

# **10th ANNUAL REPORT**

2001-2002



## **SHIVA FERTILIZERS LIMITED**



**Shiva Fertilizers Limited**

**BOARD OF DIRECTORS**

Shri Omprakash Gilda

*Managing Director*

Shri Arun Toshniwal

Shri Deepak Maliwal

Shri Narayanlal Kalantri

Shri Sambhaji Pawar

Shri Vijay Agrawal

**REGISTERED OFFICE & WORKS**

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

**AUDITORS**

**M/s. Bhartiya & Falor**

Chartered Accountants

Mahajan Building

Vazirabad,

Nanded - 431601.

**BANKERS**

Union Bank of India

Nanded - 431601.

**SHARE TRANSFER AGENT**

Aarathi Consultants (P) Ltd.

1-2-285, Domalguda,

Hyderabad - 500 029.



## NOTICE

**Notice** is hereby given that the **10th ANNUAL GENERAL MEETING** of the Share Holders of the Company will be held at the Registered office of the company, on Monday, the 30th September, 2002 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, 2002 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 Omprakash Gilda who retires by rotation and being eligible offers himself for re-appointment.
- 3) To elect a director in place of Shri Sambhaji Pawar 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. J.P. Falor & Co., Chartered Accountants are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting at such remuneration as may be determined by the Board of Directors, In place of M/s. Bhartiya & Falor, Chartered Accountants, Statutory Auditors of the company who retire at the conclusion of the ensuing Annual General Meeting."

BY THE ORDER OF THE BOARD

**Place :** Nanded

**Date :** 29th June, 2002.

**OMPRAKASH GILDA**

MANAGING DIRECTOR



## 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 Member of the company will remain closed during the period from 19-09-2002 to 30-09-2002 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 alongwith them to the meeting as copies of the Annual Report will not be distributed at the meeting.

BY THE ORDER OF THE BOARD

**Place :** Nanded

**Date :** 29 th June, 2002.

**OMPRAKASH GILDA**

MANAGING DIRECTOR



## DIRECTOR'S REPORT

Your Directors are pleased to place before you the Tenth Annual Report and the Audited Accounts of the company for the year ended March 31, 2002.

### PERFORMANCE OF THE COMPANY

Your Company's financial results are summarised hereunder :

(Rs. in Lacs)

	2001-2002	2000-2001
Sales	3690.71	4219.72
PBIDT	156.58	180.19
Finance Charge	95.20	116.46
Depreciation	55.14	51.76
Profit Before Taxation	6.24	11.97
Provision for Taxation - Current	5.80	4.40
- Deferred	79.91	--
Profit / Loss After Taxation	(79.47)	7.57
Add : Prior Period Adjustment	1.78	0.91
<b>APPROPRIATIONS</b>		
Proposed Dividend	--	--
Transferred to General Reserve	--	1.00
Surplus Carried Forward	--	7.48

### REVIEW OF OPERATIONS :

Your company has achieved a sales turnover of Rs. 3690.71 Lacs during the year under review which represents a decrease of 12.54% over the previous year. The decrease in sales was mainly due to the adverse monsoon conditions that prevailed in the areas served by the company. Inadvertant rains caused a drop in the operating capacity in the SSP Plant. This was further compounded by the sluggishness in the off-take for Single Super Phosphosphate during the year.

Your Company's profitability during the year under review was under stress due to marked increase in the allowance of discounts to Dealers, reduced offtake of SSP during Rabi season. Hence the operating performance for the year under review has been badly 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.



### **FUTURE PROSPECTS**

Your company is making continuous efforts for consolidating its market share in the SSP & Mix fertilizer segments inspite of difficult market condition.

### **FIXED DEPOSITS**

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

### **DIRECTORS**

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

### **DIRECTORS RESPONSIBILITY STATEMENT :**

Your Directors have :

- i) Followed, in the preparation of the annual accounts, the applicable accounting standards with proper explanation to material departure.
- ii) Selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and the profit of the company for that period;
- iii) Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) Prepared the annual accounts on a going concern basis.

### **AUDITORS**

M/s Bhartiya & Falor, Chartered Accountants, Auditors of the company, retire at the conclusion of ensuing Annual General Meeting and M/s J.P. Falor & Co., Chartered Accountants, have offered themselves for appointment as Auditors of the Company. Pursuant to Sec 224 (IB) of the Companies Act 1956, they have furnished a certificate regarding their eligibility for appointment as the Auditors of the Company.

### **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 (I) (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.

**ACKNOWLEDGEMENT**

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

Date : 29th June, 2002.

**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 31-03-2002	For the year ended 31-03-2001
<b>1) Electricity</b>		
a) Purchased		
Unit	890668.00	1011548.00
Rate / Unit	3.93	4.06
b) Own Generation	NIL	NIL
<b>2) Coal</b>	NIL	NIL
<b>3) Furnace Oil</b>	NIL	NIL
<b>4) Others</b>	NIL	NIL
b) Consumption per unit of production Electricity (KWH)	17.45 P.M.T	18.82 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. Nil . (L.Y. Rs. 257.92 Lacs.)





## AUDITORS REPORT

To,  
**The Share Holders of  
 Shiva Fertilizers Limited,  
 Nanded.**

We have audited the attached Balance Sheet of Shiva Fertilizers Limited as at 31st March 2002 together with the annexed Profit and Loss Account of the company for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our Audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1) As required by the Manufacturing and Other Companies (Auditors Report) order, 1988 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956, a statement on the matters specified in paragraphs 4 & 5 of the said order is annexed.
- 2) Further to our comments in the statement referred to in paragraph (1) above :
  - a) We have obtained all the informations and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit ;
  - b) In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of these books;
  - c) The company's Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account ;
  - d) In our opinion, the Profit and Loss Account and Balance Sheet Comply with the Accounting Standards referred to in Sub section (3C) of Section 211 of the Companies Act, 1956 except in respect of Accounting Standard AS -15 (for Retirement Benefits.)
  - e) On the basis of written representation received from the directors as on 31st March-2002, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March - 2002 from being appointed as a director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
    - i) In the case of the Balance Sheet, the state of affairs of the company as at 31st March, 2002 and ;
    - ii) In case of the Profit and Loss account, the profit of the company for the year ended on that date.

**For BHARTIYA & FALOR**  
 Chartered Accountants

**JAIPRAKASH FALOR**  
 PARTNER

Place : Nanded

Dated : 29th June, 2002