

Shiva Cement promoters to increase their stake

At Shiva Cement Ltd recent shareholder's meeting Share holders have given their approval to allot 10 million equity warrants to Promoters at a price of Rs.11/- per share upon conversion of warrants. This will enhance the promoters holding by about 5% on expanded capital.

The funds shall be utilized for part funding of expansion program envisaging a capital outlay of 163.5 crores. Company is also proposing to raise 70 crore worth equity funds for the same purpose. Company is in consultation with Merchant Bankers to finalize the mode of equity raising. In FY 2007-08, it entered into strategic alliance with ACC Ltd with twin objectives to expand the plant capacity and to avail their Brand equity. ACC acquired about 14.3% equity and nominated a Director on the Board. Sub-

sequently, with mutual consent and Board's approval, an expansion plan envisaging 2.6 Mn.TPA capacity was submitted to Govt. of Orissa with a capital outlay of Rs.800 Crore in two phases. 1st Phase upto 0.66 Mn.TPA was based on existing mines and 2nd Phase was based upon sanction of additional mines adjacent to present mines.

In the mean time Company has received allotment of land. It has also appointed Technical Consultant for project implementation. Company expects the commercial production of expanded capacity by Q2 of FY 11-12.

Company's sales have been on increasing trend due to robust demand growth. During preceding 3 quarters, it has recorded 48.8% growth in dispatch of Cement and Clinker on YOY basis.