

# 13th ANNUAL REPORT

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**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**

Osmanagar 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 **13th ANNUAL GENERAL MEETING** of the Share Holders of the Company will be held at the Registered Office of the Company, on Monday, the 26th September, 2005 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, 2005 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 K. Gilda who retires by rotation and being eligible offers himself for re-appointment.
- 3) To elect a director in place of Shri Sambhaji L. 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, 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, 2005.



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**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 15-09-2005 to 26-09-2005 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, 2005.

**OMPRAKASH GILDA**

MANAGING DIRECTOR



## DIRECTOR'S REPORT

Your Directors are pleased to place before you the Thirteenth Annual Report and the Audited Accounts of the company for the year ended March 31st, 2005.

### PERFORMANCE OF THE COMPANY

Your Company's financial results are summarised hereunder :

(Rs. in Lacs)

	2004-2005	2003-2004
Sales	4240.12	4033.94
PBIDT	146.35	156.52
Finance Charge	68.49	74.42
Depreciation	56.94	58.33
Profit Before Taxation	20.92	23.78
Provision for Taxation - Current	14.90	14.00
- Deferred	(14.13)	19.87
Profit / Lss After Taxation	20.15	29.65
Add/Less : Prior Period Adjustment	1.04	0.17
<b>APPROPRIATIONS</b>		
Proposed Dividend	--	--
Transferred to General Reserve	1.00	1.00
Surplus Carried Forward	20.19	28.48

### REVIEW OF OPERATIONS :

Your company has achieved a sales turnover of Rs. 4240.12 Lacs during the year under review which represents a increase of 4.77 % over the previous year.

Your company's profitability during the year under review has decreased mainly due to increase in Raw Material prices during the year. Reduced offtake of SSP during Rabi season also 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.

### FUTURE PROSPECTS

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

**SHIVA FERTILIZERS LIMITED****FIXED DEPOSITS**

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

**DIRECTORS**

Shri Omprakash K. Gilda and Shri Sambhaji L. 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.

**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.

**ACKNOWLEDGEMENT**

Your Directors have pleasure in recording their appreciation of the assistance extended, and support from various State and Central Government Departments,



**SHIVA FERTILIZERS LIMITED**

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, 2005.

## 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 31-03-2005	For the year ended 31-03-2004
<b>1) Electricity</b>		
a) Purchased		
Unit	1582149.00	1187981.00
Rate / Unit	3.47	3.61
b) Own Generation	NIL	NIL
<b>2) Coal</b>	214,749 M.T.	NIL
<b>3) Furnace Oil</b>	NIL	NIL
<b>4) Others</b>	NIL	NIL
b) Consumption per unit of production Electricity (KWH)	22.64 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.)





## Corporate Governance

Corporate Governance Deals with conducting affairs of a company to maximize 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 2005

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 2004-2005, Meetings of Board of Directors were held on the following days. 15th April 2004, 30th June 2004, 31st July 2004, 30th October 2004, 31st January 2005 & 28th February 2005, Annual General Meeting was held on 27th Sept. 2004.

The Attendance of Directors at the Board meetiings and Annual General Meeting were as under

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

**SHIVA FERTILIZERS LIMITED**

Agenda for each Board Meeting were sent along with notes on agenda items about a week in advance to 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 directors:

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 applicablity, 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 2004-2005 have been accepted by the Board of Directors.

The Attendance record of each member of the Audit Committee at the Meetings held on Date 30-06-2004, 31-07-2004, 30-10-2004, 31-1-2005 are as follows.

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

**SHAREHOLDERS/INVESTORS GRIEVANCES:**

The Shareholders / Investors Grievance Committee Consists the following:

Mr. Arun Toshniwal      Member

Mr. Naveen Jain          Member