

ANNUAL REPORT

1999 - 2000

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SHIVA CEMENT LIMITED

**P/25, CIVIL TOWNSHIP,
ROURKELA - 769004**

SHIVA CEMENT LIMITED**BOARD OF DIRECTORS**

Sri R.P. Gupta
Managing Director

Sri Akash Gupta
Executive Director

Smt. Sudha Gupta
Director

Sri V.P. Taneja
Professional Director

Sri B.N.R.Patnaik
Nominee-IPICOL

Sri P.K. Swain
Nominee-OSFC

REGISTERED OFFICE

P/25, Civil Township
Rourkela-769 004.

PLANT SITE

Unit-I
Kalunga Indl.Estate
Kalunga-770 031
Sundargarh

Unit-II
Vill: Telighana
PO: Birangatoli
Kutra, Sundargarh -

MINES

Vill : Khatkurbahal
Dist. Sundargarh (Orissa)

BANKERS
State Bank of India

MARKETING OFFICE

11, Cossipore Road
1st floor,
Calcutta-700 002.

Room No.19, 2nd floor
Falcon House
22A, Cuttack-Puri Road
Bhubaneswar.

AUDITORS

Tibrewal Chand & Co.
KK-5, Civil Townahip
Rourkela-4

REGISTRAR & TRANSFER AGENT

Niche Technologies (P)Ltd.
C/444, Bagree Market
71, B.R.B.B. Road
Calcutta-1.

SHIVA CEMENT LIMITED**NOTICE**

NOTICE is hereby given that the **FIFTEENTH ANNUAL GENERAL MEETING** of the Members of **SHIVA CEMENT LIMITED** will be held at its Registered Office at P/25, Civil Township, Rourkela - 4 on Tuesday, the 26th December, 2000 at 11.00 A.M to transact the following business :-

Ordinary Business

- (1) To consider and adopt the Balance Sheet as at 30th June 2000 and Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- (2) To appoint a Director in place of Smt. Sudha Gupta who retires by rotation and, being eligible, offers herself for re-appointment.
- (3) To appoint M/s.Tibrewal Chand & Co, Chartered Accountants as auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By order of the Board
for **SHIVA CEMENT LIMITED**

Registered Office
P/25, Civil Township
Rourkela - 769 004
Dt. 02/12/2000

AKASH GUPTA
Executive Director

NOTES :

1. A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a member of the Company. A proxy in order to be valid must be received at least 48 hours before the meeting.
2. Members/Proxies should bring the Attendance slip duly filled in for attending the meeting.
3. Shareholders seeking any information with regard to Accounts are requested to write to the Company atleast seven days before the date of the meeting so as to enable the management to keep the information ready.
4. Members are requested to inform immediately changes in their addresses to the registered office of the Company.
5. Register of members shall remain closed from 20/12/2000 to 26/12/2000 (both the days inclusive).
6. The instruments of Share Transfers complete in all respects should reach the company prior to closure of the register of members as stated above.

SHIVA CEMENT LIMITED**DIRECTORS REPORT**

Dear Members,

Your directors have pleasure in presenting the 15th Annual Report alongwith audited statement of accounts for the year ended 30th June 2000. Due to sluggish market condition and various external factors including natural calamities in Coastal belt of Orissa, your Company has ended into losses for the first time. However, it has been able to earn a cash profit of Rs.58.81 lakhs.

WORKING RESULTS

	(Rs. in Lakhs)	
	<u>30/06/2000</u>	<u>30/06/1999</u>
Turnover & Other Income	<u>2025.30</u>	<u>2160.90</u>
Operating Profit	327.47	421.91
Less: Interest	268.66	252.77
Cash profit	58.81	169.14
Less: Depreciation & Amortization	140.29	153.05
	-----	-----
Profit(Loss) before Taxation	(81.48)	16.09
Less: KVSS/KSY Tax	2.73	5.23
	-----	-----
Surplus carried to Balance sheet	<u>(84.21)</u>	<u>10.86</u>
	=====	=====

Your Directors earnestly feel that the performance of the company shall improve in the coming years.

INDUSTRY SCENARIO

By the end of fiscal year 2000 the installed capacity in the country stood at 110 mill. tons as against domestic consumption of 94 mill. tons. Cement industry witnessed a healthy growth in consumption @ 15.4% on all India basis and 22% in Eastern zone. If such growth rate is maintained in the current year, the mis match between demand & supply shall be removed and cement industry may witness improvement in sales realisation as well as in the profitability.

DIVIDEND

Due to losses in the current year and further requirement of working capital funds, your directors do not recommend any dividend for the year under review.

SHIVA CEMENT LIMITED



FINANCE

Your company is thankful to the existing state level institutions i.e. OSFC, IPICOL who have reposed their faith due to past performance of the company. The company is also thankful to its present banker, SBI for sympathetic consideration in such odd situations. Company is also thankful to the financial institutions like IDBI, IFCI, ICICI, BOI, AB, BOB who have extended their support in fighting the odds.

LISTING OF SHARES

The company's shares are already listed & traded in the Calcutta Stock Exchange and the Stock Exchange, Mumbai. As directed by SEBI, the Equity shares of the Company shall be compulsorily traded in D-mat form with effect from 26/12/2000 for which the company has made application for D-mat connectivity with CDSL and NSDL.

FUTURE OUTLOOK

Central Govt. has given emphasis on development of Road sector which may boost the demand of cement. Since there is no substantial capacity addition in pipe line, the gap in demand and supply is narrowing down. The volumes are on the rising trend from July'2000 onwards, but the prices are yet to improve.

Due to surplus clinker capacity in the new unit, the company proposes to take up expansion plans after stabilising its present operation, with the addition of balancing equipment.

Since both the units are located in eastern zone which is at present having deficit of 60.0 lacs tons, we expect to have long term advantages. The captive mines acquired alongwith Unit-II has increased the fundamental strength of the company.

ENVIRONMENTAL & SOCIAL OBLIGATION

In view of meeting the social obligations it has given the employment to few land displaced persons while acquiring the mines and the new unit. The location of Unit is in tribal belt. 90% workers are local tribals. The company is committed to all social welfare activities in the surrounding villages.

PERSONNEL

The Directors wish to place on record of their appreciation for sincerity and dedicated service of all its employees in stabilising the company's operation and fighting the odd.

SHIVA CEMENT LIMITED**DIRECTORS**

Smt. Sudha Gupta, Director of your Company retire from the Board by rotation and being eligible offer herself for re-appointment. The Directors have placed on record the appreciation for valuable services extended by the Nominee Directors of Financial Institutions to the Company.

AUDITORS

The term of M/s.Tibrewal Chand & Co., as Auditors expires at the conclusion of this Annual General Meeting and they are eligible for reappointment. The auditors have given a certificate to the effect that the re-appointment, if made will be within the prescribed limits specified under Section 224(1B) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

The particulars of employees as required u/s 217(2A) of the Companies Act, 1956 are not applicable to the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A statement containing necessary information, as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto in Annexure "A".

Y2K COMPLIANCE

Your company has identified all software programmes that are likely to be affected by the millennium bug. The company has only Data processing facilities in computers and all financial and other data processing systems are operating on Y2K compliant systems. The management has ensured that there will be no material impact caused by Y2K issue on the financial statements of the company nor will it have any impact on the going concern status of the company.

By order of the Board

R.P. GUPTA
Managing Director

Rourkela-769 004
Dated : 29/11/2000

SHIVA CEMENT LIMITED**ANNEXURE - A TO THE DIRECTORS REPORT**

FORM - A

[See Rule - 2]

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

		AS AT	AS AT
		30/06/2000	30/06/1999
A.	POWER AND FUEL CONSUMPTION		
1.	ELECTRICITY		
a)	Purchased :		
	Units (in Thousand)	9443.52	9267.30
	Total Amount (in thousand)	33584.27	31426.15
	Rate/Unit	3.56	3.39
b)	Own Generation		
i)	Through diesel Generator		
	Units (in thousand)	18.13	86.55
	Unit per Ltr. of Diesel oil	2.66	2.55
	Cost/Unit (Rs.)	5.25	4.04
ii)	Through Steam turbines/Generator		
	Units		
	Unit per ltr. for Fuel oil Gas		
	Cost/Unit.	N.A.	N.A.
2.	COAL		
	Steam Coal		
	Quantity (M.T)	9975.82	11521.57
	Total Cost. (Rs. in Thousand)	8012.57	9129.62
	Average Rate (Rs.)	803.20	792.39
3.	Furnace Oil		
	(Quantity (K. Ltr)		
	Total Amount		
	Average Rate	N.A.	N.A.
4.	Others/Internal Generation		
	Quantity		
	Total Cost		
	Rate / Unit	N.A.	N.A.
B.	CONSUMPTION PER UNIT OF PRODUCTION		
	Standards	Current	Previous
	if any	year	year
Production			
Cement	M/T	78510.40	78788.15
Electricity			
Purchased	Rs./PMT	428.59	402.59
Own	Rs./PMT	632.59	479.05
Furnace Oil		N.A.	N.A.
Coal (Specify quantity)		—	—
Others (Specify)		—	—

Reasons for variation in consumption of Power & fuel from previous year :

- Increase in cost of Electricity purchased due to increase in Electricity Tariff resulted in increase in Cost of per Tonne of Cement produced from Electricity purchased.
- Increase in cost of HSD resulted in increase in cost per tonne of cement produced from own D.G. Set.

SHIVA CEMENT LIMITED**ANNEXURE " A " TO DIRECTORS REPORT (CONTD....)**

F O R M - B
[SEE RULE 2]

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION RESEARCH
AND DEVELOPMENT (R & D) FOR THE YEAR ENDED 30/06/2000**

A. RESEARCH AND DEVELOPMENT (R & D)

1. Specific areas in which R & D : Nil
carried out by the Company
2. Benefits derived as a result : N.A.
of the above R & D
3. Future plan of action : Efforts for increase in capacity utilisation shall
continue.
4. Expenditure on R & D
 - (a) Capital
 - (b) Recurring : No Specific Expenditure
 - (c) Total : incurred on R & D.
 - (d) Total R & D expenditure as a
percentage of total turnover
Technology absorption, adapt-
ation and innovation.

B. Technology Absorption, Adaptation and Innovation.

1. Efforts, in brief, made towards : Nil
technology absorption adaptation
and innovation.
2. Benefits derived as a result of the : N.A.
above efforts, e.g. product improvement,
cost, reduction, product development,
import substitution, etc.
3. In case of imported Technology : N.A.
(imported during the last 5 years
reckoned from the beginning of the
financial year, following information
may be furnished.
 - (a) Technology imported
 - (b) Year of import
 - (c) Has technology been fully absorbed.
 - (d) If not fully absorbed, areas where this has
not taken place reasons therefore and future
plans of action.

- C. Foreign Exchange Earnings outgo : Nil

SHIVA CEMENT LIMITED**AUDITORS' REPORT**

**The Members of
Shiva Cement Limited**

We have audited the attached Balance-sheet of Shiva Cement Limited as at 30th June, 2000 and the annexed Profit & Loss Account for the year ended on that date and report that:-

- I) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.**
- II) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.**
- III) The Balance-sheet and Profit & Loss account dealt with by this report are in agreement with the books of account.**
- IV) In our opinion the Balance sheet and the Profit & Loss Account comply with the Mandatory Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.**
- V) In our opinion and to the best of our information and according to the explanations given to us, the said balance sheet and profit & loss account, subject to notes on accounts give the information required by the Companies Act 1956 in the manner so required and give a true and fair view.**
 - A) In case of Balance-sheet of the state of affairs of the Company as at 30th June, 2000 and**
 - B) In case of Profit & Loss account of the Loss of the Company for the year ended on that date.**
- VI) As required by Manufacturing and other Companies (Auditors' Report) Order, 1988 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us during the course of audit, we report that:-**
 - 1) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets, we have been informed that the physical verification of fixed assets have been carried out by the management during the year and no material discrepancies have been noticed on such verification.**
 - 2) None of the Fixed Assets of the Company has been revalued during the year.**
 - 3) The stock of the Finished Goods, Stores, Spare Parts and Raw Materials has been physically verified during the year by the Management, at reasonable intervals.**