

2009-10

# 24<sup>th</sup> ANNUAL REPORT



**SHIVA CEMENT LTD.**

ROURKELA, ODISHA

**BOARD OF DIRECTORS**

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

**Sri Akash Gupta**  
Executive Director

**Sri B K Mangaraj**  
Director (works)

**Sri Ramit Budhraj**  
Nominee-ACC Ltd

**Sri O P Goyal**  
Director

**Sri S B Satpathy**  
Nominee- IPICOL

**Sri K P Jhunjunwala**  
Director

**Dr. N.S. Datar**  
Director

**Auditors**

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

**Registrar & Transfer Agent**

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

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\* \* \*

**REGISTERED OFFICE**

P/25, Civil Township  
Rourkela-769 004.

**PLANT SITE**

Vill: Telighana  
PO: Biringatoli  
Kutra  
Dist. Sundargarh (Orissa)

**MINES**

Vill : Khatkurbahal  
Via-Kutra  
Dist. Sundargarh (Orissa)

## NOTICE

NOTICE is hereby given that the TWENTY FOURTH Annual General Meeting of the Members of SHIVACEMENT LIMITED will be held at its Registered office at P-25, Civil Township, Rourkela - 769004, on Monday the 31st May, 2010 at 11.00 A.M. to transact the following business :

## Ordinary Business

1. To consider and adopt the Balance sheet as at 31st March, 2010 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 N S Datar, Sri O P Goyal and Sri B K Mangaraj 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.

By Order of the Board

Sd/-

Akash Gupta

Director

Registered Office :  
P-25, Civil Township  
Rourkela-769 004  
Date : 29/04/2010

## Notes :

- 1) A member entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. A proxy in order to be valid must be received at least 48 hours before the meeting.
- 2) Members/Proxies should bring the Attendance slip duly filled in for attending the meeting.
- 3) Shareholders seeking any information with regard to accounts are requested to write to the company atleast seven days before the date of the meeting so as to enable the management to keep the information ready.
- 4) Members are requested to inform immediately changes in their addresses to the registered office of the company.
- 5) Register of members shall remain closed from 25/05/2010 to 31/05/2010 (both the days inclusive).
- 6) Shareholders are requested to bring their copy of Annual Report to the meeting.
- 7) 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.
- 8) 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 N S Datar	Sri O P Goyal	Sri B K Mangaraj
Date of Birth	28/08/1925	29/11/1942	20/10/1951
Date of Appointment	30/01/2010	24/09/2007	26/12/2002
Qualification	BSc. (Met), Dr. ING, AACHAN, GERMANY	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)	Uttam Galva Steels Ltd., Oil Country Tubular Ltd., Cyclo Transmissions Ltd., Datar Engg. & Consultancy P.Ltd., Mittal Corporation 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)	Chairman in Audit Committee of Uttam Galva Steels Ltd., Member in Remuneration Committee of Uttam Galva Steels Ltd & Oil Country Tubular Ltd, Member in Audit Committee of Uttam Galva Steels Ltd.	NIL	NIL
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company.	NIL	NIL	NIL

**DIRECTORS REPORT****Dear Members,**

Your directors have pleasure in presenting the 24th Annual Report along with audited statement of accounts and the Auditor's Report of your company for the financial year ended 31st March, 2010 as follows:-

**Financial/Operational Performance**

(Rs. in Lakhs)

Particulars	31/03/2010	31/03/2009
Turnover	4920.36	3146.38
Operating Income	935.84	418.81
Other Income	33.01	27.83
<b>PBIDT</b>	<b>968.85</b>	<b>446.64</b>
Less: Interest	306.59	123.97
Cash Profit (PBDT)	662.26	322.67
Less: Depreciation & Amortization	366.62	268.74
<b>Profit before Taxation (PBT)</b>	<b>295.65</b>	<b>53.93</b>

**R. P. Gupta, M.D.**

There was loss of production in 4th quarter by 16.2% due to power cuts for the first time. This has resulted into drop in despatches (cement & clinker) by 14.7% despite good demand. Kiln was under planned shut down for 62 days in 2nd & 3rd quarter to undertake modernisation capex affecting clinker production. Despite these constraints, the annual increase of production was 21.3% and hence, the despatches (cement & clinker) were up by 23.2% on annual basis. Turnover increased by 56.4% and EBITDA was up by 216.9% and PBT was up by 548%.

Modernisation capex in the previous year facilitated the cost reduction in quantitative terms of clinker cons. power & fuel cons. Clinker cons. was reduced by 1.95%. Scope remains for further reduction of 4-5%; which will be achieved in next two years through process optimisation. Power cons. was reduced by 2 units/MT. Scope remains for further reduction of 4-5 units which may be achieved in next two years through process optimisation.

Specific fuel cons. per MT (cement & surplus clinker) was reduced from 18.13% to 16.72%, hence achieving 8% economy in quantitative terms. Scope of further reduction is limited unless Pre-calcliner is installed and Cooler is replaced.

During the year, avg. power rate has gone up by Rs.0.13 per unit i.e. by 3.8%. Avg. coal price has gone up by Rs. 836/- per MT i.e. up by 48.7%. This was mainly due to higher proportion of imported coal due to bad quality of domestic coal. Gypsum price has gone up by Rs.685/- per MT i.e. up by 29.2%. Further road transport and rail transport cost has also gone up. This resulted into increase in production cost despite savings in quantitative consumption. However, taxation cost was reduced to partly compensate the increase of production cost. Growth in demand has also helped to pass on the impact to consumers. Hence, we could achieve increase in PBIDT from 14.2% to 19.7%.

**Future Strategies**

Major cost saving shall be achieved only after implementation of proposed capacity expansion and modernisation. During interim period (about 1½ yrs) we have adopted following strategies to curtail production cost and to improve cost effectiveness :-

- ✦ To undertake and to continue with such modernisation capex which are part of ultimate capacity expansion.
- ✦ To reduce clinker, power & fuel consumption through further process optimisation.
- ✦ To improve capacity utilisation and to dilute fixed and semi-variable cost.
- ✦ To replace conventional fuel in part by alternative fuel and industrial waste.
- ✦ Part replacement of imported Gypsum by domestic Gypsum.
- ✦ Bulk purchase of Raw material to economise purchase cost. Also to opt for railway transportation instead of road transportation wherever feasible in case of bulk purchase.

With these strategies, we hope to combat in part about rise in input cost, of course; balance has to be passed on to consumer.

**Modernisation & Expansion**

Phase-1 capacity expansion upto 0.66 Mn.TPA is already under initial stage of implementation. It will be geared up in FY10-11. The proposed scheme envisages following :-

- ✦ Modernisation of existing mills to exploit in-built capacity and to achieve power economy.

- Major changes in the Kiln to replace Pyro circuit and firing circuit as a whole besides installation of new PH tower, Pre-calciner and efficient clinker cooler. This will result into power & fuel economy beside increase in production.
- To adopt separate grinding of slag and clinker so as to optimize particle size control and to bring clinker consumption to a level of 40-45%.
- To install latest technology VRM in lieu of Ball mill for cement grinding for power saving.
- Total mechanization of mines and material handling in the plant to economize labour cost.

As per plan submitted to the lenders, the commercial production of the expanded capacity is envisaged in FY 12. We expect to achieve substantial economy after expansion in terms of clinker, power & fuel consumption as well as cost of mining. The fixed cost shall also be diluted due to utilisation of idle assets and surplus infrastructure and increase of volume.

#### **Alliance with ACC**

During the year, Mr. Paul Hugentobler, Asia Head, HOLCIM Group & Mr. Sumit Banerjee, MD-ACC Ltd visited the plant. They expressed satisfaction with on going alliance. Subsequently, ACC has requested to appoint Shri Vivek Chawla, another nominee director on the Board. ACC has been providing technical services from time to time to improve performance.

#### **Economic Scenario & Outlook**

During the year 08-09, there was global slow down of the economy. India's GDP was also affected during 08-09 due to integration of financial market across the world. However, due to inherent fundamental strength of the country clubbed with timely action by our Govt. (through fiscal stimulus), our country could reverse the slow down in the shortest time span. GDP growth of the country during the year 09-10 is estimated as 7.5% as against 6.7% during FY-09 despite weak monsoon. During the year, Indian economy performed better than most of other countries. India is being considered as most preferred destination for investment and forex inflow has been satisfactory. Our Govt. has projected average 9% growth rate in coming years.

However, there are still few areas of concern. Infrastructure spending has to be increased with active participation of private players. Necessary reforms in taxation and administrative areas are essential to promote savings and investment. Subsidies are to be phased out to curtail fiscal deficit. Trade deficit is a serious concern and requires suitable policy initiative. Rural infrastructure is to be created to achieve inclusive growth. Cost of fuel, energy & transportation is to be brought down to contain inflationary trend as well as to compete for exports. Cheap capital and favourable investment climate is equally essential to promote investment and to build up fresh capacities to contain inflation.

Nevertheless, over all economic outlook of the country is generally favourable and promising than most of the countries. It is likely to continue for next 5 years.

#### **Cement Industry Outlook & Opportunities**

Demand growth during the year in the country was exceeding 12%. Demand growth in Eastern zone was exceeding 22% during the year. The principal reason was higher infrastructure spending clubbed with rural demand. Growth scenario of the country is likely to remain 10-12% for next 5 years. Growth of Eastern zone is likely to remain above India average due to massive industrialisation.

The installed capacity in the country has reached about 250 Mn.T by Mar'2010. Another 65 Mn.T capacity is likely to be added in coming two years i.e. FY-12. Bunching of capacity during these two years may create supply over hang to some extent, despite robust growth in demand. Capacity additions in the country are not evenly distributed and hence, regional imbalance of supply and demand shall further enlarge. Deficit in Eastern zone may further go up. But post FY-12 demand in entire country is likely to exceed supply/production. Looking into robust demand growth in Eastern zone and considering post FY-12 scenario, our expansion plan timing is matching well.

#### **Risks and Concerns**

Though at the beginning of the year, there was apprehension about pressure on pricing front during 2nd half of FY-10, but the price remained firm due to unprecedented growth of demand. The proposed capacity addition during FY 11-12 may cause pressure on pricing front from Jul'10. But such supply over hang may not be severe in nature due to robust demand growth. Availability of good quality coal at affordable rate is definitely a concern. High freight cost by road and inadequate supply of railway wagons is another area of concern. Industry is also worried on power tariff hike. So as to combat the ill-affects, we have decided future strategies for medium term as discussed above. However, for long term measures, we have planned for capacity expansion adopting latest technology.

At present Excise duty on cement is being levied on MRP without abatement benefits unlike other products. This translates into high taxation rate on Ex-works price in comparison to other core sector industry like Steel. Similarly, VAT rate is almost 3 times in comparison to Steel. This matter has been represented to Govt. In case Govt. considers favourably, the rise in input cost will be set off to some extent. Alternatively, cement industry has to pass on the impact of input cost to the consumer, which may affect demand.

### Awards & Recommendations

The Business Today magazine has rated your company at 951 rank for the year 2009. In the year 2008, it was ranked at 946 position.

Director General - Mines Safety, Dhanbad under Ministry of Labour & Employment Govt. of India, Chaibasa Region awarded First prize for "over all performance" during the year 2009. Indian Bureau of Mines, Govt. of India, Bhubaneswar awarded First prize for "Sedimentation & Water Management" for the year 2010 and Second prize for "Air Quality Management" for the year 2010.

### Human Resource

Company is maintaining cordial relations with its employees. Long term wage settlement with company workers has expired on 31/10/09 and with contractor workers it is going to expire by 30/04/10. The negotiations are continuing and we hope to reach to an amicable settlement shortly. Pending wage settlement of workers, the increment/promotions of staff & officers have been deferred, which are other wise effective from Jan, 2010.

### Internal Control Systems

The company has an Internal Management audit team commensurate with the size of the company. It carries out desired level of audit of various spheres of activities of the company to ensure that the laid down system and procedures are adequate and being followed. The audit reports are presented to the Audit committee of the Board, which meets at periodical intervals. The audit committee has been reconstituted during the year. Continuous support and advice is available from ACC in this area.

We are going to introduce ERP system for integration and computation of datas generated from various Deptt. The work order has been placed and the installation is continuing. It is likely to come into operation by Q-2 of FY-11. It will definitely improve overall efficiency of the company.

### Environmental & Social Obligation

The consent from Orissa State Pollution Control Board has been renewed upto 31/03/2011 for the plant and mines. We have already received Terms of Reference (TOR) from Ministry of Environment & Forest (MoEF) related to it's expansion project envisaging clinkering capacity of 1.3 Mn.TPA and cement capacity 1.0 Mn.TPA at Kutra plant. Company is in a process to comply with TOR. Your Company has been doing reasonable expenditure on periphery development. It is also committed to gear it up for future years.

### Shareholders/Share capital/Dividend

In view of on going expansion and requirement of funds, we do not recommend any dividend for the year. During the year under review, the Company has increased it's Authorised share capital from Rs.40 crore to Rs.46 crore divided into 228750000 equity shares of Rs.2/- each and 1250000 preference shares of Rs.2/- each at the shareholders meeting held on 08/01/2010. The Equity Shares of the Company continue to be listed on Bombay Stock Exchange Limited and The Calcutta Stock Exchange Association Limited. Company has also taken effective steps to list with National Stock Exchange. Total no. of shareholders has increased from 40,804 nos. to 40,959 nos. during the year. Shareholders have approved allotment of 10 Mn. Shares to promoter group at a price of Rs.11/- per share. However, the approval from the Stock Exchange is awaited before final allotment.

### Finance

Your company has submitted application for additional Term loan and Working capital for the proposed expansion to it's existing banker IDBI Bank Ltd. We hope to receive the sanction by May'10 looking into our excellent relation with existing banker. We have also mobilized funds through warrant subscription and unsecured loan for part funding of on going expenses related to expansion project.

### Fixed Deposits

The 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 has 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, your Directors confirm that :-

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along-with proper explanations relating to material departures, wherever applicable.

- (ii) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company, as at the end of the financial year and of the Profit of the Company for the year ended on that date.
- (iii) The 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 the Company, and for preventing and detecting fraud and other irregularities.
- (iv) The Directors have prepared the annual accounts on a going concern basis.

#### Directors

During the year Mr. B C Srivastava resigned from the directorship on health/personal ground. The Board place on record it's gratitude for the services rendered by Mr.B.C. Srivastava during the tenure as member of the Board. Dr. N.S. Datar was appointed as Independent director. He was Ex-MD of SAIL-Rourkela Steel Plant and presently director in Uttam Galva Steels Ltd.

Mr. O. P. Goyal, Mr.B.K. Mangaraj & Dr. N.S. Datar Directors of your Company retire from the Board by rotation and being eligible for re-appointment.

ACC Ltd has requested to appoint Mr. Vivek Chawla as another nominee director and also requested to appoint Mr.Vivek Agnihotri as alternate director to Mr.Ramit Budhraj. The proposal shall be taken up in the next Board meeting for approval.

#### 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 and 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 the Cost Audit of Cement for the year 2009-10 with the approval of the Central Government.

#### Particulars of Employees

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

#### Foreign Exchange Earnings and Outgo

There has been no foreign Exchange earnings or outgo (direct) during the year. However, company has purchased imported coal and gypsum from the domestic market.

#### Conservation of Energy,Technology Absorption

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

#### 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

Our directors place on record their appreciation of the assistance and support extended by the Government Authorities, JBI, ACC Ltd, Consultants, Shareholders and employees of the Company.

For and on behalf of the Board  
Sd/-

Rourkela-769 004

Dated : 29/04/2010

R. P. Gupta  
Managing Director

## 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	As at 31/03/2010	As at 31/03/2009
<b>1. ELECTRICITY</b>		
a) PURCHASED		
Units (in Thousand)	13891.76	11292.52
Total amount (in Thousand)	49641.51	38835.43
Rate/Unit (including DPS)	3.57	3.44
b) OWN GENERATION		
i) Through Diesel Generator		
Units (in Thousand)	166.24	84.24
Cost/Unit (Rs.)	11.83	12.13
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)	17591.90	15219.52
Total Cost (Rs. in Thousand)	44875.94	26101.74
Average Rate (Rs.)	2550.94	1715.02
<b>3. DIESEL OIL</b>		
Quantity (in K.Ltr)	121.51	124.43
Total Cost (Rs. in Thousand)	3863.10	4132.49
Average Rate (Rs.)	31.79	33.21
<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)		98474.00	81175.00
Surplus Clinker (in Mt)		6759.00	2728.00
Total Quantity		105233	83903
Power Units Per Tonne		133.6	135.6
Coal Cons. (%)		16.72%	18.13%

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

- The cost of self generated power is very high, but is sparingly used and hence, no substantial impact on the total cost of production.
- Power & Fuel consumption has come down due to improved efficiency & benefit of capex.

## 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 31/03/2010

<b>A. Research &amp; Development ( R &amp; D )</b>	
1. Specific areas in which R & d carried out by the Company	To reduce clinker consumption without affecting cement quality.
2. Benefits derived as a result of the above R & D	Current year clinker consumption reduced by 1.95% in comparison to previous year.
3. Future Plan of action	Considering some major modification in the plant in future expansion to reduce clinker consumption by 10% in terms of cement.
4. 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>	<b>Nil</b>
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<b>C. Technology Absorption, Adoption &amp; Innovation</b>	
The efforts towards technology absorption/adoption/innovation and corresponding benefits are summarized as under :-	
1)	Few comml. Trials were taken to replace conventional fuel by alternative fuel, being an industrial waste. The trials were successful to replace conventional fuel upto 5%. However, full scale commercial use shall be done after carrying out few modification in the Coal mill.
2)	The conventional Manganese liners of Cement mill were replaced with High-chrome liners with latest design. Benefits have been achieved in terms of reduction in consumable cost i.e. liners and media. Mill grinding efficiency has also improved in terms of output with better particle size control contributing to quality. In future expansion, we are going to change the liners of Raw mill & Coal mill as well.
3)	The Raw mill air circuit was revamped with change of latest design Separator and CA fan. It has increased mill output.
4)	All the volumetric feeders to the mill were provided with VFD control drive which has improved the quality of the product.
5)	Pyro circuit equipment in PH tower were insulated to save energy loss through radiation and thereby reduction in fuel consumption.
6)	Few Kiln coolers replaced with better design lifters to improve clinker cooling and thereby achieving phase stabilisation of clinker and improvement in quality.
7)	Few trials were done for part substitution of Limestone by Slag (upto 2%) in the long term interest of limestone conservation as advised by ACC. But today it was not found cost effective, but may be useful in future.
8)	A separate slag handling and feeding system for Cement mill was installed for finer control of slag consumption. It has resulted into saving of clinker consumption.

CORPORATE GOVERNANCE DISCLOSURE

During the year ended 31/03/2010, 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**

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

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

The Composition of the Board of Directors is in conformity with the Corporate Governance Code. The composition as on 31st March, 2010 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 38 years business experience and more than 24 years in the cement Industry. He is presently 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 13 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 27 years experience in the Mining of Limestone & other Minerals and more than 11 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 Sashi Bhushan Satpathy** :- He is a Cost Accountant and working as General Manager in IPICOL. The Financial Institution has nominated him as director on the Board of the Company.

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

**Mr. K.P.Jhunjhunwala** :- He is a post Graduate Engineer having more than 41 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, including 10 years with a cement company of Birla Group. He is on the Board of several large corporates.

**Dr. N S Datar :** He is a Post Graduate Engineer having doctorate from West Germany and was Managing Director of SAIL/RSP in the past. He has four decades of wide ranging experience in managing large corporates.

During the year the Board met 5 times (as against the minimum requirement of 4 meetings) on the following dates namely 29/04/2009, 27/07/2009, 31/10/2009, 16/12/2009, and 23/01/2010.

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. Mangraj	ED	3	Yes	-	-	-
S.B. Satpathy	NED	2	No	-	-	-
Ramit Budhraj	NED	3	No	-	-	-
B C Srivastava*	NED	3	No	2	2	-
K P Jhunjhunwala	NED	2	No	2	-	-
O P Goyal	NED	1	No	3	-	-
N S Datar	NED	1	No	4	2	1

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. Mangraj 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.

27/04/2009, 25/07/2009, 26/10/2009, & 22/01/2010.

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.

- d) Reviewing with the management, external auditors and the adequacy of internal control systems.
- e) Reviewing the adequacy of internal audit functions.
- f) Discussion with internal audit department any significant findings and follow up thereon.
- g) 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.
- h) 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.
- i) Reviewing the company's various financial and risk management policies.
- j) 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 Akash Gupta as Chairman, and Sri B.K. Mangraj and Dr. N S Datar 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.Mangraj	Director (Works)	Rs.52320/- pm

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

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

The Company pays sitting fees only to Independent Directors at the rate of Rs.5000/- for each meeting attended. Sitting fee paid to them for the year ended 31st March, 2010 is as follows :-

Sri Ramit Budhraj	Rs.15000/-
Sri O P Goyal	Rs. 5000/-
Sri K P Jhunjhunwala	Rs.10000/-
Sri B C Srivastava	Rs.15000/-
Sri S B Satpathy	Rs.10000/-
Dr. N S Datar	Rs. 5000/-

### ● Shareholders' / Investors' Grievance Committee

The Committee comprises of Sri R.P.Gupta, Chairman, Sri B.K. Mangraj 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, transmission etc. effected	4	4	---
Demat requests confirmed-NSDL	21	21	---
Demat requests confirmed-CDSL	6	6	---

#### Queries/Complaints resolved :

Activity	Received	Replied	Pending
Non receipt of share certificates after transfer/ sub-division, consolidation etc	9	9	---
Change of Address	3	3	---

#### ● General Body Meeting

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

Year	Location	Date	Time
31/03/2007	P-25, Civil Township, Rourkela-4	17.07.2007	11.00 AM
31/03/2008	P-25, Civil Township, Rourkela-4	28.08.2008	11.00 AM
31/03/2009	P-25, Civil Township, Rourkela-4	24.08.2009	11.00 AM

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

#### ● Disclosure

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

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

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

#### ● Means of Communication

The Company's financial results (Quarterly, half-yearly and annual) are communicated to shareholders through newspaper advertisements issued in Indian Express (English, Bhubaneswar) and Sambad (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	31st May, 2010 at 11 AM
Venue	P-25, Civil Township, Rourkela-4, Orissa
Book closure	25th May, 2010 to 31st May, 2010 (Both day's inclusive)
Equity shares listed at	Bombay Stock Exchange Ltd & Calcutta Stock Exchange



## 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 31st March, 2010, 130698512 equity shares representing 87.15% of the total paid up share capital of the Company are held by shareholders in electronic form.

### Distribution of Shareholding :

Category (Nominal Value)	No. of Folios	%	No. of Shares	%
0-5000	38080	92.97	17649405	11.77
5001-10000	1682	4.11	6618595	4.41
10001-20000	621	1.52	4985539	3.32
20001-30000	189	0.46	2403685	1.60
30001-40000	121	0.30	2186619	1.46
40001-50000	55	0.13	1307610	0.87
50001-100000	104	0.25	3856606	2.57
100001 & above	107	0.26	110955913	73.99
<b>Total</b>	<b>40959</b>	<b>100.00</b>	<b>149963972</b>	<b>100.00</b>

### Shareholding Pattern

Category	No. of Shares	% of holdings
Promoters & Promoters Group	43116513	28.75
Financial Institutions & Banks	187349	0.13
Foreign Institutional Investors	20000	0.01
NRI/OCB's	1195309	0.80
Bodies Corporate	61981562	41.33
Public	40328047	26.89
Others(Clearing Member/Trusts)	3135192	2.09
<b>Total</b>	<b>149963972</b>	<b>100.00</b>

Note : ACC Ltd is holding 215 lakh no. of shares which is being included in the Bodies Corporate category.

- i) **Plant Location** : Village: Telighana,  
Post : Biringatoli, Via-Kutra  
Dist. Sundargarh (Orissa)
- ii) **Address for Investor Correspondence** : 1. The Share Department  
Shiva Cement Limited  
P-25, Civil Township, Rourkela-4  
2. M/s.Niche Technologies (P) Ltd. Unit-SCL  
D/511, Bagree Market, 5th floor,  
71, BRBB Road, Calcutta-1.
- iii) **Any query on Annual Report** : The Share Department  
Shiva Cement Limited  
P-25, Civil Township, Rourkela-4.

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 29th April 2010

For SHIVA CEMENT LIMITED  
Sd/-  
(Managing Director)

CEO/CFO Certification

To  
The Board of Directors of Shiva Cement Limited

We have reviewed the financial statements, read with the cash flow statement of Shiva Cement Limited for the year ended 31st March 2010 and that to the best of our knowledge and belief, we state that ;

- (a) (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.
- (b) 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.
- (c) 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.
- (d) 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.

Rourkela-769 004  
The 29th day of April 2010

For SHIVA CEMENT LIMITED  
Sd/-  
(Executive Director)

Compliance Certificate on Corporate Governance

To

The Board of Directors of Shiva Cement Limited

We have examined the compliance of conditions of Corporate Governance by Shiva Cement Limited for the year ended 31st March, 2010 as stipulated in Clause-49 of the Listing Agreement of the said company with Stock Exchanges in India.

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

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

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

For TIBREWAL CHAND & CO.,  
Chartered Accountants

Rourkela  
Dated : 29th April , 2010

Sd/-  
R. Tibrewal  
Partner

## AUDITORS' REPORT

The Members of  
Shiva Cement Limited

1. We have audited the attached Balance-sheet of Shiva Cement Limited as at 31st March, 2010 and also the Profit & Loss Account and cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 as amended by Companies (Auditors' Report) (Amendment) Order 2004 (together the Order) issued by the Central Government of India in terms of sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to paragraph (3) above, we report that:
  - 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 account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance-sheet, Profit & Loss Account and Cash flow statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion and to the best of our information and according to the explanations given to us, the Balance sheet, Profit and Loss Account and Cash flow statement read together with the notes thereon, comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e) On the basis of the written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes on accounts and significant accounting policies, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, in the case of :
    - the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010; and
    - the Profit & Loss account, of the Profit of the Company for the year ended on that date, and
    - the Cash flow statement, of the cash flows for the year ended on that date.

For TIBREWAL CHAND & CO.,  
Chartered Accountants

Sd/-  
R. Tibrewal  
Partner

Rourkela - 769004

Dated : 29th day of April, 2010

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

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) We have been informed that the physical verification of fixed assets have been carried out by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The Company has not disposed any part of Fixed Assets during the year.
2. (a) The Inventory have been physically verified during the year by the Management, at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of Inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) 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.

- (a) 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.

On the basis of test checks carried out by us and according to the information and explanations given, we are of the opinion that the internal control procedures relating to purchase of inventory and fixed assets and for sale of goods are commensurate with the size of the Company and nature of its business.

- (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) To the best of our knowledge and as per information and explanations given to us, we are of the opinion that the prices at which these transactions have been made exceeding the value of Rs.5.00 lakhs are reasonable having regard to prevailing market prices of such goods at the relevant time.

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.

In our opinion, the Company has an adequate internal audit system commensurate with its size & nature of its business.

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 not, however, made a detailed examination of the said records with a view to determine whether they are accurate or complete.

- (a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed Statutory dues including Investor Education & Protection fund, Income tax, Wealth tax, Custom duty, Excise duty, Service tax, Cess and other material statutory dues as applicable with appropriate authorities.
- (b) According to the Books and records as produced and examined by us and also based on management representations, we are of the opinion that no undisputed amounts payable in respect of Investor Education & Protection Fund, Income Tax, Sales Tax, Wealth Tax, Custom duty, Excise duty, Service Tax and Cess duty were in arrears as at 31st March, 2010 for a period of more than 6 months from the date they become payable.
- (c) 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	Period to which Amt. Relates	Forum where the Dispute is pending
Orissa Sales Tax Act	Sales Tax	140.85	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	3.78	1998-99 to 2004-05	Appellate Authority upto Commissioner's level.
Central Sales Tax Act	CST	8.69	1995-96	High Court
Orissa Entry Tax Act	Entry Tax	9.12	1999-00 to 2004-05	Appellate Authority upto Commissioner's level.
Orissa VAT Act	VAT	8.60	2004-05 to 2006-07	Appellate Authority upto Commissioner's level.
Orissa Entry Tax Act	Entry Tax	0.30	2004-05 to 30/06/2008	Appellate Authority upto Commissioner's level.
		218.60		

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. As per books and records maintained by the Company and as produced before 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. The company has not been granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is a cement manufacturing Unit, hence the provisions relating to clause 13 (a to d) are not applicable.
14. The company is not dealing or trading in shares, securities, debentures and other investments, hence the provisions relating to maintenance of records are not applicable.
15. 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 loan for the purpose for which the term loans were obtained.
17. According to the information and explanations given and on the basis of our examination, we are of the opinion that funds raised on short term basis have not been used for long term investments by the company.
18. The company has made preferential allotment of Equity shares to parties covered in the register maintained u/s 301 of the Companies Act, 1956 during the year under report. In our opinion and as per the information and explanations given to us, the price at which shares/warrants have been issued is not prima-facie prejudicial to the interest of the Company.
19. The company has not issued any debentures during the year under report.
20. The company has not raised any money by means of public issue during the year, hence the clause is not applicable.
21. According to the information and explanations given to us and records examined by us, there are no cases of any fraud on or by the company has been noticed or reported during the year.

For TIBREWAL CHAND & CO.,  
Chartered Accountants

Sd/-  
R. Tibrewal  
Partner

Rourkela  
Dated : 29<sup>th</sup> day of April, 2010

**BALANCE SHEET**

(As at 31st March 2010)

[Rs.in Lakhs]

Particulars	Schedule Reference	31/03/2010	31/03/2009
<b>Shareholder's Fund</b>			
Capital	[1]	3542.85	3237.85
Reserve & Surplus	[2]	3351.73	3122.73
<b>Loan Funds</b>			
Secured Loans	[3]	1673.70	2000.88
Unsecured Loans	[4]	799.47	688.40
Deferred Tax Liability		257.31	156.82
<b>Total</b>		<b>9625.07</b>	<b>9206.69</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	[5]	9981.77	9010.76
Less Depreciation		2219.03	1894.58
Net Block		7762.74	7116.18
Capital Work in Progress		66.34	18.94
<b>Investments</b>	[6]	0.08	0.08
<b>Current Assets, Loans &amp; Advances</b>			
Inventories		517.13	573.68
Sundry Debtors		549.46	527.47
Cash & Bank Balances		128.58	505.42
Other Current Assets		149.97	103.62
Loans & Advances		730.85	543.79
		2076.00	2253.98
<b>Less: Current Liabilities &amp; Provisions</b>	[8]	497.81	402.32
<b>Net Current Assets</b>		1578.18	1851.66
Misc. Expenditure	[9]	217.73	219.83
<b>Total</b>		<b>9625.07</b>	<b>9206.69</b>
Notes on Accounts	[16]		

As per our report of even date

For Tibrewal Chand &amp; Co.

Chartered Accountants

Sd/-

R.Tibrewal

Partner

Sd/-  
Company Secretary

On behalf of Board

Sd/-

R P Gupta, MD

Akash Gupta, ED

B K Mangaraj, Director

Rourkela-769 004

The 29th day of April 2010

**PROFIT & LOSS ACCOUNT**

(For the year ended 31st March, 2010)

[Rs.in Lakhs]

Particulars	Schedule Reference	31/03/2010	31/03/2009
<b>INCOME</b>			
Turnover	[10]	4920.36	3146.38
Other Income	[11]	33.01	27.83
Increase/(Decrease) in Inventory	[12]	(1.69)	(25.81)
<b>Total</b>		<b>4951.68</b>	<b>3145.70</b>
<b>EXPENDITURE</b>			
Raw Materials Consumed		1171.26	789.37
Purchases		783.42	312.54
Taxes & Duties		901.17	685.98
Power & Fuel		516.08	398.57
Manufacturing Expenses	[13]	189.47	186.80
Salary & Other Benefits		225.72	199.99
Administrative & Selling Expenses	[14]	172.19	125.80
Interest	[15]	306.59	123.97
Bad debts		23.54	3.03
Depreciation & Amortization		366.61	268.74
<b>Total</b>		<b>4656.03</b>	<b>3091.77</b>
<b>Profit Before Taxation</b>		<b>295.65</b>	<b>53.93</b>
Fringe Benefit Tax		—	1.79
Taxation under MAT		45.68	5.37
MAT credit entitlement		(45.68)	—
MAT credit entitlement for earlier yrs		(33.85)	—
Deferred Tax		100.49	24.56
<b>Profit After Taxation</b>		<b>229.01</b>	<b>22.21</b>
Transitional Gratuity Liability		—	64.37
Balance Brought from Last Year		(966.23)	(924.07)
<b>Balance Carried to Balance Sheet</b>		<b>(737.22)</b>	<b>(966.23)</b>
Notes on Accounts	[16]		

As per our report of even date

For Tibrewal Chand & Co.  
Chartered AccountantsSd/-  
R. Tibrewal  
PartnerSd/-  
Company Secretary

On behalf of Board

Sd/-  
R P Gupta, MD  
Akash Gupta, ED  
B K Mangaraj, DirectorRourkela-769 004  
The 29th day of April 2010

## Schedules Annexed and forming part of Accounts

[Rs.in Lakhs]

31/03/2010

31/03/2009

## Schedule-1 [Share Capital]

<b>Authorised</b>		
228750000 Equity Shares of Rs.2/- each	4575.00	3850.00
(Prev. year 192500000 Equity shares)		
1250000 Preference Shares of Rs.2/- each	25.00	150.00
(Prev. year 7500000 Preference shares)		
<b>Issued, Subscribed &amp; Paid up</b>		
149963972 Equity Shares of Rs.2/- each fully paid up.	2999.28	2999.28
(Prev. year 146263972 Equity shares)		
1203665 Preference Shares of Rs.2/- each fully paid up.	24.07	24.07
Share/ESW Forfeiture Account	214.50	214.50
Equity ShareWarrants (pending allotment)	305.00	--
<b>Total</b>	<b>3542.85</b>	<b>3237.85</b>

## Schedule-2 [Reserve &amp; Surplus]

<b>Securities Premium Account</b>		
Opening Balance	3491.14	3344.39
Addition during the year	--	146.75
Closing Balance	3491.14	3491.14
<b>Capital Reserves</b>		
Opening Balance	597.81	597.81
Closing Balance	597.81	597.81
<b>Profit &amp; Loss Account</b>	(737.22)	(966.23)
<b>Total</b>	<b>3351.73</b>	<b>3122.73</b>

## Schedule-3 [Secured Loans]

<b>Term Loans</b>		
IDBI Bank	809.65	1092.98
IPICOL (Against Hyp. of Fixed Assets)	54.86	73.16
Bank of Baroda (Against Hyp. of Vehicle)	13.76	10.71
HDFC Bank Ltd (Against Hyp. of Excavator & Tipper)	47.71	70.27
<b>Working Capital Loans</b>		
IDBI Bank Ltd (Cash Credit A/c) (Against Hyp. of stock, bills & second charge on Fixed Assets)	747.72	753.77
<b>Total</b>	<b>1673.70</b>	<b>2000.88</b>

[Rs. in Lakhs]

31/03/2010

31/03/2009

**Schedule-4 [Unsecured Loans]**

Public Deposit Scheme	135.11	65.39
From others	154.99	113.71
ACC Ltd	509.37	509.30
<b>Total</b>	<b>799.47</b>	<b>688.40</b>

**Schedule - 5 [Fixed Assets]**

Particulars	Gross Block		Depreciation				Net Block	
	As on 01/04/09	Additions	As on 31/03/10	Upto 31/03/09	For the Year	Upto 31/03/10	As on 31/03/10	As on 31/03/09
Lease hold Land & Mines	623.69	135.69	759.38	--	--	--	759.38	623.69
Internal Roads	3.62	--	3.62	0.76	--	0.76	2.87	2.87
Building & Civil Works	1433.74	158.78	1592.52	216.30	32.85	249.16	1343.36	1217.44
Plant & Machinery	5892.48	602.09	6494.57	1449.06	238.70	1687.76	4806.82	4443.42
Elect. Install/D.G Sets	644.75	54.87	699.62	76.66	23.71	100.37	599.25	568.09
Poll. Control Equipment	191.62	--	191.62	54.71	7.81	62.52	129.10	136.90
Truck/Loader/Tipper	111.39	--	111.39	41.90	12.60	54.49	56.89	69.49
Misc. Fixed Assets	24.64	1.54	26.18	14.48	1.07	15.55	10.64	10.16
Vehicles	21.80	8.50	30.30	8.33	2.16	10.49	19.81	13.47
Computers	22.12	5.82	27.94	13.05	3.13	16.17	11.77	9.07
Furniture & Fixtures & Office Equipments	40.91	3.72	44.63	19.34	2.43	21.76	22.86	21.57
<b>Total</b>	<b>9010.76</b>	<b>971.02</b>	<b>9981.77</b>	<b>1894.58</b>	<b>324.45</b>	<b>2219.03</b>	<b>7762.74</b>	<b>7116.18</b>
Previous Year	7436.60	1574.16	9010.76	1663.07	231.51	1894.58	7116.18	5773.53

		[Rs.in Lakhs]	
		31/03/2010	31/03/2009
<b>Schedule-6 [Investments of costs]</b>			
<b>Long Term At Cost Quoted (Fully Paid)</b>			
Equity Shares in :-			
Reliance Industries Limited (120 Nos)			
Reliance Natural Resources Ltd. (60 Nos.)	0.01	0.01	
Reliance Communications (60 Nos)			
Reliance Capital Ltd. (3 Nos)			
Reliance Infrastructure Ltd. (4 Nos)			
UTI Master Gain (500 Units)	0.07	0.07	
(Market value - Rs.1.91 lacs (Prev. year - Rs. 1.20 lacs)			
<b>Total</b>	<b>0.08</b>	<b>0.08</b>	
<b>Schedule-7 [Current Assets, Loans &amp; Advances]</b>			
<b>Inventories</b> (As valued and certified by the Management)			
Raw Materials	204.45	317.22	
Stores, Spare Parts & Fuel	249.51	191.60	
Finished Goods	20.17	22.28	
Stock-in-Process	42.99	42.58	
<b>Total</b>	<b>517.13</b>	<b>573.68</b>	
<b>Sundry Debtors</b>			
(Unsecured considered good)			
More than 6 Months	79.98	105.07	
Doubtful debts	469.48	422.40	
<b>Total</b>	<b>549.46</b>	<b>527.47</b>	
<b>Cash &amp; Bank Balance</b>			
With Scheduled Banks in Current A/c	31.08	433.40	
In Fixed Deposit Account	95.35	71.17	
Cash in Hand (Certified by Management)	2.15	0.85	
<b>Total</b>	<b>128.58</b>	<b>505.42</b>	
<b>Other Current Assets</b>			
(Unsecured, Considered good)			
Security Deposits	149.97	103.62	
<b>Total</b>	<b>149.97</b>	<b>103.62</b>	
<b>Loans &amp; Advances</b>			
(Unsecured, Considered good)			
(Recoverable in Cash or in Kind or for Value to be Received)			
<b>Loans</b>			
To Staff	0.67	0.19	
<b>Advances</b>			
Pre-Paid Taxes & Duties	175.20	122.81	
Pre-Paid Expenses	5.11	6.69	
Capital Items	330.36	334.56	
Others	219.51	79.54	
<b>Total</b>	<b>730.85</b>	<b>543.79</b>	

		[Rs.in Lakhs]	
		31/03/2010	31/03/2009
<b>Schedule-8 [Current Liabilities &amp; Provisions]</b>			
<b>Sundry Creditors</b>			
Due to Small Scale Indl. Undertaking	19.65	42.12	
Others	310.18	280.69	
Advance Against Sales	11.25	0.51	
Statutory Liabilities	111.06	71.83	
Provision for Taxation	45.68	7.16	
<b>Total</b>	<b>497.81</b>	<b>402.32</b>	
<b>Schedule-9 [Miscellaneous Expenditure]</b>			
(To the extent not written off or adjusted)			
<b>Deferred Revenue Expenses</b>			
Opening Balance	219.83	231.97	
Addition During the year	40.06	25.09	
Written Off During the year	42.15	37.23	
Closing Balance	217.73	219.83	
<b>Total</b>	<b>217.73</b>	<b>219.83</b>	
<b>Schedule- 10 [Turnover]</b>			
Cement Sales	3638.62	2586.13	
Clinker & Other Sales	1233.57	531.85	
Self Consumption	48.18	28.41	
<b>Total</b>	<b>4920.36</b>	<b>3146.38</b>	
<b>Schedule- 11 [Other Income]</b>			
Interest	11.84	3.85	
Miscellaneous Receipts	21.16	23.97	
Dividend	0.01	0.00	
<b>Total</b>	<b>33.01</b>	<b>27.83</b>	
<b>Schedule-12 [Increase/(Decrease) In Inventory]</b>			
<b>Opening Stock</b>			
Cement	22.28	32.27	
Stock in Process	42.58	61.09	
<b>Total</b>	<b>64.86</b>	<b>93.37</b>	
<b>Closing Stock</b>			
Cement	20.17	22.28	
Stock in Process	42.99	42.58	
<b>Total</b>	<b>63.16</b>	<b>64.86</b>	
<b>Increase/(Decrease) in Inventory</b>	<b>(1.69)</b>	<b>(28.51)</b>	

		[Rs.in Lakhs]	
		31/03/2010	31/03/2009
<b>Schedule-13 [Manufacturing Expenses]</b>			
Stores & Spares Consumed	81.66	93.84	
Labour Charges	61.87	49.42	
Repairs & Maintenance	21.90	24.86	
Truck, Tipper & Loader Maint.	24.03	18.68	
<b>Total</b>	<b>189.47</b>	<b>186.80</b>	
<b>Schedule-14 [Administrative &amp; Selling Expenses]</b>			
Travelling & Conveyance	13.56	13.07	
Rent	6.44	2.28	
Audit Fees & Expenses	1.41	2.53	
Vehicle Running & Maintenance	14.42	19.97	
Other Administrative Expenses	61.35	52.38	
Insurance Charges	4.16	1.06	
ISI Marking Charges	1.81	1.56	
Consultancy Charges	19.41	13.20	
Publicity Expenses	5.61	2.90	
Discount	17.50	10.40	
Freight & Distribution Expenses	23.53	0.59	
Sales Commission & Promotion Expenses	1.45	2.82	
Cost Audit fees & Expenses	1.55	--	
<b>Total</b>	<b>172.19</b>	<b>122.77</b>	
<b>Schedule-15 [Interest]</b>			
To Financial Institutions & Banks	234.66	49.69	
To Others	71.93	74.28	
<b>Total</b>	<b>306.59</b>	<b>123.97</b>	

**Schedule – 16**  
**[Notes Forming Part of Accounts for the year Ended 31/03/2010]**

**1. Accounting Convention :-**

The accounts are prepared under historical cost convention and in accordance with Generally Accepted Accounting Principles (GAAP), Accounting Standards issued by the Institute of Chartered Accountants of India and provisions of the Companies Act, 1956.

**2. Significant Accounting Policies followed by the Company are :-**

- a) The company follows Mercantile system of accounting.
- b) The Company prepares its accounts on historical cost basis of accounting.
- c) 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.
- d) Deferred Revenue Expenses has been written off 1/10th during the year on prorata basis.
- e) Stock of finished goods, and Stock in process are valued at cost or net realisable value whichever is lower. Consumable stores & spares are valued at weighted average cost. Other inventories are valued at cost or net realisable value whichever is lower.
- f) Fixed Assets are stated at cost of acquisition. The cost of Installations & development upto the date of commencement are capitalised. Pre-operative expenses have been apportioned to fixed assets on prorata basis.
- g) Investments are long term and are stated at cost.
- h) Employer's contribution to Employees State Insurance and Provident Fund are charged to profit & loss account on accrual basis. However earned leave is accounted for on cash basis.
- i) 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.
- j) Borrowing cost that are attributable to the acquisition/construction of concerned assets are capitalized as part of the cost of such assets. All other borrowing costs are charged to revenue.
- k) 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.

3. The 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.

4. The Company has made preferential Issue of 100.00 lakh Equity Share Warrants of Rs.2/- each at a premium of Rs.9/- per warrant to Promoter's Group and has received Rs.305.0 Lakhs towards application money.

The statement of proceeds from the above and utilisation thereof is as under :-

Particulars	Nos.(Lacs)	Rs.in Lacs
Net Proceeds received till 31 <sup>st</sup> March 2010	100.00	305.00
Total Proceeds		305.00

Deployment upto 31<sup>st</sup> March 2010 :-

Used for Capital Expenditure		273.85
Used for long term Working Capital		1.50
Balances in Bank Account		29.65

5. The Company has made provision for Gratuity during the year. However Actuarial valuation Certificate for the same has not been obtained. Gratuity Provision of Rs.81.31 Lacs is shown under Unsecured Loans being Long term Liability.

6. The present value of obligation is determined based on valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measurement each unit separately to build up the final obligation.

Gratuity (Rs.in lacs)  
(Unfunded)

- |   |       |
|---|-------|
| a. Reconciliation of opening and closing balances of Defined Benefit obligation |       |
| Defined Benefit Obligation at beginning of the year                             | 71.75 |
| Current Service Cost  | 9.56  |
| Interest Cost   | --    |
| Actuarial (gain)/Loss   | --    |
| Benefits (paid)   | --    |
| Defined Benefit obligation at year end  | 81.31 |
| b. Expenses recognized during the year  |       |
| Current Service Cost  | 9.56  |
| Interest Cost   | --    |
| Actuarial (gain)/loss   | NIL   |
| Net Cost  | 9.56  |
7. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.375.00 Lacs (Previous year - Rs.350.00 Lacs).
8. MAT Credit Entitlement of Rs.79.52 Lacs (including earlier years Rs.33.85 Lacs) is treated as an asset which shall be adjusted against future income tax liability in coming years.
9. Balances in personal accounts are subject to confirmation from parties concerned.
10. The land at Kalunga on which Factory has been built is taken on 99 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.
11. The Kalunga plant of the company was closed since 27th September, 2002.
12. Previous year's figure have been re-arranged, regrouped wherever considered necessary.
13. Earning per Share

Particulars	31/03/2010	31/03/2009
Profit Before Deferred Tax (Rs.in lakh)	329.50	46.77
Profit after Tax (PAT) (Rs.in lakhs)	229.01	22.21
Cash Profit before Deferred Tax (Rs.in lakh)	696.11	315.51
Weighted average number of Equity Shares (Nos)	149963972	148917123
Basic & Diluted EPS per share before Deferred Tax (Rs.)	0.22	0.03
Basic & Diluted EPS per share (PAT) (Rs.)	0.15	0.01
Cash EPS before Deferred Tax (Rs.)	0.46	0.21
Nominal value per Equity share (Rs.)	2/-	2/-

14. Related party disclosure as required by Accounting Standard (AS)-18 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India are given below:-

- (a) Particulars of Associated Companies  
Shivom Minerals Limited

- (b) Key Management Personnel

<u>Name of related Party</u>	<u>Nature of relationship</u>
Sri R. P. Gupta	Managing Director
Sri Akash Gupta	Executive Director
Sri B. K. Mangaraj	Director (Works)

- (c) Relatives of Key Management Personnel

Anubha Gupta	: Daughter of Managing Director
Raghav Gupta	: Son of Executive Director
Shilpi Gupta	: Daughter of Managing Director

The following transactions were carried out with the related parties :-

(d) Related Party Transactions

Item	Associated Company	Key Mngt. Personnel	Relations of Key Mngt. Personnel	Total
Purchases of Stores & Materials	173.08	NIL	NIL	173.08
Remuneration paid	NIL	28.27	NIL	28.27
Rent paid	16.56	0.24	NIL	16.80
Intt. Paid on Deposits	NIL	NIL	0.75	0.75

15. Contingent Liabilities for:

Particulars	Period	Demand	Paid under Protest
Orissa Sales Tax	1995-96 *	47.25	8.00
	1992-93 to 1995-96 9B (3)	9.99	4.35
	1998-99	1.89	1.00
	2003-04	57.84	27.50
	2004-05	69.71	8.00
	June'03 to Sept'03	1.44	--
Central Sales Tax	1995-96*	8.69	--
	1998-99	0.27	0.08
	2003-04	3.01	1.30
	2004-05	0.50	0.15
Entry Tax	1999-2000	0.58	0.20
	2001-02	4.20	2.60
	2002-03	1.48	0.40
	2003-04	1.60	1.20
	2004-05	1.27	0.35
	Apr'05 to June'08	0.30	0.12
Orissa VAT Tax	Apr'05 to Mar'07	8.60	2.07

\* Total Demand has been stayed by Hon'ble Orissa High Court. As per legal opinion obtained by the Company, the liability of the Company shall be NIL.

IDBI Bank	L/C issued to Suppliers	70.99	FDR of Rs. 14.20
Bank of Baroda	Bank Guarantee to Suppliers	71.40	FDR of Rs. 40.66

Own consumption of cement by the unit for its expansion and testing work has been provided at estimated cost as determined by the management.

Sundry Creditors for the year ended 31/03/2010 includes amount aggregating to Rs.19.65 Lacs due to Small Scale Industrial undertaking. Out of the above amount due exceeding Rs.1.00 Lacs and outstanding for more than 30 days is Rs.2.75 Lacs as listed below:-

Names : Proton Steels Ltd., Tarini Explosives.

18. Break up of Deferred Tax Assets/Liabilities and reconciliation of Current year deferred tax credit is as follows :-

## Deferred Tax ( Assets)/Liabilities

Rs in lakhs

Particulars	As on 01/04/2009	Charged/Credited To P & L A/c	As on 31/03/2010
Deferred Tax Liabilities			
Tax effect of difference between book and Tax Deprcn.	879.39	88.29	967.68
<b>Total</b>	<b>879.39</b>	<b>88.29</b>	<b>967.68</b>
Tax effect of Deferred Tax Assets			
Unabsorbed Depreciation	(589.48)	--	(589.48)
Unabsorbed Business Losses	(108.70)	15.45	(93.25)
Others	(24.39)	(3.25)	(27.64)
<b>Total</b>	<b>(722.57)</b>	<b>12.20</b>	<b>(710.37)</b>
<b>Net Deferred Tax Liabilities</b>	<b>156.82</b>	<b>100.49</b>	<b>257.31</b>

19. Remuneration to Directors :

(Rs. in Lakhs)

	31/03/2010	31/03/2009
Salary, Bonus & allowances	28.27	27.48
Contribution to Provident Fund	2.25	2.25

20. Auditors Remuneration

	31/03/2010	31/03/2009
As Audit fees	1.00	0.95
As Tax Audit Fees	0.22	0.21
FBT Returns	--	0.02
Certification Work	0.01	0.26
Income Tax matters	0.18	0.16
Other Capacities	--	0.93
<b>Total</b>	<b>1.41</b>	<b>2.53</b>

21. Information Pursuant to Paragraph 3 & 4 of Part-II of schedule VI to the Companies Act, 1956.

Particulars	31/03/2010	31/03/2009
<b>CAPACITY</b>		
Licenced Capacity	N.A.	N.A.
Actual Capacity (Mt)	132000	132000
Actual Production (Mt)	98474	81175
Efficiency (%)	74.60%	61.50%
<b>Raw Materials Consumed</b>		
<b>Quantity</b>		
Lime Stone Mt	80711	67551
Clay Mt	6653	6456
Additives Mt	3326	1310
Coal Mt	17592	15220
Slag Mt	42734	32576
Gypsum Mt	5572	5101
Outside Clinker Mt	2287	--
Packing Materials Nos.	2056400	1771700

Value (Rs.in Lakhs)		
Lime Stone	167.50	167.03
Clay	4.78	3.79
Additives	4.03	1.50
Coal	448.76	261.02
Slag	172.20	121.05
Gypsum	168.81	119.63
Outside Clinker	74.13	--
Packing Material	127.08	108.77
Others	3.97	6.58
<b>Total Value</b>	<b>1171.26</b>	<b>789.37</b>
<b>Finished Goods (Cement) Stock</b>		
Quantity (in Mt)		
Opening Stock	1053	1460
Closing Stock	789	1053
Value (Rs. in Lakhs)		
Opening Stock	22.28	32.28
Closing Stock	20.17	22.28

**Sales**

ITEM	31/03/2010		31/03/2009	
	Qty. (MT)	Value	Qty.(MT)	Value
Cement	97068	3638.62	80729	2586.13
Clinker	6809	236.48	4098	134.95

Excluding own consumption of Cement 1670.5 MT (prev. year 852.7 MT)

**Stock in Process**

Opening Stock	6530	42.58	4600	61.09
Closing Stock	5230	42.99	6530	42.58

**Cement Raw materials & Other Goods**

Opening Stock	--	--	--	--
Purchases	13664	783.41	1113	312.54
Sales	13664	958.73	1113	380.90
Closing Stock	--	--	--	--

22. Additional information as required under Part - IV of Schedule VI to the Companies Act, 1956.

**Balance Sheet Abstract and Company's General Business Profile :**

**I. Registration Details**

Registration No.	1557/85-86	State Code	15
Balance Sheet Date	31 03 2010		

**II. Capital Raised during the year (Amount in Rs.Thousands)**

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	30500

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)**

Total Liabilities	1012288	Total Assets	1012288
<b>SOURCES OF FUNDS</b>			

Paid up Capital	354285	Reserve & Surplus	335173
Secured Loans	167370	Unsecured Loans	79947
Deferred Tax Liabilities	25731		

**APPLICATION OF FUNDS :**

Net Fixed Assets	782908	Investments	8
Net Current Assets	157818	Misc.Expenditure	21773

**IV. Performance of Company (Amount in Rs.Thousands)**

Turnover	495337	Total Expenditure	465772
Profit/(Loss) before Tax	29565	Profit/(Loss) After Tax	22901
Earnings per Share in Rs.	0.15	Dividend Rate %	NIL

**V. Generic Names Principal Products Services of Co (as per monetary terms)**

Item Code No. (ITC CODE)	2502.29	Product Description	P. S. CEMENT
-----------------------------	---------	---------------------	--------------

Signature to Schedule 1 to 16  
As per our report of even date  
For **TIBREWAL CHAND & CO.,**  
Chartered Accountants  
Sd/-  
R.Tibrewal  
**Partner**

Rourkela-769 004  
The 29th day of April, 2010.

On behalf of Board  
Sd/-  
R P Gupta, MD  
Akash Gupta, ED  
Sd/-  
Company Secretary  
B K Mangaraj  
Director

**CASH FLOW STATEMENT**  
(FOR THE YEAR ENDED 31st MARCH, 2010)

		[Rs. in Lakhs]
Particulars	31/03/2010	31/03/2009
<b>A. Cash Flow from Operating Activities</b>		
Net Profit/(Loss) as per P&L A/c.	295.65	53.93
Adjusted for :		
Transitional Gratuity Liability	0.00	(64.37)
Depreciation	324.45	231.51
Amortization of Expenses	42.15	37.23
Interest Expenses	306.59	123.97
Interest income	(11.84)	(3.85)
Dividend	(0.01)	(0.00)
Taxes	33.85	(7.16)
Operating profit/(Loss) before Working capital changes	990.84	371.25
Adjusted for :		
Trade & Other Receivables	(255.40)	(199.73)
Inventories	56.55	(156.14)
Trade Payables	95.50	(11.70)
Bank Borrowings	(6.06)	753.77
Cash generated from Operations	881.42	757.47
<b>Net Cash from Operating Activities</b>	<b>881.42</b>	<b>757.47</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(971.02)	(157.46)
Capital work in progress	(47.40)	341.58
Deferred Financial Expenses	(40.06)	(25.09)
Dividend Income	0.01	0.00
Interest Income	11.84	3.85
<b>Net Cash from Investing Activities</b>	<b>(1046.62)</b>	<b>(1280.82)</b>
<b>C. Cash Flow from Financing Activities</b>		
Interest	(306.59)	(123.97)
Long term Borrowings	(321.12)	1065.63
Public Deposits	69.72	2.38
Other Long term borrowings	41.35	69.24
Share Capital & Premium	0.00	435.25
Equity share warrants application money	305.00	(433.45)
Pref. shares application money	0.00	0.00
<b>Net Cash flow from Financing Activities</b>	<b>(211.64)</b>	<b>1015.08</b>
<b>Net Increase(Decrease) in cash and Cash Equivalents</b>	<b>(376.84)</b>	<b>491.74</b>
Opening Cash & Cash equivalents	505.42	13.69
Closing Cash & Cash equivalents	128.58	505.42

This is the Cash Flow Statement referred to in our report of even date.

As per our report of even date  
For **TIBREWAL CHAND & CO.,**  
Chartered Accountants  
Sd/-  
R.TIBREWAL  
Partner

Sd/-  
Company Secretary

On behalf of Board  
Sd/-  
R P Gupta, MD  
Akash Gupta, ED  
B.K. Mangaraj  
Director

Rourkela - 769 004  
The 29th day of April, 2010