



SHIVA FERTILIZERS LTD.



6008-2008-2009 77TH ANNUAL REPORT

Report on the 77th Annual Report

# Shiva Fertilizers Limited

## BOARD OF DIRECTORS

Shri Omprakash Gilda, Chairman  
CA. Deepak Maliwal  
Shri Arun Toshniwal  
Shri Narayanlal Kalantri  
Shri Sambhaji Pawar  
Shri Vijay Agrawal  
Shri Satish Maheshwari  
Dr. Raturaj Jadhav  
Dr. Santosh Malpani  
Shri Diwakar Shetty  
Shri Shankarrao Dastapure  
CA. Rajgopal Bhutada

## REGISTERED OFFICE & WORKS

Hanumannagar, Osmannagar Road,  
Village - Dhakni  
Dist. Nanded- 431708  
(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.



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## NOTICE

NOTICE is hereby given that the **17<sup>th</sup> ANNUAL GENERAL MEETING** of the Share holders of the Company will be held at The Administrative Office of the Company on **Tuesday the 29<sup>th</sup> September, 2009 at 1.00 P.M.** to transact the following.

### ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Profit and Loss Account for the year ended **31<sup>st</sup> March, 2009** 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 R. Toshniwal** who retires by rotation and being eligible offers himself for re-appointment.
- 3) To elect a Director in Place of **Shri Narayanlal P.Kalantri** who retires by rotation and being eligible offers himself for re-appointment.
- 4) To Declare Dividend for the year ended 31<sup>st</sup> March, 2009.
- 5) To Appoint Auditor to hold office from the conclusion of this Annual General Meeting until conclusion of next Annual General Meeting and fix their Remuneration.
- 6) To consider and if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION**:  
**"Resolved that** the consent of the company be and is hereby accorded under the provisions of the section 293(1)(d) of the Companies Act 1956 to the Board of Directors of the company ,borrowing from time to time all such sums of money as they may deem requisite for the purpose of the business of the company notwithstanding that, moneys to be borrowed together with moneys already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that, the total amount upto which moneys may be borrowed by the Board of Directors shall not exceed the sum of Rs. 6000 Lacs ,at any one time."
- 7) To consider and if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION**:  
**"Resolved That** in accordance with the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the existing guidelines issued by the Securities & Exchange Board of India (SEBI) and subject to all necessary approvals, consents, permissions and/or sanction of the Government of India, Reserve Bank of India, Foreign Investment Promotion Board ,Secretariat of Industrial Approvals under the Foreign Exchange Management Act, 1999 (including any statutory modification or re-enactment thereof for the time being in force) & other applicable laws and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchange where the shares of the company are listed and subject to such terms and conditions as may be determined by the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall include and committee constituted for the time being in force, thereof) and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or sanctions and agreed to by the Board, the consent and approval of the company be and is hereby accorded to Board and the Board be and is hereby authorized to offer, issue and allot by way of preferential allotment upto:





i) 1312500 (Thirteen Lacs Twelve Thousand Five Hundred) equity shares of Rs. 10 each at a price not Less then the price which is to be in accordance with the Guidelines for Preferential Issue contained in Chapter XIII of the SEBI (Disclosure & Investor Protection ) Guidelines, 2000 as amended, to domestic investors and / or bodies corporate (the "Preferential Shareholders") on preferential allotment basis on such terms and conditions and such manner as the Company may deem fit, with power to the Board to settle details as to form, the terms and conditions of issue and / or allotment and to modify or accept any modifications thereto and utilization of the issue proceeds as it may in its absolute discretion deem fit, without being required to seek any further consent of the Members with the intent that the Members shall be deemed to have given their consent thereto expressly by the authority of this resolution.

Sr. No	Name of the Applicant (Proposed Allottees)	No. of Shares Proposed to be allotted
<b>PROMOTERS</b>		
1	Deepak S Maliwal	200000
2	Deepak S Maliwal(HUF)	100000
3	Rekha D Maliwal	100000
4	Sarojdevi N Kalantri	50000
5	Santoshdevi M Kalantri	50000
<b>NON PROMOTERS</b>		
6	Charumati Finance Pvt Ltd	612500
7	Smt Rekha Dhage	75000
8	Smt Krishna Shah	75000
9	Smt Sonabai Raghunathrao Dhage	50000

**Resolved further** that the aforesaid equity shares shall rank paripassu in all respect with the existing equity shares of the company. The equity shares allotted on preferential basis shall be locked in from the date of their allotment for such periods as prescribed in clause 13.3.1 of SEBI Guidelines.

**Resolved further** that the equity shares to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the company.

**Resolved further** that the Board be and is hereby authorized to accept any modification in the Proposal as may be required by the agencies involved in such issues but subject to such conditions as the Reserve Bank of India (RBI) / Securities and Exchange Board of India (SEBI) / Financial Institutions / Investment Institutions / Insurance Companies / Corporate Debt Restructuring Cell and / or such other appropriate authority may impose at the time of their approval as agreed by the Board.

**Resolved further** that the Board of Directors of the Company be and are hereby authorized to delegate any or all the powers conferred upon it by this resolution, to any Committee formed thereof for the powers conferred upon it by this resolution, to any individual so authorized by the Board.

**Resolved further** that for the purpose of creating, issuing, offering and allotting

Equity Shares of the Company as aforesaid, the Company be and is hereby authorized to do and perform all such, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, desirable or appropriate to give



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effect to this resolution in all respects and in particular, to settle any question, difficulties or doubts that may arise with regard to the offering, issuing, allotting and utilizing the issue proceeds of the Equity Shares of the Company, as it may in its absolute discretion, deem fit and proper.

By THE ORDER OF THE BOARD

Place : **Nanded**  
Dated : **30<sup>th</sup> June 2009**

**OMPRAKASH GILDA**  
CHAIRMAN



#### 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 Administrative 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 17.09.2009 to 29.09.2009 both days inclusive.
3. Members desiring any information concerning accounts are requested to send their queries at least seven days before the date of meeting to the Company so that Information required may be made available at the meeting.
4. Members are requested to bring their copies of Annual Reports along with them to the meeting as copies of the Annual Report will not be distributed at the meeting.



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**Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the Special Business set out in the Notice .**

**Item No. 6**

With the expansion in the operations of the company due to take over of a NPK Mix Fertilizers Manufacturing unit, increase in the capacity of Production of SSP and NPK Fertilizers, and putting up a Briquette unit coupled with the increase in the rates of Raw Materials, the need for financing has increased manifold. The company is also planning for a Backward Integration plan by putting up a Sulphuric Acid Plant. All these have necessitated for increase in the Borrowing. Hence the Directors have decided to take the approval of the members in the general meeting for increase in the Borrowing Powers..

None of the Directors are interested in the Resolution.

**Item No. 7**

The Board in order to support the growth plans of the company and to consolidate its businesses, is considering / reviewing various options including its business operations which would be beneficial in the interest of the company and its shareholders . Pursuant to these resolutions as a part of above process, It is intended to raise funds from the proposed issue of Equity Shares. The funds raised will be utilized to expand the business activities of the company in the area of Solvent Extractions, Fertilizer Business, Seed Processing and Manufacturing of Acid by way of purchase of Shares of the Existing Companies and setting up the new Industrial units, to augment the Long Term & Short Term requirement of working capital of the company. The shares to be issued and allotted shall be subject to the Memorandum and Articles of Association of the Company and the terms of issue, The equity shares referred to in Clause (a) above shall rank *pari passu* with all the existing shares of the company in all respect including as to dividend.

Pursuant to Section 81 (1A) of the said Act the further equity shares may be offered by the Company to such persons in the manner whatsoever, if a special resolution to that effect is passed by the company in General Meeting.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of section 81 (1A) and other applicable provisions of the Act, Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, 2000, and in terms of the Provisions of the Listing Agreement to issue and allot Equity Shares as stated in the Special Resolutions.

**DISCLOSURES REQUIRED TO BE MADE IN THE EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF THE SEBI (DISCLOSURES AND INVESTORS PROTECTION) GUIDELINES, 2000 (THE SEBI GUIDELINES) ARE SET OUT BELOW :**

**i) The object of the issue through preferential offer :**

As mentioned above, the funds raised from the proposed issue of equity shares pursuant to this resolution will be utilized to expand the business activities of the company in the area of Solvent Extractions, Fertilizers Business, Seed Processing and Manufacturing of Acid by way of purchase of shares of the Companies and



setting up the new Industrial units, to augment the Long Term & Short Term requirement of Working Capital of the Company.

**II) Intention of the Promoters / Directors / Key Management persons to subscribe to the offer.**

The Promoters / Directors / Key Management of the company have conveyed to the Company in writing of their respective intention that Promoters, Directors, Key Management Persons intend to subscribe to the offer being proposed under special resolution of the Notice for shareholder's approval at this meeting.

**III) Shareholding Pattern before and after the Preferential Allotment:**

Shareholding pattern before and immediately upon the allotment of 1312500 Equity Shares will be as under :

Particulars	Existing Shareholding of equity Shares		Shareholding after Proposed allotment of equity Shares	
	No of Shares	% age	No. of shares	% age
(A) Shareholding of Promoter and Promoter Group				
Indian				
Individuals / Hindu Undivided family	3491188	54.35	3991188	51.59
Any Other (Specify)				
Total Shareholding of Promoter and Promoter Group (A)	3491188	54.35	3991188	51.59
B) Public Shareholding				
1. Institution				
Sub Total (B) (1)				
2. Non- Institutions				
Bodies Corporate	346693	5.40	959193	12.40
Individuals				
i) Individual Shareholders holding nominal share capital upto Rs. 1 Lakh.	713056	11.10	713056	9.22
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh.	1872312	29.15	2072312	26.79
Any Other (Specify) Clearing Member	664	0.01	664	0.00
Sub -Total (B) (2)	2932725	45.65	3745225	48.41
Total Public Shareholding (B)=(B) (1) + (B) (2)	2932725	45.65	3745225	48.41
GRAND TOTAL (A) + (B)	6423913	100	7736413	100
C) Shares held by Custodians and against which Depository Receipts have been issued.				
GRAND TOTAL (A) + (B) + (C)	6423913	100	7736413	100



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**IV) Proposed time within which the allotment shall be completed :**

The allotment of Equity shares are proposed to be completed within a maximum period of 15 days from the date of passing of the resolution at this General Meeting, Provided that when the allotment on preferential basis is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of receipt of such approval.

**V) Auditor Certificate :**

A copy of the certificate of the Auditors of the Company certifying the adherence in SEBI's guidelines for Preferential Issues, being Chapter XIII to the SEBI's (Disclosure and Investor Protection) Guidelines, 2000 by the proposed issue shall be laid before the shareholders at their proposed General Meeting.

**VI) Lock-in :**

The shares allotted on preferential basis shall be locked in from the date of their allotment for such periods as prescribed in clause 13.3.1 of SEBI Guidelines.

**VII) Change in Management :**

The Proposed preferential allotment of Shares will not result in any change in the Management and control of the Company. Voting right shall change according to the change in shareholding pattern mentioned above.

**VIII) Pricing :**

The issue of Equity Shares on Preferential basis shall be at a price determined in accordance with the SEBI(DIP) Guidelines, 2000 for Preferential Issue. Equity Shares of face value of Rs. 10/- Each at a price not less than the price which is to be in accordance with the Guidelines for Preferential Issue contained in Chapter XIII of the SEBI (Disclosure & Investor Protection ) Guidelines, 2000 as amended.

**IX) Identity of the Proposed allottee and the percentage of Post Preferential issue capital that may be held by it :-**

	Existing Shareholding		Shareholding after Proposed Allotment of Equity Shares	
	No of Shares	%age	No of Shares	%age
<b>ALLOTTEES</b>				
<b>PROMOTERS</b>				
1) Deepak S Maliwal	365850	5.70	565850	7.31
2) Deepak S Maliwal(HUF)	140900	2.19	240900	3.11
3) Rekha D Maliwal	71350	1.11	171350	2.21
4) Sarojdevi N Kalantri	72388	1.13	122388	1.58
5) Santoshdevi M Kalantri	83200	1.30	133200	1.72
<b>NON PROMOTERS</b>				
1) Charumati Finance Pvt Ltd	95698	1.49	708198	9.15
2) Smt Rekha Dhage	NIL	NIL	75000	0.97
3) Smt Krishna Shah	NIL	NIL	75000	0.97
4) Smt Sonabai R. Dhage	NIL	NIL	50000	0.65





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**X Interest of Promoters/Directors :**

None of the Directors except Mr Deepak S Maliwal and Mr. Narayanlal P Kalantri Directors of the company are concerned or interested in the above resolution to the extent of allotment of Equity Shares to them or their family members.

The members are, therefore, requested to accord their approval authorizing the Board to go for the proposed private placement and/or preferential issue as set out in the special resolution .

The Board of Directors recommend the said resolution for your approval.

By THE ORDER OF THE BOARD

Place : **Nanded**  
Dated : **30<sup>th</sup> June 2009**

**OMPRAKASH GILDA**  
CHAIRMAN

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## DIRECTOR'S REPORT

Your Directors are pleased to place before you the Seventeenth Annual Report and the Audited Accounts of the company for the year ended March 31, 2009.

### PERFORMANCE OF THE COMPANY :

Your company's financial results are summarised hereunder:

	2008-2009	2007-2008
SALES	8867.04	6334.54
PBIDT	576.82	284.09
Finance Charges	276.06	146.33
Depreciation	37.70	37.72
Profit before taxation	263.06	100.04
Provision for taxation - Current	62.70	32.00
- Deferred	17.08	( 6.21)
Fringe Benefit Tax	1.31	2.00
Dividend Tax	8.73	7.78
Profit & Loss after Taxation	173.27	64.46
Add: Prior Period Adjustment	0.64	(0.42)
<b>APPROPRIATIONS</b>		
Proposed Dividend	51.39	45.79
Transferred to General Reserve	5.00	1.00
Surplus Carried Forward	117.52	17.25

### REVIEW OF OPERATIONS :

Your company has achieved a sales turnover of **Rs. 8867.04 Lacs** during the year under review showing an increase of 40% over previous year. The turnover reflects the turnover from leasehold plant also.

Your company's profitability during the year under review has increased mainly due to improved sales performance during the year. The favourable subsidy policy announced by the government had its impact on the profitability. Sales realization of SSP & NPK fertilizers also improved during the year. The company could have achieved better results but there was severe shortage of Straight fertilizers throughout the country and the company could not achieve its targeted production in NPK Mix fertilizers. Your company is confident of improving its existing level of performance which is expected to be supported by favourable SSP Policy by the Government.

### DIVIDEND :

Looking to the sufficient profits during the year Your Directors are pleased to propose a dividend of 8% for the year.

### FURTHER PROSPECTS :

Your company is making continuous efforts for consolidating its market share in the SSP & Mix Fertilizers segments. As promised in the previous report the company has taken stakes in field of Seed Processing, Solvent Extraction, and Micro Nutrient