



SHIVA GLOBAL AGRO INDUSTRIES LIMITED

Empowering the Indian Farmer

SEEDS | FERTILIZERS | SOIL HEALTH PRODUCTS | RESEARCH | SOLVENT EXTRACTION

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to understand our prospects and take investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipate’, ‘estimate’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’; and words of similar substance in connection with discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumption prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



SHIVA GLOBAL AGRO INDUSTRIES LIMITED

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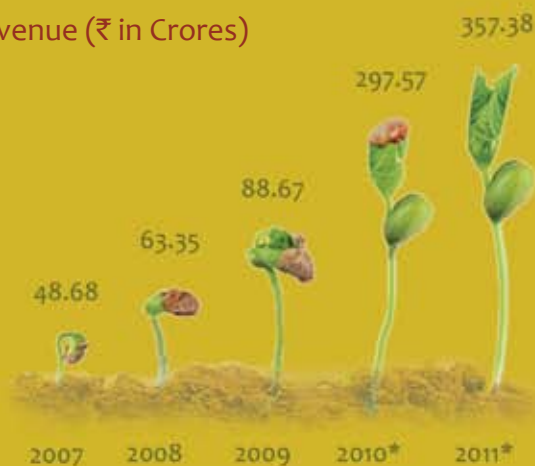
Performance Highlights

(₹ in Crores)

Particulars	2011*	2010*	2009	2008	2007
Net Sales	357.38	297.57	88.67	63.35	48.68
EBITDA	24.11	18.66	5.77	2.84	1.82
EBITDA Margin (%)	6.75	6.27	6.51	4.48	3.74
PAT	7.07	6.14	1.82	0.72	0.23
PAT Margin (%)	1.98	2.06	2.05	1.14	0.47
Share Capital	9.54	7.74	6.42	4.73	4.73
EPS (in ₹)	5.76	3.43	2.97	2.70	1.36

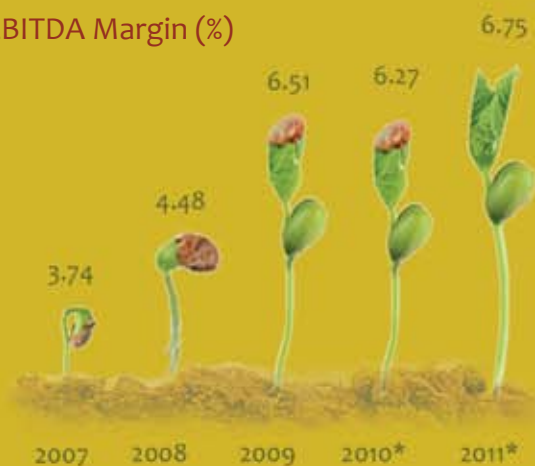
* Consolidated figure

Revenue (₹ in Crores)



* Consolidated figure

EBITDA Margin (%)



* Consolidated figure

PAT Margin (%)



* Consolidated figure

EPS (in ₹)



* Consolidated figure

Company Information

Registered Office & Works

Shri Hanuman Nagar,
Osman Nagar Road,
Village - Dhakni,
Dist. Nanded 431 708,
Maharashtra.

Auditors

M/s J. P. Falor & Co.
Chartered Accountants
Sanman Towers,
Vazirabad,
Nanded 431 601,
Maharashtra.

Bankers

Union Bank of India,
Santkripa Market, G. G. Road,
Nanded 431 601, Maharashtra.

Share Transfer Agent

Aarthi Consultants Pvt. Ltd.
1-2-285, Domalguda,
Hyderabad 500 029,
Andhra Pradesh.



Vison

Mission

Our Commitment

Vision

To be leaders in the seeds and fertilizers market in India and remain committed to the overall growth and development of our organization while preserving the natural nutrient in the soil and playing a vital role in meeting the ever-growing food demand in the country.

Mission

To provide farmers with superior quality agricultural products, which enhance crop yields and ensure bumper harvest.

Our Commitment

We are consumer driven! We are committed to making extraordinary efforts and are driven by ceaseless innovation to provide agricultural products that meet the needs and expectations of every farmer.

We are result oriented and take pride in our efforts to help arrest the food scarcity problem facing the nation, with our world-class performance aimed at creating superior shareholder value.



Chairman's Message

The past year has been one of consolidation. Going ahead, we are set to begin a growth journey at Shiva Global Agro Industries. Globally we are likely to witness two stress factors - shrinking acreage and growing population - that will place governments in a piquant situation with regard to food security. Indeed, we are seeing the first signs of the same even in India with the Union Government seriously contemplating a Food Security Act.

Growth in the developing nations has translated into higher disposable incomes and also rapid urbanization. The emergence of a strong middle class leads to an increase in demand for agricultural produce. This is also borne out by recent surveys. The UN Food and Agriculture Organisation (FAO) estimates that agricultural prices over the coming decade will remain firm primarily due to an increase in population in the developing world. While increasing productivity is a constant endeavour, global agriculture production is anticipated to increase at a slower pace than in the previous decade. FAO anticipates that production may still remain on track to achieve 70% growth in global food production by 2050. This will involve higher food production from countries like India and China. In the process we can naturally expect to be a significant part of world trade.

Coupled with limited availability of land, the growth in population underscores an urgent need to improve farm productivity in order to attain self-sufficiency in food for most developing nations. Of late grains also have created

“It is anticipated that from the current levels of close to 37-38% of total fertilizer demand, the market share of Phosphatic fertilizer is likely to increase to nearly 45% by 2015.”

a non-traditional demand with agricultural produce now being used to meet the energy needs. This particularly affects pricing of products like sugarcane, wheat, coarse grains and vegetable oils.

Currently the main thrust of productivity improvement is in fertilizers but will soon turn to other methods like deployment of superior seeds and a more efficient cropping pattern. We expect productivity gains to be backed by increased use of fertilizers and expect it will be a key growth ingredient in developing countries where per hectare usage still remains relatively low. World fertilizer demand in 2010-11 is forecast to increase by 4.8% to 170.4 million tonnes with the highest growth in demand for both Phosphorus and Potassium-based fertilizers occurring in East Asia.

In the medium-term a positive agricultural outlook is expected to stimulate fertilizer demand. World demand is projected to be 188.3 million tonnes in 2014-15 corresponding to an average compounded annual growth rate of 2.5%. Phosphatic fertilizers are likely to witness a period of strong growth in the coming years. It is anticipated that from the current levels of close to 37-38% of total fertilizer demand, the market share of Phosphatic fertilizer is likely to increase to nearly 45% by 2015. This is good news for Shiva Global Agro since we are well-entrenched in the Phosphatic fertilizer segment.

With limited scope for increasing land under cultivation, there is little choice but to urgently work towards significantly improving farm yields. We feel that in order to meet the twin objectives

“We have increased potential raw material availability for our own facilities by entering into two Memorandums of Understanding (MoUs) with the Madhya Pradesh government for the mining and supply of Rock Phosphate.”

of cost control and better subsidy reach the government will relook at rationalising current policy. Keeping in mind increased international prices of urea, rock phosphate and potash, the Government of India hiked the subsidy further as international prices for key raw materials remained high.

Estimates place demand for Indian fertilizer in FY 2011-12 at 26.9 million tonnes. However, India is still some distance from attaining self-sufficiency in fertilizers due to raw material shortages, especially rock phosphate and phosphoric acid. Since India imports the bulk of its requirement of phosphoric acid and rock phosphate, companies are increasingly looking overseas, particularly Africa and the Middle East where these materials are available easily.

Recent global business pointers indicate a sweet spot ahead for enterprises with a strong agrarian link like Shiva Global Agro. Overall conditions in the agri-inputs space remain favourable and offer sufficient scope for traction. Our confidence is rooted in our product mix. We are present in a broad spectrum of products ranging from the relatively low-key fertilizers, deoiled cake and miscellaneous agri-inputs to the high-tech arena of BT via seeds. The recent success of three home grown seeds- Mahasamrat, Mahabalwan and Mahesh have done us proud and we remain committed to the cause of Indian farmers and their improved standing in society.

I am happy to report Shiva Global Agro's progress in its raw material securing efforts. We have increased potential raw material availability for our own facilities by entering into two Memorandums of Understanding (MoUs) with the Madhya Pradesh government for the mining and supply of Rock Phosphate. These actions will go a long way in our ability to increase our production abilities and result in better cost control. By securing lower cost raw material for our raw materials we are also ensuring the interests of our capital providers.