

Shiva Cement board approves expansion plans

Our Bureau

Mumbai, Nov 19: Shiva Cement Ltd had submitted an expansion plan envisaging capacity expansion upto 2.6 million TPA to Orissa govt. The project was approved for a capacity of 2.3 million TPA in Oct'08. This project was envisaging sanction of additional mines which is still pending with the govt. In view of delays, the company decided to take up an interim expansion upto 0.66 million TPA based on existing mines as a part of total approved project. The interim expansion was approved in the board meet held at Kolkata.

The project cost is envisaged as Rs.163.5 crore. The means of finance is envisaged as of Rs.80 crore term loan, Rs.80 crore equity and balance from cash accruals. Mr R.P. Gupta-MD is authorized to discuss and negotiate with bankers & merchant bankers for necessary tie-up of funds. The equity fund shall be raised through rights issue or preferential allotment in consultation with merchant bankers. The board has further resolved that the premium for the fresh equity has to be minimum Rs.9 per share in view of recent allotment done to ACC and others. ACC is holding 14.3 pc equity at present. The demand growth in east-



ern zone during this period by 17 pc up which was highest in comparison to other zones of the country. This is majorly due to rural demand and infrastructure spending clubbed with fiscal stimulus declared by the govt. Since monsoon is already over, the demand growth in eastern zone is likely to continue at healthy rate. Shiva Cement is marketing its total product under ACC brand.

The board has also approved the quarterly results for Q-2 (Jul-Sep'09). The company has achieved turnover of Rs.237.2 million during the half year, registering an increase of 89 pc over previous year. It has achieved the operating profit (EBIDTA) of Rs.45.65 million registering an increase of 470 pc over previous year. The increase in dispatch during half year was 55 pc. The improvements in results were due to modernization capex as well as healthy demand growth in eastern zone.