

2011-12

26th ANNUAL REPORT



SHIVA CEMENT LTD.
ROURKELA, ODISHA

Medical Camp at Mines



BOARD OF DIRECTORS

Sri R. P. Gupta
Managing Director

Sri Akash Gupta
Executive Director

Sri B K Mangaraj
Director (Mines & Admn.)

Sri Ramit Budhraj
Nominee-ACC Ltd.

Sri Vivek Chawla
Nominee-ACC Ltd.

Sri O P Goyal
Director

Sri D K Senapati
Nominee- IPICOL

Sri K P Jhunjhunwala
Director

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AUDITORS

Tibrewal Chand & Co.
1st Floor, KK - 5, Civil Township,
Rourkela - 4

REGISTRAR & TRANSFER AGENT

Niche Technologies (P) Ltd.
D/511, Bagree Market, 5th floor,
71, B.R.B.B. Road, Calcutta - 1.

REGISTERED OFFICE

P-25, Civil Township,
Rourkela - 769 004
Website : www.shivacement.com

PLANT SITE

Vill : Telighana
PO : Biringatoli, Kutra
Dist. Sundargarh (Odisha)

MINES

Vill : Khatkurbahal
Via : Kutra
Dist. Sundargarh (Odisha)

NOTICE

NOTICE is hereby given that the TWENTY SIXTH Annual General Meeting of the Members of **SHIVA CEMENT LIMITED** will be held at its Registered office at P-25, civil township, Rourkela-769004 on Saturday the 30th June, 2012 at 11.00 A.M. to transact the following business :

Ordinary Business

1. To consider and adopt the Balance sheet as at 31st March, 2012 and Profit & Loss account for the year ended on that date and the reports of board of directors and auditors' thereon.
2. To appoint directors in place of Sri K P Jhunjhunwala, Sri B K Mangraj and Sri O P Goyal who retires by rotation and being eligible, offers themselves 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.

Special Business

To consider and if thought fit to pass, with or without modification, the following Resolutions as a Ordinary Resolutions :-

- 1) "RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) approval be and is hereby accorded for re-appointment of Sri Rajendra Prasad Gupta as Managing Director of the Company for a period of five years w.e.f. 01/04/2011 on a remuneration of Rs. 1,00,000/- per month upto 30/06/2012 and 1,25,000/- per month w.e.f. 01/07/2012 and other terms set out in draft agreement to be executed between the Company and Sri R P Gupta, copy of which initialed by the Chairman for identification is placed before the meeting".
- 2) "RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) approval be and is hereby accorded for re-appointment of Sri Akash Gupta as Executive Director of the Company for a period of five years w.e.f. 01/10/2011 on a remuneration of Rs. 50,000/- per month upto 30/06/2012 and Rs. 75,000/- per month w.e.f. 01/07/2012 and other terms set out in draft agreement to be executed between the Company and Sri Akash Gupta, copy of which initialed by the Chairman for identification is placed before the meeting".
- 3) "RESOLVED FURTHER THAT the Board of Directors be and is hereby empowered to increase, vary or amend the remuneration and other terms of appointment from time to time as deemed expedient or necessary".

Registered Office :
P-25, Civil Township
Rourkela-769 004
Date : 30/05/2012

By Order of the Board
Sd/-
Akash Gupta
Director

Notes :

- ❖ 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.
- ❖ Members/Proxies should bring the Attendance slip duly filled in for attending the meeting.
- ❖ 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.
- ❖ Members are requested to inform immediately changes in their addresses to the registered office of the company.
- ❖ Register of members shall remain closed from 24/06/2012 to 30/06/2012 (both the days inclusive).
- ❖ Shareholders are requested to bring their copy of Annual Report to the meeting.
- ❖ Members who hold shares in dematerialised form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
- ❖ As per requirement of Clause 49 of the Listing Agreement on Corporate Governance following particulars of the retiring Directors, who are eligible to be re-appointed, are given below :-

Name of Director	Sri K P Jhunjhunwala	Sri O P Goyal	Sri B K Mangraj
Date of Birth	30/01/1933	29/11/1942	20/10/1951
Date of Appointment	27/03/2007	24/09/2007	26/12/2002
Qualification	IIE, EEC, IICE & Mngt. Graduate from Harvard Univ	B.Com FCA	FIE, FCC
Expertise in specific functional areas	Technical & Admn.	Finance & Admn.	Mining & Admn.
List of other Companies in which Directorship held (excluding in Foreign companies)	Orind Steels Ltd. Bonsal Fiscal Services Ltd.	J K Papers Ltd., JKLC Employees Welfare Association Ltd., Terrestrial Finance Ltd.	None
Chairman/Member of Committees the Board of Directors of other Companies in which he is a Director (excluding in foreign Chairman of Companies)	NIL	NIL	NIL
Details of shareholding (both own or held by/ for other persons on a beneficial basis), if any, in the Company.	8800	NIL	NIL

Explanatory Statement Pursuant to Section 173(2) of The Companies Act, 1956**Item No.1 :**

Your Company is presently managed by Sri R P Gupta, as Managing Director of the Company. The terms of Sri R P Gupta was expiring on 31/03/2011. The Board of Directors at their meeting held on 08/11/2011 subject to approval of members has made the re-appointment of Sri R P Gupta as managing Director of the company for a period of five years with effect from 01/04/2011 at a remuneration of Rs.1,00,000/- per month upto 30/06/2012 and 1,25,000/- per month w.e.f. 01/07/2012 on the terms as set out in the draft agreement to be executed between the company and him.

Abstract of the terms of appointment of Sri R P Gupta is as follows :-

1. Salary : Rs. 1,00,000/- (Rupees one lakh only) per month. *upto 30/06/2012*
Rs. 1,25,000/- (Rupees One Lakh Twenty five Thousand only) per month w.e.f. 01/07/2012
2. Perquisites : Perquisites such as medical expenses for self and family, leave, leave travel allowances, free use of company car, telephone facilities at residence, personal accident insurance, club fees, reimbursement of entertainment expenses, company's contribution to provident fund. The perquisites shall be evaluated as per Income tax rules subject however the maximum amount stated in draft agreement. Approval of members is now sought for the re-appointment of Sri R P Gupta as aforesaid and remuneration payable to him.

None of the directors of the company is interested in the resolution except Sri R P Gupta .

Item No. 2 :

Your company is presently managed by Sri Akash Gupta as Executive Director of the company. The terms of Sri Akash Gupta was expiring on 01/10/2011. The Board of directors at their meeting held on 08/11/2011 subject to approval of members has made the re-appointment of Sri Akash Gupta as Executive director of the company for a period of five years with effect from 01/10/2011 at a remuneration of Rs. 50,000/- per month upto 30/06/2012 and Rs. 75,000/- per month w.e.f. 01/07/2012 on the terms as set out in the draft agreement to be executed between the company and him.

Abstract of the terms of appointment of Sri Akash Gupta is as follows :-

1. Salary : Rs. 50,000/- (Rupees Fifty Thousand only) per month. *upto 30/06/2012*
Rs. 75,000/- (Rupees Seventy Five Thousand only) per month w.e.f. 01/07/2012
2. Perquisites : Perquisites such as medical expenses for self and family, leave, leave travel allowances, free use of company car, telephone facilities at residence, personal accident insurance, club fees, reimbursement of entertainment expenses, company's contribution to provident fund. The perquisites shall be evaluated as per Income tax rules subject however the maximum amount stated in draft agreement. Approval of members is now sought for the re-appointment of Sri Akash Gupta as aforesaid and remuneration payable to him.

None of the directors of the company is interested in the resolution except Sri Akash Gupta.

Rourkela-769 004
Date : 30/05/2012

By Order of the Board
Sd/-
Akash Gupta
Director

DIRECTORS REPORT (Management Discussion and Analysis)



R. P. Gupta, M.D.

Dear Members,

It gives me immense pleasure to present the **26th Annual Report**. I extend my thanks to all associates, shareholders & employees in particular. Your company could complete successful 26 years with their support and commitment. With this, I am pleased to present annual report along with audited accounts and Auditor's report thereon for the financial year ended **31st March, 2012** as under :-

Financial/Operational Performance

(Rs. in Lakhs)

Particulars	31/03/2012	31/03/2011
Turnover	6388.40	5693.28
Operating Income	994.56	1010.96
Other Income	36.50	37.32
PBIDT	1031.06	1048.28
Less: Interest	334.73	326.80
Cash Profit (PBDT)	696.33	721.48
Less: Depreciation & Amortization	392.75	383.67
Profit before Taxation (PBT)	303.58	337.81

Turnover has increased by 12% during the year. But there was drop in operating profit by 1.6%. This was mainly on account of high input cost. Selling price was also low in second quarter. Marginal increase in interest & depreciation has further depressed profit before tax by about Rs. 34 lakh only. There was stiff hike in electricity price per unit by about 28.5%. It was partly set off due to decrease in electricity unit consumption by 4.5%. Though there was stiff hike in coal price also, but we could mitigate in part by replacing imported coal to domestic coal. Bulk purchase of imported coal and its sale also helped to economize coal cost to some extent. Over all demand was sluggish in first three quarters. But it gained momentum in Q4. Selling price also improved in Q4.

Future Strategies

We had decided few strategies for cost reduction in previous year. Few of them are implemented. Balance implementation shall be taken up in the current year. We have further decided to produce some quantity of PPC cement to consume surplus clinker. This is likely to implement in second half of 2012-13. Its full impact will be visible during 2013-14.

Modernisation & Expansion

Phase-1 expansion plan was modified in previous year in accordance with the MOU with Govt. of Odisha. It was envisaging capacity expansion upto 1.0 MTPA by April 2013. However, the same is deferred for one year due to sluggish economy. As per revised plan, we expect commercial production by Apr/May 2014. Of course, financial closure for the revised plan is yet to be completed. It is expected by Aug/Sept 2012. The proposed expansion & modernization shall improve cost effectiveness, besides increase in volume. It will also help to utilize surplus and idle assets of company.

Alliance with ACC

Alliance with ACC is working satisfactorily. We express our thanks for their general guidance related to technical and managerial affairs. We expect their full hearted support in future years to implement our growth plans of 1 MTPA with marketing support.

Economic Scenario & Outlook

During the year 2010-11, Indian economy has grown by about 6.5%. This was lowest growth in last 9 years. This was mainly due to investment slow down. However, government is taking corrective steps for revival. Medium term prospects are reasonably OK. But immediate concerns are, high trade deficit & high fiscal deficit. This has resulted inflation and rupee weakening. We hope, economy will be on track by 2013-14. Fundamentals of Indian economy are strong. It only needs regulatory reforms and policy initiatives.

Cement Industry Outlook & Opportunities

Due to sluggish economy, cement demand growth was also affected. It was in the range of 6-6.5% only. However, all indications are available to strengthen demand growth in the range of 8.0-8.5% in the year 2012-13. Selling price have already improved. But supply over

hang is likely to continue upto CY 2013. Since new investment and capacity additions are deferred, we expect good phase for cement industry from Jan. 2014. There has been structural shift in demand. Rural demand is growing at a faster pace. Once Indian economy revives, industrial & infrastructural demand will also gain momentum. Keeping these factors in view, we had deferred the proposed capacity expansion by one year to match with industry cycle.

Risks and Concerns

Continuous hike in power rate and supply deficit of coal are major area of concern. Indian coal quality has deteriorated. Imported coal price is going up due to rupee weakening. Company has therefore proposed in its expansion plan, latest technology of separate grinding of clinker & slag in VRM instead of conventional inter mix grinding in Ball mill. This will save energy consumption, both in terms of power & fuel. Rather it will give us competitive edge over others.

Logistic cost is on increasing trend due to general increase in petroleum & energy price. Vicinity of market & location in cement deficit region will mitigate such hike in logistic cost. Supply over hang is continuing on all India basis. It is likely to continue till CY 2013. But it's impact is diluted due to plant location in eastern zone. This is supply deficit zone.

Awards & Recommendations

Company was awarded first prize in **"Best general working"** and **"Best over all performance"** on the occasion of 49th Mines Safety Week celebration. Indian Bureau of Mines, Govt. of India, Bhubaneswar awarded second prize for "Air Quality management" during 14th Mines Environment and Mineral Conservation Week.

Human Resource

Company is maintaining cordial and healthy relations with its employees. Employees at all levels are extending their full support. Company has strong faith in potential of human resources. It believes in the creative abilities of the people, who work for company. It believes in participatory management. Company has also entered into wage settlement with workers during the year.

Internal Control Systems

Company has an internal management audit team commensurate with the size of company. It carries out desired level of audit of various activities of company. This is with an aim to ensure that the laid down system and procedures are followed. Audit reports are presented to Audit committee of the board, which meets at periodical intervals. Continuous support and advice is also available from ACC in this area for improvement. During the year, ERP system was implemented. It will definitely improve overall efficiency of the company in future years.

Environmental & Social Obligation

Environment clearance from ministry of environment & forest (MoEF) has been already obtained for it's proposed expansion upto 1.05 MTPA capacity. Your company has been doing reasonable expenditure on periphery development. It has organised medical camp for surrounding villagers and employees. Cards were also issued for free medical check at designated hospitals. Water supply and street lights were provided to villages near mines. Ladies club was also formed at plant's colony. They are also involved in periphery development activities. We hope to enlarge activities in future years.

Dividend

In view of on going expansion and requirement of funds, we do not recommend any dividend for the year. Equity shares of the company continue to be listed on Bombay stock exchange and Calcutta stock exchange. We sincerely express our thanks to all shareholders for imposing their faith in the company despite delay in implementation of the expansion plan. Company has launched website during the year.

Finance

We are thankful to our banker IDBI bank. They have enhanced working capital limits in view of increased turnover. We are also thankful to BOB who have shown interest in participation of term loan for our expansion plan. In the meantime, promoters have mobilized funds through warrant subscription for part funding of on going expansion project.

CARE rating have also assigned "CARE BBB" for long term bank facilities & "CARE A3" for short term bank facilities amounting to Rs. 201 crore. This includes existing and proposed loan.

Fixed Deposits

Company has accepted deposits from public including share holders and employees within the meaning of section 58A of the Companies Act, 1956 and rules made there under and have duly complied with the provisions of the Companies (Acceptance of Deposits) Rules 1975.

Directors' Responsibility Statement

In terms of provisions of section 217(2AA) of the Companies Act, 1956, we confirm that :-

- ❖ Applicable accounting standards have been followed along-with explanations relating to material departures, wherever applicable.
- ❖ Directors have selected consistent & appropriate accounting policies in general. They made judgements and estimates as per reasonable and prudent practice. This will give a true and fair view of the state of affairs of company.
- ❖ Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of company. This is for preventing and detecting fraud and other irregularities.
- ❖ Directors have prepared the annual accounts on a going concern basis.

Directors

Mr. K. P. Jhunjhunwala, O. P. Goyal, & Mr. B. K. Mangaraj directors of your company retire from the board by rotation and being eligible for re-appointment. During the year Dr. N S Datar, director of your company has passed away. Board expresses its sincere gratitude for the services rendered by him during his tenure. This was a great loss to your company.

Auditors/Cost Auditors

M/s. Tibrewal Chand & Co., chartered accountants, retire as auditors of the company at the conclusion of the ensuing annual general meeting. They have confirmed their eligibility and willingness to accept the office of the Auditors, if re-appointed.

In pursuance of section 233-B of the companies act, 1956, your directors had appointed M/s Chatterjee & Co, Kolkata as the cost auditors to conduct cost audit of cement for the year 2011-12 with the approval of the Central Government.

Particulars of Employees

Particulars of employees as required u/s 217 (2A) of the Companies Act, 1956 are not given. None of the employees were in receipt of remuneration exceeding the limits specified therein.

Foreign Exchange Earnings and Outgo

There has been no foreign Exchange earnings during the year. However, company has purchased imported coal & gypsum from the domestic market. Company has incurred foreign exchange expenditures for overseas travel.

Conservation of Energy, Technology Absorption

A statement containing necessary information, as required under the Companies (disclosure of particulars in report of board of directors) Rules, 1988 is annexed hereto in Annexure-"A".

Corporate Governance

Pursuant to Clause-49 of the listing agreement, report on Corporate Governance and the compliance certificate thereon from the auditors of the company is attached to this report.

Acknowledgements

Your directors place on record their appreciation of the assistance and support extended by government authorities, IDBI, ACC Ltd., consultants, shareholders, employees, suppliers & contractors of the company.

Cautionary Statement

Statements in the directors' report and the management discussion & analysis describing company's objectives, expectations or predictions, may be forward-looking statement within the meaning of applicable laws and regulations. Although we believe our expectation is based on reasonable assumption, actual results may differ materially from those expressed in the statement. Important factors that could influence the company's operations include: global and domestic demand and supply conditions affecting selling prices, new capacity additions, availability of critical materials and their cost, changes in government policies and tax laws, economic development of the country, and such other factors which are material to the business operations of the company

For and on behalf of the Board

Sd/-

R. P. Gupta

Managing Director

Rourkela-769 004

Dated : 30/05/2012

Annexure - A To The Directors' Report

FORM - A [See Rule - 2]

Form for Disclosure of Particulars with respect to Conservation of Energy

A. Power and Fuel Consumption

Particulars	31/03/2012	31/03/2011
1. Electricity		
a) Purchased		
Units (in Thousand)	10594.42	13344.99
Total amount (in Thousand)	57262.01	56139.79
Rate/Unit (including DPS)	5.41	4.21
b) Own Generation		
i) Through Diesel Generator		
Units (in Thousand)	131.56	67.03
Cost/Unit (Rs.)	16.88	18.79
ii) Through Steam Turbines Generator		
Units	N.A	N.A
Unit per Ltr. for Fuel oil Gas		
Cost/Unit.		
2. Coal		
Quantity (in Mt)	18362.26	15196.32
Total Cost (Rs. in Thousand)	34113.01	41313.77
Average Rate (Rs. Per Mt)	1857.81	2718.67
3. Diesel Oil		
Quantity (in K. Ltr)	122.60	160.47
Total Cost (Rs. in Thousand)	4655.83	5677.89
Average Rate (Rs. Per Litre)	37.98	35.38
4. Other/Internal Generation		
Quantity (in Mt)	N.A	N.A
Total Cost (Rs. in Thousand)		
Average Rate (Rs.)		

Consumption per unit of production

Particulars	Standards if any	Current Year	Previous Year
Cement Production (in Mt)		83617	107993
Surplus Clinker (in Mt)		11384	5502
Total Quantity		95001	113495
Power Units Per Tonne		112.9	118.2
Coal Cons. (%)		19.33%	13.37%

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

- ❖ The cost of self generated power has reduced due to higher capacity utilization and maintenance of DG set.
- ❖ Power consumption has come down due to improved efficiency & benefit of capex.
- ❖ Coal consumption in quantitative terms has gone up. But it is reduced in terms of heat value. This is due to replacement of imported coal. This is reflected in value terms.

Annexure - A To the Directors' report (contd..)**FORM - B [See Rule - 2]****Form for disclosure of particulars with respect to technology absorption research and development (R&D) for the year ended 31/03/2012**

A. Research & Development (R & D)	
❖ Specific areas in which R & D carried out by the Company	General Improvement
❖ Benefits derived as a result of the above R & D	No specific Benefits
❖ Future Plan of action	Considering some major modification in the plant in future expansion to reduce clinker consumption by 10% in terms of cement.
❖ Expenditure on R & D	No specific expenditure incurred on R & D
a) Capital	
b) Recurring	
c) Total	
d) Total R & D expenditure as a percentage of total turnover Technology absorption, adaptation and innovation	
B. Foreign Exchange Earnings Outgo	Earned- NIL Used Rs. 0.61 Lakhs
C. Technology Absorption, Adoption & Innovation <p>The efforts towards technology absorption/adoption/innovation and corresponding benefits are summarized as under :-</p> <ul style="list-style-type: none"> ❖ Main gear box of raw mill, coal mill & cement mill-2 was changed with higher capacity to facilitate future expansion. Main drive motor of Raw mill is ordered. Same is expected in next year. ❖ Air lift for Raw mill is improved. Limestone extraction from the stock pile is also improved. Both shall contribute to efficiency improvement. ❖ Kiln bearing housing, chair pads have been replaced to take more load. ❖ Pollution control equipment have been installed in the primary & secondary crusher. This will also reduce wastage of limestone fines. ❖ Few VFD drives have been installed to reduce power consumption. ❖ Cement spillage handling system has been improved to minimize wastage. ❖ Detailed engineering of raw mix silo & cement silo aeration system has been completed. It is likely to be installed in next year. It will improve extraction. It will also improve blending. ❖ Detailed engineering for use of cement mill-1 for PPC cement manufacturing has been completed. It will consume surplus clinker with additional cement production. Part work has been done. Completion is expected in next year. It will also reduce power consumption. ❖ Insulation of kiln PH tower has been done to reduce heat and to reduce coal consumption. ❖ Few modifications have been also done in coal firing system. This will contribute to efficiency. ❖ Concrete yard have been constructed for raw material storage to minimize ground loss. ❖ Few reciprocating compressors have been replaced with modern screw compressors for power saving. ❖ ERP system have been implemented for on line data processing. 	

Corporate Governance Disclosure

During the year ended 31/03/2012, in compliance with Clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the report on the matters mentioned in the said Clause and practice followed by the Company.

❖ Company's Philosophy on Corporate Governance

Company's philosophy on corporate governance envisages the continuous improvement in transparency, accountability and equity, in all facets of its operations, and in all interactions with its stakeholders, including the shareholders, employees, government and lenders.

Company is committed to continuous improvement of standards of corporate governance.

Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder's value, over a sustained period of time.

❖ Board of Directors

Board of Directors consist of two Promoter directors at present (one Managing Director & one Executive director), one executive non independent director, four non executive independent directors and one non executive independent director representing IPICOL as lenders.

The Independent Directors on the Board are experienced, competent and highly renowned persons from their respective fields. The Independent Directors take active part at the Board and committee Meeting which add value in the decision making process of the Board of Directors.

The Composition of the Board of Directors is in conformity with the Corporate Governance Code. The composition as on 31st March, 2012 and brief resume of each Director is given below:-

Mr. Rajendra Prasad Gupta (Managing Director) :- He is an Industrialist and is one of the promoter of Shiva Cement Ltd, he has graduate engineer having 39 years business experience and more than 26 years in the cement Industry. He was present Vice Chairman of Western Zone of OASME (Orissa Assembly of Small & Medium Enterprises). He was Vice President of All India Mini Cement Plant Association, Hyderabad. He is an Executive adviser to OJC (Orissa, Chhatisgarh, Jharkhand) Chamber of Commerce. His inputs and guidance in the strategies for Company's growth ever since he was taken on the Board have been immense valuable.

Mr. Akash Gupta (Executive Director) :- He is a Commerce graduate (Gold Medallist) having business experience of over 15 years in marketing of cement. He is one of promoter of Shiva Cement Ltd.

Mr. B. K. Mangaraj :- He is a post Graduate Engineer having more than 29 years experience in the Mining of Limestone & other Minerals and more than 12 years experience in operation of Cement Plant. He was also awarded by the President of India in past. He has also worked with TISCO, and BSL (SAIL subsidiary) in past.

Mr. D. K. Senapati :- He is a B E and working in IPICOL. The Financial Institution has nominated him as director on the Board of the Company.

Mr. Ramit Budhraja :- He is a Graduate engineer from IIT- New Delhi and MBA from IIM- Bangalore, He is having vast experience in cement industry at India & abroad in the key management. He is Chief Executive of ACC Ltd for South-West Region. He is nominee director from ACC Ltd.

Mr. K. P. Jhunjhunwala :- He is a post Graduate Engineer having more than 42 years of experience in various business. He is one of the prominent industrialist in Orissa who has headed several large corporates.

Mr. O. P. Goyal :- He is a Chartered Accountant and has four decades of wide –ranging experience in paper and cement industry, heading various functional areas as Senior/ Executive/ Director of companies. He is on the Board of several large corporates including JK Papers Limited.

Sri Vivek Chawla is a B E Mining, He is having vast experience in cement industry. He is at present Chief Executive of ACC Ltd for East Zone. He is nominee director from ACC Ltd.

During the year the Board met 6 times (as against the minimum requirement of 4 meetings) on the following dates namely **28/05/2011, 30/07/2011, 16/09/2011, 08/11/2011, 07/12/2011 and 13/02/2012.**

The maximum time gap between any two meetings was not more than three calendar months. The following table gives details of directors, attendance of directors at the Board meetings and at the last Annual General Meeting, number of memberships held by directors in the Board/Committees and in other Companies :

Name	Category	Attendance Particulars		Number of other Directorship and Committee Member/ Chairmanships		
		Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
R.P. Gupta	CMD	6	Yes	1	-	-
Akash Gupta	ED	6	Yes	1	-	-
B.K. Mangaraj	ED	4	Yes	-	-	-
Ramit Budhraj	NED	-	No	-	-	-
Vivek Chawala	NED	1	No	3	-	-
D K Senapati	NED	-	No	-	-	-
K P Jhunjhunwala	NED	5	No	2	-	-
O P Goyal	NED	-	No	3	-	-
N S Datar*	NED	1	No	4	2	1

CMD : Chairman cum Managing Director, ED : Executive Director, NED : Non Executive Director. * Since Expired.

Audit Committee

The Audit Committee constituted by the Board of Directors consist of 3 (Three) directors, namely Sri K P Jhunjhunwala, Chairman, Sri B.K. Mangaraj and Sri O. P Goyal as other members. The constitution of Audit committee also meets with the requirements of Section 292A of the Companies Act, 1956 as introduced by the Companies (Amendment) Act, 2000.

During the year Four Audit Committee meetings were held on the following dates including before finalisation of accounts and adoption of quarterly financial results by the Board. 25/05/2011, 28/07/2011, 05/11/2011, & 11/02/2012.

The terms of reference specified by the Board to the Audit Committee are as contained under Clause 49 of the Listing Agreement. They are as follows :-

- ❖ Oversight of the Company's financial reporting process and the disclosure of its financial information.
- ❖ Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- ❖ Reviewing with management the annual financial statements before submission to the Board, focussing primarily on (i) any changes in accounting policies and practices (ii) major accounting entries based on exercise of judgement by management (iii) qualifications in draft audit report (iv) significant adjustments arising out of audit (v) the going concern assumption (vi) compliance with accounting standards (vii) compliance with stock exchange and legal requirements concerning financial statements and (viii) any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of company at large.
- ❖ Reviewing with the management, external auditors and the adequacy of internal control systems.
- ❖ Reviewing the adequacy of internal audit functions.
- ❖ Discussion with internal audit department any significant findings and follow up thereon.
- ❖ Reviewing the findings of any internal investigations by the internal audit department into matter where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- ❖ Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- ❖ Reviewing the company's various financial and risk management policies.
- ❖ To look in to the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non payment of declared dividends) and creditors.

Remuneration Committee

The Remuneration Committee of the Company comprises of 3(Three) directors, namely Sri K P Jhunjhunwala as Chairman, and Sri B.K. Mangaraj and Sri Akash Gupta as other members of the said committee.

The remuneration committee has been constituted to recommend/review the remuneration package of the Managing/Whole time directors. During the year the remuneration committee has met twice.

Remuneration to Directors

Sri R.P.Gupta	Managing Director	Rs.100000/- pm
Sri Akash Gupta	Executive Director	Rs.50000/- pm
Sri B.K.Mangaraj	Director (Works)	Rs.66222/- pm upto June 2011 Rs.68160/- pm from July 2011

The remuneration policy is directed towards rewarding performance based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice.

As per terms of appointment no remuneration be paid to Nominee & Independent directors.

The Company pays sitting fees only to Independent Directors at the rate of Rs.5000/- for each meeting attended. Sitting fee paid to them for the year ended 31st March, 2012 is as follows :-

Sri K P Jhunjhunwala	Rs. 20000/-
Sri Vivek Chawla	Rs. 5000/-
Dr. N S Datar*	Rs. 5000/-

* Since resigned.

❖ Shareholders'/Investors' Grievance Committee

The Committee comprises of Sri R P Gupta, Chairman, Sri B.K. Mangaraj and Sri Akash Gupta. The Committee inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with the share transfers. The Committee also looks into redressing of shareholders'/investors' complaints like transfer of shares, non receipt of balance sheet, non receipt of dividends, etc.

The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement of the quality of investor services. The Board of Directors have delegated the power for approving transfer of shares to Share Transfer committee constituted of three members i.e. Sri R.P.Gupta, Managing Director, Sri B. K Mangaraj, Director, and Sri Akash Gupta, Executive Director. Sri P. Rout is the Compliance Officer.

A statistical overview of the working of the Share department and Shareholder's queries/complaints resolved during the year is given below :-

Activity	Received	Replied	Pending
Transfers effected	57	57	---
Transmission effected	17	17	---
Demat requests confirmed-NSDL	100	100	---
Demat requests confirmed-CDSL	47	47	---

Queries/Complaints resolved :

Activity	Received	Replied	Pending
Non receipt of share certificates after transfer/sub-division, consolidation etc.	3	3	---
Change of Address	28	28	---

❖ General Body Meeting

The last three Annual General Meetings of the Company were held as under :-

Year	Location	Date	Time
31/03/2009	P-25, Civil Township, Rourkela-4	24.08.2009	11.00 AM
31/03/2010	P-25, Civil Township, Rourkela-4	31.05.2010	11.00 AM
31/03/2011	P-25, Civil Township, Rourkela-4	27.06.2011	11.00 AM

Note : During the year under review, no postal ballots voting was exercised in your company.

❖ Disclosure

Disclosure on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large.

None of the transactions with any of the related parties were in conflict with the interests of the company.

Details of non compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years. - NIL -

❖ Means of Communication

The Company's financial results (Quarterly, half-yearly and annual) are communicated to shareholders through newspaper advertisements issued in Indian Express/Business Standard (English, Bhubaneswar) and Sambad/Samaja (Oriya, Rourkela) within 24 hours of adoption thereof by the Board. The same are also circulated to Stock Exchanges where the shares of the Company are listed within 15 minutes of adoption thereof.

a) AGM programme :

AGM date and time	30 th June , 2012 at 11 AM
Venue	P-25, Civil Township, Rourkela-4,Orissa
Book closure	24 nd June , 2012 to 30 th June,2012
Equity shares listed at	Bombay Stock Exchange Ltd & Calcutta Stock Exchange

Annual General Meeting :

June, 2013

Results for the quarter ending June 30,2012	Third Week of July'12
Results for the quarter ending Sep 30,2012	Third Week of Oct '12
Results for the quarter ending Dec 31,2012	Third week of Jan'13
Results for the quarter ending Mar 31,2013	Third week of Apr'13

c) i) Scrip Code :	Calcutta Stock Exchange	10029983
	Bombay Stock Exchange	532323

in NSDL & CDSL

Equity Shares

INE555C01029

(Note: Annual listing fees for the year 2011-12 have been duly paid to all the above Stock Exchanges)

Monthly high and low prices of the Company scrip during the year on the Bombay Stock Exchange Limited :

Month	B S E				
	High	Low	Cl. price	No. of Shares Traded	Total Turnover (Rs. Lacs)
Apr'11	7.39	6.35	6.56	8964639	609.26
May'11	6.60	5.51	5.97	9530973	565.75
Jun'11	6.00	5.77	6.05	18239794	1231.94
Jul'11	6.10	5.77	5.80	13420202	815.70
Aug'11	5.80	4.92	6.52	16553540	935.17
Sep'11	6.70	6.31	6.61	16160629	1159.44
Oct'11	6.41	5.57	6.17	9552044	575.74
Nov'11	6.17	5.35	5.67	8822963	516.60
Dec'11	5.60	4.90	5.03	7941793	416.64
Jan'12	4.95	4.93	5.20	8774920	455.32
Feb'12	5.25	5.00	5.22	9714266	522.12
Mar'12	5.25	4.12	5.14	9561779	490.12

e) Registrar and Transfer Agents : Niche Technologies (P) Ltd.
D/511, Bagree Market
71, BRBB Road, 5th Floor,
Calcutta - 700 001

The Company has, as per SEBI guidelines offered the facility of transfer cum demat. Under the said system, after the share transfer is effected, an option letter is sent to the transferee indicating the details of the transferred shares and requesting him in case he wishes to demat the shares, to approach a Depository Participant (DP) with the option letter. The DP, based on the option letter, generates a demat request and sends the same to the Registrar along with the option letter issued by the Company. On receipt of the same, the Registrar dematerialise the shares. In case the transferee does not wish to dematerialise the shares, he need not exercise the option and the Company will despatch the share certificates after 15 days from the date of such option letter.

The Company's equity shares are admitted as eligible securities on National Securities Depository Ltd. and Central Depository Services (I) Ltd. under ISIN No. INE555C01029. As on 31st March, 2012, 172221969 equity shares representing 94.89% of the total paid up share capital of the Company are held by shareholders in electronic form.

Distribution of Shareholding :

Category (No. of shares)	No. of Folios	%	No. of Shares	%
1-500	22990	57.74	2904474	1.60
501-1000	6314	15.86	3931498	2.17
1001-5000	8840	22.20	15563132	8.57
5001-10000	909	2.28	5846704	3.22
10001-50000	633	1.59	11568072	6.37
50001-100000	62	0.16	3969955	2.19
100001 & above	68	0.17	137716165	75.88
Total	39816	100.00	181500000	100.00

Shareholding Pattern

Category	No. of Shares	% of holdings
Promoters & Promoters Group	63967792	35.24
Financial Institutions & Banks	206083	0.11
NRI/OCB's	1144785	0.63
Bodies Corporate	70306106	38.74
Public	43478496	23.96
Others(Clearing Member/Trusts)	2396738	1.32
Total	181500000	100.00

Note : ACC Ltd is holding 236.50 lakh no. of shares which is being included in the Bodies Corporate category.

- i) **Plant Location** Village: Telighana, Post : Biringatoli, Via - Kutra
Dist. Sundargarh (Odisha)
- ii) **Address for Investor Correspondence** : 1. The Share Department
Shiva Cement Limited,
P - 25, Civil Township,
Rourkela - 769004
2. M/s. Niche Technologies (P) Ltd. Unit - SCL
D/511, Bagree Market, 5th Floor,
71, BRBB Road, Calcutta - 1.
- iii) **Any query on Annual Report** The Share Department
Shiva Cement Limited,
P-25, Civil Township,
Rourkela - 769004.

Declaration regarding Code of Conduct

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company.

Rourkela - 769 004
The 30th May 2012

For Shiva Cement Limited
Sd/-
(Managing Director)

CEO/CFO Certification

To

The Board of Directors of Shiva Cement Limited

We have reviewed the financial statements, read with the cash flow statement of Shiva Cement Limited for the year ended 31st March 2012 and that to the best of our knowledge and belief, we state that ;

- ❖ (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) these statements present a true and fair view of the company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- ❖ There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- ❖ We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- ❖ We have indicated to the Auditors and the Audit Committee;
 - (i) significant changes, if any, in the internal control over financial reporting during the year.
 - (ii) Significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Shiva Cement Limited

Rourkela-769 004
The 30th day of May, 2012

Sd/-
(Managing Director)

Compliance Certificate on Corporate Governance

To

The Board of Directors of Shiva Cement Limited

We have examined the compliance of conditions of Corporate Governance by Shiva Cement Limited for the year ended 31st March, 2012 as stipulated in Clause-49 of the Listing Agreement of the said company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Tibrewal Chand & Co.,
Chartered Accountants
FRN : 311047E

Rourkela
Dated : 30th May, 2012

Sd/-
CA- R. Tibrewal
Membership No. 050127
Partner

AUDITORS' REPORT

The Members of
Shiva Cement Limited

1. We have audited the attached Balance Sheet of Shiva Cement Limited as at 31st March, 2012, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 as amended by Companies (Auditors Report) (Amendment) Order 2004 (together the Order) issued by the Central Government of India in terms of sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to paragraph (3) above, we report that:
 - ❖ 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;
 - ❖ 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;
 - ❖ The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - ❖ In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement read together with the notes thereon, comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956,
 - ❖ On the basis of the written representations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
 - ❖ In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes on accounts and significant accounting policies, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, :
 - ❖ In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - ❖ In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date, and
 - ❖ In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Rourkela - 769004
Dated : 30th day of May, 2012

For Tibrewal Chand & Co.,
Chartered Accountants
FRN : 311047E
Sd/-
CA- R. Tibrewal
M. No. 050127
Partner

Annexure to Auditors' Report referred to in Paragraph (3) of our Report of even date

1. ❖ The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- ❖ As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- ❖ In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. ❖ The Inventory have been physically verified during the year by the Management, at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- ❖ In our opinion and according to the information and explanations given to us, the procedure of physical verification of Inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
- ❖ The Company has maintained proper records for its inventory and the discrepancies noticed on physical verification were not material and the same have been properly dealt with in the books of account.
3. ❖ The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The company has not granted any loans, secured or unsecured to companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly the provisions of clauses 4(iii) (b) to (g) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956 :
 - ❖ In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - ❖ In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts/ arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5.00 lakhs in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.
6. The Company has accepted deposits within the meaning of Section 58A of the Companies Act, 1956. With regard to the deposits accepted, the company has duly complied with the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules framed there under.
7. In our opinion, the Company has an adequate internal audit system commensurate with its size & nature of its business.
8. The Central Government has prescribed maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 in respect of cement manufacturing activities of the company. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
9. ❖ According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed Statutory dues including Investor Education & Protection fund, Wealth tax, Custom duty, Excise duty, Service tax, Cess and other material statutory dues as applicable with appropriate authorities. However, there has been delay in deposit of Income Tax, TDS & Sales Tax.
- ❖ According to the Books and records as produced and examined by us and also based on management representations, we are of the opinion that no undisputed amounts payable in respect of Investor Education & Protection Fund, Income Tax, Sales Tax, Wealth Tax, Custom duty, Excise duty, Service Tax and Cess duty were in arrears as at 31st March, 2012 for a period of more than Six months from the date they become payable.
- ❖ As per the information & explanations given to us and records examined by us, we are of the opinion that the company does not have any disputed dues in respect of Income tax, Custom duty, Wealth tax, Excise duty, Service Tax and Cess.

The particulars of disputed dues in respect of Sales tax and Entry Tax are as follows :-

Name of the Statute	Nature of dues	Amt. under Dispute (Rs.Lacs)	Period to which Amt. Relates	Forum where the Dispute is pending
Orissa Sales Tax Act	Sales Tax	140.87	1992-93 to 2004-05	Appellate Authority upto Commissioner's level
Orissa Sales Tax Act	Sales Tax	47.25	1995-96	High Court
Central Sales Tax Act	CST	3.28	1998-99 to 2004-05	Appellate Authority upto Commissioner's level.
Central Sales Tax Act	CST	8.69	1995-96	High Court
Orissa Entry Tax Act	Entry Tax	9.12	1999-00 to 2004-05	Appellate Authority upto Commissioner's level.
Orissa VAT Act	VAT	8.60	2004-05 to 2006-07	Appellate Authority upto Commissioner's level.
Orissa Entry Tax Act	Entry Tax	0.30	2004-05 to 30/06/2008	Appellate Authority upto Commissioner's level.
		218.10		

10. The accumulated losses at the end of the Financial year are less than 50% of the net worth of the company. The company has not incurred cash losses during the current and immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in the repayment of dues to any financial institution or bank. The Company does not have any debentures during the year.
12. In our opinion and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. The company is not dealt or traded in shares, securities, debentures and other investments, hence the provisions relating to maintenance of records are not applicable.
15. According to the explanations given to us and based on the information available, the company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the year.
16. According to the information and explanations given to us and records examined by us, we are of the opinion that the company has applied the term loans for the purpose for which they were obtained.
17. According to the information and explanations given and on an overall examination of the Balance Sheet of the Company, we are of the opinion that funds raised on short term basis have not been used for long term investments by the company.
18. The company has made preferential allotment of Equity shares to parties covered in the register maintained u/s 301 of the Companies Act, 1956 during the year under report. In our opinion and as per the information and explanations given to us, the price at which shares/warrants have been issued is not prima-facie prejudicial to the interest of the Company.
19. The company has not issued any debentures during the year under report.
20. The company has not raised any money by means of public issue during the year, hence the clause is not applicable.
21. According to the information and explanations given to us and records examined by us, there are no cases of any fraud on or by the company has been noticed or reported during the year.

For Tibrewal Chand & Co.,
Chartered Accountants
FRN : 311047E
Sd/-
CA- R. Tibrewal
M. No. 050127
Partner

Rourkela-769004
Date : 30th day of May, 2012

BALANCE SHEET (As at 31st March 2012)

[Rs. in Lakhs]

Particulars	Note No.	31/03/2012	31/03/2011
EQUITY AND LIABILITIES			
Shareholder's Fund			
Share Capital	[3]	3,868.57	3,700.58
Reserves & Surplus	[4]	4,819.96	3,934.45
Money received against Share Warrants	[28.1]	153.25	347.49
		8,841.79	7,982.52
Non-current Liabilities			
Long-term Borrowings	[5]	145.15	344.69
Deferred Tax Liabilities (net)	[27]	453.71	363.67
Other long-term liabilities	[6]	776.40	543.49
Long-term Provisions	[7]	75.45	68.45
		1,450.71	1,320.32
Current Liabilities			
Short-term Borrowings	[8]	1,242.17	1,043.47
Trade Payable	[9]	217.52	271.30
Other Current Liabilities	[10]	685.70	698.80
Short-term Provisions	[11]	93.13	95.29
		2,238.52	2,108.86
Total		12,531.02	11,411.70
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	[12]	7,103.55	7,432.55
Capital work-in-progress		1,981.19	858.02
Intangible assets under development		43.21	20.98
		9,127.96	8,311.55
Non-current Investments	[13]	0.07	0.07
Long term loans and advances	[14]	232.84	585.52
Others	[15]	162.28	202.17
		395.12	787.69
Current Assets			
Inventories	[16]	1,097.64	775.26
Trade receivables	[17]	944.46	931.05
Cash & cash equivalents	[18]	135.58	150.64
Short-term loans and advances	[19]	830.20	455.44
		3,007.88	2,312.39
Total		12,531.02	11,411.70
Significant Accounting Policies and Notes on Accounts	[1 to 28]		

As per our report of even date

For **Tibrewal Chand & Co.**

Chartered Accountants

FRN : 311047E

Sd/-

CAR. Tibrewal

Partner

Membership No. 050127

Rourkela - 769 004

The 30th day of May, 2012

For and on behalf of the Board of Directors

Sd/-

R P Gupta, **MD**Akash Gupta, **ED**B K Mangaraj, **Director**

Sd/-

Company Secretary

PROFIT & LOSS STATEMENT
(For the year ended 31st March, 2012)

[Rs. in Lakhs]

Particulars	Note No.	31/03/2012	31/03/2011
INCOME			
Revenue from operations (gross)	[20]	6,388.40	5,693.28
Less: Excise Duty & Taxes	[20]	888.19	1,040.95
Revenue from operations (net)		5,500.21	4,652.33
Other Income	[21]	36.50	37.32
Total revenue		5,536.71	4,689.65
EXPENSES			
Cost of materials	[22.a]	3,361.85	2,412.84
Changes in inventories of finished goods, work-in-progress	[22.b]	(98.58)	(12.37)
Employee Benefits Expense	[23]	250.00	239.53
Finance costs	[24]	334.73	326.80
Depreciation and amortisation	[12]	392.75	383.67
Other expenses	[25]	992.38	989.60
Bad Debt		-	11.77
Total expenses		5,233.13	4,351.84
Profit before exceptional items and tax		303.58	337.81
Exceptional items		-	-
Profit Before Tax		303.58	337.81
TAX EXPENSE			
Current tax expense for current year		60.74	67.33
Less MAT credit		(60.74)	(67.33)
Deferred tax		90.04	106.36
Profit for the year		213.54	231.44
Earnings per equity share of face value of Rs.2/- each			
Basic (in Rs.)	[26]	0.12	0.14
Diluted (in Rs.)	[26]	0.12	0.13
Significant Accounting Policies and Notes on Accounts	[1 to 28]		

As per our report of even date

For **Tibrewal Chand & Co.**

Chartered Accountants

FRN : 311047E

Sd/-

CA- R.Tibrewal

Partner

Membership No. 050127

Rourkela - 769 004

The 30th day of May, 2012

For and on behalf of the Board of Directors

Sd/-

R P Gupta, **MD**Akash Gupta, **ED**B K Mangaraj, **Director**

Sd/-

Company Secretary

CASH FLOW STATEMENT		
(For the year ended 31st March, 2012)		
	[Rs. in Lakhs]	
Particulars	31/03/2012	31/03/2011
A. Cash Flow from Operating Activities		
Net Profit before extraordinary items and tax	303.58	337.81
Adjustments for :		
Depreciation and amortisation	392.75	383.67
Finance costs	334.73	326.80
Interest income	(14.38)	(14.89)
Dividend income	(0.00)	(0.02)
Rental income from investment properties	(14.40)	(14.58)
	698.70	680.98
Operating profit before changes in operating assets & liabilities	1,002.28	1,018.79
Adjustments for :		
Inventories	(322.38)	(258.14)
Trade & Other Receivables	25.25	(542.56)
Trade Payables	(55.45)	136.96
Bank Borrowings-short term	198.70	295.75
	(153.88)	(367.99)
Cash Generated from Operations	848.40	650.80
Direct tax paid	(67.33)	(45.68)
Net Cash From operating activities (A)	781.07	605.13
B. Cash Flow From Investing Activities		
Capital expenditure on fixed assets, including capital advances	(1,169.27)	(812.66)
Proceeds from sale of fixed assets	-	(12.15)
Deferred finance expenses	-	(25.76)
Proceeds from sale of investments	-	0.01
Interest received	14.38	14.89
Dividend received	0.00	0.02
Rental income	14.40	14.58
Net Cash From Investing activities (B)	(1,140.48)	(821.08)
C. Cash Flow From Financing Activities		
Proceeds from issue of equity shares (incl. premium)	839.96	814.00
Net Increase / (Decrease) in Public Deposits	45.88	70.67
Net Increase / (Decrease) in Share Warrants	(194.24)	42.49
Net Increase / (Decrease) in Long Term borrowings	(199.54)	(338.06)
Net Increase / (Decrease) in Long Term Liabilities	187.03	(24.28)
Finance costs	(334.73)	(326.80)
Net Cash flow from financing activities (C)	344.35	238.01
Net (Increase)/decrease in cash and cash equivalents (A+B+C)	15.06	(22.06)
Cash and cash equivalents at the beginning of the year	150.64	128.58
Cash and cash equivalents at the end of the year	135.58	150.64
Cash and cash equivalents at the end of the year comprises of :-		
(a) Cash on hand	3.79	10.96
(b) Balances with banks		
(i) In current accounts	0.10	2.31
(ii) In earmarked accounts (Refer Note (ii) below)	131.69	137.37
Notes :		
(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.		
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.		
As per our report of even date		
For Tibrewal Chand & Co.	For and on behalf of the Board of Directors	
Chartered Accountants	Sd/-	
FRN :311047E	R P Gupta, MD	
Sd/-	Akash Gupta, ED	
CA- R. Tibrewal	B K Mangaraj, Director	
Partner	Sd/-	
Membership No.050127	Company Secretary	
Rourkela - 769 004		
The 30th day of May, 2012		

Significant Accounting Policies & Notes on Accounts

Note - 1 [Significant Accounting Policies]

Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956.

Use of Estimates

Preparation of financial statements requires estimates and assumptions to be made that affects the reported amount of assets & liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

Fixed Assets

Fixed assets are stated at cost of acquisition net of recoverable taxes & duties. Cost of installations & development upto the date of commencement is capitalised. Pre-operative expenses have been apportioned to fixed assets on prorata basis.

Intangible Assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated depletion/amortisation.

Depreciation & Amortisation

Depreciation is provided on all depreciable assets on straight line method at the rates prescribed in schedule XIV of the Companies Act, 1956 as amended from time to time on prorata basis.

Deferred revenue expenses has been written off 1/10th during the year on prorata basis.

Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to profit & loss account in the year, in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

Investments

Investments are long term and are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

Inventories

Stock of finished goods, and stock in process are valued at cost or net realisable value whichever is lower. Cost includes direct materials and labour and a proportion of overheads. Consumable stores & spares are valued at weighted average cost. Other inventories are valued at cost or net realisable value whichever is lower.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Sales are recognised at the time of despatch to consumers. Sales are shown at net of returns including excise duty, cess and sales tax on sales.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

Employee Benefits

Employer's contribution to employees state insurance and provident fund are charged to profit & loss account on accrual basis. Company provides gratuity benefits to employees. Value of obligation is determined based on valuation using the projected unit credit method. This recognises each period of service as giving rise to additional unit of employee benefit entitlement and measurement. Each unit is separate to build up the final obligation. Actuarial gain & losses are recognised in full during the period in which they occur in the statement of profit & loss.

Borrowing costs

Borrowing costs that are attributable to the acquisition/construction of concerned assets. These are capitalized as part of the cost of such assets. All other borrowing costs are charged to revenue.

Current and deferred tax

Provision for current tax is made after taking into consideration benefit admissible under the provisions of the Income tax Act, 1961. Deferred tax resulting from timing difference between taxable and accounting income is accounted for using the tax rate and loss that are enacted as on the balance sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

Provisions, contingent liabilities & contingent assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in financial statements.

Segment Reporting

Company is cement manufacturing company dealing in cement and allied products. All activities of the company revolve around main business. As such there are no reportable segments as defined by accounting standard(AS)-17 (segment reporting) issued by the Institute of Chartered Accountants of India.

Note - 2 [Corporate Information]

Shiva Cement Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. It's shares are listed on the Bombay stock exchange and Calcutta stock exchange. Company is engaged in the manufacturing and selling of cement & its allied products. Company caters to domestic markets.

Note - 3 [Share Capital]

[Rs. in Lakhs]				
	31/03/2012		31/03/2011	
	No. of Shares	Amount	No. of Shares	Amount
Authorised				
Equity shares of Rs.2/- each	228750000	4,575.00	228750000	4,575.00
9% Non Cumulative Redeemable preference shares of Rs.2/- each	1250000	25.00	1250000	25.00
Issued, Subscribed and fully paid up				
Equity shares of Rs.2/- each	181500000	3,630.00	173100369	3,462.01
9% Non Cumulative Redeemable preference shares of Rs.2/- each	1203665	24.07	1203665	24.07
Total	182703665	3,654.07	174304034	3,486.08
Share/Warrants Forfeiture Account	19500000	214.50	19500000	214.50
Total		3,868.57		3,700.58
Refers Notes (i) to (vi) below				

[Rs. in Lakhs]				
Note-3 [Share Capital Cont'd..]				
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:				
	Opening Balance	Bonus	Conv. of Eq. share warrants into Eq. shares	Closing Balance
Equity Shares				
Year ended 31 March, 2012				
Number of shares	173100369	763603	7636028	181500000
Amount	3,462.01	15.27	152.72	3,630.00
Year ended 31 March, 2011				
Number of shares	149963972	15736397	7400000	173100369
Amount	2,999.28	314.73	148.00	3,462.01
Non Cumulative Redeemable Preference Shares				
Year ended 31 March, 2012				
Number of shares	1203665	-	-	1203665
Amount	24.07	-	-	24.07
Year ended 31 March, 2011				
Number of shares	1203665	-	-	1203665
Amount	24.07	-	-	24.07
<p>(ii) (a) Terms/rights attached to Equity Shares</p> <p>The company has only one class of equity shares having a par value of Rs 2/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.</p> <p>In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.</p> <p>(ii) (b) Terms/rights attached to 9% Non Cumulative Redeemable Preference Shares</p> <p>The company has only one class of Preference Shares. These shares carry non cumulative dividend @ 9% These NCRP Shares are redeemable in four installments by 2014-15 with an option to the holders & the company to mutually alter and vary the terms of these NCRP's before and after their allotment.</p> <p>(iii) Details of shares held by each shareholder holding more than 5% shares:</p>				
Class of shares / Name of shareholder	31/03/2012		31/03/2011	
	No. of shares held	% holding in that class	No. of shares held	% holding in that class
Equity shares				
ACC Ltd.	23650000	13.03	23650000	13.66
Unicon Merchants (P) Ltd.	20617549	11.36	18857549	10.89
Akash Gupta	11139444	6.14	11139444	6.44
Preeti Gupta	9201500	5.07	9201500	5.32
Samarth Commodities Merchants (P) Ltd.	8761633	4.83	8726185	5.04
Non Cumulative Reddemable preference shares				
IPICOL Ltd.	862777	71.68	862777	71.68
Bank of Barada	340888	28.32	340888	28.32
<p>(iv) Shares reserved for issue</p> <p>There were 50,00,000 Equity shares warrants outstanding as on the balance sheet date (Previous year 1,26,36,028 Equity shares warrants) issued at a price of Rs. 11/- each convertible into Equity shares of face value of Rs. 2/- each at a premium of Rs.9/- per share (Refer Note 28.1).</p> <p>(v) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:</p> <p>1,65,00,000 equity shares (Previous year-1,57,36,397 equity shares) out of the issued ,subscribed and up share capital were allotted as bonus shares in the last five years.</p>				
(vi) Details of fortified shares/warrants				
Class of shares	No. of Shares	Amt. originally paid up	No. of Shares	Amt. originally paid up
Equity share warrants	19500000	214.50	19500000	214.50

Note-4 (Reserves and Surplus)				
	[Rs. in Lakhs]			
	31/03/2012		31/03/2011	
Capital reserve				
Opening balance	597.81		597.81	
Add: Additions during the year	-		-	
Less: Utilised / transferred during the year	-		-	
Closing balance	597.81		597.81	
Securities premium account				
Opening balance	3,842.41		3,491.14	
Add: premium on equity shares issued during the year (upon conversion of ESW)	687.24		666.00	
Less: Utilised during the year for Issuing bonus shares	15.27		314.73	
Closing balance	4,514.38		3,842.41	
Surplus / (Deficit) in Statement of Profit and Loss				
Opening balance	(505.77)		(737.22)	
Add: Net Profit for the year	213.54		231.44	
Closing balance	(292.23)		(505.77)	
G. Total	4,819.96		3,934.45	

Note-5 (Long-term borrowings)				
	31/03/2012		31/03/2011	
	Non-Current Portion	Current maturities	Non-Current Portion	Current maturities
(i) Secured				
(a) Term Loans				
From Banks				
IDBI Bank	-	181.00	181.00	340.00
IPICOL Ltd.	11.55	11.55	23.10	11.55
Bank of Baroda	6.46	6.81	4.90	4.58
HDFC Bank Ltd.	-	-	-	22.79
	18.01	199.36	209.00	378.92
(ii) Unsecured				
(a) Deposits				
Public Deposits*	127.14	124.52	135.69	70.09
	127.14	124.52	135.69	70.09
G. Total	145.15	323.88	344.69	449.01

Public deposits include Rs.5.99 Lakhs (Previous year Rs.5.59 Lakhs) from related parties.

Security and Terms of repayment of Term Loans as under :

(a) Term loan from IDBI Bank carries interest @ 14.75% p.a. and is repayable in 14 quarterly installments (9 instalments of Rs. 70 lacs, 4 instalments of Rs. 90 lacs and one instalment of Rs. 91 lacs along with interest commencing from 01-06-2009. The loan is secured by first charge on movable and immovable assets of the company as per agreement dated 25 May, 2010. Further, the loan is also secured by personal guarantee of Mr. R. P Gupta, MD and Mr. Akash Gupta, ED of the company. The period of maturity as on Balance Sheet date is six months.

(b) Term Loan (FITL) from IPICOL Ltd carries interest 11% p.a. and repayable in 12 quarterly installments of Rs. 2.89 Lakhs each along with interest, from May, 2011. The loan is secured by hypothecation of Fixed assets of the company. The period of maturity as on Balance Sheet date is two years.

(c) Term loan from Bank of Baroda (Personal guarantee of Mr. R. P. Gupta MD and Mr. Akash Gupta ED provided) and is :

- Secured by the hypothecation of Maruti SX4 Car and as per loan agreement executed on 22-04-2009. The loan is repayable in 48 monthly instalments of Rs. 0.18 Lakhs each and carries floating rate of interest @ 12.75%. The period of maturity as on Balance Sheet date is 1 year 1 month.

- Secured by the hypothecation of Toyota Car as per the loan agreement executed on 03-02-2009. The loan is repayable in 48 monthly instalments of Rs.0.28 Lakhs each and carries floating rate of interest @ 12.75%. The period of maturity as on Balance Sheet date is 11 months.

- Secured by the hypothecation of Mahindra Scorpio Car as per loan agreement executed on 15-11-2011. The loan is repayable in 48 monthly instalments of Rs.0.24 Lakhs each. It carries floating rate of interest@13%. The period of maturity as on balance sheet date is 3 years 8 months.

Details of long-term borrowings guaranteed by some of the directors or others :

	31/03/2012	31/03/2011
Term loans from banks	194.27	190.48

Public deposits carries interest rate between 9.75% to 11.5% having maturity period of 6 months to 3years. The maturity periods of deposits are as under

Financial Year	Rs. in Lakhs
2012-13	124.52
2013-14	55.58
2014-15	71.56

Note-6 (Other long-term liabilities)					
			[Rs. in Lakhs]		
		31/03/2012	31/03/2011		
(i)	Trade / security deposits received	748.65	514.76		
(ii)	Other Liabilities	27.75	28.74		
Total		776.40	543.49		
Note-7 (Long-term provisions)					
		Non-Current Portion	Current maturities	Non-Current Portion	Current maturities
(i) Provision for employee benefits:					
(a) Provision for gratuity		75.45	20.67	68.45	17.59
Total		75.45	20.67	68.45	17.59
Note-8 (Short-term borrowings)					
(i) Secured					
Working Capital Loan					
From Banks : IDBI Bank Cash credit A/c		1,242.17		1,043.47	
Total		1,242.17		1,043.47	
Notes:					
(ii) (a) The working capital loan is secured by personal gurantee of Mr. R.P.Gupta, MD and Mr. Akash Gupta, ED of the company.					
(ii) (b) Working capital loan from banks is secured against entire current assets including book debt of the company and second charge on the entire movable & immovable fixed assets of the company, as per agreement dated 13th Jan, 2012 , the loan is further secured by lien over Fixed deposits of Rs. 55 lacs and pledge of 5 lacs nos. of equity shares by the promoters and personal guarantee of Shri R.P.Gupta, MD and Shri Akash Gupta, ED. The working capital loan is repayable on demand and carries rate of interest of 16.25%.					
Note-9 (Trade payables)					
Trade payables:					
(i)	Due to Small Scale Inds. Undertaking*	36.49		38.74	
(ii)	Others	181.03		232.56	
Total		217.52		271.30	
* Trade payables as on 31-03-2012 includes amount aggregating to Rs.36.49 Lakhs due to small Scale Industries undertaking. Out of the above amount due to exceeds Rs. 1.0 Lakhs & outstanding for more than 30 days is Rs.3.51 Lakhs as listed below:- Names : Proton Steels Ltd., Jagannath Plastic Packs Ltd Disclosure of Trade Payables under current liabilities is based on the information available with the company/firm regarding the status of suppliers as defined under the Micro, Small & Medium Enterprises Development Act, 2006. Amount overdue as on 31st march,2012 to Micro & Small Enterprises on account if Principal Amount Rs. nill(Previous Year Rs.Nill) and interest Rs. Nill (Previous year Rs. Nill)					
Note-10 (Other current liabilities)					
(i)	Current maturities of long-term debt (Refer Note 10 (iv) below)	323.88		449.01	
(ii)	Interest accrued but not due on borrowings	28.00		23.01	
(iii)	Other payable				
(a)	Statutory remittances	126.11		98.77	
(b)	Interest accrued on others	10.63		10.54	
(c)	Advances from customers	13.99		1.48	
(d)	Creditors for expenses & Others	183.10		116.00	
Total		685.70		698.80	
Note-10 (iv): Current maturities of long term debt (Refer Notes (i) and (ii) in Note5-Long term borrowings for details of security and guarantees):					
Secured					
(a)	Term loans				
	From banks	199.36		378.92	
Unsecured					
(b)	Public Deposits	124.52		70.09	
Total		323.88		449.01	
Note-11 (Short-term provisions)					
(i) Provision for employee benefits:					
(a) Provision for bonus		15.41		13.70	
(b) Provision for gratuity		20.67		17.59	
		36.08		31.29	
(ii) Provision - Others :					
(a) Provision for tax (Net of TDS & TCS Rs.3.69 Lakhs (As at 31 March, 2011 Rs.3.33 Lakhs)		57.05		63.99	
Total		93.13		95.29	

Note-12 [Fixed Assets]**[Rs. in Lakhs]**

Tabgible Assets	Gross Block			Accumulated depreciation and impairment			Net Block	
	As at 01/04/2011	Additions	As at 31/03/2012	As at 01/04/2011	Depreciation for the yr.	As at 31/03/2012	As at 31/03/2012	As at 31/03/2011
Land & mines Leasehold	761.84	-	761.84	-	-	-	761.84	761.84
Buildings	1,592.52	-	1,592.52	284.60	36.49	321.09	1,271.43	1,307.92
Internal Road	3.62	-	3.62	0.76	-	0.76	2.87	2.87
Plant and Equipment	6,520.76	-	6,520.76	1,956.83	260.51	2,217.34	4,303.42	4,563.93
Pollution Control Equip.	191.62	-	191.62	69.96	7.66	77.62	113.99	121.65
Truck/Loader/Tipper	111.39	-	111.39	67.09	12.63	79.72	31.66	44.29
Furniture and Fixtures	50.99	8.74	59.73	24.07	2.80	26.87	32.86	26.92
Vehicles	30.30	11.30	41.60	12.72	2.62	15.34	26.26	17.59
Computers	31.27	3.83	35.10	20.36	4.80	25.16	9.95	10.91
Elect.Instn./DG Set	699.62	-	699.62	124.99	25.35	150.34	549.27	574.62
Total	9,993.92	23.86	10,017.79	2,561.37	352.86	2,914.23	7,103.55	7,432.55
Prev. Year	9,981.77	12.15	9,993.92	2,219.03	342.34	2,561.37	7,432.55	7,762.74

Note :

- (i) Depreciation on Plant & Machinery, Elect.Installation/DG Set and Pollution Control Equipment has not been provided for 100 days of Kiln unit and 10 days on Cement plant on which respective units/items were not used due to operational shutdown of the respective units for maintenance / other purposes.
- (ii) The land at Kalunga on which Factory has been built is taken on 90 years lease from Industrial Developments Corporation of Orissa. The land at Teleghana on which factory has been built is taken on 90 years lease from Orissa Industrial Infrastructure Development Corporation.
- (iii) The Kalunga plant of the company was closed since 27th September, 2002, hence no depreciation is Provided.

Note-13 (Non-current investments)

	31/03/2012	31/03/2011
Non Trade investment		
(i) Investment in mutual funds		
UTI Master Gain (500)	0.07	0.07
Total	0.07	0.07
Aggregate market value of listed and quoted investments	0.27	0.28

Note-14 (Long-term loans and advances)

Unsecured, considered good		
(i) Capital advances	16.44	432.48
(ii) Security deposits	8.81	6.18
(iii) MAT credit entitlement	207.59	146.85
G. Total	232.84	585.52

Note-15 (Other non-current assets)

(i) Unamortised expenses		
Deferred revenue expenditure	162.28	202.17
Total	162.28	202.17

[Rs. in Lakhs]		
	31/03/2012	31/03/2011
Note-16 (Inventories) (At lower of cost and net realisable value)		
(i) Raw materials	611.89	442.02
(ii) Work-in-progress	131.39	40.04
(iii) Finished goods	42.72	35.49
(iv) Stores and spares (at weighted average cost)	311.64	257.71
Total	1,097.64	775.26
Note: Details of work-in-progress		
Clinker	104.08	22.09
Raw Mix	19.84	10.34
Crushed Lime Stone	7.47	7.61
	131.39	40.04
Note-17 (Trade receivables)		
(i) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	28.26	28.64
Doubtful	41.40	41.40
	69.66	70.04
(ii) Other Trade receivables (Unsecured, considered good)	874.79	861.01
G. Total	944.46	931.05
Note-18 (Cash and cash equivalents)		
(i) Cash on hand	3.79	10.96
(ii) Balances with banks		
(a) In current accounts	0.10	2.31
(b) In earmarked accounts*		
- Balances in fixed deposit a/c held as margin money or security against borrowings, guarantees and other commitments	131.69	137.37
Total	135.58	150.64
*Fixed deposits with banks includes of Rs.65.13 Lakhs (Previous year Rs. 30.0 Lakhs) with maturity of more than 12 months as on the balance sheet date.		
Note-19 (Short-term loans and advances) Unsecured, Considered good		
(i) Loans and advances to related parties [Refer Note 28.5 (iii)]	90.17	47.05
(ii) Security Deposits	39.10	55.78
(iii) Loans and advances to employees	2.36	0.58
(iv) Prepaid expenses	11.33	5.22
(v) Balances with government authorities	89.84	77.24
(vi) Others	597.41	269.57
Total	830.20	455.44
Note: Short-term loans and advances include amounts due from:		
Private companies in which any director is a director or member.	90.17	47.05
Note-20 (Revenue from operations)		
(i) Sale of products (Refer Note 20(iii) below)	6,388.40	5,693.28
(ii) Less: Excise duty & Sales Tax	888.19	1,040.95
Total	5,500.21	4,652.33
20 (iii) Sale of products comprises		
Cement	3,115.10	4,030.03
Clinker	319.48	257.91
Self Consumption	52.38	47.75
Raw Material & Others	2,901.44	1,357.59
Total-Sale of products	6,388.40	5,693.28

	[Rs. in Lakhs]	
	31/03/2012	31/03/2011
Note-21 (Other income)		
(i) Interest income (Refer Note 21 (iv) below)	14.38	14.89
(ii) Dividend income : from long-term investments	0.00	0.02
(iii) Other non-operating income (Refer Note 21 (v) below)	22.11	22.41
Total	36.50	37.32
21 (iv) Interest income comprises:		
Interest on deposits	14.38	14.89
Total-interest income	14.38	14.89
(v) Other non-operating income comprises:		
Tipper Rent	12.00	12.00
Rental income	2.40	2.58
Misc. income	7.71	7.83
Total-Other non-operating income	22.11	22.41
Note 22.a Cost of materials		
Opening stock	430.84	190.27
Add: Purchases	3,522.26	2,653.41
	3,953.10	2,843.68
Less: Closing stock	591.25	430.84
Cost of material	3,361.85	2,412.84
Material comprises:		
Limestone	233.49	270.48
Clay	6.32	7.48
Additives	1.12	1.53
Gypsum	88.28	138.26
Slag	443.16	331.77
Packing Materials	134.50	150.65
Coal	483.77	730.06
Clinker	43.57	25.32
Others	1,927.65	757.29
Total	3,361.85	2,412.84
Note.22.b. (Changes in inventories of finished goods, work-in-progress)		
Inventories at the end of the year:		
Finished goods	42.72	35.49
Work-in-progress	131.39	40.04
	174.11	75.53
Inventories at the beginning of the year:		
Finished goods	35.49	20.17
Work-in-progress	40.04	42.99
	75.53	63.16
Net (increase)/decrease	(98.58)	(12.37)
Note-23 (Employee benefits expense)		
Salaries and wages	214.83	212.52
Gratuity	13.91	5.96
Contributions to provident and other funds	15.51	15.39
Staff welfare expenses	5.76	5.66
Total	250.00	239.53
Note-24 (Finance costs)		
Interest expense on: Borrowings	334.73	326.80
Total	334.73	326.80

	[Rs. in Lakhs]	
	31/03/2012	31/03/2011
Note-25 (Other expenses)		
Power and fuel	594.84	573.99
Stores & Spares Consumed	72.34	85.16
Labour Charges	57.78	62.45
Repairs & Maintenance	23.08	31.54
Rent including lease rentals	3.14	3.02
Repairs and maintenance - Vechile	15.39	18.27
Insurance	4.97	4.17
Travelling and conveyance	10.77	11.37
Freight and Distribution	98.56	77.80
Sales commission & discount	25.73	34.01
Cost/Stock Audit Fees & Expenses	0.61	0.58
Other Administrative Expenses	83.19	85.23
Payments to auditors (Refer Note 25 (i) below)	1.98	2.01
Total	992.38	989.60
25 (i) Payments to the auditors comprises		
As auditors - statutory audit	1.10	1.05
Tax Audit Fees	0.25	0.23
Certification Work	0.25	0.39
For taxation matters	0.19	0.19
Service Tax	0.19	0.15
Total	1.98	2.01
Note-26 (Disclosures under Accounting Standards)		
Earnings per share		
Basic		
Net profit for the year attributable to the equity shareholders	213.54	231.44
Weighted average number of equity shares	1,779.95	1,704.67
Face value per share	2.00	2.00
Earnings per share from continuing operations - Basic	0.12	0.14
Diluted		
Profit attributable to equity shareholders (on dilution)	213.54	231.44
Weighted average number of equity shares for Basic EPS	1,779.95	1,704.67
Add: Effect of warrants, ESOPs and Convertible bonds which are dilutive	12.50	31.59
Weighted average number of equity shares - for diluted EPS	1,792.45	1,736.26
Par value per share	2.00	2.00
Earnings per share, from continuing operations - Diluted	0.12	0.13

Note-27 (Disclosures under Accounting Standards)

			[Rs. in Lakhs]
	31/03/2012	31/03/2011	
27 Deferred tax (liability) / asset			
Tax effect of items constituting deferred tax liability			
On difference between book balance and tax balance of fixed assets	1,036.02	1,017.83	
Tax effect of items constituting deferred tax liability	1,036.02	1,017.83	
Tax effect of items constituting deferred tax assets			
Provision for compensated absences, gratuity and other employee benefits	31.19	28.58	
Unabsorbed depreciation carried forward	551.13	576.08	
Brought forward business losses	-	49.50	
Tax effect of items constituting deferred tax assets	582.31	654.16	
Net deferred tax (liability) / asset	(453.71)	(363.67)	

Note-28 (Additional information to the financial statements)**28.1 Amount received against share warrants**

The Board of Directors of the Company at their meeting held on 7 December, 2010 and as approved at its Extra Ordinary General Meeting held on 29 November, 2010 have allotted 1,10,36,028 warrants, convertible into 1,10,36,028 equity shares of Rs. 2/- each at a premium of Rs. 9/- per share on preferential allotment basis, pursuant to Section 81(1A) of the Companies Act, 1956, at a conversion price of Rs. 11/- per equity share of the Company, arrived at in accordance with the SEBI Guidelines in this regard to the promoters and the 25% application money amounting to Rs. 303.49 lakhs was received from them, out of which 60,36,028 equity shares warrants were converted into equity on 16th Sep, 2011. The balance 50,00,000 warrants may be converted into equivalent number of shares on payment of the balance amount at any time on or before 6th June, 2012. In the event the warrants are not converted into shares within the said period, the Company is eligible to forfeit the amounts received towards the warrants.

		31/03/2012		31/03/2011	
Particulars	Period	Demand	Paid under Protest	Demand	Paid under Protest
28.2 Contingent liabilities					
(i) Orissa Sales Tax					
	1995-96 *	47.25	8.00	47.25	8.00
	1992-93 to 1995-96 9B(3)	9.99	4.35	9.99	4.35
	1998-99	1.89	1.00	1.89	1.00
	2003-04	57.84	27.50	57.84	27.50
	2004-05	69.71	8.00	69.71	8.00
	June'03 to Sept'03	1.44	-	1.44	-
Central Sales Tax					
	1995-96*	8.69	-	8.69	-
	1998-99	0.27	0.08	0.27	0.08
	2003-04	3.01	1.30	3.01	1.30
Entry Tax					
	1999-2000	0.58	0.20	0.58	0.20
	2001-02	4.20	2.60	4.20	2.60
	2002-03	1.48	0.40	1.48	0.40
	2003-04	1.60	1.20	1.60	1.20
	2004-05	1.27	0.35	1.27	0.35
	Apr'05 to June'08	0.30	0.12	0.30	0.12
Orissa VAT Tax					
	Apr'05 to Mar'07	8.60	2.07	8.60	2.07
	Total	218.10	57.17	218.10	57.17

* Total demand has been stayed by Hon'ble Odisha High Court. As per legal opinion obtained by the Company the liability of the company shall be Nil.

(ii) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for

Tangible assets	122.50	387.00
28.3 Disclosure required in terms of Clause 13.5A of Chapter XIII on Guidelines for preferential issues, SEBI (Disclosure and Investor Protection) Guidelines, 2000		
Total amount received from issue of warrants	645.72	893.99
Purpose for which the money received has been utilized :		
a. Capital expenditure	450.00	812.66
b. Working capital	195.72	81.33
	645.72	893.99
28.4 Expenditure in foreign currency		
Other matters	0.61	11.89

28.5 Disclosures under Accounting Standards				
(i) Related party transactions				
(ii) Details of related parties:				
Description of relationship	Names of related parties			
Associates	Shivom Minerals Ltd.			
Key Management Personnel (KMP)	Mr. R. P. Gupta			
	Mr. Akash Gupta			
	Mr. B. K. Mangaraj			
Relatives of KMP	Smt Anubha Bhoir (Daughter of Managing Director)			
	Master Raghav Gupta (Son of Executive Director)			
	Smt Shilpi Agarwal (Daughter of Managing Director)			
Company in which KMP / Relatives of KMP can exercise significant influence	Unicon Merchants (P) Ltd. In which Mr. R. P. Gupta and Mr. Akash Gupta is Director.			
Note: Related parties have been identified by the Management.				
(iii) Details of related party transactions during the year and balances outstanding as at 31 March, 2012 :				
[Rs. in Lakhs]				
Item	Associates	KMP	Relatives of KMP	Total
Purchase of goods	199.13 (365.45)	- -	- -	199.13 (365.45)
Sale of goods	1,006.09 (182.55)	- -	- -	1,006.09 (182.55)
Rendering of services	14.40 (14.40)	- -	- -	14.40 (14.40)
Receiving of services	16.56 (16.56)	0.24 (0.24)	- -	16.80 (16.80)
Payment made to key management personal	- -	33.17 (30.27)	- -	33.17 (30.27)
Balances outstanding at the end of the year				
Loans and advances	75.17 (32.05)	- -	- -	75.17 (32.05)
Security Deposits Paid	15.00 (15.00)	- -	- -	15.00 (15.00)
Others Payables	- -	0.06 -	1.48 (1.36)	1.54 (1.36)
Borrowings (public deposits)	- -	- -	5.99 (5.59)	5.99 (5.59)
Note: Figures in bracket relates to the previous year				

- 28.6. Balances in personal accounts are subject to confirmation from parties concerned.
- 28.7. Own consumption of cement by the unit for its expansion and testing work has been provided at estimated cost as determined by the management.
- 28.8. Sale of products (Note No.20) includes raw materials like slag, coal etc.
- 28.9. MAT credit entitlement of Rs. 207.59 Lakhs (including earlier years Rs.146.85 Lakhs is treated as an asset which shall be adjusted against future income tax liability in coming years.

28.10. **Remuneration to Directors**

[Rs. in Lakhs]

	31/03/2012	31/03/2011
Salary, bonus & allowances	33.17	30.27
Contribution to provident Fund	2.25	2.25

28.11. **Gratuity Liability**

	Gratuity (unfunded)	Gratuity (unfunded)
a. Reconciliation of opening and closing balances of defined benefit obligation :		
Defined benefit obligation at beginning of the year	86.05	81.31
Current service cost	13.91	4.73
Interest cost	--	--
Actuarial (gain)/Loss	--	--
Benefits (paid)	3.83	--
Defined benefit obligation at year end	96.12	86.05
b. Expenses recognized during the year		
Current service cost	13.91	4.74
Interest cost	--	--
Actuarial (gain)/loss	NIL	NIL
Net cost	13.91	4.74

The Gratuity Liability as per Actuarial valuation is Rs. 74.44 lakhs as on 31/03/2012.

- 28.12. The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date	
For Tibrewal Chand & Co. Chartered Accountants FRN : 311047E Sd/- CA- R. Tibrewal Partner Membership No.050127 Rourkela - 769 004 The 30th day of May, 2012	For and on behalf of the Board of Directors Sd/- R P Gupta, MD Akash Gupta, ED B K Mangaraj, Director Sd/- Company Secretary

New Year Celebrations at Plant Colony



*Serving Nation
since 1986*



SHIVA CEMENT LIMITED
P-25, Civil Township, Rourkela-769 004