

2012-13

**27<sup>th</sup> ANNUAL REPORT**



**SHIVA CEMENT LTD.**

ROURKELA, ODISHA



## Activities of Sumangal Ladies Club



**BOARD OF DIRECTORS**

**Sri R. P. Gupta**  
Managing Director

**Sri Akash Gupta**  
Executive Director

**Sri B K Mangaraj**  
Director

**Sri Vivek Chawla**  
Nominee-ACC Ltd.

**Sri O P Goyal**  
Director

**Sri D K Senapati**  
Nominee-IPICOL

**Sri K P Jhunjhunwala**  
Director

**AUDITORS**

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

**REGISTRAR & TRANSFER AGENT**

**Niche Technologies (P) Ltd.**  
D/511, Bagree Market, 5<sup>th</sup> floor,  
71, B.R.B.B. Road, Kolkata - 1.

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**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 SEVENTH 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 Monday the 1<sup>st</sup> July, 2013 at 11.00 A.M. to transact the following business :

**Ordinary Business**

1. To consider and adopt the Balance sheet as at 31st March, 2013 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.

Registered Office :  
P-25, Civil Township  
Rourkela-769 004  
Date : 31/05/2013

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 25/06/2013 to 01/07/2013 (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 Mangaraj
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



## DIRECTORS REPORT (Management Discussion and Analysis)



R. P. Gupta, M.D.

### Dear Members,

It gives me immense pleasure to present the **27<sup>th</sup> Annual Report**. I extend my thanks to all associates, shareholders & employees in particular. Your company could complete successful 27 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, 2013** as under :-

### Financial/Operational Performance

(Rs. in Lakhs)

Particulars	31/03/2013	31/03/2012
Turnover	6674.67	6388.40
Operating Income	1047.31	994.56
Other Income	40.32	36.50
<b>PBIDT</b>	<b>1087.63</b>	<b>1031.06</b>
Less: Interest	341.04	334.73
Cash Profit (PBDT)	746.59	696.33
Less: Depreciation & Amortization	354.40	392.75
<b>Profit before Taxation (PBT)</b>	<b>392.19</b>	<b>303.58</b>

This was a difficult year due to sluggish demand and rising input cost. Despite this we could increase the operating profit to 1088 lakhs as against 1031 lakhs in the previous year registering a growth of 5.4%. However, EBIDTA margin was almost stagnant in the range of 16.3% as against 16.1% in previous year. There was substantial hike in the energy cost in terms of coal, diesel and power, but specific consumption was reduced.

### Future Strategies

Long term strategy and its benefit shall be derived only after completion of Phase-I expansion and the same is under progress. We have to continue our efforts improving operational efficiency to counter adversities during the interim period. However the cost economics shall totally change after commencement of expanded capacity.

### Modernization & Expansion

The implementation of capacity expansion project was delayed due to delay in approvals and financial closure. Proposed expansion & modernization shall improve cost efficiency besides increasing volume. It will also help utilizing surplus and idle assets of company.

### Alliance with ACC

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

### Economic Scenario & Outlook

Indian economy has grown by about 5% during the year 2012-13 which was lowest in the decade. Even current scenario is no better. Rather continuous slow down since last two years is depressing the demand growth. Infrastructure investments are also slowing down due to delay in land acquisition, environment approvals, financial closure etc. Govt. has started taking corrective steps but its result shall be visible in the year 2014-15 only. Whereas 2013-14 will be a challenging year, but thereafter the situation is likely to be normalized. Rather 2015-16 is expected to be very good year for economy in general and cement industry in particular. Fundamentals of Indian economy are strong. It only needs regulatory reforms and policy initiatives.

### Cement Industry Outlook & Opportunities

As discussed above, the supply over hang is likely to continue in the year 2013-14. But it shall be bottom out by the end of 2014-15. Thereafter cement industry is likely to enter into shortage era due to slow down in new capacity additions. In general, economy is likely to revive from 2014-15 and thereby boosting the demand from housing, industrial and infrastructure sector. Keeping this scenario in view, the capacity expansion plans were slightly deferred for matching with upper cycle of cement industry.

### Risks and Concerns

Continuous hike in power rate and supply deficit of coal are the major areas 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 intermix 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 2014. But its impact is diluted due to plant location in eastern zone. This is supply deficit zone.

### Awards & Recommendations

Company was awarded first prize in "Sedimentation & Water Management" and second prize in "Air quality management" for FY 2012-13 under the Aegis of Indian Bureau of Mines, Govt. of India, Bhubaneswar during Mines Environment and Mineral Conservation Week. National Safety Awards (Mines) for 2008 to our company has been given by **Hon'ble President** of India at New Delhi.

### 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. Wage settlement agreement is continuing.

### 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. ERP system is now fully operative. It will definitely improve over all 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. We have undertaken repairing of Telighana Basti & Telighana Church road. Tailoring centers were opened in village Telighana & Golaipara. Tuition centre was opened at Telighana village. Science exhibition was promoted at Sargu Kishan Vidyapitha. Health check up camp and Cancer detection camps were organized. Drinking water supply scheme to nearby two villages is continuing. Telighana church was electrified. Football and Hockey tournament was organized at Kandaimunda. Several supports were extended to Primary schools nearby to mines such as distribution of books, construction of boundary wall, organizing quiz competition etc. Similar supports were extended to nearby villages for organizing cultural and social programme, providing drinking water and medical assistance. The peripheral development activities during current year were substantially enlarged over previous year.

### 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 Punjab National Bank for sanctioning Rs.70 crore term loan in the capacity of lead bank for the proposed expansion project. The proposal for remaining term loan of Rs.100 crore is under active consideration of the consortium members including IDBI Bank and the same is likely to be sanctioned by June/July 2013.

CARE rating have also assigned "CARE BBB" for long term bank facilities & "CARE A3" for short term bank facilities amounting to Rs.186.5 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 judgments 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.

**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 2012-13 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 have 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, PNB, 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 : 31/05/2013

## 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	31/03/2013	31/03/2012
<b>1. Electricity</b>		
a) Purchased		
Units (in Thousand)	9459.52	10594.42
Total amount (in Thousand)	55815.60	57262.01
Rate/Unit (including DPS)	5.90	5.41
b) Own Generation		
i) Through Diesel Generator		
Units (in Thousand)	68.47	131.56
Cost/Unit (Rs.)	32.64	16.88
ii) Through Steam Turbines Generator		
Units	N.A	N.A
Unit per Ltr. for Fuel oil Gas		
Cost/Unit.		
<b>2. Coal</b>		
Quantity (in Mt)	14820.26	18362.26
Total Cost (Rs. in Thousand)	45963.55	34113.01
Average Rate (Rs. Per Mt)	3101.40	1857.81
<b>3. Diesel Oil</b>		
Quantity (in K. Ltr)	140.61	122.60
Total Cost (Rs. in Thousand)	5862.68	4655.83
Average Rate (Rs. Per Litre)	41.69	37.98
<b>4. Other/Internal Generation</b>		
Quantity (in Mt)		
Total Cost (Rs. in Thousand)	N.A	N.A
Average Rate (Rs.)		

## Consumption per unit of production

Particulars	Standards if any	Current Year	Previous Year
Cement Production (in Mt)		83059	83617
Surplus Clinker (in Mt)		4920	11384
<b>Total Quantity</b>		<b>87979</b>	<b>95001</b>
Power Units Per Tonne		108.3	112.9
Coal Cons. (%)		16.85%	19.33%

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

- ❖ The cost of self generated power has gone up due to increased cost of Diesel and maintenance of DG set.
- ❖ Power consumption has come down due to improved efficiency & benefit of capex.
- ❖ Coal consumption in quantitative terms has gone down. But the cost has gone up due to replacement with imported coal as 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&amp;D) for the year ended 31/03/2013

<b>A. Research &amp; Development (R &amp; D)</b>	
❖ 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 modifications 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>B. Foreign Exchange Earnings Outgo</b>	Earned- NIL Used Rs. 2.05 Lakh

**C. Technology Absorption, Adoption & Innovation**

The efforts towards technology absorption/adoption/innovation and corresponding benefits are summarized as under :-

- ❖ Main drive of Raw mill has been replaced with higher capacity motor and Raw mill table feeder drives were replaced to VFD drives.
- ❖ DG set cooling tower was upgraded.
- ❖ Main breaker was replaced with higher capacity.
- ❖ Kiln inlet seal was replaced to arrest ingress of false air.
- ❖ Kiln supporting roller, thrust rollers were changed.
- ❖ New cooling fan for Heat exchanger was installed.
- ❖ Raw mix silo aeration system was completely modified and upgraded along with aeration blower.
- ❖ Compressor of Coal mill was upgraded.
- ❖ Kiln firing nozzle and coal ventury was upgraded.
- ❖ Raw mill VP pump pipeline was upgraded.
- ❖ Additional concrete yards have been constructed at various places to minimize ground loss.
- ❖ PPC cement manufacturing project is under implementation.

## Corporate Governance Disclosure

During the year ended 31/03/2013, 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 31<sup>st</sup> March, 2013 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 is graduate engineer having 40 years business experience and more than **27** 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 **16** 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 **30** years experience in the Mining of Limestone & other Minerals and more than 13 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 Budhreja :-** He is a Graduate Engineer from IIT-New Delhi and MBA from IIM-Bangalore. He is having vast experience in cement industry at Indian & abroad in the key management. He was nominee director from ACC Ltd. Due to his posting in abroad by ACC Ltd he resigned as Nominee Director from ACC Ltd. during the year.

**Mr. K. P. Jhunjunwala :-** He is a post Graduate Engineer having more than 43 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 5 times (as against the minimum requirement of 4 meetings) on the following dates namely **30/05/2012, 06/06/2012, 14/08/2012, 14/11/2012 and 14/02/2013**.

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	5	Yes	1	-	-
Akash Gupta	ED	5	Yes	1	-	-
B.K. Mangaraj	ED	3	Yes	-	-	-
Ramit Budhraj*	NED	-	No	-	-	-
Vivek Chawala	NED	-	No	3	-	-
D K Senapati	NED	-	No	-	-	-
K P Jhunjhunwala	NED	4	No	2	-	-
O P Goyal	NED	-	No	3	-	-

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

#### 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. 28/05/2012, 13/08/2012, 12/11/2012, & 13/02/2013.

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	Rs.68160/- pm upto April 2012 Rs.70000/- pm from May 2012

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 31<sup>st</sup> March, 2013 is as follows :-

Sri K P Jhunjhunwala	Rs. 20000/-
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**❖ 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	20	20	---
Transmission effected	3	3	---
Demat requests confirmed-NSDL & CDSL	65	65	---

**Queries/Complaints resolved :**

Activity	Received	Replied	Pending
Non receipt of share certificates after transfer/sub-division, consolidation etc.	8	8	---
Change of Address	11	11	---

**❖ General Body Meeting**

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

Year	Location	Date	Time
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
31/03/2012	P-25, Civil Township, Rourkela-4	30.06.2012	11.00 A M

*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.



## ❖ General Shareholder information

## a) AGM programme :

AGM date and time	01 <sup>st</sup> July , 2013 at 11 AM
Venue	P-25, Civil Township, Rourkela-4,Orissa
Book closure	25 <sup>th</sup> June , 2013 to 01 <sup>st</sup> July,2013
Equity shares listed at	Bombay Stock Exchange Ltd & Calcutta Stock Exchange

## b) Financial Calendar 2013-14 (tentative)

Annual General Meeting : June, 2013

## Board Meetings

Results for the quarter ending June 30,2013	Third Week of July'13
Results for the quarter ending Sep 30,2013	Third Week of Oct '13
Results for the quarter ending Dec 31,2013	Third week of Jan'14
Results for the quarter ending Mar 31,2014	Third week of Apr'14

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

## ii) Demat ISIN Numbers

in NSDL &amp; CDSL Equity Shares INE555C01029

*(Note: Annual listing fees for the year 2012-13 have been duly paid to all the above Stock Exchanges)*

## d) Stock Market Data :

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

Month	BSE				
	High	Low	Cl. price	No. of Shares Traded	Total Turnover (Rs. Lacs)
Apr'12	5.84	4.85	5.50	9882927	514.87
May'12	5.79	4.35	5.24	10489623	544.23
Jun'12	5.65	4.80	5.00	9081661	465.94
Jul'12	5.14	4.30	4.59	6189436	300.69
Aug'12	4.80	4.00	4.18	5552823	244.91
Sep'12	4.55	3.77	4.02	6435030	266.07
Oct'12	4.45	3.85	4.01	6764141	278.31
Nov'12	5.00	3.85	3.87	8894385	381.89
Dec'12	4.40	3.80	4.03	9169005	376.33
Jan'13	4.50	3.86	4.04	9214215	379.03
Feb'13	4.29	3.23	3.34	6743285	253.06
Mar'13	4.18	2.60	2.72	8717546	284.70

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

## 1. Share Transfer system :

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.

## 2. Dematerialisation of shares :

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 31<sup>st</sup> March, 2013, 172225352 equity shares representing 92.10% 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	22172	58.29	2745776	1.47
501-1000	5914	15.55	3702256	1.98
1001-5000	8317	21.87	14788734	7.91
5001-10000	860	2.26	5602622	3.00
10001-50000	645	1.69	11881893	6.35
50001-100000	64	0.17	4285060	2.29
100001 & above	64	0.17	143993659	77.00
<b>Total</b>	<b>38036</b>	<b>100.00</b>	<b>187000000</b>	<b>100.00</b>

## Shareholding Pattern

Category	No. of Shares	% of holdings
Promoters & Promoters Group	69467792	37.15
Financial Institutions & Banks	206083	0.11
NRI/OCB's	1170570	0.63
Bodies Corporate	71290654	38.12
Public	42633718	22.80
Others(Clearing Member/Trusts)	2231183	1.19
<b>Total</b>	<b>187000000</b>	<b>100.00</b>

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**
- The Share Department  
Shiva Cement Limited,  
P - 25, Civil Township,  
Rourkela - 769004
  - M/s. Niche Technologies (P) Ltd. Unit - SCL  
D/511, Bagree Market, 5th Floor,  
71, BRBB Road, Kolkata - 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 31<sup>st</sup> May 2013

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 31<sup>st</sup> March 2013 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

Sd/-

(Managing Director)

Rourkela-769 004

The 31<sup>st</sup> day of May, 2013

## 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 31<sup>st</sup> March, 2013 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 &amp; Co.,

Chartered Accountants

FRN : 311047E

Sd/-

CA- R. Tibrewal

Membership No. 050127

Partner

Rourkela

Dated : 31<sup>st</sup> May, 2013

## Independent Auditor's Report

### The Members of Shiva Cement Limited

We have audited the accompanying financial statements of Shiva Cement Limited ("the Company"), which comprise the Balance sheet as at March 31, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013 ;
  - b) in the case of Profit and Loss Account, of the profit for the year ended on that date ; and
  - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
  2. As required by section 227(3) of the Act, we report that:
    - (a) 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;
    - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
    - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
    - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section (3C) of Section 211 of the Companies Act, 1956;
    - (e) On the basis of the written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
    - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place - Rourkela  
Date : 31-05-2013

**For Tibrewal Chand & Co.,**  
Chartered Accountants  
**[FRN 311047E]**  
**CA- R. Tibrewal**  
Partner  
M. No. 050127



**Annexure to Auditors' Report referred to in Paragraph (1) of our Report of even date to the members of Shiva Cement Limited on the Accounts for the year ended 31<sup>st</sup> March, 2013.**

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 is 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.
  - ❖ 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 31<sup>st</sup> March, 2013 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 Entry Tax Act	Entry Tax	2.94	2008 to 2011	Appellate Authority upto Commissioner's level.
		212.15		

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. No long term funds have been used to finance short term assets except core working capital.
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  
Partner  
M. No. 050127

Rourkela-769004  
Date : 31st day of May, 2013

**BALANCE SHEET**  
(As at 31st March 2013)

[Rs. in Lakhs]

Particulars	Note No.	31/03/2013	31/03/2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Fund</b>			
Share Capital	[2]	3,968.94	3,868.57
Reserves & Surplus	[3]	5,491.20	4,819.96
Money received against Share Warrants		--	153.25
		<b>9460.14</b>	<b>8,841.79</b>
<b>Non-current Liabilities</b>			
Long-term Borrowings	[4]	418.41	145.15
Deferred Tax Liabilities (net)	[26]	580.96	453.71
Other long-term liabilities	[5]	793.27	776.40
Long-term Provisions	[6]	59.38	75.45
		<b>1,852.02</b>	<b>1,450.71</b>
<b>Current Liabilities</b>			
Short-term Borrowings	[7]	1,493.78	1,242.17
Trade Payable	[8]	202.40	217.52
Other Current Liabilities	[9]	459.12	685.70
Short-term Provisions	[10]	119.28	93.13
		<b>2,274.58</b>	<b>2,238.52</b>
<b>Total</b>		<b>13,586.74</b>	<b>12,531.02</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	[11]	6,851.91	7,103.55
Capital work-in-progress		2,863.33	1,981.19
Intangible assets under development		45.72	43.21
		<b>9,760.96</b>	<b>9,127.96</b>
Non-current Investments	[12]	0.07	0.07
Long term loans and advances	[13]	615.59	232.84
Others	[14]	124.52	162.28
		<b>740.11</b>	<b>395.12</b>
<b>Current Assets</b>			
Inventories	[15]	1368.29	1,097.64
Trade receivables	[16]	912.12	944.46
Cash & cash equivalents	[17]	140.49	135.58
Short-term loans and advances	[18]	664.71	830.20
		<b>3,085.61</b>	<b>3,007.88</b>
<b>Total</b>		<b>13,586.74</b>	<b>12,531.02</b>
Significant Accounting Policies and Notes on Accounts	[1 to 27]		

As per our report of even date

For **Tibrewal Chand & Co.**

Chartered Accountants

Firm Regn. No : 311047E

Sd/-

**CA R. Tibrewal****Partner**

Membership No. 050127

**Rourkela - 769 004**

The 31st day of May, 2013

For and on behalf of the Board of Directors

Sd/-

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

Company Secretary

**PROFIT & LOSS STATEMENT**  
(For the year ended 31st March, 2013)

[Rs. in Lakhs]

Particulars	Note No.	31/03/2013	31/03/2012
<b>INCOME</b>			
Revenue from operations (gross)	[19]	6,674.67	6,388.40
Less: Excise Duty & Taxes	[19]	1,004.30	888.19
Revenue from operations (net)		5,670.37	5,500.21
Other Income	[20]	40.32	36.50
<b>Total revenue</b>		<b>5,710.69</b>	<b>5,536.71</b>
<b>EXPENSES</b>			
Cost of materials	[21.a]	3,626.61	3,361.85
Changes in inventories of finished goods, work-in-progress	[21.b]	(197.17)	(98.58)
Employee Benefits Expense	[22]	268.90	250.00
Finance costs	[23]	341.04	334.73
Depreciation and amortisation	[11]	354.40	392.75
Other expenses	[24]	924.73	992.38
<b>Total expenses</b>		<b>5,318.50</b>	<b>5,233.13</b>
<b>Profit before exceptional extraordinary items and tax</b>		<b>392.19</b>	<b>303.58</b>
<b>Profit Before Tax (7 + 8)</b>		<b>392.19</b>	<b>303.58</b>
<b>TAX EXPENSE</b>			
Current tax expense for current year		78.47	60.74
Less MAT credit		(78.47)	(60.74)
Deffered tax		127.25	90.04
<b>Profit for the year (9 - 10)</b>		<b>264.94</b>	<b>213.54</b>
<b>Earnings per equity share of face value of Rs.2/- each</b>			
Basic (in Rs.)	[25]	0.14	0.12
Diluted (in Rs.)	[25]	0.14	0.12
Significant Accounting Policies and Notes on Accounts	[1 to 27]		

As per our report of even date

For **Tibrewal Chand & Co.**

Chartered Accountants

Firm Regn. No : 311047E

Sd/-

**CA R. Tibrewal****Partner**

Membership No. 050127

**Rourkela - 769 004**

The 31st day of May, 2013

For and on behalf of the Board of Directors

Sd/-

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

Company Secretary



**CASH FLOW STATEMENT**  
(For the year ended 31st March, 2013)

[Rs. in Lakhs]

Particulars	31/03/2013	31/03/2012
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before extraordinary items and tax	392.19	303.58
<b>Adjustments for :</b>		
Depreciation and amortisation	354.40	392.75
Finance costs	341.04	334.73
Interest income	(18.42)	(14.38)
Dividend income	(0.01)	(0.00)
Rental income from investment properties	(14.40)	(14.40)
Other Income	(7.49)	-
	655.11	698.70
<b>Operating profit before changes in operating assets &amp; liabilities</b>	<b>1,047.30</b>	<b>1,002.28</b>
<b>Adjustments for :</b>		
Inventories	(270.65)	(322.38)
Trade & Other Receivables	(106.45)	25.25
Trade Payables	(249.35)	(55.45)
Bank Borrowings-short term	251.61	198.70
	(374.84)	(153.88)
<b>Cash Generated from Operations</b>	<b>672.46</b>	<b>848.40</b>
Direct tax paid	(60.74)	(67.33)
<b>Net Cash From operating activities (A)</b>	<b>611.72</b>	<b>781.07</b>
<b>B. Cash Flow From Investing Activities</b>		
Capital expenditure on fixed assets, including capital advances	(949.65)	(1,169.27)
Interest received	18.42	14.38
Dividend received	0.01	0.00
Rental Income	14.40	14.40
Other Income	7.49	-
<b>Net Cash From Investing activities (B)</b>	<b>(909.33)</b>	<b>(1140.48)</b>
<b>C. Cash Flow From Financing Activities</b>		
Proceeds from issue of equity shares (incl. premium)	516.30	839.96
Redemption of Preference Shares	(9.63)	-
Net Increase / (Decrease) in Public Deposits	25.06	45.88
Net Increase / (Decrease) in Share Warrants	(153.25)	(194.24)
Net Increase / (Decrease) in Long Term borrowings	248.20	(199.54)
Net Increase / (Decrease) in Long Term Liabilities	16.87	187.03
Finance costs	(341.04)	(334.73)
<b>Net Cash flow from financing activities (C)</b>	<b>302.51</b>	<b>344.35</b>
<b>Net (Increase)/decrease in cash and cash equivalents (A+B+C)</b>	<b>4.90</b>	<b>(15.06)</b>
Cash and Cash equivalents at the beginning of the year	<b>135.58</b>	<b>150.64</b>
<b>Cash and cash equivalents at the end of the year *</b>	<b>140.49</b>	<b>135.58</b>
Comprises :-		
(a) Cash on hand	1.21	3.79
(b) Balances with banks		
(i) In current accounts	1.45	0.10
(ii) In earmarked accounts (Refer Note (ii) below)	137.83	131.69

**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.**

Chartered Accountants

Firm Regn. No :311047E

Sd/-

CA- R.Tibrewal

**Partner**

Membership No.050127

**Rourkela - 769 004**

The 31st day of May, 2013

For and on behalf of the Board of Directors

Sd/-

R P Gupta, MD

Akash Gupta, ED

B K Mangaraj, Director

**R K Das**

Company Secretary

**Significant Accounting Policies & Notes on Financial Statements****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/amortization.

**Depreciation & Amortization**

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 [Share Capital]**

[Rs. in Lakhs]

Particulars	31/03/2013		31/03/2012	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised</b>				
Equity shares of Rs.2/- each	228,750,000	4,575.00	228,750,000	4,575.00
9% Non Cumulative Redeemable preference shares of Rs.2/- each	1,250,000	25.00	1,250,000	25.00
<b>Issued, Subscribed and fully paid up</b>				
Equity shares of Rs.2/- each	187,000,000	3,740.00	181,500,000	3,630.00
9% Non Cumulative Redeemable preference shares of Rs.2/- each, fully paid of which Re 0.80 per share redeemed (refer note.3(ii) (b))	1,203,665	14.44	1,203,665	24.07
<b>Total</b>	<b>188,203,665</b>	<b>3,754.44</b>	<b>182,703,665</b>	<b>3,654.07</b>
<b>Share/Warrants Forfeiture Account</b>	19,500,000	214.50	19,500,000	214.50
<b>Total</b>	<b>207,703,665</b>	<b>3,968.94</b>	<b>202,203,665</b>	<b>3,868.57</b>

Refers Notes (i) to (v) below

[Rs. in Lakhs]

## Note-2 [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:

Particulars	Opening Balance	Redemption of Preference Shares	Bonus	Conv. of Eq. share warrants into Eq. shares	Closing Balance
<b>Equity Shares</b>					
<b>Year ended 31 March, 2013</b>					
Number of shares	181,500,000	-	500,000	5,000,000	187,000,000
Amount	3,630.00		10.00	100.00	3,740.00
<b>Year ended 31 March, 2012</b>					
Number of shares	173,100,369	-	763,603	7,636,028	181,500,000
Amount	3,462.01	-	15.27	152.72	3,630.00
<b>Non Cumulative Redeemable Preference Shares</b>					
<b>Year ended 31 March, 2013</b>					
Number of shares	1,203,665	-	-	-	1,203,665
Amount	24.07	9.63	-	-	14.44
<b>Year ended 31 March, 2012</b>					
Number of shares	1,203,665	-	-	-	1,203,665
Amount	24.07	-	-	-	24.07

(ii) (a) Terms/rights attached to Equity Shares

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.

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.

(ii) (b) Terms/rights attached to 9% Non Cumulative Redeemable Preference Shares

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 (out of which 40% has been redeemed) with an option to the holders & the company to mutually alter and vary the terms of these NCRP's before and after their allotment.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	31/03/2013		31/03/2012	
	No. of shares held	% holding in that class	No. of shares held	% holding in that class
<b>Equity shares</b>				
ACC Ltd.	23,650,000	12.65	23,650,000	13.03
Unicon Merchants (P) Ltd.	20,617,549	11.03	20,617,549	11.36
Akash Gupta	11,139,444	5.96	11,139,444	6.14
Preeti Gupta	9,201,500	4.92	9,201,500	5.07
<b>Non Cumulative Redeemable preference shares</b>				
IPICOL Ltd.	862,777	71.68	862,777	71.68
Bank of Baroda	340,888	28.32	340,888	28.32

(iv) 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:

1,70,00,000 equity shares (Previous year-1,65,00,000 equity shares) out of the issued, subscribed and up share capital were allotted as bonus shares in the last five years.

(v) Details of forfeited shares/warrants

Class of shares	31/03/2013		31/03/2012	
	No. of Shares	Amt. originally paid up	No. of Shares	Amt. originally paid up
Equity share warrants	19,500,000	214.50	19,500,000	214.50



**Note-3 (Reserves and Surplus)**

[Rs. in Lakhs]

	31/03/2013	31/03/2012
<b>Capital reserve</b>		
Opening balance	597.81	597.81
<b>Closing balance</b>	<b>597.81</b>	<b>597.81</b>
<b>Securities premium account</b>		
Opening balance	4514.38	3,842.41
Add: premium on equity shares issued during the year (upon conversion of ESW)	450.00	687.24
Less: Utilised during the year for Issuing bonus shares	10.00	15.27
Utilised during the year for Redemption of Preference Shares	33.70	-
<b>Closing balance</b>	<b>4920.68</b>	<b>4,514.38</b>
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	(292.23)	(505.77)
Add: Net Profit for the year	264.94	213.54
<b>Closing balance</b>	<b>(27.29)</b>	<b>(292.23)</b>
<b>G. Total</b>	<b>5,491.20</b>	<b>4,819.96</b>

**Note-4 (Long-term borrowings)**

Particulars	31/03/2013		31/03/2012	
	Non-Current Portion	Current maturities	Non-Current Portion	Current maturities
<b>(i) Secured</b>				
<b>(a) Term Loans</b>				
<b>From Banks</b>				
IDBI Bank, Panposh, Rkl	-	-	-	181.00
Bank of Baroda, Main Branch, Rkl	4.26	2.36	6.46	6.81
<b>From Financial Institutions</b>				
IPICOL Ltd	-	11.55	11.55	11.55
Tata Capital Financial Services Ltd	265.24	61.21	-	-
	<b>269.50</b>	<b>75.12</b>	<b>18.01</b>	<b>199.36</b>
<b>(ii) Unsecured</b>				
Public Deposits*	148.91	127.81	127.14	124.52
	<b>148.91</b>	<b>127.81</b>	<b>127.14</b>	<b>124.52</b>
<b>G. Total</b>	<b>418.41</b>	<b>202.93</b>	<b>145.15</b>	<b>323.88</b>

Public deposits include Rs.7.64 Lakhs (Previous year Rs.5.99 Lakhs) from related parties.

**Details of Security and Terms of repayment of Term Loans as under :**

- (a) Term loan from IDBI Bank carries interest @ 14.75% p.a. The loan 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, 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 covered by personal guarantee of Mr. R. P Gupta, MD and Mr. Akash Gupta, ED of the company.
- (b) Term Loan (FITL) from IPICOL Ltd carries interest 11% p.a. The loan is 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 one years.
- (c) The Term loan from Bank of Baroda are :
- Secured by the hypothecation of Maruti SX4 Car and personal guarantee of Directors (Mr. R.P. Gupta and Mr. Akash Gupta) as specified in the 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% (BPLR - 2%). The period of maturity as on Balance Sheet date is 1 month.

- Secured by the hypothecation of car Scorpio and personal guarantee of Directors (Mr. R.P. Gupta and Mr. Akash Gupta) as specified in the 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@12.5%. The period of maturity as on balance sheet date is 2 years 8 months.

(d) The Term loan from Tata Financial Services Ltd are :

- Term Loan-1 from Tata Capital Financial Services Ltd carries interest @ 15.5% (floating) p.a. The loan is repayable in 16 quarterly installments (15 installments of Rs. 6.83 Lakhs and 1 installment of Rs 6.83 Lakhs along with interest, from July, 2013. The loan is secured by first & exclusive charge on machineries/equipments purchased/to be purchased out of the funds of term loan sanctioned, personal guarantees of directors and corporate guarantee of Unicon Merchants (P) Ltd as per agreement dated 11/09/2012. The period of maturity as on Balance Sheet date is 4 years 15 days.

- Term Loan-2 from Tata Capital Financial Services Ltd carries interest @ 15.5% (floating) p.a. The loan is repayable in 16 quarterly installments (15 installments of Rs. 6.76 Lakhs - and 1 installment of Rs 6.77 Lakhs along with interest, from July, 2013. The loan is secured by first & exclusive charge on machineries/equipments purchased/to be purchased out of the funds of term loan sanctioned, personal guarantees of directors and corporate guarantee of Unicon Merchants (P) Ltd as per agreement dated 11/09/2012. The period of maturity as on Balance Sheet date is 4 years 15 days.

- Term Loan-3 from Tata Capital Financial Services Ltd carries interest @ 15.5% (floating) p.a. The loan is repayable in 16 quarterly installments (15 installments of Rs. 3.04 lakhs and 1 installment of Rs 3.04 Lakhs along with interest, from July, 2013. The loan is secured by first & exclusive charge on machineries/equipments purchased/to be purchased out of the funds of term loan sanctioned, personal guarantees of directors and corporate guarantee of Unicon Merchants (P) Ltd as per agreement dated 11/09/2012. The period of maturity as on Balance Sheet date is 4 years 15 days.

- Term Loan-4 from Tata Capital Financial Services Ltd carries interest @ 15.5% (floating) p.a. The loan is repayable in 16 quarterly installments (15 installments of Rs. 3.76 lakhs and 1 installment of Rs 3.77 Lakhs) along with interest, from July, 2013. The loan is secured by first & exclusive charge on machineries/equipments purchased/to be purchased out of the funds of term loan sanctioned, personal guarantees of directors and corporate guarantee of Unicon Merchants (P) Ltd as per agreement dated 11/09/2012. The period of maturity as on Balance Sheet date is 4 years 15 days.

**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
2013-14	127.81
2014-15	66.59
2015-16	82.32
Total	<b>276.72</b>

#### Note-5 (Other long-term liabilities)

	[Rs. in Lakhs]	
	31/03/2013	31/03/2012
(i) Trade / security deposits received	765.52	748.65
(ii) Other Liabilities	27.74	27.75
<b>Total</b>	<b>793.27</b>	<b>776.40</b>

#### Note-6 (Long-term provisions)

	Non-Current Portion	Current Portion	Non-Current Portion	Current Portion
<b>(i) Provision for employee benefits:</b>				
<b>(a) Provision for gratuity (net) (Refer Note 27.13)</b>	59.38	29.26	75.45	20.67
<b>Total</b>	<b>59.38</b>	<b>29.26</b>	<b>75.45</b>	<b>20.67</b>

[Rs. in Lakhs]		
<b>Note-7 (Short-term borrowings)</b>		
<b>(i) Secured</b>		
Working Capital Loan		
From Banks : IDBI Bank Cash credit A/c	1,493.78	1,242.17
<b>Total</b>	<b>1,493.78</b>	<b>1,242.17</b>
<b>Notes:</b>		
<p>(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.</p> <p>(ii) (b) Working capital loan from banks is secured against entire current assets including book debt of the company and first charge on the entire movable &amp; immovable fixed assets of the company, as per agreement dated 19th Oct, 2012 , the loan is further secured by lien over Fixed deposits of Rs. 55 lacs and pledge of 5 lacs equity shares by the promoters. The working capital loan is repayable on demand and carries rate of interest of 15.25% (BBR+4.75%).</p>		
<b>Note-8 (Trade payables)</b>		
<b>Trade payables:</b>		
(i) Due to Small Scale Inds. Undertaking*	16.30	36.49
(ii) Others	186.10	181.03
<b>Total</b>	<b>202.40</b>	<b>217.52</b>
<p>* Trade payables for the year ended 31-03-2013 includes amount aggregating to Rs.16.30 Lakhs due to small Scale Industries undertaking. Out of the above amount due to exceeds Rs. 1.0 Lakhs &amp; outstanding for more than 30 days is Rs.12.81 Lakhs as listed below:- Names : Proton Steels Ltd., Trimurti Explosives (P) Ltd., C R G Industries (P) Ltd.</p> <p>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 &amp; Medium Enterprises Development Act, 2006. Amount overdue as on 31st march,2013 to Micro &amp; Small Enterprises on account if Principal Amount Rs. nill(Previous Year Rs.Nill) and interest Rs. Nill (Previous year Rs. Nill)</p>		
<b>Note-9 (Other current liabilities)</b>		
(i) Current maturities of long-term debt (Refer Note 9 (iv) below)	202.93	323.88
(ii) Interest accrued but not due on borrowings	33.95	28.00
(iii) Other payable		
(a) Statutory remittances	97.21	126.11
(b) Interest accrued on others	10.85	10.63
(c) Advances from customers	22.07	13.99
(d) Creditors for expenses & Others	92.11	183.10
<b>Total</b>	<b>459.12</b>	<b>685.70</b>
<b>Note-9 (iv): Current maturities of long term debt (Refer Notes (i) and (ii) in Note5-Long term borrowings for details of security and guarantees):</b>		
<b>Secured</b>		
(a) Term loans		
From banks	75.12	199.36
<b>Unsecured</b>		
(b) Public Deposits	127.81	124.52
<b>Total</b>	<b>202.93</b>	<b>323.88</b>
<b>Note-10 (Short-term provisions)</b>		
(i) Provision for employee benefits:		
(a) Provision for bonus	15.24	15.41
(b) Provision for gratuity	29.26	20.67
	<b>44.50</b>	<b>36.08</b>
(ii) Provision - Others :		
(a) Provision for tax (Net of TDS & TCS Rs.3.69 Lakhs (As at 31 March, 2012 Rs.3.69 Lakhs)	74.78	57.05
<b>Total</b>	<b>119.28</b>	<b>93.13</b>

## Note-11 [Tangible Assets]

[Rs. in Lakhs]

Tangible Assets	Gross Block			Accumulated depreciation and impairment			Net Block	
	As at 01/04/2012	Additions	As at 31/03/2013	As at 01/04/2012	Depreciation for theyr.	As at 31/03/2013	As at 31/03/2013	As at 31/03/2012
Land & mines	761.84	-	761.84	-	-	-	761.84	761.84
Buildings own use	1,592.52	-	1,592.52	321.09	32.26	353.34	1,239.18	1,271.43
Internal Road	3.62	-	3.62	0.76	-	0.76	2.87	2.87
Plant and Equipment	6,520.76	50.09	6,570.85	2,217.34	230.52	2,447.86	4,112.99	4,303.42
Pollution Control Equip.	191.62	-	191.62	77.62	6.77	84.39	107.22	113.99
Truck/Loader/Tipper	111.39	-	111.39	79.72	12.60	92.32	19.06	31.66
Furniture and Fixtures	59.73	8.96	68.69	26.87	3.25	30.12	38.57	32.86
Vehicles	41.60	-	41.60	15.34	3.30	18.64	22.96	26.26
Computers	35.10	5.95	41.05	25.16	5.54	30.70	10.35	9.95
Elect.Instn./DG Set	699.62	-	699.62	150.34	22.41	172.75	526.86	549.27
<b>Total</b>	<b>10,017.79</b>	<b>65.00</b>	<b>10,082.79</b>	<b>2,914.23</b>	<b>316.64</b>	<b>3,230.88</b>	<b>6851.91</b>	<b>7,103.55</b>
<b>Prev. Year</b>	9,993.92	23.86	10,017.79	2,561.37	352.86	2,914.23	7,103.55	7,432.74

## Note :

- (i) Depreciation on Plant & Machinery, Elect.Installation/DG Set and Pollution Control Equipment has not been provided for days of Kiln 139 unit and 36 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 27<sup>th</sup> September, 2002, hence no depreciation is Provided.

## Note-12 (Non-current investments)

	31/03/2013	31/03/2012
<b>Non Trade investment</b>		
(i) Investment in mutual funds		
UTI Master Gain (500)	0.07	0.07
<b>Total</b>	<b>0.07</b>	<b>0.07</b>
Aggregate market value of listed and quoted investments	<b>0.30</b>	0.27

## Note-13 (Long-term loans and advances)

Unsecured, considered good		
(i) Capital advances	320.77	16.44
(ii) Security deposits	8.76	8.81
(iii) MAT credit entitlement	286.06	207.59
<b>G. Total</b>	<b>615.59</b>	<b>232.84</b>

## Note-14 (Other non-current assets)

(i) Unamortised expenses		
Deferred revenue expenditure	124.52	162.28
<b>Total</b>	<b>124.52</b>	<b>162.28</b>

<b>Note-15 (Inventories)</b> (At lower of cost and net realisable value)		
[Rs. in Lakhs]		
	31/03/2013	31/03/2012
(i) Raw materials	471.76	611.89
(ii) Work-in-progress	233.65	131.39
(iii) Finished goods	137.63	42.72
(iv) Stores and spares (at weighted average cost)	525.25	311.64
<b>Total</b>	<b>1,368.29</b>	<b>1,097.64</b>
Note: Details of inventory of work-in-progress		
Clinker	204.95	104.08
Raw Mix	22.93	19.84
Crushed Lime Stone	5.76	7.47
	<b>233.65</b>	<b>131.39</b>
<b>Note-16 (Trade receivables)</b>		
(i) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	28.97	28.26
Doubtful	41.40	41.40
	<b>70.37</b>	<b>69.66</b>
(ii) Other Trade receivables (Unsecured, considered good)	841.75	874.79
<b>G. Total</b>	<b>912.12</b>	<b>944.46</b>
<b>Note-17 (Cash and cash equivalents)</b>		
(i) Cash on hand	1.21	3.79
(ii) Balances with banks		
(a) In current accounts	1.45	0.10
(b) In earmarked accounts*		
- Balances in fixed deposit a/c held as margin money or security against borrowings, guarantees and other commitments	137.83	131.69
<b>Total</b>	<b>140.49</b>	<b>135.58</b>
*Fixed deposits with banks includes deposits of Rs.96.19 Lakhs (Previous year Rs. 65.12 Lakhs) with maturity of more than 12 months as on the balance sheet date. Fixed Deposit with bank includes accrued interest Rs. 13.71 Lacs (Previous Year Rs. 5.32 Lacs)		
<b>Note-18 (Short-term loans and advances)</b> Unsecured, Considered good		
(i) Loans and advances to related parties [Refer Note 18 (vii)]	15.00	90.17
(ii) Security Deposits	118.79	39.10
(iii) Loans and advances to employees	2.10	2.36
(iv) Prepaid expenses	8.43	11.33
(v) Balances with government authorities	99.74	89.84
(vi) Others	420.64	597.41
<b>Total</b>	<b>664.71</b>	<b>830.20</b>
Note: Short-term loans and advances include amounts due from:		
Private companies in which any director is a director or member.(Refer Note 27.4)	15.00	90.17
<b>Note-19 (Revenue from operations)</b>		
(i) Sale of products (Refer Note 20(iii) below)	6,674.66	6,388.40
(ii) Less:Excise duty & Sales Tax	1,004.30	888.19
<b>Total</b>	<b>5,670.37</b>	<b>5,500.21</b>
19 (iii) Sale of products comprises		
Cement	3,397.09	3,115.10
Clinker	123.57	319.48
Self Consumption	43.32	52.38
Raw Material & Others	3,110.69	2,901.44
<b>Total-Sale of products</b>	<b>6,674.67</b>	<b>6,388.40</b>

	[Rs. in Lakhs]	
	31/03/2013	31/03/2012
<b>Note-20 (Other income)</b>		
(i) Interest income (Refer Note 20 (iv) below)	18.42	14.38
(ii) Dividend income : from long-term investments	0.01	0.00
(iii) Other non-operating income (Refer Note 21 (v) below)	21.89	22.11
<b>Total</b>	<b>40.32</b>	<b>36.50</b>
20 (iv) Interest income comprises:		
Interest from bank on deposits	18.42	14.38
<b>Total-interest income</b>	<b>18.42</b>	<b>14.38</b>
(v) Other non-operating income comprises:		
Tipper Rent	12.00	12.00
Rental income	2.40	2.40
Misc. income	7.49	7.71
<b>Total-Other non-operating income</b>	<b>21.89</b>	<b>22.11</b>
<b>Note 21.a Cost of materials</b>		
Opening stock	591.25	430.84
Add: Purchases	3,484.40	3,522.26
	4,075.64	3,953.10
Less: Closing stock	449.03	591.25
<b>Cost of material</b>	<b>3,626.61</b>	<b>3,361.85</b>
<b>Material comprises:</b>		
Limestone	233.35	233.49
Clay	0.79	6.32
Additives	1.69	1.12
Gypsum	80.19	88.28
Slag	470.82	443.16
Packing Materials	135.04	134.50
Coal	517.65	483.77
Clinker	96.24	43.57
Others	2,090.83	1,927.65
<b>Total</b>	<b>3,626.61</b>	<b>3,361.85</b>
<b>Note.21.b. (Changes in inventories of finished goods, work-in-progress &amp; stock in trades)</b>		
<b>Inventories at the end of the year:</b>		
Finished goods	137.63	42.72
Work-in-progress	233.65	131.39
	371.28	174.11
<b>Inventories at the beginning of the year:</b>		
Finished goods	42.72	35.49
Work-in-progress	131.39	40.04
	174.11	75.53
<b>Net (increase)/decrease</b>	<b>(197.17)</b>	<b>(98.58)</b>
<b>Note-22 (Employee benefits expense)</b>		
Salaries and wages	236.27	214.83
Gratuity	7.58	13.91
Contributions to provident and other funds	24.13	15.51
Staff welfare expenses	0.92	5.76
<b>Total</b>	<b>268.90</b>	<b>250.00</b>
<b>Note-23 (Finance costs)</b>		
Interest paid to Bank	208.66	179.71
Interest on Term Loan	32.58	59.11
Interest to Others	99.80	95.91
<b>Total</b>	<b>341.04</b>	<b>334.73</b>



	[Rs. in Lakhs]	
	31/03/2013	31/03/2012
<b>Note-24 (Other expenses)</b>		
Power and fuel	580.50	594.84
Stores & Spares Consumed	75.35	72.34
Labour Charges	63.66	57.78
Repairs & Maintenance	24.53	23.08
Rent including lease rentals	2.64	3.14
Repairs and maintenance - Vechile	15.45	15.39
Insurance	3.36	4.97
Travelling and conveyance	10.45	10.77
Freight and Distribution	2.06	98.56
Sales commission & Discount	27.35	25.73
Cost/Stock Audit Fees & Expenses	0.41	0.61
Other Administrative Expenses	116.32	83.19
Payments to auditors (Refer Note 24 (i) below)	2.65	1.98
<b>Total</b>	<b>924.73</b>	<b>992.38</b>
<b>24 (i) Payments to the auditors comprises</b>		
As auditors - statutory audit	1.40	1.10
Tax Audit Fees	0.30	0.25
Income Tax Returns	0.25	0.19
Certification Work & Others	0.70	0.44
<b>Total</b>	<b>2.65</b>	<b>1.98</b>
<b>Note-25 (Disclosures under Accounting Standards)</b>		
<b>Earnings per share</b>		
<b>Basic</b>		
Net profit for the year attributable to the equity shareholders	264.94	213.54
Weighted average number of equity shares	1860.96	1779.95
Face value per share	2.00	2.00
<b>Earnings per share from continuing operations - Basic</b>	<b>0.14</b>	<b>0.12</b>
<b>Diluted</b>		
Profit attributable to equity shareholders (on dilution)	264.94	213.54
Weighted average number of equity shares for Basic EPS	1860.96	1779.95
Add: Effect of warrants, ESOPs and Convertible bonds which are dilutive	-	12.5
Weighted average number of equity shares - for diluted EPS	1860.96	1792.45
Par value per share	2.00	2.00
<b>Earnings per share, from continuing operations - Diluted</b>	<b>0.14</b>	<b>0.12</b>

## Note-26 (Disclosures under Accounting Standards)

			[Rs. in Lakhs]	
			31/03/2013	31/03/2012
<b>27</b>	<b>Deferred tax (liability) / asset</b>			
	Tax effect of items constituting deferred tax liability			
	On difference between book balance and tax balance of fixed assets		(1,069.43)	(1,036.02)
	Tax effect of items constituting deferred tax liability		(1,069.43)	(1,036.02)
	Tax effect of items constituting deferred tax assets			
	Provision for compensated absences, gratuity and other employee benefits		28.76	31.19
	Unabsorbed depreciation carried forward		459.72	551.13
	Tax effect of items constituting deferred tax assets		488.48	582.31
	<b>Net deferred tax (liability) / asset</b>		<b>(580.96)</b>	<b>(453.71)</b>

## Note-27 (Additional information to the financial statements)

		31/03/2013		31/03/2012	
Particulars	Period	Demand	Paid under Protest	Demand	Paid under Protest
<b>27.1</b>	<b>Contingent liabilities</b>				
(i)	<b>Orissa Sales Tax</b>				
	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	0.00	1.44	0.00
	2005-07	-	-	8.60	2.07
	<b>Central Sales Tax</b>				
	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
	<b>Entry Tax</b>				
	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
	2005-08	-	-	0.30	0.12
	2008-11	2.95	0.23	-	-
	<b>Total</b>	<b>212.15</b>	<b>55.21</b>	<b>218.10</b>	<b>57.17</b>
(ii)	<b>Contingent Liabilities not provided for :</b>			<b>31/03/2013</b>	<b>31/03/2012</b>
	Bank guarantees issued by on behalf of the company			46.82	46.82
(iii)	<b>Commitments :</b>			<b>31/03/2013</b>	<b>31/03/2012</b>
	Estimated amount of contracts remaining to be executed on capital account and not provided for				
	Tangible Assets			145.00	122.50
	Intangible Assets			-	-
<b>27.2</b>	<b>Disclosure required in terms of Clause 13.5A of chapter XIII on Guidelines for preferential issues, SEBI (Disclosure and Investor Protection) Guidelines, 2000</b>			<b>31/03/2013</b>	<b>31/03/2012</b>
	Total Amount received from issue of warrants			396.75	645.72
	Purpose for which the money received has been utilized :				
	Capital Expenditure			145.00	450.00
	Working Capital			251.75	195.72
	<b>Total</b>			<b>396.75</b>	<b>645.72</b>
<b>27.3</b>	<b>Expenditure in foreign currency</b>				
	Other Matters			2.05	0.61

27.4 Related party transactions				
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.				
Details of related party transactions during the year and balances outstanding as at 31 March, 2013 :				
[Rs. in Lakhs]				
Item	Associates	KMP	Relatives of KMP	Total
Purchase of goods	- (199.13)	- -	- -	- (199.13)
Sale of goods	1,393.19 (1,006.09)	- -	- -	1,393.19 (1,006.09)
Rendering of services	14.40 (1.44)	- -	- -	14.40 (1.44)
Receiving of services	8.16 (16.56)	0.24 (0.24)	- -	8.40 (16.80)
Payment made to key management personal	- -	30.97 (33.17)	- -	30.97 (33.17)
<b>Balances outstanding at the end of the year</b>				
Loans and advances	- (75.17)	- -	- -	- (75.17)
Security Deposits Paid	15.00 (15.00)	1.00 (1.00)	- -	16.00 (16.00)
Others Payables	- -	0.30 (0.06)	0.70 (1.48)	1.00 (1.54)
Borrowings (public deposits)	- -	- -	7.64 (5.59)	7.64 (5.59)
Note: Figures in bracket relates to the previous year				

- 27.5. Balances of parties are subject confirmation & reconciliation and consequential adjustment, if any.
- 27.6. Own consumption of cement by the unit for its expansion and testing work has been provided at estimated cost as determined by the management.
- 27.7. Sales of product (Note No.20) includes raw material Like slag, coal etc.
- 27.8. Value of imports on C.I.F basis is Nil ( P.Y Import of Capital goods Rs. Nil )
- 27.9. Number of employees who were in receipt of or entitled to receive emoluments including benefits aggregating to Rs. 60.00 Lakhs or more per annum if employed for full year or Rs. 5.00 Lakhs per month or more if employed for part of the year - NONE.
- 27.10. Sales of product (Note No.19) includes raw material Like slag, coal etc.
- 27.11. MAT credit entitlement of Rs. 286.06 Lakhs (including earlier years Rs.207.59 Lakhs is treated as an asset which shall be adjusted against future income tax liability in coming years.

## 27.12. Remuneration to Directors

[Rs. in Lakhs]

	31/03/2012	31/03/2011
Salary, bonus & allowances	30.97	33.17
Contribution to provident Fund	2.17	2.25

## 27.13. Gratuity Liability

	Gratuity (unfunded)	Gratuity (unfunded)
<b>a. Reconciliation of opening and closing balances of defined benefit obligation :</b>		
Defined benefit obligation at beginning of the year	96.12	86.05
Current service cost	7.58	13.91
Interest cost	--	--
Actuarial (gain)/Loss	--	--
Benefits (paid)	15.06	3.83
Defined benefit obligation at year end	88.64	96.12
<b>b. Expenses recognized during the year</b>		
Current service cost	7.58	13.91
Interest cost	--	--
Actuarial (gain)/loss	NIL	NIL
<b>Net cost</b>	<b>7.58</b>	<b>13.91</b>

27.14. The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

As per our report of even date	
For <b>Tibrewal Chand &amp; Co.</b> Chartered Accountants FRN : 311047E Sd/- CA- R.Tibrewal <b>Partner</b> Membership No.050127 <b>Rourkela - 769 004</b> The 31st day of May, 2013	For and on behalf of the Board of Directors  Sd/- R P Gupta, <b>MD</b> Akash Gupta, <b>ED</b> B K Mangaraj, <b>Director</b>  Sd/- <b>Company Secretary</b>

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**SHIVA CEMENT LIMITED**

P-25, Civil Township, Rourkela-769 004