 lakhs in Fiscal 2023 from ₹68.38 lakhs in Fiscal 2022 primarily on account of lower revenue production volume.

Employee Benefit Expenses

Our employee benefit expense decreased by 3.48% to ₹265.31 lakhs in Fiscal 2023 from ₹274.87 lakhs in Fiscal 2022 primarily due to a use of manpower in trial run operation.

Power & Fuel

Power and Fuel expenses decreased by 33.55% to ₹212.54 lakhs in Fiscal 2023 from ₹319.83 lakhs in Fiscal 2022 primarily on account of power and fuel cost absorption in trial run operations.

Finance Costs

Finance costs increased by 46.18% to ₹1,285.30 lakhs in Fiscal 2023 from ₹879.26 lakhs in Fiscal 2022, primarily due to charging unwinding of interest on financial instruments for ₹337.80 lakhs and increase in unsecured loans outstanding resulting in increase in interest cost.

Depreciation and Amortization Expense

Depreciation and amortisation expense increased to ₹5,898.63 lakhs in Fiscal 2023 from ₹705.55 lakhs in Fiscal 2022, primarily due to impairment of certain existing assets which could not be reused or relocated in the new plant amounting to ₹5,321.32 lakhs.

Other Expenses

Other expenses increased by 81.40% to ₹3,502.63 lakhs in Fiscal 2023 from ₹1,930.91 lakhs in Fiscal 2022, due to (i) increase in loss on asset write off of ₹2,717.35 lakhs in Fiscal 2023 from ₹1,340.72 lakhs in Fiscal 2022, on account of dismantling of civil and mechanical structures in the earlier plant in order to utilise the space for project expansion (ii) increase in other expenses to ₹785.29 lakhs in Fiscal 2023 from ₹588.30 lakhs in Fiscal 2022, primarily on account of increase in certain unabsorbed fixed costs charged under revenue.

Loss before Tax

For the reasons discussed above, loss before tax increased to ₹10,864.20 lakhs in Fiscal 2023 compared to ₹3,451.76 lakhs in Fiscal 2022.

Tax Expense

Our total tax expense decreased to ₹2,817.17 lakhs in Fiscal 2023 from ₹899.84 lakhs in Fiscal 2022, primarily on account of deferred tax on higher loss before tax.

Loss for the Year

For the reasons discussed above, our loss for the year increased to ₹8,047.03 lakhs in Fiscal 2023 compared to ₹2,551.92 lakhs in Fiscal 2022.

Cash Flows

The following table sets forth certain information relating to our cash flows in the periods indicated:

(*in ₹ lakhs*)

Particulars	For the nine month period ended December 31, 2023	For the nine month period ended December 31, 2022	Fiscal 2023	Fiscal 2022
Net cash generated / (used) in operating activities	18,701.14	(9,324.86)	(10,952.42)	(11,331.78)
Net cash used in investing activities	(20,522.38)	(29,511.06)	(34,208.65)	(36,244.18)
Net cash flows generated from financing activities	1,962.35	39,138.06	44,817.30	47,937.86
Net increase/(decrease) in cash and cash equivalents	141.11	302.14	(343.77)	361.90
Cash and cash equivalents at the end of the year	231.67	736.47	90.56	434.33

Operating Activities

Nine months ended December 31, 2023

In the nine months ended December 31, 2023, net cash flows generated from operating activities was ₹18,701.14 lakhs and loss before tax was ₹7,636.03 lakhs. Primary adjustments consisted of depreciation and amortisation expenses of ₹2,107.25 lakhs, finance costs of ₹6,630.24 lakhs and unwinding of interest on financial liabilities carried at amortised cost of ₹478.69 lakhs. This was partially offset by interest income of ₹26.93 lakhs and profit on sale of property, plant and equipment of ₹4.62 lakhs. The operating profit before working capital changes was ₹1,547.93 lakhs for the nine months ended December 31, 2023. The main working capital adjustments included decrease in trade receivables of ₹799.24 lakhs, decrease in financial and other assets of ₹3,897.26 lakhs and increase in other liabilities of ₹13,412.68 lakhs. This was partially offset by increase in inventories of ₹4,009.70 lakhs and a decrease in trade payables of ₹2,976.14 lakhs.

Nine months ended December 31, 2022

In the nine months ended December 31, 2022, net cash flows used from operating activities was ₹9,324.86 lakhs and loss before tax was ₹6,682.55 lakhs. Primary adjustments consisted of depreciation and amortisation expenses of ₹3,235.62 lakhs, loss on sale of property, plant and equipment of ₹2,246.45 lakhs, finance costs of ₹870.89

lakhs and unwinding of interest on financial liabilities carried at amortised cost of ₹57.47 lakhs. This was partially offset by interest income of ₹18.95 lakhs. The operating loss before working capital changes was ₹290.00 lakhs for the nine months ended December 31, 2022. The main working capital adjustments included decrease in trade payables of ₹162.84 lakhs and increase in provisions of ₹57.36 lakhs. This was partially offset by increase in financial and other assets of ₹8,490.75 lakhs and increase in inventories of ₹702.61 lakhs.

Fiscal 2023

In Fiscal 2023, net cash flows used in operating activities was ₹10,952.42 lakhs and loss before tax was ₹10,864.20 lakhs. The main adjustments to reconcile profit before tax to net cash flows in Fiscal 2023 included depreciation and amortisation expenses of ₹5,898.63 lakhs, loss on sale of property, plant and equipment of ₹2,717.35 lakhs and finance costs of ₹871.36 lakhs and unwinding of interest on financial liabilities carried at amortised cost of ₹413.93 lakhs. Operating loss before working capital changes amounted to ₹992.04 lakhs in Fiscal 2023. The main working capital adjustments in Fiscal 2023 included increase in inventories of ₹1,088.23 lakhs and increase in financial and other assets of ₹9,769.57 lakhs.

Fiscal 2022

In Fiscal 2022, net cash used in operating activities was ₹11,331.78 lakhs and the loss before tax was ₹3,451.76 lakhs. The main adjustments to reconcile profit before tax to net cash flows in Fiscal 2023 included loss on sale of property, plant and equipment of ₹1,340.72 lakhs, depreciation and amortisation expenses of ₹705.55 lakhs and finance costs of ₹799.28 lakhs. Operating loss before working capital changes amounted to ₹585.65 lakhs in Fiscal 2022. The main working capital adjustments in Fiscal 2022 included increase in financial and other assets of ₹11,041.33 lakhs, increase in provisions of ₹408.81 lakhs and decrease in trade payables of ₹274.72 lakhs.

Investing Activities

Nine months ended December 31, 2023

Net cash flow used in investing activities was ₹20,522.38 lakhs in the nine months ended December, 2023, primarily on account of payment for purchase of property, plant and equipment of ₹20,511.65 lakhs and payment of interest of ₹9.32 lakhs.

Nine months ended December 31, 2022

Net cash flow used in investing activities was ₹29,511.06 lakhs in the nine months ended December, 2022, primarily on account of payment for purchase of property, plant and equipment of ₹30,262.12 lakhs. This was partially offset by receipt of interest of ₹20.25 lakhs and bank deposits not considered as cash and cash equivalent of ₹730.81 lakhs.

Fiscal 2023

Net cash flows used in investing activities was ₹34,208.65 lakhs in Fiscal 2023, primarily on account of payment for purchase of property, plant & equipment/intangible asset including capital working in progress and capital advances of ₹34,975.12 lakhs towards our Expansion Project. This was partially offset by interest received of ₹47.42 lakhs and bank deposits not considered as cash and cash equivalent of ₹719.05 lakhs.

Fiscal 2022

Net cash used in investing activities was ₹36,244.18 lakhs in Fiscal 2022, primarily on account of payment for purchase of property, plant & equipment/intangible asset including capital working in progress and capital advances ₹36,135.70 lakhs towards our Expansion Project. This was partially offset by interest received of ₹64.00 lakhs.

Financing Activities

Nine months ended December 31, 2023

Net cash flow generated from financing activities was ₹1,962.35 lakhs in the nine months ended December, 2023, primarily on account of proceeds from non-current borrowings of ₹20,431.47 lakhs. This was partially offset by repayment of current borrowings of ₹12,913.03 lakhs and interest payment of ₹5,556.09 lakhs.

Nine months ended December 31, 2022

Net cash flow generated from financing activities was ₹39,138.06 lakhs in the nine months ended December, 2022, primarily on account of proceeds from current borrowings of ₹32,218.67 lakhs and proceeds from non-current borrowings of ₹9,046.77 lakhs. This was partially offset by interest payment of ₹2,127.38 lakhs.

Fiscal 2023

Net cash generated from financing activities was ₹44,817.30 lakhs primarily due to proceeds from non-current borrowings of ₹38,726.15 lakhs and proceeds from current borrowings of ₹14,175.08 lakhs which was partially offset by interest paid of ₹8,083.93 lakhs.

Fiscal 2022

Net cash generated from financing activities was ₹47,937.86 lakhs primarily due to proceeds from non-current borrowings of ₹56,001.03 lakhs which was partially offset by interest paid of ₹7,588.21 lakhs and repayment of current borrowings of ₹474.96 lakhs.

Borrowings

As on December 31, 2023, our total Borrowings were ₹1,36,867.52 lakhs. The break up is as under:

(*in ₹ lakhs*)

Particulars	Non-current borrowings as at December 31, 2023	Current borrowings as at December 31, 2023
Term Loans (at amortised cost)		
Secured		
From banks	61840.36	1,262.05
Less: Unamortised upfront fees on borrowings	(265.72)	-
	61,574.64	**1,262.05**
Other Loans (at amortised cost)		
Unsecured		
From related parties	67,759.09	-
Other Loans (at fair value through profit and loss)		
Unsecured		
1% Optionally Convertible Cumulative Redeemable Preference Shares of ₹100/- each	10,000.00	-
Less: Equity component of optionally convertible cumulative preference shares	(4,483.73)	-
Add: Unwinding of interest)	755.48	-
	74,030.83	**-**
Total	**1,35,605.47**	**1,262.05**

Terms of the 1% Optional Convertible Cumulative Redeemable Preference Share (OCCRPS)

The Company has one class of Preference Shares. These shares carry cumulative dividend at 1%. These OCCRPS were convertible into Equity Shares at the option of the OCCRPS holder within a period of 18 months from the date of allotment, in one or more tranches, at a price determined on the relevant date or to be redeemed at par upon maturity after 18 months but within 9 years from date of allotment. However, the option to convert the instrument into Equity shares lapsed on August 4, 2022 (valuation date) in respect of 1,00,00,000 OCCRPS, and hence the nature of instrument has changed and the instrument will be redeemed at par upon maturity. Further, since the said OCCRPS were no longer convertible, the nature of the preference shares was changed and therefore, 1,00,00,000 OCCRPS aggregating to ₹1,00,00,00,000 lakhs were reclassified as a long-term liability under the line item ‘Borrowings’ in the Audited Financial Statements and the Unaudited Interim Condensed Financial

Statements. For further details, see *"Unaudited Interim Condensed Financial Statements- Note 9(ii): Equity Share Capital"* and "*Audited Financial Statements-Note 17(ii): Equity Share Capital*" on pages 151 and 205, respectively. Accordingly, future estimated cash flows of principal on redemption and cumulative coupon of 1% for 9 years are discounted at pre-tax borrowing rate of 9.5% to determine the fair value of the instrument at valuation date.

The difference between the issue price of OCCRPS and the fair value on valuation date (i.e., as on August 4, 2022) was ₹4483.73 lakhs, which has been treated as equity component of compounded financial instrument in the financial statements for the year ended March 31, 2023.

Contingent Liabilities and Off-Balance Sheet Arrangements

As on December 31, 2023, our contingent liabilities that have not been provided for, were as follows:

(*in ₹ lakhs*)

Particulars	As at December 31, 2023
Orissa Sales Tax, VAT, CST	130.00
Entry Tax	6.38
Income tax	3,048.73
Differential royalty demand on the basis of highest royalty rate	111.47
Interest at 1% on Optionally convertible cumulative redeemable preference shares (OCCRPS)	291.67
Total	**3,588.25**

Cash outflows for the above are determinable only on receipt of judgments pending at various forums/ authorities. For further information on our contingent liabilities, see "*Audited Financial Statements – Note 37(a) - Contingent liabilities not provided for in respect of disputed claims/levies*" and "*Unaudited Interim Condensed Financial Statements – Note 16(a) - Contingent liabilities not provided for in respect of disputed claims/levies*" *on* pages 220 and 158, respectively.

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Commitments

The following table sets forth certain information relating to future payments due under known contractual commitments as on December 31, 2023:

(in ₹ lakhs)

Particulars	As at December 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	3,470.73

Related Party Transactions

We have in the past entered into transactions with our Corporate Promoter, an entity controlled by our Corporate Promoter, and with our key managerial personnel, during the year, in the ordinary course of business. Significant portion of our related party transactions relate to sale of goods to JSW Cement Limited and borrowings from JSW Cement Limited.

The details of related party transactions of our Company for the nine month period ended December 31, 2023 and for the Fiscals 2023 and 2022, are set forth in the table below:

(in ₹ lakhs)

Particulars	For nine month period ended December 31, 2023	Fiscal 2023	Fiscal 2022
Purchase of Goods/Services			
JSW Cement Limited	863.58	1,457.81	1,182.64
JSW Steel Limited	302.85		

Particulars	For nine month period ended December 31, 2023	Fiscal 2023	Fiscal 2022
Bhushan Power & Steel Limited	0.71		
JSW International Tradecorp Pte. Limited	7,048.32	-	-
Utkarsh Transport Private Limited	-	-	4.00
Purchase of Property, plant & equipment			
JSW Cement Limited	-	-	30.24
Sale of Goods/ Other Income			
JSW Cement Limited	26,929.40*	6,097.85*	128.38
Lease rent received (incl. GST)			
JSW Cement Limited	-	-	0.89
Interest Repayment			
JSW Cement Limited		2,967.68	6,000.00
Loan Received			
JSW Cement Limited	5,622.18	22,769.00	25,192.83
Interest cost			
JSW Cement Limited	4,335.69	3,662.35	2,433.58

* *Includes sales during the trial run period*

Compensation to key management personnel

Nature of transaction	As at December 31, 2023	As at March 31, 2023	As at March 31, 2022
Short-term employee benefits	-	-	-
Post employment benefits	-	-	-
Sitting fees	8.85	8.65	12.55
Other long-term benefits	-	-	-
Termination benefits	-	-	-
Total compensation to key management personnel	**8.85**	**8.65**	**12.55**

For the nine months period ended December 31, 2023

- *Key managerial persons such as Whole Time Director, Chief Financial Officer, Company Secretary are in receipt of remuneration from the holding company.*

Terms & Conditions

(i) Sales:

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Sales transactions are based on prevailing price lists and memorandum of understanding signed with related parties. For the nine month period ended December 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

(ii) Purchases:

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Purchase transactions are made on normal commercial terms and conditions and market rates.

(iii) Loan from Related Party:

The company has availed loan from its holding company for general corporate purpose. The loan balance as on December 31, 2023 was amounting ₹67,759.09 lakhs (as on March 31, 2023 ₹62,136.91 lakhs). The loan is unsecured and carry an interest 8.81% per annum and repayable after the end of the tenure.

(iv) Corporate Guarantee by Related Party:

The holding company, JSW Cement Limited has issued corporate guarantee to banks on behalf of and in respect of loan availed by the Company.

For the Fiscal 2023 and Fiscal 2022

- *Key managerial persons such as Whole Time Director, Chief Financial Officer, Company Secretary are in receipt of remuneration from the holding company.*

Terms & Conditions

(i) Sales:

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Sales transactions are based on prevailing price lists and memorandum of understanding signed with related parties. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

(ii) Purchases:

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Purchase transactions are made on normal commercial terms and conditions and market rates.

(iii) Loan from Related Party:

The company has availed loan from its holding company for general corporate purpose. The loan balance as on March 31, 2023 was amounting ₹62,136.91 lakhs. The loan is unsecured and carry an interest 8.00% per annum and repayable after the end of the tenure.

(iv) Corporate Guarantee by Related Party:

The holding company, JSW Cement Limited has issued corporate guarantee to banks on behalf of and in respect of loan availed by the company.

For details of the related party transactions, see "*Audited Financial Statements – Note 37(g) - Related parties disclosure as per IND AS 24*" and "*Unaudited Interim Condensed Financial Statements – Note 16(d) - Related parties disclosure as per IND AS 24"* on page 222 and 159, respectively.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to various types of market risks during the normal course of business. Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk and commodity risk. We are exposed to commodity risk, liquidity risk, credit risk and inflation risk and in the normal course of our business.

Financial risk management

Board of Directors of the Company has developed and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aim to mitigate the following risks arising from the financial instruments:

(i) Market risk
(ii) Credit risk
(iii) Liquidity risk

Risk management framework

The Company's principal financial liabilities, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company operations. The Company's principal financial assets, include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations." Board of Directors of the Company have developed and are monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Market Risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

All such transactions are carried out within the guidelines set by the management.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds may be borrowed at both fixed and floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments at the end of the reporting period are as follows:

(in ₹ lakhs)

Particular	As at December 31, 2023	As at March 31, 2023
Fixed rate Borrowing	6,271.74	5,853.77
Float Rate Borrowing	1,30,861.50	1,23,394.34
Total Gross Borrowing	**1,37,133.24**	**1,29,248.11**
Less: Upfront Fees	(265.72)	(317.00)
Total Borrowing	**1,36,867.52**	**1,28,931.11**

Interest Rate Sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

A change of 100 basis points in interest rates would have following impact on profit before tax.

Particular	As at December 31, 2023	As at March 31, 2023
100 bp increase – Increase in loss	475.43	-
100 bp decrease- Decrease in loss	475.43	-

Commodity Risk

Commodity price risk for the Company is mainly related to fluctuations in coal prices linked to various external factors, which can affect the production cost of the Company. Since the fuel costs is one of the primary cost drivers, any fluctuation in fuel prices can lead to drop in operating margin. To manage this risk, the Company take steps to optimize the fuel mix and to pursue longer term and fixed contracts, where additionally, processes and policies related to such risks are reviewed and controlled by senior management and fuel requirement are monitored by the procurement team.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The carrying amount of financial assets represent the maximum credit risk exposure.

(a) **Trade receivables**

Customer credit risk is managed centrally by the Company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an individual credit limits defined in accordance with the assessment.

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. Except sales to the holding company, JSW Cement Limited, no single customer accounted for 10.0% or more of revenue in any of the years indicated. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

The movement in allowance for Expected Credit Loss is as follows:

(in ₹ lakhs)

Particulars	As at December 31, 2023	As at March 31, 2023
Balance at the beginning of the year	130.33	129.26
Change in allowance for the credit impairment during the year	-	1.07
Balance at the end of the year	130.33	130.33

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

Our historical experience of collecting receivables indicate a low credit risk. Hence, trade receivables are considered to be a single class of financial assets.

Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The company generate sufficient cash flow for operation, which together with the available cash and cash equivalent provide liquidity in the short term & long term. The company has established an appropriate liquidity risk management frame work for the management of the company's short, medium & long term funding and liquidity management requirement. The company manages liquidity risk by maintaining adequate reserve, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profile of financial asset and liability.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Liquidity exposure as at December 31, 2023

(*in ₹ lakhs*)

Particulars of cash flows	< 1 year	1-5 year	> 5 years	Total
Financial assets				
Cash and cash equivalents	231.67	-	-	231.67
Bank balances other than cash and cash equivalents	179.32	-	-	179.32
Trade receivables	-	-	-	-
Other financial assets	425.31	3,468.26		3,893.57
Total Financial assets	**836.30**	**3,468.26**	**-**	**4,304.56**
Financial liabilities				
Long term borrowings	-	87,743.96	47,861.51	1,35,605.47
Short term borrowings	1,262.05	-	-	1,262.05
Trade payable	8,050.75	-	-	8,050.75
Lease liabilities	0.50	4.99	-	5.49
Other financial liabilities	14,539.82	-	-	14,539.82
Total Financial liabilities	**23,853.12**	**87,748.95**	**47,861.51**	**1,59,463.58**

Liquidity exposure as at March 31, 2023

(*in ₹ lakhs*)

Particulars of cash flows	< 1 year	1-5 year	> 5 years	Total
Financial assets				
Cash and cash equivalents	90.56	-	-	90.56
Bank balances other than cash and cash equivalents	177.91	-	-	177.91
Trade receivables	799.24	-	-	799.24
Other financial assets	228.25	3,466.39		3,694.64
Total Financial assets	**1,295.96**	**3,466.39**	**-**	**4,762.35**
Financial liabilities				
Long term borrowings	-	72,488.16	42,267.87	1,14,756.03
Short term borrowings	14,175.08	-	-	14,175.08
Trade payable	5,073.93	-	-	5,073.93
Lease liabilities	0.50	4.61	-	5.11
Other financial liabilities	11,371.72	-	-	11,371.72
Total Financial liabilities	**30,621.23**	**72,492.77**	**42,267.87**	**1,45,381.87**

Total turnover of each major industry segment in which the company operated

We are primarily in the business of manufacturing and sale of cement and cement related product. As per IND AS 108 "*Operating Segments*" specified under Section 133 of the Companies Act 2013, there are no other reportable business applicable to us

Unusual or infrequent events or transactions

Except as described in this Letter of Offer, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known trends or uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "– *Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 18 and 228, respectively. Except as disclosed in this Letter of

Offer, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

New products or business segments

Other than our Expansion Project, we have not publicly announced any new products or business segments nor have there been any material increases in our revenues due to increased disbursements and introduction of new products.

Future relationship between Cost and Income

Other than as described elsewhere in the sections "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 18, 111 and 226, respectively, to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

Seasonality of business

Our business exhibits seasonality of limited nature during monsoons. For further information, see "*Industry Overview*", "*Our Business*" and "*Risk Factors – 22. The Indian cement industry is affected by a number of factors beyond our control. Volatility in cement demand will affect demand for our clinker which could affect our business and results of operations adversely*" on pages 74, 111 and 32, respectively.

Significant dependence on a single or few customers or suppliers

JSW Cement Limited, our holding company is our primary purchaser of the clinker produced by us. For details, see "*Risk Factors – 12. We rely on JCL as our primary customer and our business is concentrated in eastern India. Any significant decrease in revenue from JCL or eastern India in future may adversely affect our business, results of operations and financial condition*" on page 26.

Significant economic changes that materially affect or are likely to affect income from continuing operations

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in "*– Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 18 and 228, respectively.

Competitive Conditions

We operate in a competitive environment. See sections, "*Our Business*", "*Industry Overview*", "*Risk Factors – 41. The introduction of substitutes for cement in the markets in which we and our Corporate Promoter operate and the development of new construction techniques could have an adverse effect on our business, results of operations and financial condition*" and "*– Significant Factors Affecting our Results of Operations and Financial Condition – Competition*" on pages 111, 74, 40 and 228, respectively.

Significant Developments after December 31, 2023, that may affect our Future Results of Operations

Except as disclosed in this Letter of Offer, no circumstances have arisen since December 31, 2023, that could materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

Our Company is subject to various legal proceedings from time to time, primarily arising in the ordinary course of business.

Except as disclosed below, there are no outstanding litigations with respect to the (i) issues of moral turpitude or criminal liability on the part of our Company; (ii) material violations of statutory regulations by our Company; (iii) economic offences where proceedings have been initiated against our Company; and (iv) any pending matters including civil litigation and tax proceedings, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.

*In relation to point (iv) above, our board in its meeting held on July 27, 2023, has considered and adopted a 'Policy for Determining Material Events and Information', framed in accordance with Regulation 30 of the SEBI Listing Regulations ("**Materiality Policy**"). In terms of the Materiality Policy, any outstanding litigations, involving our Company, whose total monetary impact is equivalent to or exceeds the lower of the following:*

a) 2% of turnover, as per the last audited financial statements of our Company;
b) 2% of net worth, as per the last audited financial statements of our Company, except in case the arithmetic value of the net worth is negative; and
c) 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of our Company.

Since points (a) and (b) above are not applicable, accordingly, all outstanding litigation (including civil and tax proceedings), involving our Company whose monetary impact is equivalent to or in excess of 5% of the average of absolute value of profit or loss after tax, as per the last three annual financial statements of our Company, which is determined to be ₹213.26 lakhs have been disclosed in this section.

Additionally, it is clarified that pre-litigation notices received by our Company from third parties (excluding those notices issued by statutory or regulatory or governmental authorities) shall not be evaluated for materiality until such time our Company is impleaded as a defendant in litigation proceedings before any judicial forum.

Unless stated to the contrary, the information provided below is as of the date of this Letter of Offer. All terms defined in a particular litigation disclosure below are for that particular litigation only.

A. Litigation involving our Company

Material litigation (including civil litigation and tax proceedings) involving our Company

1. The Assistant Commissioner of Income Tax, Central Circle, Sambalpur by its order dated November 26, 2021, assessed the taxable income of our Company for the assessment year 2010-2011 by treating increases in share capital and share premium account of our Company and shortages of cash in imprest accounts as cash credit ("**Assessment Order**"). Our Company has filed an appeal against the Assessment Order before the Commissioner of Income Tax (Appeals) in relation to disputed addition of income of ₹322.95 lakhs. The matter is currently pending.

2. The Assistant Commissioner of Income Tax, Central Circle, Sambalpur by its order dated November 26, 2021, assessed the taxable income of our Company for the assessment year 2011-2012 by treating increases in share capital and share premium account of our Company and shortages of cash in imprest accounts as cash credit and raised a demand of ₹342.56 lakhs along with penalty and interest ("**Assessment Order**"). Our Company has filed an appeal against the Assessment Order before the Commissioner of Income Tax (Appeals). The matter is currently pending.

3. The Assistant Commissioner of Income Tax, Central Circle, Sambalpur by its order dated November 26, 2021, assessed the taxable income of our Company for the assessment year 2012-2013 by treating increases in share capital and share premium account of our Company and shortages of cash in imprest accounts as cash credit and raised a demand of ₹1,107.37 lakhs along with penalty and interest ("**Assessment Order**"). Our Company has filed an appeal against the Assessment Order before the Commissioner of Income Tax (Appeals). The matter is currently pending.

4. The Assistant Commissioner of Income Tax, Central Circle, Sambalpur by its order dated November 26, 2021, assessed the taxable income of our Company for the assessment year 2013-2014 by treating increases in share capital and share premium account of our Company and shortages of cash in imprest accounts as cash credit and raised a demand of ₹520.31 lakhs along with penalty and interest ("**Assessment Order**"). Our Company has filed an appeal against the Assessment Order before the Commissioner of Income Tax (Appeals). The matter is currently pending.

5. The Assistant Commissioner of Income Tax, Central Circle, Sambalpur by its order dated November 26, 2021, assessed the taxable income of our Company for the assessment year 2014-2015 by treating increases in share capital and share premium account of our Company and shortages of cash in imprest accounts as cash credit and raised a demand of ₹612.16 lakhs along with penalty and interest ("**Assessment Order**"). Our Company has filed an appeal against the Assessment Order before the Commissioner of Income Tax (Appeals). The matter is currently pending.

6. The Assistant Commissioner of Income Tax, Central Circle, Sambalpur by its order dated December 31, 2016, assessed the taxable income of our Company for the assessment year 2015-2016 by treating increases in share capital and share premium account of our Company and shortages of cash in imprest accounts as cash credit and raised a demand of ₹466.32 lakhs along with penalty and interest ("**Assessment Order**"). Our Company has filed an appeal against the Assessment Order before the Commissioner of Income Tax (Appeals). The matter is currently pending.

Material violations of statutory regulations by our Company

1. The Office of the Deputy Director of Mines, Rourkela issued a show cause notice dated November 14, 2023, against our Company in relation to certain non-compliances with the applicable safety standards and directed our Company to pay the highest rate of royalty for the limestone extracted from our mines at Khatkurbahal as specified under the Orissa Minerals (Prevention of theft, Smuggling & Illegal Mining and Regulation of Possession, Storage, Trading and Transportation) Rules, 2007 ("**Mining Rules**" and the said show cause notice dated November 14, 2023, the "**Show Cause Notice**"). Our Company responded to the Show Cause Notice *vide* letter dated December 2, 2023, (i) indicating compliance with, and seeking time to comply with the applicable safety standards, and (ii) disputing the demand for royalty at the highest rate provided under the Mining Rules. Further, our Company received demand notices both dated December 14, 2023 alleging that our Company is required to pay the highest rate of royalty in respect of the exemption granted to our Company to dispense with compliance with stacking and sampling requirements under Rule 10(7) of the Mining Rules ("**Demand Notice**"). Accordingly, our Company was directed to pay differential royalty, DMF and NMET of ₹84.45 lakhs, ₹25.33 lakhs and ₹1.69 lakhs, respectively for the period from December 15, 2020 till November 30, 2023. Our Company filed a revision application dated March 13, 2024 before the Revisional Authority, Ministry of Mines, Government of India, New Delhi against the State of Odisha to set aside the Demand Notice.The matter is currently pending.

B. Other Pending Litigation

1. The State of Odisha ("**Complainant**") filed a criminal case on June 17, 2015, against the Company, before the Court of Sub-Divisional Judicial Magistrate, Bonai. As on the date of this Letter of Offer, our Company has not received summons or any other document in relation to this matter and the disclosure included herein is based on the information available on the E-courts services website.

2. K.S. Roy ("**Complainant**") filed a criminal case bearing case filing number 42600/2014 on June 30, 2003, against the Company, before the Court of Metropolitan Magistrate, Calcutta. As on the date of this Letter of Offer, our Company has not received summons or any other document in relation to this matter and the disclosure included herein is based on the information available on the E-courts services website.

3. The Kolkata Port Trust ("**Complainant**") filed a money suit bearing case filing number 18183/2014 on May 12, 2006, against the Company, before the City Civil Court, Calcutta. As on the date of this Letter of Offer, our Company has not received summons or any other document in relation to this matter and the disclosure included herein is based on the information available on the E-courts services website.

GOVERNMENT AND OTHER APPROVALS

Our Company requires various licences, registrations, permits and approvals issued by relevant central and state authorities under various rules and regulations for carrying on its present business activities. Further, our obligation to obtain and renew such licences, registrations, permits and approvals may arise periodically and applications for such approvals are made/will be made at the appropriate stage.

We are not required to obtain any licenses or approvals from any government or regulatory authority for the Objects.

For further details, please see "*Objects of the Issue*" on page 58.

MATERIAL DEVELOPMENTS

Other than as stated in "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant Developments after December 31, 2023, that may affect our Future Results of Operations*" on page 261, there have not arisen, since the date of the Unaudited Interim Condensed Financial Statements disclosed in this Letter of Offer, any circumstances which materially and adversely affect, or are likely to affect, our trading, our profitability or the value of our assets or our ability to pay our liabilities within the next 12 months.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board passed at its meeting held on September 14, 2023, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.

The Draft Letter of Offer was approved by our Board pursuant to its resolution dated October 14, 2023 and by our Rights Issue Committee pursuant to its resolution dated October 16, 2023. The Board of Directors, in its meeting held on March 27, 2024 has resolved to issue Equity Shares to the Eligible Equity Shareholders, at ₹ 40 per Equity Share (including a premium of ₹ 38 per Equity Share), in the ratio of 20 Rights Equity Shares for every 39 fully paid-up Equity Shares, as held on the Record Date. The Issue Price of ₹ 40 per Equity Share has been arrived at, in consultation with the Lead Manager, prior to determination of the Record Date. This Letter of Offer has been approved by the Board of Directors pursuant to its resolution dated March 27, 2024 and by our Rights Issue Committee pursuant to its resolution dated March 28, 2024.

Our Company has received in-principle approvals from BSE in accordance with Regulation 28(1) of SEBI Listing Regulations for listing of the Equity Shares to be Allotted pursuant to the Issue, through their letter dated December 4, 2023.Our Company will also make an application to the Stock Exchange to obtain the listing and trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN INE555C20011 for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, please see "*Terms of the Issue*" on page 262.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, the members of the Promoter Group, our Directors and person(s) in control of our Corporate Promoter or our Company have not been debarred and are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Further, our Promoters and our Directors are not promoter(s) or director(s) of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Neither our Promoter nor any of our Directors are declared as a Fugitive Economic Offender.

Association of our Directors with the securities market

None of our Directors are associated with the securities market in any manner.

There are no outstanding action(s) initiated by SEBI against the Directors of our Company in the five years preceding the date of this Letter of Offer.

Prohibition by RBI

Neither our Company, nor our Promoters or any of our Directors have been or are identified as either a Wilful Defaulter or as a Fraudulent Borrower.

Confirmation under the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and members of our Promoter Group are in compliance and undertake to comply with the requirements of the Companies (Significant Beneficial Ownership) Rules, 2018, as amended, to the extent applicable, as on the date of this Letter of Offer.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on BSE. Our Company is eligible to offer Equity Shares pursuant to this Issue in terms of

Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made applications to the Stock Exchange and has received their in-principle approvals for listing of the Equity Shares to be issued pursuant to this Issue. BSE is the Designated Stock Exchange for the Issue.

Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements, and information in compliance with the Listing Agreement or the SEBI Listing Regulations, as applicable for the last three years immediately preceding the date of filing of this Letter of Offer with the SEBI.

2. The reports, statements and information referred to above are available on the websites of BSE.

3. Our Company has an investor grievance handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and is not covered under the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations, disclosures in this Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT LETTER OF OFFER TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. THE LEAD MANAGER, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED OCTOBER 16, 2023, WHICH READS AS FOLLOWS:

WE CONFIRM THAT:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THE DRAFT LETTER OF OFFER OF THE SUBJECT ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

   (a) THE DRAFT LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;

   (b) ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

   (c) THE MATERIAL DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. **BESIDES OURSELVES, ALL INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE, SUCH REGISTRATION IS VALID – <u>COMPLIED WITH;</u>**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – <u>NOT APPLICABLE;</u>**

5. **WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER - <u>NOT APPLICABLE;</u>**

6. **ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER - <u>NOT APPLICABLE;</u>**

7. **ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS WHICH RELATE TO RECEIPT OF PROMOTERS' CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THAT THE AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE - <u>NOT APPLICABLE;</u>**

8. **NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGE, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS**

TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION - NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE;

9. **THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN THE LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION - COMPLIED WITH TO THE EXTENT APPLICABLE;**

10. **FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:**

    (a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY, EXCLUDING SUPERIOR EQUITY SHARES, WHERE AN ISSUER HAS OUTSTANDING SUPERIOR EQUITY SHARES - COMPLIED WITH (THE COMPANY HAS NOT ISSUED ANY SUPERIOR EQUITY SHARES); AND

    (b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI - COMPLIED WITH;

11. **WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SEBI ICDR REGULATIONS - NOTED FOR COMPLIANCE;**

12. **IF APPLICABLE, THE ENTITY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS OF CHAPTER X OF SEBI ICDR REGULATIONS - NOT APPLICABLE;**

WE ENCLOSE A NOTE EXPLAINING THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US INCLUDING IN RELATION TO THE BUSINESS OF THE ISSUER, THE RISKS IN RELATION TO THE BUSINESS, EXPERIENCE OF THE PROMOTERS AND THAT THE RELATED PARTY TRANSACTIONS ENTERED INTO FOR THE PERIOD DISCLOSED IN THE DRAFT LETTER OF OFFER HAVE BEEN ENTERED INTO BY THE ISSUER IN ACCORDANCE WITH APPLICABLE LAWS - COMPLIED WITH;

WE ENCLOSE A CHECKLIST CONFIRMING REGULATION- WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, AS AMENDED, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY- COMPLIED WITH.

THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT LETTER OF OFFER.

Disclaimer from our Company and the Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Eligible Equity Shareholders who invest in the Issue will be deemed to have been represented to our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

Caution

Our Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Our Company, the Lead Manager and their directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Equity Shares. The Lead Manager and its respective affiliates may engage in transactions with and perform services for our Company or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company or affiliates, for which they have received and may in the future receive, compensation.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Odisha, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of this Issue is BSE.

Disclaimer Clause of BSE

As required, a copy of this Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to the Company, post scrutiny of this Letter of Offer is as under:

"BSE Limited ("**the Exchange**") has given *vide* its letter dated December 04, 2023, permission to this Company to use the Exchange's name in this Letter of Offer as the stock exchange on which this Company's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
- Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever"

Selling Restrictions

The distribution of the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders in offshore transactions outside the United States in compliance with Regulation S to existing shareholders located in jurisdictions where such offer and sale of the Equity Shares and/ or Rights Entitlements is permitted under laws of such jurisdictions.

Our Company will dispatch, in accordance with the SEBI ICDR Regulations, this Letter of Offer, the Abridged Letter of Offer and Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company. No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of the Draft Letter of Offer or this Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchange. In those circumstances, the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for subscription to Equity Shares and/ or Rights Entitlements and should not be copied or re-distributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Accordingly, the Equity Shares and Rights Entitlement may not be offered or sold, directly or indirectly, and none of this Letter of Offer or any offering materials or advertisements in connection with the Equity Shares or Rights Entitlement may be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address, this Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then this Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the receipt of this Letter of Offer nor any sale/ offer of Equity Shares and/ or the Rights Entitlements hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. The contents of this Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager are making any representation to any offeree or purchaser of the Equity Shares or the Rights Entitlements regarding the legality of an investment in the Equity Shares and/ or the Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

Each person who exercises Rights Entitlement and subscribes for Equity Shares or excess Equity Shares, or who purchases Rights Entitlement or Equity Shares shall do so in accordance with the restrictions set out below.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS.

Consents

Consents in writing of each of our Directors, our Company Secretary and Compliance Officer, the Lead Manager, Legal Counsel to the Issuer as to Indian Law, the Registrar to the Issue, Chartered Engineer, Mining Geologist, the Statutory Auditors and CRISIL MI&A, Banker to the Issue have been obtained, and such consents have not been withdrawn up to the time of delivery of this Letter of Offer as required under Sections 26 and 32 of the Companies Act, 2013.

Particulars regarding public or rights issues by our Company during the last five years and performance vis-à-vis objects

Our Company has not made any public or rights issues (as defined under the SEBI ICDR Regulations) during the five years preceding the date of this Letter of Offer.

Filing

A copy of this Letter of Offer is being filed with SEBI, at SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai- 4000 051, Maharashtra, India through the SEBI's online portal at https://siportal.sebi.gov.in, in accordance with the instructions issued by the SEBI on January 19, 2018 bearing reference number SEBI/HO/CFD/DILI/CIR/P/2018/011.This Letter of Offer will also be filed with BSE, where the Equity Shares are proposed to be listed.

Listing

The Rights Equity Shares offered through this Letter of Offer are proposed to be listed on BSE. Applications will be made to the Stock Exchange for obtaining permission for listing and trading of the Equity Shares. BSE is the Designated Stock Exchange with which the Basis of Allotment will be finalised.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements in compliance with SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI circular no. CIR/OIAE/2/2011 dated June 3, 2011 and shall comply with the SEBI circular no. (CIR/OIAE/1/2014) dated December 18, 2014 and the SEBI Master Circular on the redressal of investor grievances through the SEBI Complaints Redress System (SCORES) platform dated November 7, 2022 (SEBI circular no. SEBI/HO/OIAE/IGRD/P/CIR/2022/0150), in relation to redressal of investor grievances through SCORES. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders' Relationship Committee which currently comprises of Narinder Singh Kahlon, Manoj Kumar Rustagi and Jagdish Chandra Toshniwal. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. KFin

Technologies Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

The investor complaints received by our Company are disposed of within 30 days from the date of receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs(in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, please see "*Terms of the Issue*" on page 262.

The contact details of Registrar to the Issue and Share Transfer Agent and our Company Secretary and Compliance Officer are as follows:

Registrar to the Issue and Share Transfer Agent

KFin Technologies Limited
(Formerly known as KFin Technologies Private Limited)
Selenium Tower-B, Plot no. 31 and 32
Financial District
Nanakramguda, Serilingampally
Hyderabad, Rangareddi 500 032
Telangana, India
Tel.: +91 40 6716 2222
E-mail: scl.rights@kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Contact Person: M Murali Krishna
Website: www.kfintech.com
SEBI registration no.: INR000000221
SEBI website URL: https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10

Company Secretary and Compliance Officer

Sneha Bindra is the Company Secretary and Compliance Officer of our Company. Her details are as follows:

Sneha Bindra
Village Telighana
Birangatoli, Kutra
Sundargarh - 770 018
Odisha, India
Telephone: +91 (022) 4286 3115
E-mail: cs@shivacement.com

Other Confirmations

Our Company, in accordance with Regulation 79 of the SEBI ICDR Regulations, shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making an Application, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person for making an Application.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer and the other Issue Materials, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

Investors are requested to note that application in the Issue can only be made through ASBA or any other mode which may be notified by SEBI.

The Rights Entitlement on the Equity Shares, the ownership of which is currently under dispute and including any court proceedings or are currently under transmission or are held in a demat suspense account and for which our Company has withheld the dividend, shall be held in abeyance and the Application Form along with the Rights Entitlement Letter in relation to these Rights Entitlements shall not be dispatched pending resolution of the dispute or court proceedings or completion of the transmission or pending their release from the demat suspense account. On submission of such documents/ records confirming the legal and beneficial ownership of the Securities with regard to these cases on or prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to the Rights Equity Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

OVERVIEW

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form and other Issue Materials, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment Advice.

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, and SEBI Rights Issue Circulars, this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlements Letter and other Issue Materials will be sent/dispatched only to the Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, this Letter of Offer, the Application Form, the Rights Entitlements Letter and other Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Application Form, the Rights Entitlements Letter and other Issue Materials will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard.

Investors can access this Letter of offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable laws) on the websites of:

(i) our Company at www.shivacement.com;

(ii) the Registrar to the Issue at https://rights.kfintech.com;

(iii) the Lead Manager, i.e., JM Financial Limited at www.jmfl.com;

(iv) the Designated Stock Exchange, being BSE, at www.bseindia.com.

To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders should visit https://rights.kfintech.com.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (*i.e.*, https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.shivacement.com).

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for not sending the physical copies of Issue Materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer and other Issue Materials attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of the Issue Materials and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the BSE.

Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, or any Issue Materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Issue Materials must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Issue Materials in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If the Issue Materials are received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Issue Materials. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

Our Company is undertaking the Issue on a rights basis to the Eligible Equity Shareholders and will send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided a valid email address and an Indian address to our Company.

This Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE U.S. STATE SECURITIES LAWS. ACCORDINGLY, THE EQUITY SHARES AND THE RIGHTS ENTITLEMENTS REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S TO EXISTING SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE OF THE EQUITY SHARES AND/ OR RIGHTS ENTITLEMENTS IS PERMITTED UNDER LAWS OF SUCH JURISDICTIONS AND IN COMPLIANCE WITH THE APPLICABLE LAWS OF SUCH JURISDICTIONS. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY OR TRANSFER ANY OF THE SAID SECURITIES.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation or purchase of the Equity Shares and/ or Rights Entitlements from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer of securities under this Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch, only through email, the Abridged Letter of Offer, the Application Form and other applicable Issue materials only to Eligible Equity Shareholders who have provided an Indian address to our Company.

Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States, and is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Equity Shares and/ or the Rights Entitlements is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is not in the United States and eligible to subscribe for the Equity Shares and/ or the Rights Entitlements under applicable securities laws, and such person is complying with laws of jurisdictions applicable to such person in connection with this Issue and have obtained requisite approvals before applying in this Issue; or (iii) where either a registered Indian address is not provided or our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements. Our Company shall not be bound to issue or allot any Equity Shares and/ or the Rights Entitlements in respect of any such Application Form.

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, please see "- *Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" on page 289.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Investors should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, please see "*Terms of the Issue - Grounds for Rejection*" on page 284. Our Company, the Lead Manager, the Registrar to the Issue and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Investors.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, please see "- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process"* on page 278.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. The details of each of the Eligible Equity Shareholders' Rights Entitlement will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at https://rights.kfintech.com and link of the same would also be available on the website of our Company at www.shivacement.com. Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

(i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements;

(ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part);

(iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements;

(iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares;

(v) renounce its Rights Entitlements in full.

Making of an Application through the ASBA process

An Investor, wishing to participate in the Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Manager, our Company, its Directors, its employees, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply may make an Application to subscribe to this Issue on plain paper in terms of Regulation 78 of SEBI ICDR Regulations in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchange or the Lead Manager. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Shiva Cement Limited;

2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);

3. Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;

4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue;

5. Number of Equity Shares held as on Record Date;

6. Allotment option – only dematerialised form;

7. Number of Rights Equity Shares entitled to;

8. Number of Rights Equity Shares applied for within the Rights Entitlements;

9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);

10. Total number of Rights Equity Shares applied for;

11. Total amount paid at the rate of ₹ 40 per Rights Equity Share;

12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;

13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;

14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;

15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);

16. An approval obtained from any regulatory authority, if required, shall be obtained by the Eligible Equity Shareholders and a copy of such approval from any regulatory authority, as may be required, shall be sent to the Registrar at:

    KFin Technologies Limited
    (Formerly known as KFin Technologies Private Limited)
    Selenium Tower-B, Plot no. 31 and 32
    Financial District
    Nanakramguda, Serilingampally
    Hyderabad, Rangareddi 500 032
    Telangana, India
    Tel.: +91 40 6716 2222
    E-mail: scl.rights@kfintech.com
    Investor grievance e-mail: einward.ris@kfintech.com
    Contact person: M Murali Krishna
    Website: www.kfintech.com
    SEBI registration no.: INR000000221

17. All such Eligible Equity Shareholders are deemed to have accepted the following:

*"I/We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States (including its territories and possessions thereof, any state of the United States and the District of Columbia) (the "**United States**"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and incompliance with any applicable securities laws of any state of the United States. I/we understand the Rights Equity Shares and Rights Entitlement referred to in this application are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") to existing shareholders and located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in compliance with the applicable laws of such jurisdictions. I/we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States. I/we confirm that I /we (a) am/are not in the United States and am/are eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) am/are complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar to the Issue, the Lead Manager nor any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar to the Issue, the Lead Manager or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.*

I/We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/We satisfy, and each account for which I/we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/We acknowledge that we, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties and agreements set forth therein."

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar to the Issue not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar to the Issue at https://rights.kfintech.com.

Our Company, the Lead Manager and the Registrar to the Issue shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Do's for Investors:

(a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.

(b) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.

(c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

(d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

(e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.

(f) Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

(g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

(h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

(i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

Don'ts for Investors:

(a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

(b) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.

(c) Do not send your physical Application to the Lead Manager, the Registrar to the Issue, a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

(d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.

(e) Do not submit Application Form using third party ASBA account.

(f) Avoid applying on the Issue Closing Date due to risk of delay/restrictions in making any physical Application.

(g) Do not submit multiple Applications.

Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar to the Issue or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar to the Issue, shall be credited in a demat suspense escrow account opened by our Company.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

(a) The Eligible Equity Shareholders shall send a letter to the Registrar to the Issue containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar to the Issue no later than two Working Days prior to the Issue Closing Date;

(b) The Registrar to the Issue shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

(c) The remaining procedure for Application shall be same as set out in "- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process" on page 278.

In accordance with the SEBI Master circular bearing reference number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR TO THE ISSUE OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM, AS APPLICABLE.

Application for Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange, being BSE. Applications for Additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "- *Basis of Allotment*" on page 297.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares.

Additional general instructions for Investors in relation to making of an Application

(a) Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.

(b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Issue Materials are liable to be rejected. The Application Form must be filled in English.

(c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under "- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process"* on page 278.

(d) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Designated Stock Exchange, being BSE.

(e) Applications should not be submitted to the Banker to the Issue, our Company or the Registrar to the Issue or the Lead Manager.

(f) All Investors, and in the case of Application in joint names, each of the joint Investors, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

(g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar to the Issue will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar to the Issue. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the intimation on unblocking of ASBA Account or refund (if any) would be mailed on the registered e-mail address or to the address of the Investor as per the Indian address provided to our Company or the Registrar to the Issue or Demographic Details received from the Depositories, as the case may be. The Registrar to the Issue will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar to the Issue or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**

(h) By signing the Application Forms, Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

(i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

(j) Investors should provide correct DP ID and Client ID/Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/Folio number should match the demat account details in the records available with Company and/or Registrar to the Issue, failing which such

Application is liable to be rejected. Investors will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar to the Issue will not be liable for any such rejections.

(k) In case of joint holders and physical Applications, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.

(l) All communication in connection with Applications for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of Allotment in this Issue quoting the name of the first/sole Investor, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar to the Issue in case of Eligible Equity Shareholders holding Equity Shares in physical form, as applicable.

(m) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

(n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(p) Avoid applying on the Issue Closing Date due to risk of delay/restrictions in making any physical Application.

(q) Do not pay the Application Money in cash, by money order, pay order or postal order.

(r) Do not submit multiple Applications.

(s) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

(t) An Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.

(u) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

Grounds for Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar to the Issue.

(b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar to the Issue.

(c) Sending an Application to our Company, the Lead Manager, Registrar to the Issue, to a branch of a SCSB which is not a Designated Branch of the SCSB.

(d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

(e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

(f) Account holder not signing the Application or declaration mentioned therein.

(g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.

(h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

(i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

(j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

(k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.

(m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.

(n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

(o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

(p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States, and is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

(q) Applications which have evidence of being executed or made in contravention of applicable securities laws.

(r) Application from Investors that are residing in U.S. address as per the depository records.

(s) Investors not having the requisite approvals to make application in the Issue.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using Additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, please see "- *Procedure for Applications by Mutual Funds*" on page 287.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications on through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by our Promoter or Promoter Group Shareholder to meet the minimum subscription requirements applicable to this Issue as described in "*Summary of Letter of Offer - Intention and extent of participation by our Promoters and Promoter Group shareholders*" on page 16.

Procedure for Applications by certain categories of Investors

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments is up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, 100%).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities/centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e., in any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of our Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("**OCI**") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Company.

Further, in accordance with press note 3 of 2020 issued by the DPIIT, the FEMA Rules have been amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar to the Issue about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or exchange traded funded or sector or industry specific schemes. No

Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

*Procedure for Applications by Systemically Important Non-Banking Financial Companies ("**NBFC-SI**")*

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in Application Form or a plain paper Application is Monday, May 6, 2024 *i.e.*, Issue Closing Date. Our Board or Rights Issue Committee may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or Rights Issue Committee, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or Rights Issue Committee shall be at liberty to dispose of the Equity Shares hereby offered, as set out in "- *Basis of Allotment*" on page 297.

Please note that on the Issue Closing Date, Applications will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Designated Stock Exchange, being BSE.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar to the Issue informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where Application is submitted. However, no Investor, applying through ASBA facility, may withdraw their Application post 5.00 p.m. (Indian Standard Time) on the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded/unblocked in the ASBA Accounts of the Investor within a period of four days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (*i.e.*, https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www. shivacement.com).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. Our Company shall apply for a separate ISIN for the Rights Entitlements. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar to the Issue after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar to the Issue (*i.e.* https://rights.kfintech.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF Authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar to the Issue on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar to the Issue; or (d) credit of the Rights Entitlements returned/reversed/failed; or e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any. Eligible Equity Shareholders, holding Equity Shares in physical form as on Record Date are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar to the Issue not later than two Working Days prior to the Issue Closing Date, i.e., by Thursday, May 2, 2024 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Designated Stock Exchange, being BSE, or through an off-market transfer. In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Designated Stock Exchange, being BSE, (the "**On Market Renunciation**"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of Rights Entitlement not later than two working days prior to issue closing date, such that credit of Res in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stockbroker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Separate ISIN for Rights Equity Shares

In addition to the present ISIN for the existing Equity Shares, our Company has obtained a separate ISIN for the Rights Equity Shares. The Rights Equity Shares offered under this Issue will be traded under the said separate ISIN.

Payment Schedule of Rights Equity Shares

₹ 40 per Rights Equity Share (including premium of ₹ 38 per Rights Equity Share) shall be payable on Application.

The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

(a) *On Market Renunciation*

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Designated Stock Exchange, being BSE, through a registered stockbroker in the same manner as the existing Equity Shares.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN INE555C20011 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Designated Stock Exchange, being BSE, for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Designated Stock Exchange, being BSE, from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from Monday, April 22, 2024 to Tuesday, April 30, 2024 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stockbrokers by quoting the ISIN INE555C20011 and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on T+1 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stockbroker will issue a contract note in accordance with the requirements of the Stock Exchange and SEBI.

(b) *Off Market Renunciation*

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE555C20011, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar to the Issue will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

The Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor’s ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar to the Issue, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, being BSE, the SCSBs shall transfer such amount as per the Registrar to the Issue’s instruction from the ASBA Account into the Allotment Account. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Investors are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.

2. Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.

3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

4. Application Forms received from non-residents/NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.

6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

VI. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of Business Hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, please see "*The Issue*" on page 50.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 20 Rights Equity Shares for every 39 fully paid-up Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 2 Equity Shares or not in the multiple of 2 Equity Shares, the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlements, if any. For example, if an Eligible Equity Shareholder holds 2 Equity Shares, such Equity Shareholder will be entitled to one Rights Equity Share and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for Additional Rights Equity Shares, over and above their Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than 2 Equity Shares shall have 'zero' entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer and other Issue Materials, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment Advice. The Rights Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Designated Stock Exchange, being BSE. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from BSE through letter bearing reference number LOD/RIGHT/AB/FIP/921/2023-24 dated December 4, 2023. Our Company will apply to the Designated Stock Exchange, being BSE, for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 532323) under the ISIN: INE555C01029. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchange, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Intention and extent of participation by our Promoters and our Promoter Group shareholder

Our Corporate Promoter and Anushree Jindal, a member of our Promoter Group and Shareholder, jointly with our Individual Promoter, by way of their letters each dated October 10, 2023, have confirmed their intention to subscribe to the full extent of their Rights Entitlement in the Issue. Each of our Corporate Promoter and Anushree Jindal jointly with our Individual Promoter have reserved their right to subscribe over and above their Rights Entitlement in the Issue, either in the form of subscription to the Rights Entitlement renounced in their favour or subscription to Additional Rights Equity Shares or the unsubscribed portion in the Issue, in accordance with and subject to compliance with the SEBI ICDR Regulations, SEBI Listing Regulations, SEBI Takeover Regulations and other applicable laws.

Rights of Holders of Equity Shares of our Company

Subject to applicable laws, Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

(a) The right to receive dividend, if declared;

(b) The right to receive surplus on liquidation;

(c) The right to receive offers for rights shares and be allotted bonus shares, if announced;

(d) The right to free transferability of Rights Equity Shares;

(e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited/restricted by law and as disclosed in this Letter of Offer; and

(f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

VII. GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, and MCA General Circular No. 21/2020 dated May 11, 2020, our Company will send through email and speed post, this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other Issue Materials will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue Materials will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Odia language daily newspaper with wide circulation (Odia being the regional language of Odisha, where our Registered and Corporate Office is situated) and/or, will be sent by post to the Indian address of the Eligible Equity Shareholders provided to our Company. However, the distribution of this Letter of Offer Abridged Letter of Offer and the issue of Rights Equity Shares on a rights basis, including pursuant to the Issue, to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions.

This Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall also be submitted with the Stock Exchange for making the same available on their websites

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue rights equity shares to non-resident equity shareholders including Additional Rights Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/letters of Allotment/Allotment Advice. If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at https://rights.kfintech.com/. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

This Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions. Eligible Equity Shareholders can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar` to the Issue, our Company, the Lead Manager and the Designated Stock Exchange, being BSE. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Investors. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Investor is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors in India and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor, being an OCB, may apply for this issue, as an incorporated non-resident entity, provided that (i) it is not under the adverse notice of RBI; and (ii) it complies with the FDI Circular 2020 and the FEMA Rules. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar to the Issue and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at einward.ris@kfintech.com.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, PLEASE SEE "- *ALLOTMENT ADVICE OR REFUND/UNBLOCKING OF ASBA ACCOUNTS*" BELOW.

VIII. ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	Friday, April 19, 2024
ISSUE OPENING DATE	Monday, April 22, 2024
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS #	Tuesday, April 30, 2024
ISSUE CLOSING DATE*	Monday, May 6, 2024
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	Friday, May 10, 2024
DATE OF ALLOTMENT (ON OR ABOUT)	Saturday, May 11, 2024
DATE OF CREDIT (ON OR ABOUT)	Tuesday, May 14, 2024
DATE OF LISTING (ON OR ABOUT)	Monday, May 20, 2024

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

* *Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Investor after the Issue Closing Date.*

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Manager.

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in the Issue Materials, the Articles of Association and the approval of the Designated Stock Exchange, being BSE, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part, as adjusted for fractional entitlement.

(b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange, being BSE, and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, being BSE, as a part of this Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity

Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, being BSE, as a part of this Issue and will not be a preferential allotment.

(e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (e) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, being BSE, the Registrar to the Issue shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;

2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund/unblocking with corresponding amount will also be shared with Banker to the Issue to refund/unblock such Applicants.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

X. ALLOTMENT ADVICE OR REFUND/UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/dispatch Allotment Advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialized mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% per annum and such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment Advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Investor has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money shall be unblocked. The unblocking of ASBA funds shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in unblocking of funds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

XI. PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Investors, details of which were provided in the Application Form.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THE ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM, AS APPLICABLE, AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/ FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Company, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates:

a) Tripartite agreement dated November 23, 2022 amongst our Company, NSDL and the Registrar to the Company;

b) Tripartite agreement dated November 23, 2022 amongst our Company, CDSL and the Registrar to the Company.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE DESIGNATED STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

3. The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

5. The Rights Equity Shares will be allotted to Investors only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity

Shareholders holding Equity Shares in physical form/with IEPF Authority/in suspense, *etc*.). Allotment Advice, refund order (if any) would be sent through physical dispatch, by the Registrar to the Issue but the Investor's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Investor's depository account.

6. Non-transferable Allotment Advice/refund intimation will be directly sent to the Investors by the Registrar to the Issue, on their registered e-mail address or through physical dispatch, if the e-mail address is not available.

7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

8. Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

9. Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar to the Issue or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue.

XIII. IMPERSONATION

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who –*

a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447*."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹10 lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5 lakhs or with both.

XIV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

A. All monies received out of this Issue shall be transferred to a separate bank account;

B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;

C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and

D. Our Company may utilise the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

XV. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

2) All steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are to be listed will be taken by our Board within the time limit specified by SEBI.

3) The funds required for making refunds/unblocking to unsuccessful Investors as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company.

4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date or as per applicable law, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

5) In case of refund/unblocking of the Application Money for unsuccessful Investors or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Investors.

6) No further issue of securities shall be made till the securities offered through this Letter of Offer are listed or till the application monies are refunded on account of non-listing, under subscription, etc., other than as disclosed in accordance with Regulation 97 of SEBI ICDR Regulations.

7) Adequate arrangements shall be made to collect all ASBA Applications.

8) As on the date of this Letter of Offer, our Company does not have any convertible debt instruments.

9) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVI. INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Issue Materials are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

2. All enquiries in connection with the Issue Materials must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed "Shiva Cement Limited – Rights Issue" on the envelope and postmarked in India) to the Registrar to the Issue at the following address:

   KFin Technologies Limited
   (Formerly known as KFin Technologies Private Limited)
   Selenium Tower-B, Plot no. 31 and 32
   Financial District
   Nanakramguda, Serilingampally
   Hyderabad, Rangareddi 500 032
   Telangana, India
   Tel.: +91 40 6716 2222
   E-mail: scl.rights@kfintech.com
   Investor grievance e-mail: einward.ris@kfintech.com

Contact person: M Murali Krishna
Website: www.kfintech.com
SEBI registration no.: INR000000221

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar to the Issue (*i.e.*, https://rights.kfintech.com/). Further, helpline number provided by the Registrar to the Issue for guidance on the Application process and resolution of difficulties is +1800 309 4001.

4. The Investors can visit following links for the below-mentioned purposes:

   a) Frequently asked questions and online/electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: https://rights.kfintech.com

   b) Updation of Indian address/e-mail address/phone or mobile number in the records maintained by the Registrar to the Issue: https://rights.kfintech.com

   c) Updation of demat account details by Eligible Equity Shareholders holding Equity Shares in physical form: https://rights.kfintech.com

   d) Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: einward.ris@kfintech.com

   This Issue will be kept open for a minimum period of 7 days. However, the Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

XVII. RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

For details with respect to investments by NRIs, FPIs, FVCIs, and other non-resident investors, see "- *Procedure for Applications by certain categories of Investors*" and "*Terms of the Issue - Offer to Non-Resident Eligible Equity Shareholders/Investors*" above.

SECTION VIII: STATUTORY AND OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Letter of Offer until the Issue Closing Date, and will also be available at the website of our Company at https://shivacement.com/material-documents/, from the date of this Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated October 16, 2023, between our Company and the Lead Manager.

2. Registrar Agreement dated October 16, 2023, between our Company and the Registrar to the Issue.

3. Banker to the Issue Agreement dated March 27, 2024 between our Company, the Lead Manager, Registrar to the Issue and the Banker to the Issue.

4. Monitoring Agency Agreement dated March 22, 2024 between our Company and the Monitoring Agency.

B. Material Documents

1. Resolution dated October 14, 2023, passed by the Board of Directors for approval of the Draft Letter of Offer.

2. Resolution dated October 16, 2023, passed by the Rights Issue Committee for approval of the Draft Letter of Offer.

3. Resolution dated March 27, 2024, passed by the Board of Directors for approval of this Letter of Offer.

4. Resolution dated March 28, 2024, passed by the Rights Issue Committee for approval of this Letter of Offer.

5. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended.

6. Certificate of incorporation dated August 12, 1985, and certificate on commencement of business of our Company dated August 13, 1985.

7. Written consents of each of our Directors, our Company Secretary and Compliance Officer, the Lead Manager, Legal Counsel to the Issuer as to Indian Law, the Registrar to the Issue, Chartered Engineer, Mining Geologist and CRISIL MI&A, Monitoring Agency and Banker to the Issue have been obtained for inclusion of their names in this Letter of Offer to act in their respective capacities, and such consents have not been withdrawn up to the time of delivery of this Letter of Offer as required under Sections 26 and 32 of the Companies Act, 2013.

8. Written consent dated March 13, 2024, from Shah Gupta & Co, Chartered Accountants, in their capacity as our Statutory Auditors, and in respect of their (i) report dated May 16, 2023, on our Audited Financial Statements; (ii) report dated March 13, 2024, on the Unaudited Interim Condensed Financial Statements; and (iii) certificate dated March 13, 2024, on the statement of special tax benefits, included in this Letter of Offer and such consent has not been withdrawn as on the date of this Letter of Offer.

9. Resolutions of our Board of Directors dated September 14, 2023, in relation to this Issue and other related matters.

10. Resolution of the Board dated March 27, 2024 in relation to the terms of the Issue including the Record Date, Issue Price and Rights Entitlement ratio.

11. The Audited Financial Statements and the audit reports issued by our Statutory Auditors thereon, dated May 16, 2023.

12. The Unaudited Interim Condensed Financial Statements and the report issued by out Statutory Auditors thereon, dated March 13, 2024.

13. Statement of special tax benefits available to our Company and its shareholders dated March 13, 2024, issued by our Statutory Auditors.

14. Annual reports of our Company for the last five Fiscals.

15. Due Diligence Certificate dated October 16, 2023, addressed to SEBI from the Lead Manager.

16. Certificate from the Mining Geologist dated March 28, 2024.

17. Certificate from the Chartered Engineer dated March 28, 2024.

18. Certificate on loan utilisation dated March 28, 2024, issued by Shah Gupta & Co., Chartered Accountants, the Statutory Auditors of our Company.

19. In-principle listing approval dated December 4, 2023 issued by BSE.

20. Tripartite Agreement dated November 23, 2022, among our Company, NSDL and the Registrar to the Company.

21. Tripartite Agreement dated November 23, 2022, among our Company, CDSL and the Registrar to the Company.

22. Loan Agreement between JSW Cement Limited and our Company dated March 1, 2023, along with the amendment to the Loan Agreement dated October 20, 2023.

23. Clinker supply agreement dated March 1, 2023 entered into between our Company and JSW Cement Limited.

24. SEBI interim observations letter, bearing reference number SEBI/HO/CFD/RAC/DIL2/P/OW/2023/44286/1 dated November 2, 2023.

25. SEBI email dated December 15, 2023, seeking certain clarifications.

26. SEBI final observations letter, bearing reference number SEBI/HO/CFD/RAC-DIL2/P/OW/2024/4901/1 dated February 2, 2024.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Manoj Kumar Rustagi
Whole-Time Director and Chief Executive Officer

Date: March 28, 2024
Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Shouvik Chakraborty
Additional Non-Executive Director

Date: March 28, 2024
Place: Kolkata

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Narinder Singh Kahlon
Non-Executive Director

Date: March 28, 2024
Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Sudeshna Banerjee
Independent Director

Date: March 28, 2024
Place: Kolkata

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Sanjay Sharma
Independent Director

Date: March 28, 2024
Place: Suez, Egypt

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Jagdish Chandra Toshniwal
Independent Director

Date: March 28, 2024
Place: Udaipur

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF THE COMPANY

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Girish Menon
Chief Financial Officer

Date: March 28, 2024
Place: Mumbai