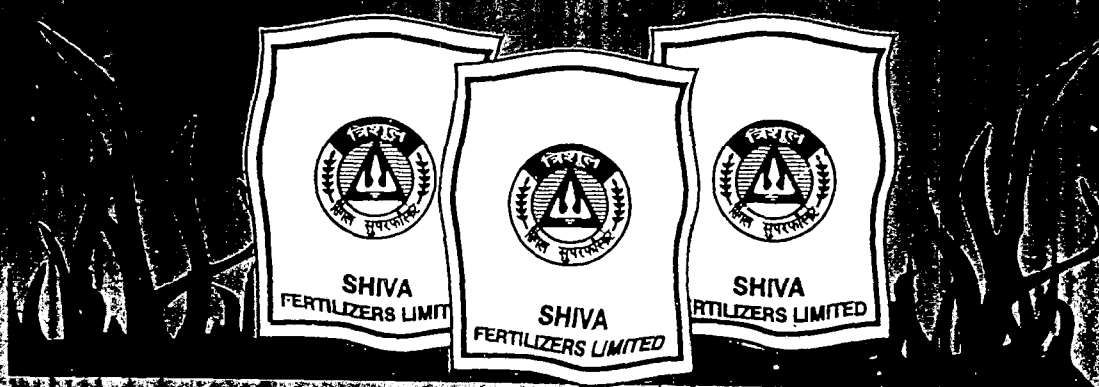


5th Annual Report



1996-97



SHIVA FERTILIZERS LIMITED

MD	<input checked="" type="checkbox"/>	BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>	DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>	DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>	AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>		



Shiva Fertilizers Limited**BOARD OF DIRECTORS**

Shri Omprakash Gilda,	Managing Director
Shri Arvind Modgi,	Nominee Director (SICOM)
Shri Arun Toshniwal,	
Shri Deepak Maliwal,	
Shri Narayanlal Kalantri,	
Shri Sambaji L.Pawar,	
Shri Vijay Agrawal,	
Shri Rakesh Sharma	Director (Mktg.)

REGISTERED OFFICE & WORKS

Osmanagar Road,
Village-Dhakni,
Dist Nanded.
(Maharashtra)

AUDITORS

M/S. BHARTIYA & FALOR
Chartered Accountants
Mahajan Building,
Vazirabad,
Nanded : 431 601.

BANKERS

Union Bank Of India
Nanded : 431 601.

FINANCIAL ADVISORS

Chidrupi Financial Services Limited,
1001A, Raghava Ratna Towers,
Chirag Ali Lane, Opp: Medwin Hospitals,
Hyderabad : 500 001.

SHARE TRANSFER AGENTS

Aarthi Consultants (P) Ltd.
1-2-285, Domalguda,
Hyderabad : 500 029.

Shiva Fertilizers Limited**NOTICE**

NOTICE is hereby given that the 5th ANNUAL GENERAL MEETING of the share holders of the company will be held at Hotel Chandralok, AirPort Road ,Nandedon Monday the 29th September, 1997 at 3.00 P.M. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss account for the year ended 31st March, 1997 and the Balance Sheet as at that date together with the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To elect a Director in place of Shri Om Prakash Gilda, who retires by rotation and being eligible offers himself for reappointment.
4. To elect a Director in place of Shri Sambhaji Pawar who retires by rotation and being eligible offers himself for reappointment.
5. To elect a Director in place of Shri Arun Toshniwal who retires by rotation and being eligible offers himself for reappointment.
6. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION.**

"RESOLVED THAT M/s Bhartiya & Falor, Chartered Accountants, Auditors of the company, who retire at the conclusion of ensuing Annual General Meeting, are hereby appointed as auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, at such remuneration as may be determined by the Board Of Directors"

BY THE ORDER OF THE BOARD

Place : Nanded
Date : 30.06.1997

OMPRAKASH GILDA
MANAGING DIRECTOR

Shiva Fertilizers Limited**NOTES**

1. Any Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and a proxy need not be a member. The proxies, to be effective, should be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting.
2. The Register of Members of the company will remain closed during the period from 18.09.1997 to 29.09.1997, both days inclusive.
3. If dividend on equity share is declared, the same will be paid to the members whose names are on the company's Register of the Members on 29.09.1997.
4. Members desiring any information concerning accounts are requested to send their queries at least seven days before the date of the meeting to the company so that information required may be made available at the meeting.
5. Members are requested to bring their copy of Annual Report along with them to the meeting as copies of the Annual Report will not be distributed at the meeting.

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BY ORDER OF THE BOARD

Place : Nanded.
Date : 30.06.1997

OMPRAKASH GILDA
MANAGING DIRECTOR

Shiva Fertilizers Limited**DIRECTOR'S REPORT**

Your Directors are pleased to place before you the Fifth Annual Report and the audited Accounts of the company for the year ended March 31, 1997.

PERFORMANCE OF THE COMPANY

Your company's financial results are summarised hereunder:

(Rs. in Lacs)

Particulars	1996-97	1995-96
Sales	1561.59	1480.99
PBIDT	215.06	235.00
Finance Charges	87.32	65.53
Depreciation	36.04	25.77
Profit Before Taxation	91.70	143.70
Provision For Taxation	20.00	31.00
Profit After Taxation	71.70	112.70

APPROPRIATIONS

Proposed dividend	18.61	28.10
Transferred to General reserve	40.00	20.00
Surplus Carried forward	128.56	121.61

REVIEW OF OPERATIONS

Your company achieved a sales turnover of Rs. 1561.59 Lacs during the year under review which represents a moderate increase of 5.5% over the previous year. Even this marginal increase in sales could be achieved due to your Company commencing sales of Mixed Fertilizer as supplementary trading activity. Your Company's profitability during the year under review was under strain compared to the previous year due to the following reasons:

- 1) The sale of S.S.P. during the year has been moderate due to adverse climatic conditions during Rabi season leading to reduced offtake of S.S.P.
- 2) Consequent to the lower offtake of S.S.P. your Company had to offer higher discounts to its dealers and also market its finished product beyond the economical transport zone leading to higher transportation cost.
- 3) Due to non availability of adequate need based working capital facilities your Company had to resort to costlier short term borrowings and also offer cash discounts on its sales.
- 4) Delayed realisation of adhoc subsidy on the sale of S.S.P from the Central Government has led to longer holding cost of its subsidy receivables.

However the operations of the current year are expected to be very satisfactory due to the improved offtake of S.S.P. during the Kharif season. Your Company has received encouraging response for its Mixed fertilizers and is confident of posting a smart improvement in the sales of Mixed fertilizers during the current year.

Shiva Fertilizers Limited

The requisite Working Capital facilities have now been sanctioned by your Bankers. The delayed receipts of the Adhoc Subsidy on S.S.P. by Central Government is expected to be obviated during the current year as the Central Government has taken steps for providing interim release of adhoc Subsidy on submission of proper documents immediately.

DIVIDENDS

In spite of paucity of profits during the year under review, your directors are pleased to recommend a Dividend of 6% on equity capital subject to approval by the Members in the Annual General Meeting, Financial Institutions and Bankers.

FUTURE PROSPECTS

Your Company is well placed to participate in the envisaged increase in the consumption of Phosphatic and Mixed fertilizer segment. Your Company is actively pursuing the proposal for the implementation of Manufacturing facilities for Sulphuric Acid, a critical Raw Material, as its backward integration programme.

FIXED DEPOSITS

Your company has not accepted any fixed deposits during the year and there are no unpaid/overdue fixed deposits.

DIRECTORS

Shri. Omprakash Gilda, Shri Sambhaji Pawar and Shri Arun Toshniwal Directors of the company, retire by rotation and being eligible offer themselves for reappointment.

AUDITORS

M/s. Bhartiya & Falor, Chartered Accountants, Auditors of the Company, retire at the conclusion of ensuing Annual General Meeting of the company and are eligible for re-appointment.

ENERGY, TECHNOLOGY, FOREIGN EXCHANGE

Details of energy conservation and research and development activities undertaken by the Company along with the information in accordance with the provisions of Section 217(1)(e) of the Companies act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board Of Directors) Rules, 1988, are given in the Annexure A to the Directors Report.

PARTICULARS OF EMPLOYEE

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended is not presently applicable.

ACKNOWLEDGMENT

Your Directors have pleasure in recording their appreciation of the assistance extended, and support from various namely State, Central Government Departments, financial institutions namely SICOM LTD., UNION BANK OF INDIA and the co-operation received from Share holders, employees, customers and dealers.

ON BEHALF OF THE BOARD,

PLACE : NANDED
DATE : 30.06.1997

OMPRAKASH GILDA
(MANAGING DIRECTOR)