

12th ANNUAL REPORT

2003-2004



Shiva

**FERTILIZERS
LIMITED**

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. J. P. Falor & Co.
Chartered Accountants
Sanman Towers,
Vazirabad,
Nanded - 431601.

BANKERS

Union Bank of India
Nanded - 431601.

SHARE TRANSFER AGENT

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

SHIVA FERTILIZERS LIMITED



NOTICE

Notice is hereby given that the **12th ANNUAL GENERAL MEETING** of the Share Holders of the Company will be held at the Registered Office of the Company, on Monday, the 27th September, 2004 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, 2004 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 Deepak S. Maliwal who retires by rotation and being eligible offers himself for re-appointment.
- 3) To elect a director in place of Shri Vijay O. Agrawal 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, 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 next Annual General Meeting at such remuneration as may be determined by the Board of Directors."

BY THE ORDER OF THE BOARD

OMPRAKASH GILDA

MANAGING DIRECTOR

Place : Nanded

Date : 30th June, 2004.

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 16-09-2004 to 27-09-2004 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 : 30 th June, 2004.

OMPRAKASH GILDA

MANAGING DIRECTOR

SHIVA FERTILIZERS LIMITED**DIRECTOR'S REPORT**

Your Directors are pleased to place before you the Twelfth Annual Report and the Audited Accounts of the company for the year ended March 31st, 2004.

PERFORMANCE OF THE COMPANY

Your Company's financial results are summarised hereunder :

(Rs. in Lacs)

	2003-2004	2002-2003
Sales	4033.94	4131.18
PBIDT	156.52	168.86
Finance Charge	74.42	94.81
Depreciation	58.33	55.97
Profit Before Taxation	23.78	18.08
Provision for Taxation - Current	14.00	7.15
- Deferred	-19.87	-2.84
Profit / Lss After Taxation†	29.65	13.77
Add/Less : Prior Period Adjustment	0.17	8.34
APPROPRIATIONS		
Proposed Dividend	--	--
Transferred to General Reserve	1.00	1.00
Surplus Carried Forward	28.48	4.43

REVIEW OF OPERATIONS :

Your company has achieved a sales turnover of Rs. 4033.94 Lacs during the year under review which represents a decrease of 2.35 % over the previous year. The decrease in sales was mainly due to the abnormal monsoon conditions that prevailed in the areas served by the company. The production of single super phosphate saw some growth. However the off-take for single super phosphat during the year remained sluggish.

Your company's profitability during the year under review was partly improved due to improved realisations in Khariff season. However reduced offtake of SSP during Rabi season, had a adverse effect. Hence the operating performance for the year under review has been partly 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.

FIXED DEPOSITS

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

DIRECTORS

Shri Deepak S. Maliwal and Shri Vijay O. Agrawal, 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.

CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement with the Stock Exchange a separate section titled "Report on Corporate Governance" is attached to this Annual Report.

AUDITORS

M/s J.P. Falor & Co., Chartered Accountants, Auditors of the company, who retire at the conclusion of ensuing Annual General Meeting have offered themselves for appointment as Auditors of the Company. Pursuant to sec 224(1B) 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 (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.

SHIVA FERTILIZERS LIMITED**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

OMPRAKASH GILDA

(MANAGING DIRECTOR)

Place : Nanded

Date : 30th June, 2004.

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 31-03-2004	For the year ended 31-03-2003
1) Electricity		
a) Purchased		
Unit	1187981.00	1110534.00
Rate / Unit	3.61	3.56
b) Own Generation	NIL	NIL
2) Coal	NIL	NIL
3) Furnace Oil	NIL	NIL
4) Others	NIL	NIL
b) Consumption per unit of production Electricity (KWH)	17.83 P.M.T	16.80 P.M.T.

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 only. (L.Y. Rs. NIL.)

SHIVA FERTILIZERS LIMITED



Corporate Governance

Corporate Governance Deals with conducting affairs of a company To maximise shareholders value, such that:

- Trust is built around that enterprise is managed adequately and effeciently in its choosen business;
- There is openness, integrity and accountability in the dealings of the company to the extent, possible;
- There is fairness to its shareholders;
- There is adequate supervision of its business activities.

BOARD OF DIRECTORS :

Composition of the board and directorship held in other companies as on 31st March 2004.

Sr. No.	Name of the Director(s)	Executive/Non executive/ Independent	No. of other Directorship in Public Limited Companies	No. of other board Committees as	
				Chairman	Member
1.	Mr. Omprakash K. Gilda	Executive-Managing Director	Nil	Nil	Nil
2.	Mr. Arun R. Toshniwal	Non Executive	Nil	1	2
3.	Mr. Deepak S. Maliwal	Non Executive	Nil	1	1
4.	Mr. Narayanlal P. Kalantri	Non Executive	Nil	Nil	Nil
5.	Mr. Sambhaji L. Pawar	Non Executive	Nil	Nil	Nil
6.	Mr. Vijay O. Agarwal	Non Executive	Nil	Nil	Nil

ATTENDANCE RECORD OF THE DIRECTORS:

During the financial year 2003-2004, Meetings of Board of directors were held on the following days. 30th June 2003, 12th July 2003, 19th July 2003, 31st July 2003, 30th October 2003, 28th November 2003 & 30th January 2004. Annual General Meeting was held on 29th Sept. 2003.

The Attendance of Directors at the Board meetings and annual meetings were as under:

Directors	Number of Meetings		Attendance at the last Annual General Meeting
	Held	Attend	
Mr. Omprakash Gilda	7	6	Yes
Mr. Arun Toshniwal	7	6	Yes
Mr. Deepak Maliwal	7	7	Yes
Mr. Narayanlal Kalantri	7	5	Yes
Mr. Sambhaji Pawar	7	4	Yes
Mr. Vijay Agrawal	7	4	Yes

SHIVA FERTILIZERS LIMITED

Agenda for each Board Meeting were sent along with notes on agenda items about a weeks in advance the board members. Matters discussed at these Board Meetings related to among others, review of annual plan, quarterly results of the Company, Minutes of meetings of Audit Committee, observations of the Audit Committee, statutory compliances by the Company.

AUDIT COMMITTEE:

The Audit Committee consist of the following director:

Mr. Deepak S. Maliwal is a practicing Chartered Accountant with over Ten years of experience in the field of Accounts, Taxation etc.

Mr. Arun Toshniwal with vast experience in Finance, Accounts and Corporate Laws is one of the member of the committee.

The Head of the Accounts Function and representatives of the firm of Statutory Auditors have been permanent invitees to the Audit Committee Meetings. Mr. Jai Prakash Falor, C. A., Statutory Auditor of the company has attended most of the Audit committee meetings.

During the year, the Audit Committee, in its meetings, discussed among other things, the following:

Reviewed with management, quarterly, half yearly and annual financial statements, before submission to the Board.

Recommended appointment & fees of Auditor's and discussing with the Management & the Statutory Auditors the scope and programme of internal Audit.

Reviewed with the Management, and the Statutory Auditors, adequacy of internal control system.

Discussed with the management, Auditors finding in the audit report.

Deliberated on the applicability, compliance and impact of various Accounting Standards and guidelines issued by the Institute of Chartered Accountants of India from time to time.

The Chairman of the Audit Committee, has briefed the Board of Directors, about the Audit committee on various issues discussed at its meetings. Minutes of the Audit Committee Meetings are also circulated to all the board members alongwith agenda of the subsequent meeting.

All the suggestions/recommendations of the Audit Committee during the financial year 2003-2004 have been accepted by the Board of Directors.

The Attendance record of each member of the Audit Committee at the Meetings held on Date 30-6-2003, 19-7-2003, 31-7-2003, 30-10-2003, 30-1-2004 are as follows.

Name	Non-Executive / Independent	Numbers of Meetings	
		Held	Attended
Mr. Deepak Maliwal	Non-Executive	5	5
Mr. Arun Toshniwal	Non-Executive	5	4

SHAREHOLDERS/INVESTORS GRIEVANCES:

The Shareholders / Investors Grievance Committee Consists the following:

Mr. Arun Toshniwal Member

Mr. Naveen Jain Member

SHIVA FERTILIZERS LIMITED**TERMS OF REFERENCE:**

Review the existing Investors Redressal System and suggest measures for improvements.

Review the report of Registrars and Share Transfer Agents about investor's grievances and follow up for the necessary action taken for redressal thereof.

Suggest improvements in investor's relation.

Consider and take on record the Certificate from practicing company secretary under clause 47 of the Listing Agreement.

Consider appointment / reappointment of Registrars and Share Transfer Agents and review terms and conditions of their appointments, their remuneration service charge, fees etc.

Consider and take on record the Secretarial Audit Certificate issued by practicing company secretary certifying that the aggregate number of equity shares held in depositories and in physical form tally with the total number of shares issued, listing and admitted share capital.

The meetings of Investors Grievance Committee were held on 30th June, 31st July, 30th October 2003 & 30th January, 2004.

All share transfer and correspondence thereon are handled by the company's registrar and share transfer agents viz. M/s Aarthi Consultants Pvt. Ltd. 1-2-285, Domalguda, Hyderabad - 500029.

There are no pending legal matters, in which the company has been made a party, before any other courts (S) / consumer forum(s) etc., on Investors grievances.

REMUNERATION COMMITTEE:

Since at present the company is not paying any remuneration to any of its directors hence no remuneration committee is formed.

The company has not advanced any loans to any of the directors.

DISCLOSURES.**Related Party Transactions:**

There has not been any materially significant related party transaction between the Company and its Directors, Promoters etc., that may have potential conflict with the interest of the Company at large. However transactions with related parties have been disclosed in Notes On Accounts with the Audit report.

MISCELLANEOUS:

The company has complied with all the regulations of Stocks-Exchange, Securities and Exchange Board of India (SEBI) or other statutory authorities on any matters related to capital, market. No penalties have been imposed or strictures passed during the year against the company by SEBI, stock exchange (s) or any other statutory authority.