



8TH ANNUAL REPORT



SHIVA FERTILIZERS LIMITED

Shiva Fertilizers Limited

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BOARD OF DIRECTORS

Shri Omprakash Gilda
Shri Arvind Modgi
Shri Arun Toshniwal
Shri Deepak Maliwal
Shri Narayanlal Kalantri
Shri Sambhaji Pawar
Shri Vijay Agrawal

Managing Director
Nominee Director (SICOM)

REGISTERED OFFICE & WORKS

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

AUDITORS

M/s. Bhartiya & Falor
Chartered Accountants
Mahajan Building
Vazirabad,
Nanded - 431601.

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 **8th Annual General Meeting** of the Share Holders of the Company will be held at Hotel Chandralok, Airport Road, Nanded, on Monday, the 25th September, 2000 at 1.00 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, 2000 and the Balance Sheet as at that date together with the reports of the Board of Directors and Auditors thereon.
- 2) To elect a Director in place of Shri Arun Toshniwal who retires by rotation and being eligible offers himself for re-appointment.
- 3) To elect a Director in place of Shri Narayanlal Kalantri who retires by rotation and being eligible offers himself for re-appointment.
- 4) 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".

SPECIAL BUSINESS :

To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution.

"Resolved that pursuant to the provisions of the section 198,269,309,311 schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to other requisite approvals, consent of the company be and is hereby given for the re-appointment of Mr.Omprakash K. Gilda as Managing Director, for a further period of 5 years with effect from 1st November, 1999 on a remuneration of Rs. 10,000/- P.M."

By The Order of the Board

Place : Nanded
Dated : 30th June, 2000.

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 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 14-09-2000 to 25-09-2000 both days inclusive.
- 3) 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.
- 4) 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.

EXPLANATORY STATEMENT U/s. 173(2)

Consequent upon the increase in the operations of the company year by year, ongoing expansions, and further plans to enter into new segments, it has been decided to re-appoint Mr. Omprakash K. Gilda as Managing Director, who has relevant exposure. This explanatory statement may be treated as an abstract of the terms and conditions of the appointment of the aforesaid Director.

Your Directors recommend the resolution for your approval.

None of the Directors excepting the concerned Director is interested in the said resolution.

By The Order of the Board

Place : Nanded
Dated : 30th June, 2000.

Omprakash Gilda
Managing Director

**Shiva Fertilizers Limited****DIRECTORS' REPORT**

Your Directors are pleased to place before you the Eighth Annual Report and the Audited Accounts of the company for the year ended March 31, 2000.

PERFORMANCE OF THE COMPANY

Your company's Financial results are summarised hereunder:

(Rs. In Lacs)

	1999-2000	1998-99
Sales	4624.97	3940.26
PBIDT	255.31	255.88
Finance Charges	124.23	110.19
Depreciation	47.83	44.46
Profit Before Taxation	83.25	100.43
Provision for Taxation	25.00	23.00
Profit after Taxation	58.25	77.43
Add : Prior Period Adjustment	6.56

APPROPRIATIONS

Proposed Dividend	18.61
Transferred to General Reserve	20.00	20.00
Surplus Carried Forward	244.63	199.82

REVIEW OF OPERATIONS:

Your company has achieved a sales turnover of Rs. 4624.97 Lacs during the year under review which represents increase of 17% over the previous year. The increase in sales could be achieved due to your company consolidating its market share of Mixed Fertilizers. However there was a drop in operating capacity in the SSP Plant due to erratic supply of sulphuric acid during April & May, 1999, This was further compounded by the sluggishness in the off-take for Single Super Phosphate during Rabi Season.

Your company's profitability during the year under review was under stress due to marked increase in the allowance of discount to Dealers, spurt in the prices of Acid throughout the year, delayed receipts of subsidy from Central Government and reduced offtake of SSP during Rabi Season, Hence the operating performance for the year under review has been marginally affected. Your company is confident of maintaining its existing level of performance which is expected to be supported by satisfactory monsoon during the year.

DIVIDEND :

In view of need for augmenting the long term working capital requirement and drop in profitability levels during the year under review, your directors are unable to recommend any dividend for the year.



Shiva Fertilizers Limited

FUTURE PROSPECTS :

Your company is making continuous efforts for consolidating its market share in the SSP & Mix fertilizer segments inspite of difficult market condition. Your company is considering option of setting up of plant for manufacturer of Bio Fertilizers for which initial feasibility studies is being carried out.

FIXED DEPOSITS :

Your company has accepted fixed deposits during the year and there are no unpaid/overdue fixed deposits.

DIRECTORS:

Shri Arun Toshniwal, and Shri Narayanlal Kalantri, 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 and are eligible for reappointment.

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 EMPLOYEES :

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 State and Central Government Departments, Financial Institutions viz. 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
Dated : 30th June, 2000.

Omprakash Gilda
Managing Director

**ANNEXURE TO THE DIRECTORS REPORT****A) CONSERVATION OF ENERGY****FORM "A"****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO
CONSERVATION OF ENERGY****a) Power and Fuel Consumption :**

	For the year ended 31.03.2000	For the year ended 31.03.1999
1) ELECTRICITY		
a) Purchased		
Unit	984143.00	1159434.00
Rate/unit	3.96	3.73
b) Own Generation	Nil	Nil
2) COAL	Nil	Nil
3) FURNACE OIL	Nil	Nil
4) OTHER	Nil	Nil
b) Consumption per unit of production Electricity (KWH)	14.05 PMT	15.87 PMT

B) TECHNOLOGY ABSORPTION :**FORM "B"**

Company has fully absorbed the technology to manufacture Single Superphosphate (SSP) with an installed capacity of 300 TPD. The plant has been operated at its full efficiency level.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

The Foreign Exchange outgo on account of purchase of Raw Material is Rs. 467.90. Lacs Only. (L.Y. Rs. Nil)