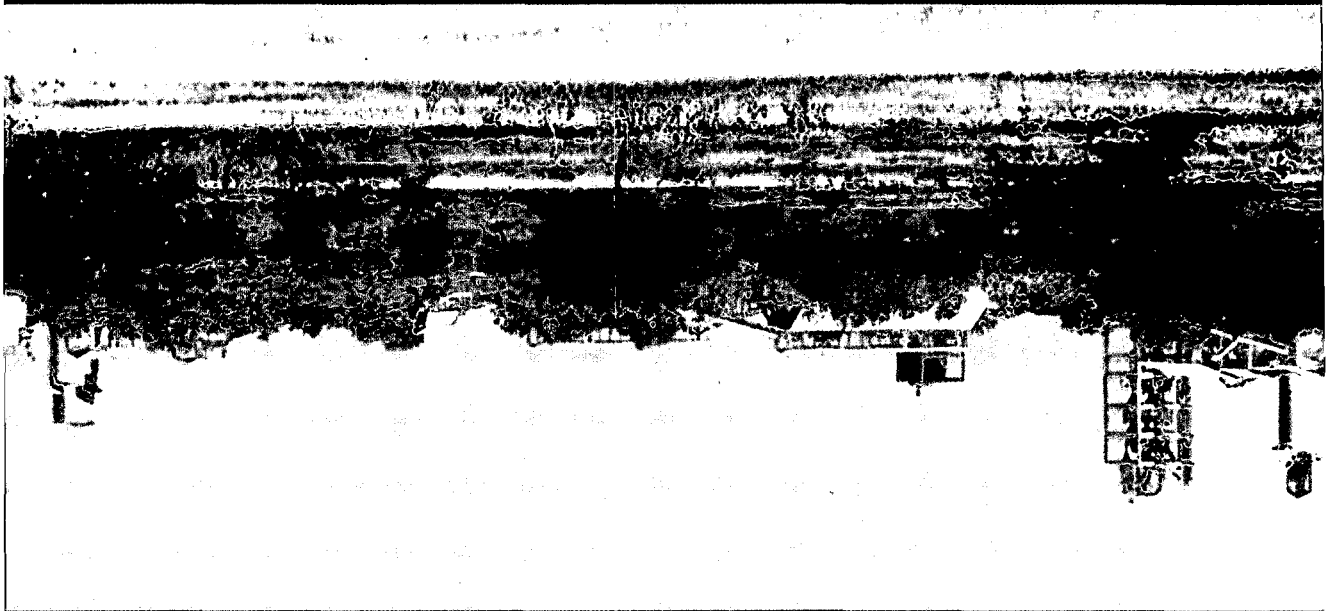


SHIVA CEMENT LTD.  
ROURKELA, ODISHA

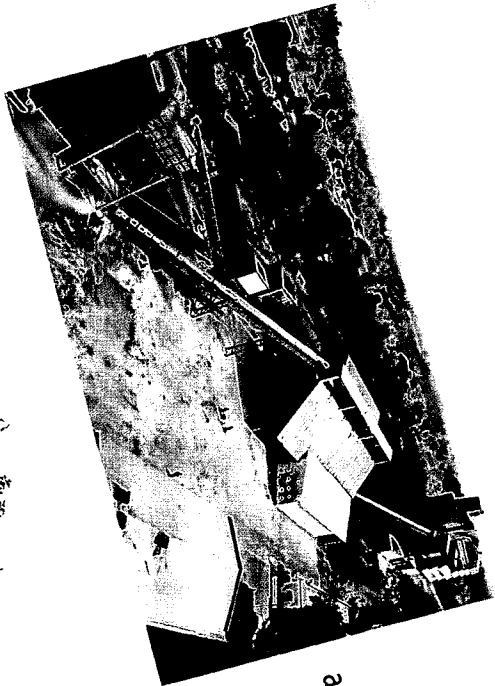


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23<sup>rd</sup> ANNUAL REPORT

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2008-09

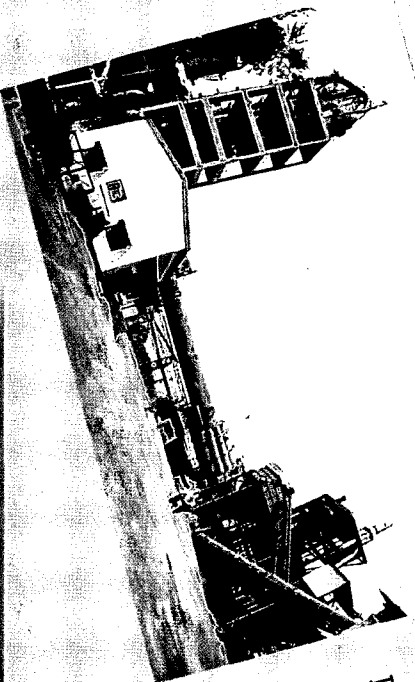


Surplus land  
and infrastructure



Total production under

**ACC** brand



In-plant capacity in  
kiln to expand

**BOARD OF DIRECTORS**

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

**Sri Akash Gupta**  
Executive Director

**Sri B.K. Mangaraj**  
Director

**Sri Ramit Budhraj**  
Nominee-ACC Ltd

**Sri O.P. Goyal**  
Director

**Sri S.B. Satpathy**  
Nominee-IPICOL

**Sri K.P. Jhunjhunwala**  
Director

**Sri B.C. Srivastava**  
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,  
Calcutta-1

**Bankers**

IDBI Bank  
IPICOL  
HDFC Bank  
Bank of Baroda

**REGISTERED OFFICE**

P/25, Civil Township  
Rourkela-769 004.

**PLANT SITE**

**Unit-I**  
Kalunga Indl. Estate  
Kalunga-770 031  
Sundargarh

**Unit-II**  
Vill : Telighana  
PO: Biringatoli  
Kutra, Sundargarh

**MINES**

Vill : Khatkurbahal  
Dist. Sundargarh (Orissa)

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## NOTICE

NOTICE is hereby given that the TWENTY THIRD 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 24<sup>th</sup> August, 2009 at 11.00 A.M. to transact the following business :

### Ordinary Business

1. To consider and adopt the Balance sheet as at 31<sup>st</sup> March, 2009 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 B C Srivastava, Sri K.P. Jhunjhunwala 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

Registered Office :  
P-25, Civil Township  
Rourkela-769 004  
Date:27/07/2009

Sd/-  
**Akash Gupta**  
Director

### 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 18/08/2009 to 24/08/2009 (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 B C Srivastava	Sri K P Jhunjhunwala	Sri B K Mangaraj
Date of Birth	25/08/1945	30/01/1933	20/10/1951
Date of Appointment	13/01/2007	27/03/2007	26/12/2002
Qualification	BSc. Engg. (Met)	IIE, EEC, IICE & Mngt. Graduate	FIE, FCC
Expertise in specific functional areas	Admn.	Industrialist	Mining & Admn.
List of other Companies in which Directorship held (excluding in Foreign companies)	Kalyanpur Cement Ltd. Sampurna General Insurance Solution Pvt Ltd.	Orind Steels Limited Bansal Fiscal Services 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)	Member in Remuneration & Shareholder's Grievance Committee of Kalyanpur Cement 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 23rd Annual Report along with Audited statement of accounts for the year ended 31<sup>st</sup> March, 2009 as follows :-

**Financial/Operational Performance**

(Rs. in Lakhs)

Particulars	31/03/2009	31/03/2008
Turnover	3146.38	3164.15
Operating Income	418.81	540.78
Other Income	27.83	309.16
<b>PBIDT</b>	<b>446.64</b>	<b>849.94</b>
Less: Interest	123.97	108.32
Cash Profit (PBDT)	322.67	741.62
Less: Depreciation & Amortization	266.74	240.57
<b>Profit Before Taxation (PBT)</b>	<b>53.93</b>	<b>501.05</b>
Less: Fringe Benefit Tax	1.79	2.19
Deferred Tax	24.56	109.69
Income Tax	5.37	28.48
Profit after Taxation (PAT)	22.21	360.69



R.P. Gupta, M.D.

There was planned shut down of the Kiln for 101 days and Cement mill for 65 days for de-bottlenecking capex during Q-2 & Q-3. Despite such long shut down, cement production was increased by 12.6%, but clinker production was decreased by 14.3%. Over all despatch of cement and clinker was reduced by 2.3%. Hence, the annual turnover was marginally down by 0.6%.

Due to prolong shut down, the mining operations were also suspended for 74 days. Hence mining overheads were distributed on smaller production of Limestone increasing the cost of raw material for the plant. As per technical advice from ACC, we switched over to imported Gypsum for maintaining cement quality which has also resulted into increase in raw material cost. Specific power consumption has gone up by 4.5 units/ton due to utilization of power during shut down for misc. Purpose. The cost of salary/wages and contract labour has also gone up during the year. Increase of input cost could not be passed on to customer.

The combined impact of above has resulted into decrease of operating margin from 17% to 13.4%. However, the benefit of capex has already started from Q-4. It's full benefit shall be available in next FY 09-10. We therefore, expect increase in turnover & operating margin during FY 09-10.

**Alliance with ACC**

The marketing alliance with ACC is continuing in terms of the agreement entered in March, 2007. Company had allotted 227 lakh no. share warrants to ACC which were due for conversion on 18/12/2008. ACC converted only 50 lakh warrants and requested for time extension, which was not admitted by SEBI. Hence, 177 lakh warrants were forfeited. However, ACC shall make fresh subscription as and when major expansion project is taken up. Company is also availing technical services from ACC for improving the production efficiency and quality.

**Economic Scenario & Outlook**

There was unprecedented financial crisis in USA initiated from housing mortgage sector. Due to integration of financial market across the world, the entire global banking sector was affected. Finally, it precipitated into global economic slow down, affecting India's GDP also from 9% in 07-08 to 6.7% in 08-09. India witnessed reversal of forex inflow. Fresh investment in reality and construction sector was also slow down.

Our Govt. has acted swiftly in response to such global crisis through series of stimulus package by providing liquidity into the market as well as reduction of Excise duty. Such fiscal and monetary stimulus clubbed with reforms has arrested the economic slow down in our country. India established it's position as second fast

growing economy in the world during such adverse situation. Govt. has also announced to regain the growth momentum of 9% in future years. Gradually, investment confidence and business confidence is re-building for India and there is every likelihood that India will come back to high growth trajectory in future years.

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

The demand growth during the year was only 7.8%. The principal reason was economy slow down in the next half of the year on global basis. However, it is expected that Indian economy shall revive in FY 09-10 and the future demand of cement may grow at double digit rate. At the same time, several capacity additions are in pipeline which may crystallise in second half of FY 09-10. But healthy demand growth may absorb such additional capacity in next 1/2 years.

In the budget 2009-10, Govt. has enhanced the spending with specific stress on rural sector. Govt. has also earmarked Rs. 1.0 Tn. to IIFCL for re-finance of infrastructure projects. Interest on low cost housing has been reduced. In view of this, demand of cement shall be higher from rural & infrastructure sector. Demand from urban and industrial sector is likely to be stagnant. Your company feels that this is the right opportunity to implement the expansion project. By the time, increased production is available, additional capacity (under implementation), shall be absorbed. Any major import of cement is not envisaged to fill up the gap.

Govt. of Odisha has already approved the expansion project through State level Single Window Clearance Authority for additional clinkerisation capacity of 1.0 MTPA and matching cement capacity. Company has already applied for various approvals such as environment, water withdrawal, power enhancement, additional mining lease, additional land etc. The expansion project shall be taken up at an appropriate time.

Major de-bottlenecking capex was completed in this year, which has started giving benefits from Q-4 onwards. In view of encouraging benefits, few more small capex is continuing for further improvement in efficiency.

### **Risks and Concerns**

Though cement price has been reasonably stable, but the anticipated capacity addition may result into temporary supply over hang. This may cause pressure on pricing front particularly in 2<sup>nd</sup> half of the year 2009-10. But such supply over hang is likely to be over by March, 2011.

Availability of good quality coal is definitely a concern. High freight cost by road and inadequate supply of railway wagons is another area of concern.

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. This matter is under consideration of Govt. In case Govt. considers favorably, the rise in input cost will be set off. Alternatively, cement industry has to pass on impact of rise in input cost on the consumer, which may affect demand.

### **Awards & Recommendations**

Director General Mines Safety, Dhanbad under Ministry of Labour & Employment Govt. of India, Chaibasa Region awarded Second prize for "over all performance of Mines" for the year 2008. Similar awards have also been received during the year 2004, 2006 & 2007.

Indian Bureau of Mines, Govt. of India, Bhubaneswar awarded First prize on "Air Quality Management" and Third prize on "Afforestation" for the year 2008-09.

### **Human Resource**

Company is maintaining cordial relations with its employees. The long term wage settlement with workers has been renewed upto 31/10/2009 for Company workers and upto 30/04/2010 for contractor workers.

This year company has given substantial rise of salaries to employees w.e.f. Jan'09 despite economy slow down. This was due to growth prospect of company and rising expectation of employees. This will benefit company in FY 09-10. However, the rise was based upon past records and recommendation of Deptt. Heads. This may result into major hike of salary expenditure in the FY 09-10. But the same will be absorbed with higher production.

### 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.

### Environmental & Social Obligation

The consent from Pollution Control Deptt. to operate has been renewed upto March, 2011. The application for obtaining NOC for expanding the plant in two phases has been submitted. First hearing is complete. Same is under active consideration of the Govt.

Your Company has been doing reasonable expenditure on periphery development. It is also committed to gear it up for future years.

### Dividend

In view of past losses and further requirement of funds, your directors do not recommend any dividend for the year.

### Finance

Your company has availed Term loan from IDBI to finance the capex. It has also availed working capital facilities towards the end of the year in anticipation of higher turnover in next year. Company express thanks to IDBI

### Listing of Shares

The Equity Shares of the Company continue to be listed on Bombay Stock Exchange Limited and The Calcutta Stock Exchange Association Limited. The annual listing fee for the year 2008-09 has been paid to these Exchanges.

### 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

Mr. B C Srivastava, Mr. K P Jhunjhunwala and Sri B K Mangaraj, Directors of your Company retire from the Board by rotation and being eligible offer themselves for re-appointment.

**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.

**Cost Auditors**

In pursuance of Section 233-B of the Companies Act, 1956, your directors have appointed M/s Chatterjee & Co, Kolkata as the Cost Auditors to conduct the Cost Audit of Cement for the year 2008-09 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.

**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

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**

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

For and on behalf of the Board

**Rourkela-769 004**

The 27<sup>th</sup> day of July, 2009

Sd/-  
**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**

**Power and Fuel Consumption**

PARTICULARS	As at 31/03/2009	As at 31/03/2008
<b>1. ELECTRICITY</b>		
a) PURCHASED		
Units (in Thousand)	11292.52	11451.63
Total amount (in Thousand)	38835.43	39546.62
Rate/Unit (including DPS)	3.44	3.45
B) OWN GENERATION		
l) Through Diesel Generator		
Units (in Thousand)	84.24	63.72
Unit per Ltr.of Diesel oil	2.66	2.66
Cost/Unit (Rs.)	12.13	10.70
li) 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)	15219.52	16836.39
Total Cost (Rs. in Thousand)	26101.74	28701.10
Average Rate (Rs.)	1715.02	1704.71
<b>3. FURNACE OIL</b>		
Quantity (in K.Ltr)		
Total Cost (Rs. in Thousand)	N.A	N.A
Average Rate (Rs.)		
<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)		81175.00	70545.00
Surplus Clinker (in Mt)		2728.00	17499.00
Units Per Tonne		135	130
Electricity Purchased (Rs./Mt)		484.23	463.85
Furnace Oil		N.A	N.A

**Reasons for variation in consumption of Power & 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 consumption units has gone up due to part utilisation of power during plant shutdown for misc. Purposes..

## 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 31/03/2009

<b>A. Research &amp; Development (R &amp; D)</b>	
1. Specific areas in which R & d carried out by the Company	None
2. Benefits derived as a result of the above R & D	N.A.
3. Future Plan of action	None
4. Expenditure on R & D	
a) Capital	No specific expenditure incurred on R & D
b) Recurring	
c) Total	
d) Total R & D expenditure as a percentage of total turnover Technology absorption, adaptation and innovation	

<b>B. Technology Absorption, Adoption &amp; Innovation</b>	
1. Efforts in brief, made towards technology absorption, adaptation and innovation	Nil
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.	N.A.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year, following information may be furnished)	N.A.
a) Technology imported	
b) Year of import	
c) Has technology been fully absorbed	
d) If not fully absorbed, areas where this has not taken place reasons therefore, and future plan of action	

<b>C. Foreign Exchange Earnings Outgo</b>	Nil
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## **CORPORATE GOVERNANCE DISCLOSURE**

During the year ended 31/03/2009, 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 31<sup>st</sup> March, 2009 and brief resume of each Director is given below:-

**Mr Rajendra Prasad Gupta ( Managing Director):** He is a graduate engineer and an Industrialist and is one of the promoter of Shiva Cement Ltd, he has graduate engineer having 36 years business experience and more than 23 years in the cement Industry. He is at present Vice Chairman of Western Zone of OASME (Odisha Assembly of Small & Medium Enterprises). He is also an adviser in OJC Chamber of Commerce, Rourkela. He is also associated with several social/religious/educational organisations in various capacities and enjoying social reputation and goodwill. His inputs and guidance in the strategies for Company's growth ever since he was taken on the Board have been of immense valuable.

**Mr Akash Gupta (Executive Director) :** He is a Commerce graduate (Gold Medallist) having business experience of over 12 years in Cement manufacturing.. He is one of promoter Director of Shiva Cement Ltd.

**Mr B. K. Mangraj :** He is a post Graduate Engineer having more than 26 years experience in the Mining of Limestone & other Minerals and more than 10 years experience in operation of Cement Plant. He is also awarded by President of India in past.

**Mr B. C. Srivastava :** He is B.Sc., Metallurgy/ M.I.M/F.I.E.(Fellow Institution of Engineers (India) having more than 26 years working experience with various large Corporates.

**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 Budhraja :** He is a Graduate engineer from IIT- New Delhi and MBA from IIM- Banglore. He is having vast experience in cement industry at India & abroad in the key management. He has been associated with HOLCIM since several years. He is at present Business Head of ACC Ltd for Eastern zone.

**Mr K.P. Jhunjhunwala** : He is a IIE, EEC, IICE and management graduate from Harvard University having more than 40 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 17 years with a cement company of Birla Group. He is on the Board of several large corporates including J K Papers Limited.

During the year the Board met 6 times (as against the minimum requirement of 4 meetings) on the following dates namely 30/04/2008, 28/07/2008, 31/10/2008, 15/12/2008, 30/01/2009, and 16/03/2009.

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 (Incl. SCL)		
		Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
R.P. Gupta	CMD	6	Yes	2	1	-
Akash Gupta	ED	6	Yes	2	1	1
B.K. Mangraj	ED	5	Yes	1	4	-
S.B. Satpathy	NED	0	No	1	-	-
Ramit Budhraj	NED	4	No	1	-	-
B C Srivastava	NED	5	No	3	5	1
K P Jhunjhunwala	NED	4	No	3	-	1
OP Goyal	NED	2	No	4	-	-

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

#### 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 B.C. Srivastava as other members. The constitution of Audit committee also meets with the requirements of Section 292A of the Companies Act, 1956 as introduced by the Companies (Amendment) Act, 2000.

During the year Four Audit Committee meetings were held on the following dates including before finalisation of accounts and adoption of quarterly financial results by the Board.  
25/04/2008, 25/07/2008, 27/10/2008, & 28/01/2009.

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.

- c) 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 Sri B C Srivastava 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 from Jan'09	Rs.48000/- pm upto Dec'08

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 was paid to Nominee Directors & Independent directors.

The Company pays sitting fees only to Nominee 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, 2009 is as follows :-

-Sri Ramit Budharaja	Rs. 20000/-
-Sri O.P. Goyal	Rs. 10000/-
-Sri K.P. Jhunjhuwaia	Rs. 10000/-
-Sri B.C. Srivastava	Rs 20000/-

### • Shareholders'/Investors' Grievance Committee

The Committee comprises of Sri B C Srivastava, 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 B C Srivastava . 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	37	37	—
Demat requests confirmed-NSDL	50	50	—
Demat requests confirmed-CDSL	18	18	—

### Queries/Complaints resolved :

Activity	Received	Replied	Pending
Non receipt of share certificates after transfer/ Sub-division, Consolidation etc.	7	7	—
Change of Address	—	—	—

### • General Body Meeting

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

Year	Location	Date	Time
31/03/2006	P-25, Civil Township, Rourkela-4	29.09.2006	11.00 AM
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

*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	24 <sup>th</sup> August , 2009 at 11 AM
Venue	P-25, Civil Township, Rourkela-4, Orissa
Book closure	18 <sup>th</sup> August , 2009 to 24 <sup>th</sup> August, 2009
Equity shares listed at	Bombay Stock Exchange Ltd & Calcutta Stock Exchange

**b) Financial Calendar 2008-09 (tentative)****Annual General Meeting :****June, 2010****Board Meetings**

Results for the quarter ending June 30, 2009	Last week of July'09
Results for the quarter ending Sep 30, 2009	Last week of Oct '09
Results for the quarter ending Dec 31, 2009	Last week of Jan'10
Results for the quarter ending Mar 31, 2010	Last week of Apr'10

c) i) **Scrp Code :** Calcutta Stock Exchange 10029983  
Bombay Stock Exchange 532323

**ii) Demat ISIN Numbers**

**in NSDL & CDSL** Equity Shares **INE555C01029**

*(Note: Annual listing fees for the year 2008-09 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 Calcutta Stock Exchange & The Stock Exchange Mumbai:

Month	C. S. E.		B. S. E.	
	High	Low	High	Low
Apr'2008	--	--	13.82	10.17
May'2008	--	--	12.85	10.21
Jun'2008	--	--	10.99	7.60
Jul'2008	--	--	10.99	6.81
Aug'2008	--	--	12.18	9.42
Sep'2008	--	--	12.09	8.08
Oct'2008	--	--	8.88	6.33
Nov'2008	--	--	6.64	3.55
Dec'2008	--	--	5.88	3.42
Jan'2009	--	--	6.30	4.71
Feb'2009	--	--	5.20	4.32
Mar'2009	--	--	5.35	3.73

e) **Registrar and Transfer Agents :** **Niche Technologies (P) Ltd**  
D/511, Bagree Market  
71, BRBB Road, 5<sup>th</sup> floor,  
**Calcutta-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, 2009, 121241251 equity shares representing 80.85% 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	38195	93.61	17232863	11.49
5001-10000	1497	3.67	5894275	3.93
10001-20000	571	1.40	4472072	2.98
20001-30000	183	0.45	2346200	1.56
30001-40000	94	0.23	1707333	1.14
40001-50000	57	0.14	1343087	0.90
50001-100000	102	0.25	3808167	2.54
100001 & above	105	0.25	113159975	75.46
<b>Total</b>	<b>40804</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	1187349	0.79
Foreign Institutional Investors	20000	0.01
NRI/OCB's	1351117	0.90
Bodies Corporate	64202687	42.81
Public	38156489	25.44
Others(Clearing Member/Trusts)	1929817	1.30
<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

**Unit-I :** Kalunga Industrial Estate  
Kalunga, Dist. Sundargarh (Orissa)

**Unit-II :** 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, 5<sup>th</sup> 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.

For SHIVA CEMENT LIMITED

**Rourkela-769 004**

The 27<sup>th</sup> day of July, 2009

Sd/-  
(Managing Director)

**CEO/CFO Certification**

As required by sub clause V of Clause 49 of the Listing Agreement with the Stock Exchanges, we have certified to the Board that for the financial year ended 31<sup>st</sup> March 2009, the Company has complied with the requirements of the said sub clause..

For SHIVA CEMENT LIMITED

**Rourkela-769 004**

The 27<sup>th</sup> day of July, 2009

Sd/-  
(Managing Director)

**Compliance Certificate on Corporate Governance**

To  
The Board of Directors of Shiva Cement Limited

We have examined the compliance of conditions of Corporate Governance by Shiva Cement Limited for the year ended 31<sup>st</sup> March, 2009 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**

The 27<sup>th</sup> day of July, 2009

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 31<sup>st</sup> March, 2009 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 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31<sup>st</sup> March, 2009 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 31<sup>st</sup> March, 2009; 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

**Rourkela - 769004**

The 27<sup>th</sup> day of July, 2009

Sd/-  
**R. Tibrewal**  
Partner

**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
3. (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.
4. 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.
5. (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.
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 not, however, made a detailed examination of the said records with a view to determine whether they are accurate or complete.

9. (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. However, the company is not regular in depositing undisputed dues like TDS, Entry Tax and Employees' State Insurance Scheme during the year under audit.
- (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 31<sup>st</sup> March, 2009 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	140.87	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	3.78	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	9.13	1999-00 to 2004-05	Appellate Authority upto Commissioner's level.
		209.72		

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

**Rourkela**

The 27<sup>th</sup> day of July, 2009

Sd/-  
**R. Tibrewal**  
Partner

## BALANCE SHEET

(As at 31st March 2009)

[Rs. in Lakhs]

Particulars	Schedule	31/03/2009	31/03/2008
<b>SOURCES OF FUNDS</b>			
<b>Shareholder's Fund</b>			
Capital	[1]	3,237.85	3,382.80
Reserves & surplus	[2]	3,122.73	3,018.14
<b>Loan Funds</b>			
Secured Loans	[3]	2,000.88	181.48
Unsecured Loans	[4]	688.40	616.78
<b>Deffered Tax Liability</b>		156.82	132.26
<b>Total</b>		<b>9,206.69</b>	<b>7,331.46</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	[5]	9,010.76	7,436.60
Less Depreciation		1,894.58	1,663.07
Net Block		7,116.18	5,773.53
Capital Work in Progress		18.94	333.52
<b>Investments</b>	[6]	0.08	0.08
<b>Currents Assets, Loans &amp; Advances</b>			
Inventories		573.68	417.54
Sundry Debtors		527.47	326.61
Cash & Bank Balances		505.42	13.69
Other Current Assets		103.62	94.21
Loans & Advances		543.79	554.33
		2,253.98	1,406.38
<b>Less Current Liabilities &amp; Provisions</b>	[8]	402.32	414.01
<b>Net Current Assets</b>		1,851.66	992.37
Misc Expenditure	[9]	219.83	231.97
<b>Total</b>		<b>9,206.69</b>	<b>7,331.46</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-769004

The 27<sup>th</sup> day of July, 2009

## PROFIT & LOSS ACCOUNT

(For the year ended 31st March,2009)

[Rs. in Lakhs]

Particulars	Schedule	31/03/2009	31/03/2008
<b>INCOME</b>			
Turnover	[10]	3,146.38	3,164.15
Other Income	[11]	27.83	309.16
Increase/(Decrease) in Inventory	[12]	(28.51)	21.07
<b>Total</b>		<b>3,145.70</b>	<b>3,494.38</b>
<b>EXPENDITURE</b>			
Raw Materials Consumed		789.37	724.71
Purchases		312.54	304.97
Excise Duty & Sales Tax		685.98	689.81
Power & Fuel		398.57	402.29
Manufacturing Expenses	[13]	186.80	190.79
Salary & Other Benefits		199.99	167.03
Administrative & Selling Expenses	[14]	122.77	136.20
Interest	[15]	123.97	108.32
Bad Debts		3.03	28.66
Depreciation & Amortization		268.74	240.56
<b>Total</b>		<b>3,091.77</b>	<b>2,993.33</b>
<b>Profit Before Taxation</b>		<b>53.93</b>	<b>501.05</b>
Taxation		5.37	28.48
Deferred tax		24.56	109.69
Fringe benefit tax		1.79	2.19
<b>Profit After Taxation</b>		<b>22.21</b>	<b>360.69</b>
Transitional Gratuity Liability		64.37	-
Balance Brought from last year		(924.07)	(1284.76)
<b>Balance Carried to Balance Sheet</b>		<b>(966.23)</b>	<b>(924.07)</b>
Notes on Accounts	[16]		

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-769004**The 27<sup>th</sup> day of July, 2009

## Schedules Annexed to and forming part of Accounts

		[Rs. in Lakhs]	
		31/03/2009	31/03/2008
<b>Schedule-1 [Share Capital]</b>			
<b>Authorised</b>			
192500000 Equity Shares of Rs 2/- each		3,850.00	3,850.00
(Prev year 192500000 Equity Shares)			
7500000 Preference Shares of Rs 2/- each		150.00	150.00
(Prev year 7500000 Preference shares)			
<b>Issued, Subscribed &amp; Paid Up</b>			
149963972 Equity Shares of Rs 2/- each fully paid up.		2,999.28	2,925.28
(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	-
Equity Share warrants (Pending Conversion)		-	433.45
<b>Total</b>		<b>3,237.85</b>	<b>3,382.80</b>
<b>Schedule-2 [Reserves &amp; Surplus]</b>			
<b>Securities Premium Account</b>			
Opening Balance		3,344.39	776.39
Additions During The year		146.75	2,568.01
Closing Balance		3,491.14	3,344.39
<b>Capital Reserves</b>			
Opening Balance		597.81	597.81
Additions During The year		-	-
Closing Balance		597.81	597.81
<b>Profit &amp; Loss Account</b>			
		(966.23)	(924.07)
<b>Total</b>		<b>3122.73</b>	<b>3018.14</b>
<b>Schedule-3 [Secured Loans]</b>			
<b>Term Loans</b>			
IDBI Bank		1,092.98	-
IPICOL (Against hypothecation of fixed assets)		73.16	90.80
Bank of Baroda (Against hypothecation of Vehicle)		10.71	-
HDFC BANK LTD		70.27	90.68
(Against hypothecation of Excavator & Tipper)			
<b>Working Capital Loans</b>			
IDBI Bank Ltd (Cash Credit A/c)		753.77	-
(Against Hypothecation of Stock, Bills & second charge on fixed assets)			
<b>Total</b>		<b>2,000.88</b>	<b>181.48</b>



									[Rs. in Lakhs]
							31/03/2009	31/03/2008	
<b>Schedule-4 [Unsecured Loans]</b>									
Public Deposit Scheme							65.39	63.01	
From Others							113.71	44.37	
ACC Limited							509.30	509.40	
<b>Total</b>							<b>688.40</b>	<b>616.78</b>	
<b>Schedules Annexed to and forming part of Accounts</b>									
<b>Schedule-5 [FIXED ASSETS]</b>									
Particulars	Gross Block			Depreciation			Net Block		
	As on 01/04/2008	Additions	As on 31/03/2009	Upto 31/03/2008	For the Year	Upto 31/03/2009	As on 31/03/09	As on 31/03/08	
Lease hold land & Mines	539.79	83.90	623.69	-	-	-	623.69	539.79	
Internal roads	3.62	-	3.62	0.76	-	0.76	2.87	2.87	
Buildings & Civil Works	1,247.47	186.28	1,433.74	192.80	23.51	216.30	1,217.44	1,054.67	
Plant & Machinery	4,697.25	1,195.23	5,892.48	1,284.09	164.97	1,449.06	4,443.42	3,413.17	
Elect.Instn./DG Set	558.61	86.14	644.75	59.11	17.55	76.66	568.09	499.50	
Pollution Control Equipment	191.62	-	191.62	48.35	6.36	54.71	136.90	143.27	
Truck/Loader/Tipper	111.39	-	111.39	29.30	12.60	41.90	69.49	82.09	
Misc Fixed Assets	20.97	3.67	24.64	13.53	0.95	14.48	10.16	7.43	
Vehicles	8.54	13.26	21.80	8.04	0.29	8.33	13.47	0.50	
Computers	20.86	1.26	22.12	10.19	2.85	13.05	9.07	10.66	
Furniture & Fixture & office Equipments	36.49	4.42	40.91	16.90	2.44	19.34	21.57	19.59	
<b>Total</b>	<b>7,436.60</b>	<b>1,574.16</b>	<b>9,010.76</b>	<b>1,663.07</b>	<b>231.51</b>	<b>1,894.58</b>	<b>7,116.18</b>	<b>5,773.53</b>	
<b>Prev Year</b>	<b>6,653.86</b>	<b>782.74</b>	<b>7,436.60</b>	<b>1,457.81</b>	<b>205.26</b>	<b>1,663.07</b>	<b>5,773.53</b>	<b>5,196.05</b>	

		[Rs. in Lakhs]	
		31/03/2009	31/03/2008
<b>Schedule-6 [Investments at costs]</b>			
<b>Long Term at cost Quoted (Fully paid)</b>			
Equity Shares in :			
Reliance Industries Limited (60 Nos)			
Reliance Natural resources Limited (60 Nos)		0.01	0.01
Reliance Communications Ventures Limited (60 Nos)			
Reliance Capital (3 Nos)			
Reliance Energy (4.5 Nos)			
UTI Master Gin (500 Units)		0.07	0.07
(Market value -Rs 1.20 Lakh(P/Year Rs 2.11 Lakh)			
<b>Total</b>		<b>0.08</b>	<b>0.08</b>
<b>Schedule-7 [Current Assets, Loans and Advances]</b>			
<b>Inventories</b>			
Raw Materials		317.22	182.65
Stores, Spare parts & Fuel		191.60	141.52
Finished Goods		22.28	32.27
Stock-in-Process		42.58	61.09
<b>Total</b>		<b>573.68</b>	<b>417.54</b>
<b>Sundry Debtors</b>			
(Unsecured Considered good)			
More than Six Months		105.07	100.73
Others		422.40	225.88
<b>Total</b>		<b>527.47</b>	<b>326.61</b>
<b>Cash &amp; Bank Balances</b>			
With Scheduled Banks in Current A/c		433.40	2.46
In Fixed Deposit Account		71.17	8.36
Cash in Hand (Certified by Management)		0.85	2.87
<b>Total</b>		<b>505.42</b>	<b>13.69</b>

	[Rs. in Lakhs]	
	31/03/2009	31/03/2008
<b>Other Current Assets</b>		
(Unsecured Considered Good)		
Security Deposits	103.62	94.21
<b>Total</b>	<b>103.62</b>	<b>94.21</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	0.19	0.71
<b>Advances</b>		
Prepaid Taxes & Duties	122.81	129.97
Prepaid Expenses	6.69	2.46
Capital Items	334.56	362.28
Others	79.54	58.90
<b>Total</b>	<b>543.79</b>	<b>554.33</b>
<b>Schedule-8 [Current Liabilities &amp; Provisions]</b>		
<b>Sundry Creditors</b>		
Due to Small Scale Indl. Undertaking	42.12	38.53
Others	280.89	253.18
Advance Against Sales	0.51	14.10
Statutory Liabilities	71.83	77.53
Provision for Taxation	7.16	30.67
<b>Total</b>	<b>402.32</b>	<b>414.01</b>
<b>Schedule-9 [Misc. Expenditure]</b>		
(To the extent not written off or adjusted)		
<b>Deferred Revenue Expenses</b>		
Opening Balance	231.97	184.42
Addition During the year	25.09	82.86
Written Off during the Year	37.23	35.31
Closing Balance	219.83	231.97
<b>Total</b>	<b>219.83</b>	<b>231.97</b>
<b>Schedule-10 [Turnover]</b>		
Cement Sales	2,586.13	2,304.79
Clinker & Other Sales	531.85	848.14
Self Consumption	28.41	11.22
<b>Total</b>	<b>3,146.38</b>	<b>3,164.15</b>
<b>Schedule-11 [Other Income]</b>		
Interest	3.85	17.57
Miscellaneous Receipt	23.97	3.43
Dividend	0.00	0.01
Surplus on Settlement	-	288.15
<b>Total</b>	<b>27.83</b>	<b>309.16</b>

	[Rs. in Lakhs]	
	31/03/2009	31/03/2008
<b>Schedule-12 [Increase/(Decrease) in Inventory]</b>		
<b>Opening Stock</b>		
Cement	32.27	56.96
Stock in Process	61.09	15.34
<b>Total</b>	<b>93.37</b>	<b>72.30</b>
<b>Closing 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>Total</b>	<b>(28.51)</b>	<b>21.07</b>
<b>Schedule-13 [Manufacturing Expenses]</b>		
Stores & Spares Consumed	93.84	112.77
Labour Charges	49.42	40.24
Repairs & Maintenance	24.86	20.07
Truck, Tipper & Loader Maintenance	18.68	17.72
<b>Total</b>	<b>186.80</b>	<b>190.79</b>
<b>Schedule-14 [Administrative &amp; Selling Expenses]</b>		
Travelling & Conveyance	13.07	15.09
Rent	2.28	2.20
Audit Fees & Expenses	2.53	1.24
Vehicle Running & Maintenance	19.97	19.13
Other Administrative Expenses	52.38	44.89
Insurance Charges	1.06	0.11
ISI Marking Charges	1.56	0.68
Consultancy Charges	13.20	13.86
Publicity Expenses	2.90	3.48
Discount	10.40	30.24
Freight & Distribution Expenses	0.59	1.16
Sales Commission & Promotion Expenses	2.82	4.12
<b>Total</b>	<b>122.77</b>	<b>136.20</b>
<b>Schedule-15 [Interest]</b>		
To Financial Institutions & Banks	49.69	37.14
To Others	74.28	71.17
<b>Total</b>	<b>123.97</b>	<b>108.32</b>

**Schedule 16**  
**[Notes Forming Part of Accounts for the year Ended 31/03/2009]**

**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 allotted 37.00 lakh Equity Shares upon conversion of Equity Share Warrants during the year. However, application money amounting to Rs.214.50 lakhs paid for Equity Share Warrants allotted to ACC Limited (177 Lakh Nos.) and Roughells Fashions Pvt. Ltd (18 lakh Nos.) has been forfeited and credited to Share/Warrant forfeiture Account due to non exercise of option by them as per SEBI direction and Preferential Issue Guidelines 2000.
5. The Company has made provision for Gratuity during the year. However Actuarial valuation Certificate for the same has not been obtained. Gratuity Liability upto Financial Year 2007-08 amounting to Rs.64.37 lakhs has been provided by debiting to Profit & loss account under the head Transitional Gratuity 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 | 64.37 |
| Current Service Cost                                | 7.38  |
| Interest Cost                                       | --    |
| Actuarial (gain)/Loss                               | --    |
| Benefits (paid)                                     | --    |
| Defined Benefit obligation at year end              | 71.75 |
- b. Expenses recognized during the year
- |                       |      |
|-----------------------|------|
| Current Service Cost  | 7.38 |
| Interest Cost         | --   |
| Actuarial (gain)/loss | NIL  |
| Net Cost              | 7.38 |
7. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.750.00 Lacs (Previous year - Rs.550.00 Lacs).
8. Balances in personal accounts are subject to confirmation from parties concerned.
9. 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.
10. The Kalunga plant of the company was closed since 27<sup>th</sup> September, 2002.
11. Previous year's figure have been re-arranged, regrouped wherever considered necessary.

## 12. Earning per Share

Particulars	31/03/2009	31/03/2008
Profit Before Deferred Tax (Rs.in lakh)	46.77	470.38
Profit after Tax (PAT) (Rs.in lakhs)	22.21	360.69
Cash Profit before Deferred Tax (Rs.in lakh)	315.51	710.95
Weighted average number of Equity Shares (Nos)	148917123	132982551
Basic & Diluted EPS per share before Deferred Tax (Rs.)	0.03	0.35
Basic & Diluted EPS per share (PAT) (Rs.)	0.01	0.27
Cash EPS before Deferred Tax (Rs.)	0.21	0.53
Nominal value per Equity share (Rs.)	2/-	2/-

## 13. 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 Subsidiary/ Associated Companies

- NIL -

## b) Key Management Personnel

**Name of related Party**

Sri R.P. Gupta  
Sri Akash Gupta  
Sri B.K. Mangaraj

**Nature of relationship**

Managing Director  
Executive Director  
Director (Works)

## c) Relatives of Key Management Personnel

Late Sudha Gupta	: Wife of Managing Director (Nominee Mr. Vikash Gupta)
Priti Gupta	: Wife of Executive Director
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	Key Mngt. Personnel	Relations of Key Mngt. Personnel	Total
Remuneration paid	27.48	NIL	27.48
Rent paid	0.24	0.80	1.04
Intt. Paid on Deposits	—	0.60	0.60
Payables	0.77	1.36	2.13

## 14. Contingent Liabilities for:

- OST & CST demand of Rs.47.25 Lacs and Rs.8.69 Lacs respectively relating to the year 1995-96 for which the Company has preferred appeal. Total demand has been stayed by the Hon'ble Orissa High Court. As per legal opinion obtained by the Company, the liability of the Company shall be - Nil.(Paid under protest Rs.8.00 Lacs)
- Sales tax demand u/s. 9B(3) Rs.9.99 Lacs relating to the year 1992-93 to 1995-96 for which the company has preferred an appeal.(Paid under protest Rs.4.35 Lacs.)
- OST & CST demand of Rs.1.89 Lacs and Rs. 0.27 Lacs respectively relating to the year 1998-99 for which the company has preferred an appeal.(Paid under protest Rs. 1.00 Lacs & Rs.0.08 Lacs).
- Entry Tax demand of Rs.0.58 Lacs relating to the year 1999-2000 for which the company has preferred an appeal. (Paid under protest Rs.0.20 Lacs)
- Entry Tax demand of Rs.4.20 Lacs relating to the year 2001-02 for which the company has preferred an Appeal. (Paid under protest Rs.2.60 Lacs)
- Entry Tax demand of Rs.1.48 Lacs relating to the year 2002-03 for which company has preferred an appeal. (Paid under protest Rs.0.40 Lacs).
- OST demand of Rs.57.84 Lacs relating to the year 2003-04 for which the Company has preferred an appeal. (Paid under protest Rs.27.50 Lacs).
- CST demand of Rs.3.01 Lacs relating to the year 2003-04 for which the Company has preferred an appeal. (Paid under protest Rs. 1.30 Lacs).
- Entry Tax demand of Rs.1.60 Lacs relating to the year 2003-04 for which the Company has preferred an appeal. (Paid under protest Rs.1.20 Lacs).
- CST demand of Rs.0.50 Lacs relating to the year 2004-05 for which the Company has preferred an appeal. (Paid under protest Rs.0.15 Lacs).
- Entry Tax demand of Rs.1.27 Lacs relating to the year 2004-05 for which the Company has preferred an appeal. (Paid under protest Rs.0.35 Lacs).
- OST demand of Rs.69.71 Lacs relating to the year 2004-05 for which the Company has preferred an appeal. (Paid under protest Rs.8.00 Lacs).
- OST demand of Rs.1.44 Lacs relating to the period from June'2003 to September 2003 for which the Company has preferred an appeal.

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

16. Sundry Creditors for the year ended 31/03/2009 includes amount aggregating to Rs.42.12 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.19.20 Lacs as listed below :

Names : Proton Steels Ltd., Mittal Polypacks P Ltd., Jain Polyfeb, Tarini Explosives.

17. 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 01/04/2008	Charged/Credited To P & L A/c	As on 31/03/2009
Deferred Tax Liabilities			
Tax effect of difference between book and Tax Deprcn.	791.82	87.57	879.39
<b>Total</b>	<b>791.82</b>	<b>87.57</b>	<b>879.39</b>
Tax effect of Deferred Tax Assets			
Unabsorbed Depreciation	(525.25)	(64.23)	(589.48)
Unabsorbed Business Losses & Gatuity	(134.31)	1.22	(133.09)
<b>Total</b>	<b>(659.56)</b>	<b>(63.01)</b>	<b>(722.57)</b>
<b>Net Deferred Tax Liabilities (Assets)</b>	<b>132.26</b>	<b>24.56</b>	<b>156.82</b>

18. Remuneration to Directors

Rs. in Lakhs

	31/03/2009	31/03/2008
Salary, Bonus & allowances	27.48	23.77
Contribution to Provident Fund	2.25	2.25

19. Auditors Remuneration

	31/03/2009	31/03/2008
As Audit fees	0.95	0.50
As Tax Audit Fees	0.21	0.10
FBT Retrurns	0.02	0.02
Certification Work	0.26	0.49
Income Tax matters	0.16	0.03
Other Capacities	0.93	0.10
<b>Total 2.53</b>	<b>1.24</b>	

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

Particulars	31/03/2009		31/03/2008	
	Kalunga Unit	Kutra Unit	Kalunga Unit	Kutra Unit
<b>CAPACITY</b>				
Licenced Capacity	N.A	N.A	N.A	N.A
Actual Capacity (Mt)	45000	13200	45000	132000
Actual Production (Mt)	--	81175	--	70545
Efficiency (%)	--	61.50%	--	53.44%
<b>Raw Materials Consumed</b>				
<b>Quantity</b>				
Lime Stone Mt	--	67551	--	84885
Clay Mt	--	6456	--	6937
Additives Mt	--	1315	--	1435
Coal Mt	--	15220	--	16836
Slag Mt	--	32576	--	25397



Gypsum Mt	--	5101	--	3980
Packing Materials Nos.	--	1771700	--	1485000
<b>Value (Rs.in Lakhs)</b>				
Lime Stone	--	167.03	--	180.17
Clay	--	3.79	--	4.06
Additives	--	8.08	--	11.39
Coal	--	261.02	--	287.01
Slag	--	121.05	--	96.47
Gypsum	--	119.63	--	48.94
Packing Materials	--	108.77	--	96.67
<b>Total Value</b>	--	<b>789.37</b>	--	<b>724.71</b>
<b>Grand Total Value</b>		<b>789.37</b>		<b>724.71</b>
<b>Finished Goods</b>				
<b>Cement Stock</b>				
<b>Quantity (in Mt)</b>				
Opening Stock	--	1460	--	2943
Closing Stock	--	1053	--	1460
<b>Value (Rs. in Lakhs)</b>				
Opening Stock	--	32.28	--	56.96
Closing Stock	--	22.28	--	32.28

**Sales**

ITEM	31/03/2009		31/03/2008	
	Qty.(MT)	Value	Qty.(MT)	Value
Cement	80729	2586.13	71685	2304.79

Excluding own consumption of 852.7 MT (prev. year 343.0 MT)

**Stock in Process**

Opening Stock	4600	61.09	3758	15.34
Closing Stock	6530	42.58	4600	61.09

**Other Goods**

Opening Stock	--	--	--	--
Purchases	1113	312.54	7227	304.97
Sales	1113	396.14	7227	396.77
Closing Stock	--	--	--	--

21. 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   2009		

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

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	7400

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

Total Liabilities	960901	Total Assets	960901
-------------------	--------	--------------	--------

**SOURCES OF FUNDS**

Paid up Capital	323785	Reserve & Surplus	312273
Secured Loans	200088	Unsecured Loans	68840
Deferred Tax Liabilities	15682		

**APPLICATION OF FUNDS :**

Net Fixed Assets	713512	Investments	7
Net Current Assets	185166	Misc. Expenditure	21983

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

Turnover	317421	Total Expenditure	312028
Profit/(Loss) before Tax	5393	Profit/(Loss) After Tax	2221
Earnings per Share in Rs.	0.01	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 <b>TIBREWAL CHAND &amp; CO.,</b> Chartered Accountants	<b>On behalf of Board</b>
Sd/- R. Tibrewal Partner	Sd/- R P Gupta, MD Akash Gupta, ED B K Mangaraj Director
Rourkela-769 004 The 27 <sup>th</sup> day of July, 2009	Sd/- Company Secretary

**CASH FLOW STATEMENT**  
(For the year ended 31st march 2009)

Particulars	[Rs. in Lakhs]	
	31/03/2009	31/03/2008
<b>A. Cash Flow from Operating Activities</b>		
Net Profit/(Loss) as per P&L A/c	53.93	501.05
<b>Adjusted for :</b>		
Transitional Gratuity Liability	(64.37)	0.00
Depreciation	231.51	205.26
Amortization of expenses	37.23	35.31
Interest expenses	123.97	108.32
Interest income	(3.85)	(17.57)
Dividend	(0.00)	(0.01)
Taxes	(7.16)	(30.67)
Operating profit/(Loss) Before Working Capital Changes	371.25	801.68
<b>Adjusted for :</b>		
Trade & other receivables	(199.73)	(585.39)
Inventories	(156.14)	(112.91)
Trade Payables	(11.70)	(90.87)
Bank Borrowings	753.77	(316.54)
Cash Generated from Operations	757.47	(304.03)
<b>Net Cash From operating activities</b>	<b>757.47</b>	<b>(304.03)</b>
<b>B. Cash Flow From Investing Activities</b>		
Purchase of fixed assets	(1574.16)	(931.30)
Capital work in progress	314.58	(175.11)
Deferred financial expenses	(25.09)	(82.86)
Dividend Income	0.00	0.01
Interest Income	3.85	17.57
<b>Net Cash From Investing activities</b>	<b>(1280.82)</b>	<b>(1171.69)</b>
<b>C. Cash Flow From Financing Activities</b>		
Interest	(123.97)	(108.32)
Long term Borrowings	1065.63	(738.36)
Public deposits	2.38	(4.80)
Other long term Borrowings	69.24	(528.28)
Share Capital & Premium	435.25	3852.08
Equity Share Warrants application money	(433.45)	(1164.05)
Pref shares application money	0.00	(231.34)
<b>Net Cash From Financing activities</b>	<b>1015.08</b>	<b>1076.93</b>
Net Increase(Decrease)in cash & Cash Equivalents	491.74	(398.78)
Opening cash & Cash equivalents	13.69	412.47
Closing cash & Cash Equivalents	505.42	13.69
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

R. Tibrewal  
Partner

**Rourkela-769 004**

The 27<sup>th</sup> day of July, 2009

On behalf of Board

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

Company Secretary

## SHIVA CEMENT LIMITED

Registered Office : P-25, Civil Township, Rourkela-769 004

Attendance Slip

Please fill in the Attendance Slip and hand it over at the entrance of the meeting hall. Joint Shareholders may obtain additional Attendance slips on request

Name and address of the Share holder

DP. Id \*

Client Id.\*

Folio No.

No. of shares held :

I hereby record my presence at the **Twenty Third Annual General Meeting** of the Company to be held on Monday, 24<sup>th</sup> August, 2009 at 11 AM at Regd. Office.

Signature of the Share holder/Proxy \*

Strike out whichever is not applicable.

\* Applicable for investors holding shares in electronic form.

## SHIVA CEMENT LIMITED

Registered Office : P-25, Civil Township, Rourkela-769 004

Proxy Form

DP. Id \*

Client Id.\*

Folio No.

I/We, ..... of.....being a member/members of SHIVA CEMENT LIMITED hereby appoint ..... of ..... or failing him..... of ..... as my/our proxy to vote for me/us and on my/our behalf at the **Twenty Third Annual General Meeting** to be held on Monday, 24<sup>th</sup> August, 2009 at 11 AM or at any Adjournment thereof.

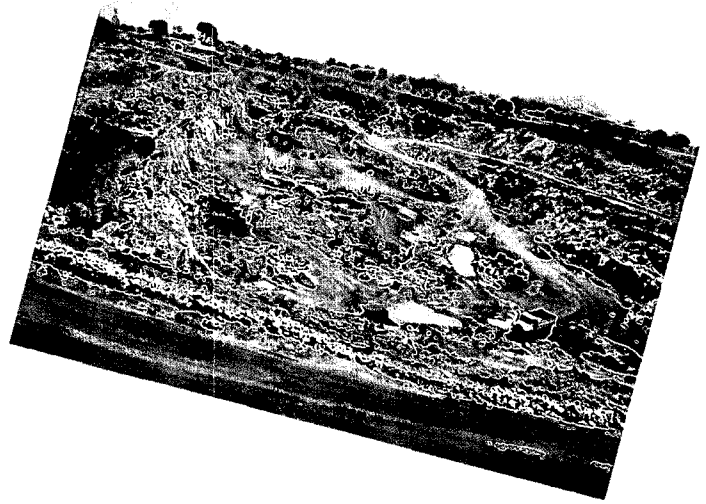
Signed this..... day of..... 2009

NOTES : The Proxy Form must be returned so as to reach the Registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

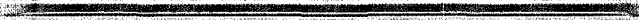
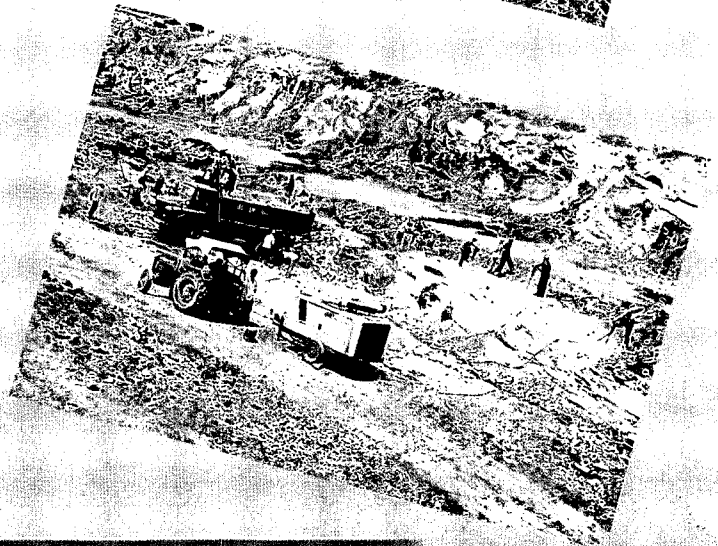
The Proxy need not be a member of the Company.

- Applicable for investors holding shares in electronic form.

Affix a  
Revenue  
Stamp



Sufficient reserves to expand  
SCL won award  
during 2004, 2006, 2007  
and 2008



*Serving Nation  
since 1986*



**SHIVACEMENT LIMITED**  
P-25, GMI Township, Rourkela-769004