

SHIVAGRICO IMPLEMENTS LIMITED

BOARD OF DIRECTORS

Shri Vimalchand M. Jain	Chairman
Shri Hemant Ranawat	Executive Director
Shri Vinit Ranawat	Director
Shri Narpatmal Singhvi	Director
Shri Bhavesh Shah	Director
Br. Karan Singh Chauhan	Director

AUDITORS

Sanghvi Sanghvi & Sanghvi

Chartered Accountants
10, La Citadelle,
99, Maharshi Karve Road,
Mumbai - 400 020

BANKERS

State Bank of Bikaner & Jaipur,
FALNA (RAJ.)

REGD. OFFICE

A-404/405, Adinath Apartments,
281, Tardeo Road,
Mumbai - 400 007

FACTORY

A-38/C-38, H.M. Nagar,
Falna 306116
Rajasthan

**SHIVAGRICO IMPLEMENTS
LIMITED**

**32ND ANNUAL REPORT
2010-2011**

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

NOTICE TO THE MEMBERS

NOTICE is hereby given that the **THIRTY SECOND ANNUAL GENERAL MEETING** of the members of **SHIVAGRICO IMPLEMENTS LIMITED** will be held on Thursday the 29th day of September, 2011 at 11.00 a.m. at Indian Merchant's Chamber Building Trust, Ashok Birla Board Room, IMC Bldg., 3rd Floor, IMC Marg, Churchgate, Mumbai - 400 020 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2011 and the Profit & Loss Account of the Company for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vinit N. Ranawat, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Narpatmal Motilal Singhvi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s Sanghvi Sanghvi & Sanghvi, Chartered Accountants as auditors of the Company and authorise the Board of Directors to fix their remuneration.

For and on Behalf of the Board of Directors

Place: Mumbai
Date: 30th May, 2011

Hemant V Ranawat
Executive Director

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY**
2. The instrument appointing a proxy or proxies should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. Members who hold shares in demat are requested to write their client ID and DPID Nos. and those who hold shares in physical form are requested to write their folio no. on the attendance slip for attending the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain close from 26th September 2011 to 29th September 2011 (both days inclusive)
5. Members/Proxy holders are requested to bring their copies of the Annual Report to the meeting as no further copies would be made available, as a measure of austerity.
6. Members who are holding shares in identical order of names in more than one folio are requested to send to the Registrar & Share Transfer Agent [RTA] i.e. Big Share Services Private Limited, the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
7. The shareholders seeking information on accounts published herein are requested to kindly furnish their queries to the Company at least ten days before the date of the meeting to facilitate satisfactory replies.

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

8. BRIEF RESUME OF PERSONS PROPOSED TO BE APPOINTED/REAPPOINTED AS DIRECTORS OF THE COMPANY AT THE ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT:

Name	Mr. Vinit N. Ranawat	Mr. Narpatmal M. Singhvi
Age	33	74
Qualification	M.B.A.	Post Graduate
Nature of Expertise	Business	Management
Experience	10 Years	53 Years
Name of the Companies in which also holds Directorship	NIL	NIL
Name of the Public Companies in committees of which also holds Membership/Chairmanship	NIL	NIL
Shareholding in the Company	2,43,200	4,800

For and on Behalf of the Board of Directors

Place: Mumbai
Date: 30th May, 2011

Hemant V Ranawat
Executive Director

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI DIRECTORS' REPORT

Your Directors have pleasure in presenting the Thirty Second - Annual Report together with the Audited Statements of Account of the Company for the year ended 31st March, 2011 and the Auditor's Report thereon.

FINANCIAL RESULTS:

Particulars	(Rupees in Lakhs)	
	31.3.2011	31.03.2010
Sales & other income	2379.93	2300.71
Profits before depreciation, interest and Tax	248.96	207.47
Less: Depreciation	94.01	92.21
Interest	58.82	59.82
Profit before Tax	96.13	55.44
Less: Income Tax	30.44	45.87
Profit after Tax	65.69	9.57
Loss brought forward from earlier year adjusted	(22.21)	(31.78)
Balance Profit / (loss) carried forward	43.48	(22.21)

PERFORMANCE REVIEW:

The total turnover of the Company during the year under review was Rs. 2379.93 Lacs as compared to Rs. 2300.71 Lacs in 2010 which is almost the same. Though the overall production of Rolling and Forging division almost remained same, the profit of the Company before interest and deprecation has improved from Rs. 207.47 Lacs to Rs. 248.96 Lacs in the current year due to improved realisation in rolling and forging charges as compared with previous year.

DIVIDEND:

This being the year, where in all carry forward losses have been wiped out and in order to conserve the financial resources of the company, your Board of Directors regret their inability to declare dividend for the year ended 31st March 2011.

DIRECTORS:

Retirement by Rotation

In accordance with the provisions of the Companies Act 1956, Mr. Vinit N. Ranawat and Mr. Narpatmal M. Singhvi Directors of the Company are due for retirement by rotation and being eligible offer themselves for reappointment.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956, the Board of Directors with respect to Director's Responsibility Statement hereby confirms that:

- (a) in preparation of the annual accounts, for the year ended on 31st March, 2011, the applicable accounting standards have been followed in the preparation of the final accounts and that there are no other material departures.
- (b) the Accounting policies have been selected and applied consistently and such judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the profit of the company for the year ended on that date.
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the asset of company and for preventing and detecting fraud and other irregularities; and
- (d) the annual accounts have been prepared on a going concern basis.

PARTICULARS UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956:

There are no employees who are in receipt of remuneration exceeding the ceiling limit prescribed under the Companies (Particulars of Employees) Rules 1975 calling for furnishing their particulars.

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

(1) Conservation of Energy, Technology and Absorption

Information in accordance with the provisions of Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, regarding conservation of energy and technology absorption is as follows:

1. Consumption of coal

NAME OF PROCESS	UNIT	Production		Consumption of Coal (in Rs.)		Average/M.T (in Rs.)	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
ROLLING	M.T.	15223	15960	10068403	9575355	661	600
FULL FORGING	M.T.	1542	1930	1085194	1274146	704	660
PARTIAL FORGING	M.T.	2190	931	1313380	529857	600	569
TOTAL		18955	18821	12466977	11379358		

2. Consumption of power

NAME OF PROCESS	UNIT	Production		Consumption of Power (in Rs.)		Average/M.T (in Rs.)	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
ROLLING	M.T.	15223	15960	7355053	7359193	483	461
FULL FORGING	M.T.	1542	1930	609060	667394	395	346
PARTIAL FORGING	M.T.	2190	931	372300	123823	170	133
TOTAL		18955	18821	8336413	8150410		

Note :

The electrical Consumption of Rolling, forging and other activities have been bifurcated on practical estimate as separate measurement of consumptions are not feasible.

3. High Speed Diesel (For Generator)

POWER GENERATION NIL

Foreign Exchange earnings and outgo:

The required information in respect of Foreign Exchange earnings and outgo for the year ended 31st March, 2011 is given below :

Foreign Exchange earnings	:	NIL	(Previous Year Rs. 3,75,761/-)
Foreign Exchange outgo	:	Rs. 18,36,498/-	(Previous Year Rs. 2,14,12,178/-)

Auditors:

M/s. Sanghvi Sanghvi & Sanghvi, Chartered Accountants will retire at the forthcoming Annual General Meeting and are eligible for reappointment. The company has received certificate from them stating their reappointment, if made would be within the prescribed limit under section 224(1-B) of the Companies Act,1956. The members are requested to appoint the auditors and fix their remuneration.

Corporate Governance:

Report on Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchange forms part of the Annual Report.

A certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement is annexed to this Report.

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

Audit Committee/ Remuneration Committee/Shareholders Committee:

The Board of Directors has constituted three committees i.e. Audit Committee/ Remuneration Committee/Shareholders Committee as per the requirements of Corporate Governance under Listing Agreement. The majority of members of these Committees are independent & non executives.

Fixed Deposit:

The Company has not accepted deposits from public and hence directives issued by the Reserve Bank of India and the provisions of Section 58A ,58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules,1975 are not applicable for the year under audit.

ACKNOWLEDGEMENT

Your Directors record their gratitude to the Banks, Financial Institutions, Government Departments, Vendors and all the clients of the company for the unstinted support received from them during the year.

The Directors would also like to place on record their appreciation for the dedicated efforts and services put in by employees of the Company.

For and on behalf of the Board of Directors

Place: Mumbai
Dated: 30th May, 2011

Hemant V. Ranawat
Executive Director

Vinit Ranawat
Director

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A. Industry Structure and Developments

- (a) The International Market has firmed up but due to sluggish demand in Home consumption the Indian Market is not very encouraging.
- (b) The cost of all the inputs and services have increased but market can not absorb the same due to sluggish trend and hence margins are likely to fall.
- (c) The conversion work with Tata Steel is being continued.
- (d) The Company is Certified ISO- 9001-2008 compliant for all its products.

B. Segment-wise performance

Your Company has two segments viz.

- (1) Rolling and Forging.
- (2) Others.

Overall Production and revenue of Rolling and Forging increased marginally by appx. 4%.

C. Adequacy of Internal control system

The Company has adequate internal control system and procedure in respect of its nature of business, size of the company, with regards to purchase of inventory, fixed assets and sale of goods.

D. Financial and operation performance

Turnover

The net turnover increased by 3.44% from the previous year

Operation Profit (PBIDT) & Margin

Operating Profit increased by 20% in F.Y. March 2011 from Rs 207.48 Lacs to Rs 248.96 Lacs

Power and Fuel Cost

Power cost & Fuel cost increased by 6.52% due to price escalation.

Employees Cost

Employees cost was less in the current year as there was higher provision for retirement benefits in the last year.

Interest

The Interest cost is more or less same.

Income Tax

The Company has provided Rs 30.00 Lac towards current tax and Rs 0.45 Lac towards Deferred Tax.

E. Human Resources / Industrial Relations

The company has established team working of all employees at various levels. At factory site the company is managed under the able guidance of its Executive Director, Mr. Hemant Ranawat who in turn is supported by office staff, senior foreman, supervisors and assistant. Each division has its in charge/ foreman who are supported by assistants and workshop staff. The supervisor assists foreman and acts as a link between management. Systems are further developed to strengthen the management cordial. Regular meeting with union leader maintains harmony. The Company has legal consultants to ensure timely compliance with labour law.

F. Cautionary Statement:

The Management Discussion and Analysis Report contain forward looking statements. The Company's actual results, performance, or achievements could thus differ materially from those express or implied due to variations in prices of raw materials. Cyclical demands, and pricing in the company's principal product, changes in Government regulations, tax regimes, economic development within India and other incidental factors.

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

CORPORATE GOVERNANCE REPORT

Introduction

A report for the financial year ended 31st March, 2011 on the compliance by the Company with the Corporate Governance requirements under Clause 49 of the Listing Agreement is furnished below:

1. Company's philosophy on code of Governance.

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization. Good Corporate Governance leads to long term shareholder value and enhances interest of other stakeholders. It brings into focus the fiduciary and the trusteeship role of the Board to align and direct the actions of the organization towards creating wealth and shareholder value.

2. Board of Directors

(i) Board Composition

Composition of the Board :

Sr. No.	Name of the Directors	Category	No. of other Directorships in other public limited companies #	Committee Membership # #	
				Member	Chairman
1.	Mr. Vimal Chand M. Jain	Chairman Non-Executive Director	Nil	Nil	Nil
2.	Mr. Vinit Ranawat	Non-Executive Director	Nil	Nil	Nil
3.	Mr. Hemant V. Ranawat	Executive Director	Nil	Nil	Nil
4.	Mr. Narpatmal Singhvi	Non-Executive Independent Director	Nil	Nil	Nil
5.	Mr. Bhavesh Shah	Non-Executive Independent Director	Nil	Nil	Nil
6.	Br. Karan Singh Chauhan	Non-Executive Independent Director	Nil	Nil	Nil

Excludes Directorships of Foreign Companies and Alternate Directorships.

Committee of Directors include Audit Committee, Shareholders / Investors Grievance Committee and Remuneration Committee of Directors only and excludes Memberships in Private Limited Companies, Foreign Companies and Section 25 Companies of the Companies Act, 1956.

(ii) Number of Board meetings held, dates on which held.

The Board of Company met five (5) times during the last financial year, on the following dates:

29th May, 2010 30th June, 2010 30th July, 2010 30th October, 2010 31st January, 2011

The Company placed before the Board various information including the applicable items specified under Annexure 1A of the Listing Agreement, from time to time.

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

(iii) Attendance of each director at the Board meetings and the last AGM.

Sr. No.	Name of the Directors	No. of the Meetings Attended	Attendance at last Annual General Meeting
1.	Mr. Vimalchand Jain	5	Yes
2.	Mr. Vinit Ranawat	4	Yes
3.	Mr. Hemant V. Ranawat	5	Yes
4.	Mr. Narpatmal Singhvi	3	No
5.	Mr. Bhavesh Shah	5	Yes
6.	Br. Karan Singh Chauhan	5	No

(3) Code of Conduct

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmation of compliance with the respective Codes have been made by the Directors and Senior Management.

(4) Audit Committee:

During the financial year 2010-11, four Audit Committee Meetings were held on the following dates, including before finalization of accounts and adoption of Quarterly Financial Results by the Board:

28th June, 2010 29th July, 2010 28th October, 2010 31st January, 2011

The constitution of the Committee and the attendance of each member of the Committee is given below :

Sr. No.	Member of Audit committee	Designation	Category	No. of Meetings Held	No. of Meetings Attended
1.	Br. Karan Singh Chauhan	Chairman	Non Executive Independent Director	4	4
2.	Mr. Bhavesh Shah	Member	Non Executive Independent Director	4	4
3.	Mr. Vinit Ranawat	Member	Non Executive Director	4	4

(5) Remuneration Committee

The Remuneration Committee constituted by the Board of Directors of the Company consists of 3 directors i.e. Mr. Bhavesh Shah, Mr. Vinit Ranawat, Mr. Karan Singh. Chauhan

The remuneration committee was reconstituted on 25th September 2010. No sitting fee, salary / remuneration and commission have been paid to any directors during the year under review except to Mr. Hemant V. Ranawat to the extent of Rs1,50,000/-

(6) Share Transfer Committee

During the year Fifteen Share Transfer Committee Meetings were held on the following dates:

23rd April 2010 , 7th May 2010, 28th May 2010, 09th July 2010, 20th August 2010 , 27th August 2010, 30th September 2010, 8th October 2010, 22nd October 2010, 12th November 2010, 03rd December 2010, 24th December 2010, 04th February 2011, 11th March 2011, 25th March 2011.

Sr. No.	Member of Share Transfer committee	Designation	Category	No. of Meetings Held	No. of Meetings Attended
1.	Br. Karan Singh Chauhan	Chairman	Non Executive Independent Director	15	15
2.	Mr. Bhavesh Shah	Member	Non Executive Independent Director	15	15
3.	Mr. Vinit Navratan Ranawat	Member	Non Executive Director	15	15

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

Investor Grievance Redressal:

During the year, 1 Complaint received from the Shareholders, and there is 1 outstanding complaints pending as on March 31, 2011.

(7) General Body Meetings:

Year	Day and Date	Venue	Time	No. of Special Resolutions passed
2008	Tuesday 30/09/2008	A-2, Adinath Aptartment, 281, Tardeo Road, Mumbai - 400 007	10:00 a.m.	----
2009	Saturday 26/09/2009	A-2, Adinath Aptartment, 281, Tardeo Road, Mumbai - 400 007	10:00 a.m.	----
2010	Saturday 25/09/2010	Indian Merchant's Chamber Building Trust, Ashok Birla Board Room, IMC Bldg., 3rd Floor, IMC Marg, Churchgate, Mumbai-400 020.	09:45 a.m.	-----

Resolution passed through Postal Ballot

No resolution has been passed through postal ballot nor is there any proposal for postal ballot.

(8) Disclosures:

(i) Related Party Transactions:

There are no transactions of material nature with Directors/ Promoters or any related entity, which will have any potential conflict with the interest of the Company. However, transactions with the related parties are disclosed in Note No. 18 of Schedule 15 to the 'Notes on Accounts forming part of the Annual Report.

(ii) Compliances by the Company:

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority.

(9) Means of Communication:

- (i) The quarterly results of the Company are published in two newspapers in compliance with the provisions of Clause 41 of the Listing Agreement. Generally, the same are published in The Asian Age (English Language) and Ratnagiri Times (Marathi). As the results of the company are published in the Newspapers, half-yearly reports are not sent to each household of shareholders. The quarterly results as well as the proceedings of the Annual General Meeting are submitted to the Bombay Stock Exchange Limited, Mumbai immediately after the conclusion of the respective meeting.

(10) General Shareholder information:

- | | | |
|-------|--|--|
| (i) | Date, time and venue of Annual General Meeting of Shareholders | 29th September, 2011, 11.00 A.M.
Indian Merchant's Chamber Building Trust,
Ashok Birla Board Room, IMC Bldg., 3rd Floor,
IMC Marg, Churchgate,
Mumbai - 400 020. |
| (ii) | Financial Calendar (tentative) | The Financial Year covers the period April 1
to March 31.
Financial reporting for quarter ended
June 30, 2011 : By August 15, 2011
September 30, 2011 : By November 15, 2011
December 31, 2011 : By February 15, 2012
March 31, 2012 : By May 15, 2012
Annual General Meeting for year ended 31st
March 2012 - By September 30, 2012. |
| (iii) | Dates of book closure | From 26th September, 2011 to
29th September, 2011 (both days inclusive) |
| (iv) | Dividend Payment | Not Applicable |
| (v) | Listing on stock exchanges | The Company's shares are listed and traded on
Bombay Stock Exchange Limited, Mumbai |
| (vi) | Stock Exchange Code | 522237 |

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

(vii) Stock Market price data

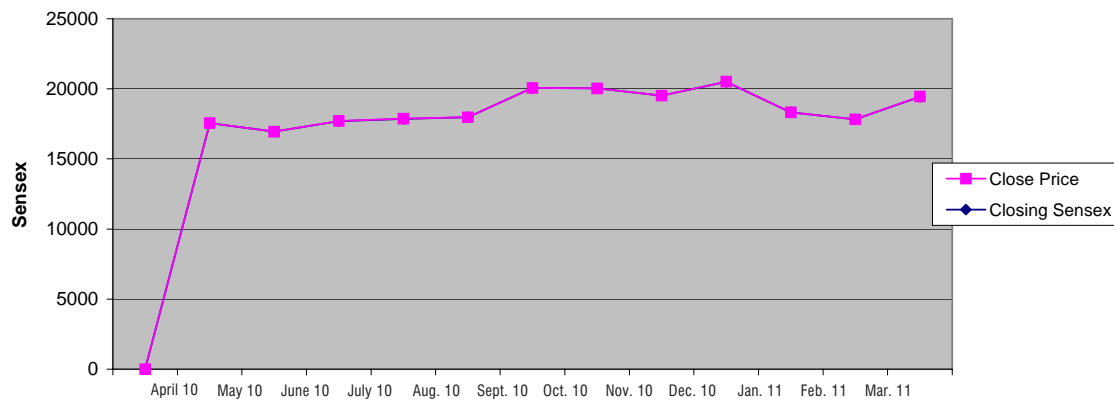
Monthly high and low at the Bombay Stock Exchange Limited for the financial year ended 31st March, 2011:

Month	High Rs.	Low Rs.
April, 2010	10.37	10.37
May, 2010	10.88	8.70
June, 2010	9.03	7.84
July, 2010	7.70	7.32
August, 2010	8.26	7.00
September, 2010	8.19	6.66
October, 2010	10.18	7.00
November, 2010	11.11	8.18
December, 2010	7.84	6.19
January, 2011	6.49	5.15
February, 2011	6.26	5.42
March, 2011	6.00	5.95

Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.

Monthly high and low at the Bombay Stock Exchange Limited for the financial year ended 31st March, 2011:

Index v/s Share Price



SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

(viii) Registrar and Share Transfer Agent :

Big Share Services Pvt. Ltd.
E/2 Ansa Indl. Estate
Saki Vihar Road, Saki Naka
Andheri (E), Mumbai- 400 072
Tel.No.: 022- 28470652/53
Fax No.: 022 28475207
Email: bigshare@bom7.vsnl.net.in

(ix) Share Transfer System:

All transfers received are processed and approved by the Share Transfer Committee, which considers transfers and other related matters. The Share Transfer committee of the Company meets as often as required.

(x) Distribution of Shareholding as on March 31, 2011

No. of Equity Shares held	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to total Capital
1 - 500	1884	69.80	562900	11.19
501 - 1000	464	17.19	411672	8.18
1001 - 2000	144	5.34	237978	4.73
2001 - 3000	52	1.93	132700	2.64
3001 - 4000	38	1.41	141400	2.81
4001 - 5000	27	1.00	128300	2.55
5001 - 10000	40	1.48	306200	6.09
10001 and above	50	1.85	3108850	61.81
Total	2699	100	5030000	100

SHAREHOLDING PATTERN AS ON 31.03.2011:

Category	Shares	
	Number	% to total Capital
Promoters & their Relatives	25,24,900	50.20
Banks, Financial Institutions	NIL	NIL
Mutual Funds and UTI	43800	0.87
Body Corporate	1,34,622	2.68
Indian Public	22,92,678	45.58
NRIs / OCBs	34,000	0.67
Total	5030000	100.00

(xi) Dematerialisation of Shares and Liquidity

The Company has established required connectivity with National Securities Depository Limited and Central Depository Services Limited and the same are available in electronic segment under ISIN - INE092H01014.

(xii) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity.

There is no GDR/ADR/Warrant or any Convertible Instruments pertaining conversion or any other instrument likely to impact the equity share capital of the Company.

(xiii) Plant Location

A-38/C-38, H.M. Nagar, Falna – 306 116, Rajasthan

(xiv) Address for Correspondence:

Shivagrigo Implements Limited
A-1, Adinath Apartments,
281, Tardeo Road,
Mumbai – 400 007
Tel. No: 022-2389 3022, 2389 3023
Fax No: 022-2380 2678
Email: shivimpl@shivagrigo.com

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

DECLARATION BY THE EXECUTIVE DIRECTOR PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

To

The Members of **SHIVAGRICO IMPLEMENTS LIMITED**

I, Mr. Hemant Ranawat, Executive Director of Shivagrigo Implements Limited declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct.

Hemant Ranawat
Executive Director

Place: Mumbai
Date: 30th May, 2011

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Shivagrigo Implements Limited

We have examined the compliance of conditions of Corporate Governance by Shivagrigo Implements Limited (the Company) for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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 the 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.

SANGHVI SANGHVI & SANGHVI
Firm Registration No. : 109138W
Chartered Accountants

PLACE : MUMBAI
DATED : 30th May, 2011

MAULIK VIRA
Partner
Membership No. : 112909

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

AUDITORS' REPORT

TO THE MEMBERS OF SHIVAGRICO IMPLEMENTS LIMITED

We have audited the attached Balance Sheet of SHIVAGRICO IMPLEMENTS LTD as at 31st March, 2011 and also the Profit and Loss Account and the 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 those financial statements based on our audit.

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.

- (1) As required by the Companies (Auditor's Report) Order, 2003 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.
- (2) Further to our comments in the Annexure referred to in paragraph (1) above:
 - (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 said Balance Sheet, Profit and loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Profit and Loss account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act 1956;
 - (e) on the basis of written representations received from directors, as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2011, from being appointed as a director in terms of clause(g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (g) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon 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 :-
 - (i) in the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 2011;
 - (ii) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement of the Cash Flow of the Company for the year ended on that date.

For SANGHVI SANGHVI & SANGHVI

Firm Registration No. : 109138W

Chartered Accountants

PLACE : MUMBAI
DATED : 30th May, 2011

MAULIK VIRA
Partner

Membership No. : 112909

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

ANNEXURE TO AUDITORS' REPORT

(Referred to in paragraph (1) of our report of even date)

- (i) (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion the frequency of verification, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed in respect of the assets physically verified.
- (c) As per the information and explanations given to us, during the year, the company has not disposed off any substantial part of fixed assets.
- (ii) (a) As explained to us, the management has physically verified the inventories as at the end of the financial year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) Since the Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, accordingly, sub-clauses (b), (c), (d), (e), (f) & (g) of clause (iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the Company has not entered into any contracts or arrangements referred to in section 301 of the Companies Act, 1956, accordingly, sub-clause (b) of clause (v) of the Order is not applicable to the Company.
- (vi) The company has not accepted deposits from public and hence directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable for the year under audit.
- (vii) In our opinion, the company has an internal audit system commensurate with the size of the Company and the nature of its business.
- (viii) To the best of our knowledge and as explained to us by the management, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) According to the information and explanations given to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess, service tax and other material statutory dues.
- (b) As at 31.03.2011 according to the records of the company, the following are the particulars of disputed dues on account of sales tax, income tax, custom duty, wealth tax, excise duty and other statutory dues that have not been deposited.

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

Nature of Statute	Amount (Rs) in Lacs	Forum where dispute is pending
Excise duty	60.50	Rajasthan High Court
Excise duty	11.62	Joint Commissioner of Central Excise, Jaipur - II
Excise duty	4.40	Commissioner of Central Excise (Appeals), Jaipur - II

- (x) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year
- (xi) The company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) As informed to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us and on an overall examination, the term loans have been applied for the purpose for which they were raised.
- (xvii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the company has not made any allotment of shares during the period covered by our report. Accordingly, the provisions of clause (xviii) of paragraph 4 of the Companies (Auditors Report) Order 2003, is not applicable to the company.
- (xix) In our opinion and according to the information and explanations given to us, the company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause (xix) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xx) During the period covered by our audit report, the company has not raised any money by public issue.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **SANGHVI SANGHVI & SANGHVI**
Firm Registration No. : 109138W
Chartered Accountants

Place : Mumbai
Dated : 30th May, 2011

MAULIK VIRA
Partner
Membership No. 112909

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI
BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHEDULE	RUPEES	AS AT 31- 03 - 2011 RUPEES	AS AT 31 - 03 - 2010 RUPEES
I. SOURCES OF FUNDS				
A SHARE HOLDER'S FUNDS :				
Share Capital	1	46,135,982		46,135,982
Reserve & Surplus	2	<u>14,906,975</u>	61,042,957	<u>10,558,995</u>
				56,694,977
B LOAN FUNDS				
Secured Loans	3		68,122,510	69,393,850
C Deferred Tax Liability			<u>2,632,117</u>	<u>2,587,161</u>
TOTAL FUNDS EMPLOYED			<u>131,797,584</u>	<u>128,675,988</u>
II. APPLICATION OF FUNDS :				
A FIXED ASSETS				
Gross Block	4	115,734,318		101,959,658
Less: Depreciation		<u>69,550,278</u>		<u>60,170,983</u>
Net Block			46,184,040	41,788,675
Capital work-in-progress			17,069,784	5,185,253
Advance against Capital Expenditure			1,196,378	380,000
B INVESTMENTS	5		16,500	16,500
C CURRENT ASSETS, LOANS & ADVANCES				
CURRENT ASSETS:				
Inventories	6	63,748,863		55,226,745
Sundry Debtors	7	14,913,612		16,080,553
Cash & Bank Balances	8	1,894,701		13,354,348
		<u>80,557,176</u>		<u>84,661,646</u>
LOANS & ADVANCES	9	<u>7,272,731</u>		<u>10,283,322</u>
		87,829,907		94,944,968
Less:				
D CURRENT LIABILITIES & PROVISIONS				
Current Liabilities	10	<u>20,499,025</u>		<u>15,859,828</u>
		20,499,025		15,859,828
E NET CURRENT ASSETS			67,330,882	79,085,140
F PROFIT & LOSS ACCOUNT				
TOTAL ASSETS (NET)			<u>131,797,584</u>	<u>128,675,988</u>
CONTINGENT LIABILITIES				
(See Note No.2 in Schedule 15)				
NOTES ON BALANCE SHEET & PROFIT AND LOSS ACCOUNT)	15			

As per our report attached.

For SANGHVI SANGHVI & SANGHVI
Firm Registration No. : 109138W
Chartered Accountants

For and on behalf of the Board of Directors

(Maulik Vira)
Partner
Membership No. 112909

(Hemant Ranawat)
Executive Director

(Bhavesh Shah)
Director

(Vinit Ranawat)
Director

MUMBAI
Dated : 30th May, 2011.

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2011

PARTICULARS	SCHEDULE	RUPEES	AS AT 31-03-2011 RUPEES	AS AT 31-03-2010 RUPEES
Sale of Products and Services	11	247,617,983		238,011,726
Less : Excise duty paid on sale		<u>(10,091,389)</u>		<u>(9,260,753)</u>
			237,526,594	228,750,973
Other Income	12		466,616	1,320,127
TOTAL			<u>237,993,210</u>	<u>230,071,100</u>
EXPENDITURE				
Purchases of traded goods			7,485,455	24,929,306
Manufacturing & Other Expenses	13		205,611,242	184,393,290
Interest	14		5,882,398	5,982,373
Depreciation		9,400,759		9,577,253
Less : Charged to Revaluation Reserve		<u>—</u>		<u>355,341</u>
			9,400,759	9,221,912
TOTAL			<u>228,379,854</u>	<u>224,526,881</u>
PROFIT/ (LOSS) BEFORE TAXES			9,613,356	5,544,220
Provision for Taxation				
(a) Current Tax		3,000,000		2,000,000
(b) Deferred Tax		44,956		2,587,161
(c) Fringe Benefit Tax		<u>—</u>	3,044,956	<u>—</u>
PROFIT / (LOSS) AFTER TAXES			6,568,400	957,059
Prior Period Adjustments			<u>—</u>	<u>—</u>
BALANCE BROUGHT FORWARD FROM LAST YEAR			6,568,400 (2,220,420)	957,059 (3,177,478)
BALANCE CARRIED TO BALANCE SHEET			<u>4,347,980</u>	<u>(2,220,420)</u>
Basic & Diluted Earning Profit Per Share			1.41	0.20
NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT	15			

As per our report attached.

For SANGHVI SANGHVI & SANGHVI
Firm Registration No. : 109138W
Chartered Accountants

For and on behalf of the Board of Directors

(Maulik Vira)
Partner
Membership No. 112909

(Hemant Ranawat)
Executive Director

(Bhavesh Shah)
Director

(Vinit Ranawat)
Director

MUMBAI
Dated : 30th May, 2011.

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI
SCHEDULES FORMING PART OF THE BALANCE SHEET

	RUPEES	AS AT 31-03-2011 RUPEES	AS AT 31-03-2010 RUPEES
SCHEDULE - 1			
SHARE CAPITAL:			
AUTHORISED			
6990000 Equity Share of Rs 10/- each		6,99,00,000	6,99,00,000
1000 9% Cumulative Redeemable Preference share of Rs. 100/-		1,00,000	1,00,000
TOTAL		<u>7,00,00,000</u>	<u>7,00,00,000</u>
 Issued, Subscribed & Paid up			
50,30,000 Equity Shares of Rs 10/- each (Previous Year : 50,30,000 Equity Shares of Rs. 10/- each)		5,03,00,000	5,03,00,000
LESS : Calls in Arrears		<u>41,64,018</u>	<u>41,64,018</u>
TOTAL		<u>4,61,35,982</u>	<u>4,61,35,982</u>
OF THE 50,30,000 Equity Shares: 40,40,000 were issued on conversion of debentures.			
 SCHEDULE - 2			
RESERVE & SURPLUS :			
A. CAPITAL RESERVE:			
Balance as per Last Account		<u>15,00,000</u>	<u>15,00,000</u>
		<u>15,00,000</u>	<u>15,00,000</u>
B. SHARE PREMIUM ACCOUNT			
Balance as per last Account		<u>90,58,995</u>	<u>90,58,995</u>
		<u>90,58,995</u>	<u>90,58,995</u>
{Rs. 90,58,995 are net of calls-in- arrears Rs 10,41,005 (Previous year Rs. 90,58,995 are net of Rs 10,41,005)}			
C. REVALUATION RESERVE			
Balance as per last a/c	-		3,55,341
LESS: Transfer to depreciation	-		<u>3,55,341</u>
		-	-
D. PROFIT & LOSS ACCOUNT			
Profit & Loss Account		<u>4,347,980</u>	
		<u>14,906,975</u>	<u>10,558,995</u>
 SCHEDULE - 3			
SECURED LOANS			
(a) State Bank of Bikaner & Jaipur (Cash Credit) (Borrowings are secured by hypothecation of stock of the Company)		5,17,05,782	5,92,00,349
(b) Term Loan from State Bank of Bikaner & Jaipur, Falna (Borrowings are secured by hypothecation of all fixed assets of the Company and entire current assets as collateral security)		1,53,47,991	99,54,501
(c) Term Loan from others (Secured against hypothecation of vehicle)		88,056	2,39,000
(d) Term Loan from SBBJ (Secured against hypothecation of Toyota car)		980,681	-
TOTAL		<u>6,81,22,510</u>	<u>6,93,93,850</u>

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

SCHEDULE - 4 FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 1/4/2010	ADDITION	DEDUCTION	AS AT 31/03/2011	AS AT 1/04/2010	FOR THE YEAR	DEDU CTION	AS AT 31/3/2011	AS AT 31/03/2011	AS AT 31/3/2010
LAND	22,29,942	—	—	22,29,942	—	—	—	—	22,29,942	22,29,942
FREEHOLD LAND	1,08,840	50,000	—	1,58,840	—	—	—	—	1,58,840	1,08,840
BUILDINGS	1,60,43,977	11,82,042	—	1,72,26,019	95,08,256	6,24,193	—	1,01,32,449	70,93,570	65,35,721
PLANT & MACHINERY	7,72,19,146	1,07,25,634	—	8,79,44,780	4,68,02,928	80,65,769	—	54,868,697	33,076,083	30,416,218
OFFICE EQUIPMENTS	15,45,753	1,18,330	—	16,64,083	12,41,555	99,546	—	13,41,101	3,22,982	3,04,198
FURNITURES & FIXTURES	14,27,283	—	—	14,27,283	9,87,404	79,618	—	10,67,022	3,60,261	4,39,879
COMPUTER SOFTWARE	17,784	—	—	17,784	10,635	1,430	—	12,065	5,719	7,149
VEHICLES	33,66,933	1,720,900	22,246	50,65,587	16,20,205	5,30,203	21,464	21,28,944	29,36,643	17,46,728
TOTAL	10,19,59,658	13,796,906	22,246	11,57,34,318	60,170,983	94,00,759	21,464	69,550,278	46,184,040	41,788,675
PREVIOUS YEAR	9,52,59,032	67,42,226	41,600	10,19,59,658	50,615,441	95,77,253	21,711	60,170,983	41,788,675	44,643,591

Notes : Motor Cars purchased are registered in the name of the Directors of the Company except for Toyota Altis purchased during the year which is registered in the name of the Company.

	AS AT 31-03-2011 RUPEES	AS AT 31-03-2010 RUPEES
SCHEDULE - 5		
INVESTMENTS		
LONG TERM INVESTMENT		
(Other than trade)		
Unquoted fully paid-up shares in Falna Udyog Mandal Ltd,	16,500	16,500
Total	16,500	16,500

Note : Figures in bracket represent previous year's figures

SCHEDULE - 6		
INVENTORIES		
(As per inventories valued and certified by the management)		
(a) Stores & Spares (at cost)	31,42,073	29,78,267
(b) Finished and Semi-finished Products produced and purchased by the co.(At lower of cost or net realisable value)	1,37,00,680	1,63,48,695
(c) Work in progress (at lower of cost or net realisable value)	96,51,831	58,69,771
(d) Raw materials purchased and produced by the company (produced materials at cost or net realisable value, all purchased materials at cost and occurred materials during the process at net realisable value)	3,58,38,342	2,95,59,578
(e) Other consumables (At cost)	1,415,937	4,70,434
Total	6,37,48,863	5,52,26,745

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

	RUPEES	AS AT 31-03-2011 RUPEES	AS AT 31-03-2010 RUPEES
SCHEDULE - 7			
SUNDRY DEBTORS			
(Unsecured, considered good)			
a) Debts outstanding for a period exceeding six months.	66,352		8,246
b) Other debts	1,48,47,260	1,49,13,612	1,60,72,307
TOTAL		<u>1,49,13,612</u>	<u>1,60,80,553</u>
SCHEDULE - 8			
CASH & BANK BALANCES :			
Cash on hand		86,643	31,662
Balances with Scheduled banks			
On Current Accounts		7,49,331	1,23,21,995
On Fixed Deposits		10,58,727	10,00,691
TOTAL		<u>1,894,701</u>	<u>1,33,54,348</u>
SCHEDULE - 9			
LOANS AND ADVANCES :			
(Unsecured, considered good)			
(a) Advances & deposits with public bodies		10,68,801	6,60,880
(b) Advance payment against taxes including T.D.S.		87,309	29,63,925
(c) Advance payment to suppliers		3,62,753	3,65,841
(d) Advance recoverable in cash or in kind or for value to be received		57,53,868	62,92,676
TOTAL		<u>72,72,731</u>	<u>1,02,83,322</u>
SCHEDULE - 10			
A. CURRENT LIABILITIES			
(a) Sundry Creditors			
i) For goods and services	10,60,841		9,88,123
ii) For other liabilities	1,21,05,514		53,55,429
		1,31,66,354	63,43,552
(b) Advance received from customers		73,32,671	94,38,643
TOTAL		<u>2,04,99,025</u>	<u>1,57,82,195</u>
B. PROVISIONS			
For Taxation		—	77,634
		—	77,634
TOTAL		<u>2,04,99,025</u>	<u>1,58,59,828</u>
SCHEDULE - 11			
SALE OF PRODUCT AND SERVICES			
a) Sale of Products		16,96,08,545	16,52,17,743
b) Income from Services, Conversion & Job work		7,80,09,438	7,27,93,983
TOTAL		<u>24,76,17,983</u>	<u>23,80,11,726</u>

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

	RUPEES	AS AT 31-03-2011 RUPEES	AS AT 31-03-2010 RUPEES
SCHEDULE - 12			
OTHER INCOME			
a) Interest on Fixed Deposit and Advances (Gross inclusive of tax deducted at source 5,981/-, previous year Rs. 13,166/-)		64,017	1,34,906
b) Profit on sale of fixed assets		2,318	23,381
c) Interest on JVVNL Security (deducted at source Rs. 5707/-, previous year Rs. NIL)		57,068	34,267
d) Interest on Car Deposit with Tata Motors		—	5,872
e) Foreign Exchange Difference		—	7,22,422
f) Sundry Balance Written back		—	3,99,279
g) Excess Provision of Income Tax made written back		15,651	—
h) Interest on Income Tax Refund		2,72,562	—
i) Office Rent		55,000	—
TOTAL		4,66,616	13,20,127
SCHEDULE - 13			
MANUFACTURING AND OTHER EXPENSES			
A. RAW MATERIALS CONSUMED			
Opening Stock	2,95,59,578		1,24,82,701
Add: Purchases	11,65,50,080		10,99,94,851
: Raw Material for Hammer transferred from opening WIP	63,757		—
	14,61,73,415		12,24,77,552
Less: Closing Stock	3,58,38,342		2,95,59,578
	11,03,35,073		92,917,974
Less : Material used for Fixed Assets	7,35,435		—
		10,95,99,638	9,29,17,974
B. PAYMENT TO AND PROVISION FOR EMPLOYEES			
Wages and Salaries including Bonus	48,97,466		44,09,838
Company contribution to Provident & other funds	4,89,010		4,50,655
Workers and Staff Welfare	3,61,060		2,36,452
Retirement Benefits	1,68,191		13,75,201
		59,15,727	64,72,146
C. OPERATION AND OTHER EXPENSES			
Stores consumed	75,95,491		67,61,012
Repairs to Building	7,18,549		5,31,977
Repairs to Machinery	16,37,074		31,05,156
Commission on Purchase	1,91,203		1,43,860
Custom Duty on Import Purchases	6,135		33,21,722
Jobwork charges	2,11,25,256		1,92,38,162
Labour charges	2,03,89,382		1,65,26,024
Power consumed	83,36,443		81,50,410
Steam Coal consumed	1,24,66,977		1,13,79,358
Rates and Taxes	19,747		—
Insurance	2,30,361		1,96,999
Other expenses	55,76,240		57,78,327
	7,82,92,858		7,51,33,007
		7,82,92,858	

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

SCHEDULES FORMING PART OF THE PROFIT / LOSS ACCOUNT

	RUPEES	AS AT 31-03-2011 RUPEES	AS AT 31-03-2010 RUPEES
D. MANAGERIAL REMUNERATION		1,50,000	1,32,000
E. AUDITOR'S REMUNERATION		3,50,000	3,21,160
F. COMMISSION AND DISCOUNTS			
Cash Discounts	55,307		23,703
Sales Commission	—	55,307	42,583
		55,307	66,286
G. PACKING MATERIALS CONSUMED AND EXPENSES		31,36,053	22,56,461
I. FREIGHT AND HANDLING CHARGES		50,37,007	86,57,624
J. Increase (Decrease) In Excise duty on closing stock		—	
Opening Stock	10,59,213		8,94,367
Less: Closing Stock	10,99,312		10,59,213
		40,099	1,64,846
K. Excise Duty		42,32,355	28,56,161
L. REDUCTION/(ACCRETION) TO STOCKS OF FINISHED AND SEMI-FINISHED PRODUCTS AND WORKS-IN-PROGRESS			
Opening Stock	2,22,18,466		1,76,34,091
Less: Raw Material for Hammer transferred from opening WIP	63,757		—
Less: Closing Stock	2,33,52,511		2,22,18,466
		(11,97,802)	(45,84,375)
		20,56,11,242	18,43,93,290

SCHEDULE - 14

FINANCE CHARGES

On Fixed Loans

Interest on term loan 16,36,735 16,92,550

To Others

Interest to bank 51,73,948 42,77,521

Interest on TDS — 470

Interest to Excise Dept. 41,107 11,832

68,51,790 **59,82,373**

Less : Borrowing Costs Capitalised 9,69,392 —

58,82,398 **59,82,373**

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

SCHEDULE – 15

NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

1. Significant Accounting Policies

(a) Fixed Assets

- (i) Leasehold Land is valued at cost.
- (ii) All other fixed assets are stated at cost of acquisition or construction less depreciation. Certain assets were revalued during the financial year 1992-93 and the resultant surplus was added to the cost of the asset.

(b) Foreign Exchange Transactions

- (i) Transaction in foreign currencies are recorded at custom exchange rates existing at the time of the transaction and exchange differences arising from foreign currency transactions are dealt in Profit & Loss Account.
- (ii) Foreign currency monetary items at year end are being converted at closing rates and exchange differences are dealt with in Profit & Loss Account.

(c) Depreciation

- (i) Leasehold & Freehold land is not depreciated.
- (ii) Depreciation on all other fixed assets is provided on written down value method in accordance with Schedule XIV to the Companies Act, 1956. Extra shift depreciation wherever applicable is calculated on actual shift basis in respect of each mill/unit.

(d) Investments

Long term Investments are stated at cost.

(e) Inventories

- (i) Finished and Semi-finished products produced and purchased by the company are carried at lower of cost or net realisable value.
- (ii) Work-in-Progress is carried at lower of cost or net realisable value.
- (iii) Raw materials purchased are carried at lower of cost or net realisable value and recovered materials during processes at estimated realisable value.
- (iv) Stores and Spares are carried at cost.
- (v) Other consumables are carried at cost.
- (vi) Stocks are valued using FIFO basis.

(f) Employee Benefits

(a) Employee Benefits during employment

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

(b) Post-employment Benefits

(i) Defined Contribution Plans : The Company's state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid / payable under the schemes is recognized during the period in which the employee renders the related service.

(ii) Defined Benefit Plans : The Employees Gratuity Fund Scheme managed by trust is the company's defined benefit plan. Wherever applicable, the present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plan is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

Actuarial gains and losses will be recognized immediately in the Profit and Loss Account.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plan to recognize the obligation on the net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost is recognized as expense on a straight-line basis over the average period until the benefits become vested.

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

(g) Revenue Recognition

- (i) Revenue in respect of local sale of products is recognised at the point of despatch to customers.
- (ii) Revenue in respect of export sale is recognised on the date of bill of lading.
- (iii) Local sales comprise of sale value of goods, excise duty and is net of trade discounts and returns.
- (iv) Revenue in respect of conversion contracts is recognised on Accrual basis.

(h) Borrowing Cost

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use or sale. All other borrowing costs are charged to revenue.

(i) Provision for Taxation

- (i) Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.
- (ii) Deferred tax :

The differences that result between the profit offered for income tax and the profit as per the financial statements are identified and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted regulations. Deferred tax assets are recognised only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

2. Contingent Liabilities :

- (a) Claims of Excise Duty not acknowledged by the company (matters under Appeal) - Rs.76,52,126 /- (Previous Year Rs.72,12,215/-)
 - (b) Claim of custom duty not acknowledged by the company (matter under Appeal) - Rs. NIL (Previous year Rs. 1,73,137/-)
 - (c) Estimated amount of contracts remaining to be executed on Capital account and not provided for : Rs. 15,16,287/- (Previous Year Rs. 6,96,500/-)
3. Depreciation charge for the year shown in the Profit and Loss Account is after deducting an amount of Rs.NIL (Previous year Rs. 3,55,341/-) representing the extra depreciation arising on revaluation of the fixed assets, withdrawn from revaluation reserve.
 4. Advance and Deposits with Public Bodies Rs. 10,68,801/- (Previous Year Rs. 6,60,880/-) include balances with excise department Rs.500/- (Previous year Rs. 500/-).
 5. Advances recoverable in cash or in kind or for value to be received Rs.54,09,475/- (Previous Year Rs. 60,75,275/-) include CENVAT receivable and personal ledger accounts Balances with excise department Rs. 20,03,926/- (Previous year Rs. 23,98,983/-) and receivable from Sales Tax Department Rs. 7,93,489/- (Previous Year Rs. 8,32,645/-).
 6. Stores consumed (including obsolete spares written off) exclude cost of wages and salaries and other expenses for the stores items manufactured departmentally and the same are charged to wages and salaries and other revenue accounts. Stock of Stores does not include any departmentally manufactured items; hence no impact on the profit of the year.
 7. Repairs to Building and Repairs to Machinery carried on departmentally exclude the cost of wages & salaries and other expenses which are charged to wages and salaries and other revenue accounts.
 8. (a) Sundry Creditors include Rs. NIL due to small Scale Industrial undertaking (Previous Year Rs. NIL)
 - (b) There are no Small Scale Undertakings to whom the company owes amounts exceeding Rs. 1 Lacs outstanding for more than 30 days.
 - (c) The above information has been complied in respect of parties to the extent to which they could be identified as small-scale undertaking on the basis of information available with the company.

9. Payment to Auditors

	Current Year	Previous Year
Statutory Audit Fees	2,80,000.00	2,80,000.00
Tax Audit Fees	<u>70,000.00</u>	<u>70,000.00</u>
	3,50,000.00	3,50,000.00
Add : Service Tax (Credit Availed thereof)	<u>36,050.00</u>	<u>36,050.00</u>
	<u>3,86,050.00</u>	<u>3,86,050.00</u>

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

10. There are no dues to Micro and Small Enterprises as at 31st March, 2011. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified by the management on the basis of information available with the Company.

11. (a) Licensed and Installed Capacities :

Class of Products	Licenced Capacity		Installed Capacity	
	As at 31-03-11	As at 31-03-10	As at 31-03-11	As at 31-03-10
	Tones	Tones	Tones	Tones
(i) Re-rolling goods	N.A.	N.A.	24,600	24,600
(iii) Agricultural Implements and other Forging Items	N.A.	N.A.	13,900	13,900

N.A. – Not applicable

Installed capacity is taken considering the working of Rolling Plant and Forging Plant in double shift and as certified by the management and accepted by the auditors.

(b) Actual Production

Class of Products	Unit	During the year ended on	During the year ended on
		31.03.2011	31.03.2010
(1) Re-Rolling Goods	M.Ts	4,160.010 (1701.340)	4,033.360 (1456.940)
(2) Re-rolling Goods (Hammers)	Nos.	170	223
(3) AGRICULTURE IMPLEMENTS AND OTHER FORGING ITEMS			
(i) Agricultural Implements	Nos	26,003	1,11,458
(ii) Other Forging Items	M.Ts	1229.830	1025.214
(4) Scrap	M.Ts	729.310	362.205

NOTE:

- 1) Figures within brackets represent captive consumption during the year.
- 2) Includes production by conversion and job work done by third parties into finished goods for sale.
- 3) Excludes production on conversion done for third parties Rolling Products 11149.185 M.Ts(Previous Year 10677.405 MT) and Forging Products 2145736 Nos. (Previous Year 2118900 Nos.)

c) Purchase of Finished Goods

Class of Goods	Unit	For the year ended 31/03/2011		For the year ended 31/03/2010	
		Qty.	Value (Rs.)	Qty.	Value (Rs.)
1 Ingots/Billets	MTs	258.110	5,654,612	—	—
2 Scrap	MTs	111.440	1,830,843	2,046.950	24,929,306
			7,485,455		24,929,306

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

(d) TURNOVER

Sr. No.	Class of Goods	Unit	For the year ended 31/03/2011		For the year ended 31/03/2010	
			Qty.	Value (Rs.)	Qty.	Value (Rs.)
1	Re-Rolling Products	Mts	2,476.07	82,225,705	2,566.013	72,701,177
2	Re-Rolling Products (Hammers)	Nos	170	45,671	223.00	22,932
3	Agriculture Implements	Nos	30,328	2,301,934	112,838	9,040,267
4	Other Forging Items	Mts	1256.990	59,943,719	1005.575	39,000,513
5	Ingots	Mts	258.110	6,678,207	-	-
6	Others	Nos.	-	8,130	-	-
7	Machinery Parts	Pcs	0	-	2	475,000
8	Scrap	Mts	1,020.400	18,405,179	2,277.005	43,977,854
9	Sales of Services			78,009,438		72,793,983
	Less : Excise duty on sales			(10,091,389)		(9,260,753)
				237,526,595		228,750,973

(e) STOCK PARTICULAR OF FINISHED GOODS

Sr. No.	Class of Goods	Unit	Closing stock as at 31/03/2011		Closing stock as at 31/03/2010	
			Qty.	Value (Rs.)	Qty.	Value (Rs.)
1	Re-Rolling Goods	Mts	358.217 (375.617)	1,13,50,497 (1,06,57,586)	375.617 (365.210)	1,06,57,586 (1,24,18,329)
2	Agriculture Implements	Nos	12,933 (17,258)	939,890 (440,910)	17,258 (18,638)	440,910 (484,206)
3	Other Forging Items	Mts	26.948 (54.108)	897,503 (15,54,036)	54.108 (34.469)	1,554,036 (12,22,478)
4	Scrap	Mts	19.953 (199.603)	512,790 (36,90,973)	199.603 (67.753)	36,90,973 (13,82,381)
5	Machinery	Nos.	- 0	- 0	- (2)	- (4,78,950)
6	Others			- (5,190)		5190 (5,190)
				13,700,680 (16,348,695)		16,348,695 (15,991,534)

Note : Figures in brackets represents previous year figures.

(f) RAW MATERIAL CONSUMED:

CLASS OF PRODUCT	Unit	CURRENT YEAR		PREVIOUS YEAR	
		Qty. (MTS)	Value (RUPEES)	Qty. (MTS)	Value (RUPEES)
i) Non alloy Steel ingots and other rerollable material	Mts	4551.575	109,599,638	4414.870	91,276,523
ii) Forging item	Mts	-	-	71.060	1,641,451
			109,509,638		92,917,974

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

12. The value of consumption of directly imported and indigenously raw materials and percentage

	Current Year		Previous year	
	Value Rupees	Percentage	Value Rupees	Percentage
(a) Directly Imported	0	0.00%	0	0.00%
(b) Indigenously obtained	10,95,99,638	100.00%	9,29,17,974	100.00%
	<u>10,95,99,638</u>	<u>100.00%</u>	<u>9,29,17,974</u>	<u>100.00%</u>

13. Expenditure in foreign Currency

	Current Year Rupees	Previous Year Rupees
(a) CIF Value of Finished Goods / Services	1,836,978	21,354,011
(b) Travelling Exp.	100,520	58,167

14. Earning in Foreign Exchange

Export of goods (on F.O.B. Basis)	—	375,761
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15. Deferred Tax Assets / Liability

As per the requirement of the accounting Standard 22 on "Accounting For Taxes on Income" issued by the Institute of Chartered Accountants of India the deferred tax liability recognised during the year is Rs. 44,956/- (Previous Year Rs. 25,87,161/-).

The year end position of Deferred Tax Liability is given below :

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Deferred Tax Liability / (Assets) On Depreciation		
As per last Balance Sheet	2,587,161	—
Deferred Tax Liability / (Asset) on account of difference in opening balance of Fixed Assets as on 31/03/2009	—	2,929,402
Deferred Tax Liability / (Assets) on account of Depreciation	28,790	(383,097)
	<u>2,615,951</u>	<u>2,546,305</u>
Deferred Tax Liability / (Assets) on account of		
Expenses disallowed U/s. 40(a)(ia)	—	—
Expenses disallowed u/s. 43B	—	—
Others	16,166	40,856
Net Deferred Tax Liability / (Assets)	<u>2,632,117</u>	<u>2,587,161</u>

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

16. Disclosure pursuant to Accounting Standard (AS) 15 (Revised) "Employee Benefits"

- (a) The Company has adopted Accounting Standard (AS) 15 (revised 2005) on Employee Benefits on 1st April, 2005.
- (b) The Company operates the following unfunded defined benefit plans :
- (i) Post retirement gratuity (Refer Note No. 1(f) of Notes to Accounts for accounting policies adopted)
- (c) During the financial year ended 31st March, 2011, the Company has made a payment of Rs. 2,95,183/- (Previous year Rs. 15,62,026/-) to Life Insurance Corporation of India as contribution to the defined benefit plan. However, the said contribution made is in excess by Rs. NIL (Previous Year Rs. 2,17,401/-; refer Note No. 7 in the working given hereunder) as per the valuation done by the Life Insurance Corporation of India. Accordingly, Rs. NIL, (Previous Year Rs. 2,17,401/-) are credited to Group Gratuity Expenses under Retirement Benefits and debited to Prepaid contribution to Gratuity Fund Account under "Advances Recoverable in cash or in kind or for value to be received."
- (d) The actuarial valuation of the present value of the defined benefit obligation has been carried out as at 31st March, 2011. The following tables set out the amounts recognised in the financial statements as at 31st March, 2011 for the above mentioned defined benefit plans [Previous year figures have not been given as the Company has adopted revised Accounting Standard AS 15 for the first time during the financial year ended as on 31st March, 2011]:

Description	As at 31/3/2011 (Rs.)	As at 31/3/2010 (Rs.)
(1) Change in present value of obligation		
a. Present Value of obligation as at the beginning of the year	2,429,285.00	2,037,805.00
b. Current Service Cost	192,034.00	147,619.00
c. Interest Cost	158,908.00	163,024.00
d. Actuarial (Gain)/Loss	57,303.00	80,837.00
e. Benefits Paid	-31,881.00	-
f. Present Value of Obligation as at the end of the year	2,805,649.00	2,429,285.00
(2) Changes in the fair value of plan assets		
a. Fair Value of Plan Assets at the beginning of the year	2,646,686.00	990,764.00
b. Expected Return on Plan Assets	240,054.00	93,896.00
c. Contributions	295,183.00	1,562,026.00
d. Benefits Paid	-31,881.00	-
e. Actuarial Gain / (Loss) on Plan Assets	-	-
f. Fair Value of Plan Assets at the end of the year	3,150,042.00	2,646,686.00
(3) Fair Value of Plan Assets		
a. Fair Value of Plan Assets at the beginning of the year	2,646,686.00	990,764.00
b. Actual return on plan assets	240,054.00	93,896.00
c. Contributions	295,183.00	1,562,026.00
d. Benefits Paid	-31,881.00	-
e. Fair Value of Plan Assets as at the end of the year	3,150,042.00	2,646,686.00
f. Funded Status	344,393.00	217,401.00
g. Excess of actual over estimated return on plan assets		-

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

(4) Actuarial Gain / Loss recognized

a. Actuarial (gain) / loss for the year - obligation	57,303.00	80,837.00
b. Actuarial (gain) / loss for the year - Plan Assets	—	—
c. Total (gain) / loss for the year	57,303.00	80,837.00
d. Actuarial (gain) / loss recognized in the year	57,303.00	80,837.00
e. Unrecognized actuarial (gains) / losses at the end of year	—	—

(5) The amount recognized in balance sheet

a. Present Value of Obligation as at the end of the year	2,805,649.00	2,429,285.00
b. Fair Value of Plan Assets as at the end of the year	3,150,042.00	2,646,686.00
c. Funded Status	344,393.00	217,401.00
d. Unrecognized Actuarial (gains)/losses	—	—
e. Net Asset / (Liability) recognized in Balance Sheet	344,393.00	217,401.00

(6) Expenses recognized in statement of Profit & Loss Account

a. Current Service Cost	192,034.00	147,619.00
b. Interest Cost	158,908.00	163,024.00
c. Expected Return on Plan Assets	-240,054.00	-93,896.00
d. Actuarial (Gain) / Loss	57,303.00	80,837.00
e. Expenses recognized during the year	168,191.00	297,584.00

(7) Actuarial Assumptions used for valuation of the present value of the Defined Benefit Obligations of various benefits are as under :

Retirement Age	60 years
Future Salary Rise	7.00% per annum
Rate of Discounting	8.00% per annum
Mortality Table	LIC (1994-96) Ultimate

* Discounting rate is based on the Prevailing market yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligation.

* The estimates of future salary increases, considered in actuarial valuation, take account of the inflation, seniority, promotion and other relevant factors.

17. The Company has identified its business segments as its primary reporting format which comprises of (1) Rolling and Forging and (2) Others. All products made by the company essentially emanate from Rolling & Forging division and therefore it is reported as an independent business segment and other segment includes trading in goods & merchandise.

The secondary segment is a geographical segment determined based on, the location of the consumer. Consumers are classified as either domestic or overseas comprising of Gulf, African & European countries.

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

PARTICULARS

Primary Segment Reporting :

Particulars	Rolling and Forging Segment	Other operations	Consolidated Total
REVENUE			
External Revenue	225,218,828 (191,277,776)	12,307,766 (38,195,619)	
Inter Segment Sales	—	—	
Total Revenue	<u>225,218,828</u> <u>(191,277,776)</u>	<u>12,307,766</u> <u>(38,195,619)</u>	<u>237,526,594</u> <u>(229,473,395)</u>
RESULT			
Segment Result	13,705,851 (14,773,298)	7,262,718 (1,878,421)	20,968,569 (16,651,719)
Unallocable Income			343,213 (399,279)
Unallocated corporate expenses			8,982,069 (10,286,612)
Interest (Net of Interest Received)			5,761,313 (5,807,328)
Net Enterprise Profit			<u>6,568,400</u> <u>(957,058)</u>

Secondary Segment reporting

Segment	Revenue
Domestic	237,526,594 (229,075,432)
Overseas	— (397,963)
	<u>237,526,594</u> <u>(229,473,395)</u>

Note : Figures in brackets represents previous year figure.

18. Related Party Disclosure

i)

Sr. No.	Name of the Related Party	Relationship
1.	Shri Hemant V. Ranawat	Key Management Personnel
2. 3.	Shri Vimalchand M. Jain Shri Vinit Ranawat	Relative of Key Management Personnel
4. 5.	Mokalsar Stone Pvt. Ltd. (only previous year) Sanghvi Dhanrupji Devji Money Changers Pvt. Ltd.	Others

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

(II) Transaction during the year with related parties.

Nature of transaction	Current Year			Previous Year		
	Key Management Personnel	Relative of Key Management Personnel	Others	Key Management Personnel	Relative of Key Management Personnel	Others
A. Expenditure						
Managerial Remuneration	1,50,000	—	—	1,32,000	—	—
Weighing charges	—	48,700	—	—	73,860	—
Tractor hiring charges	—	—	—	—	1,50,000	—
Foreign Exchange Purchase	—	—	100,520	—	—	58,167
Purchases of Fixed Assets	—	—	29,531	—	—	—

19. Particulars of earning Profit / (Loss) per share

Particulars	Current Year	Previous Year
Net Profit / (Loss) available to equity share holders	6,568,400	9,57,058
Number of equivalent equity shares	4,711,513	4,711,513
Nominal value of shares	10	10
Earning per share	1.41	0.20

20. Previous year figure have been recast or restated where necessary, to confirm with current year.

For SANGHVI SANGHVI & SANGHVI

Firm Registration No. : 109138W

Chartered Accountants

(Maulik Vira)
Partner
Membership No. 112909

For and on behalf of the Board of Directors

(Hemant Ranawat)
Executive Director

(Bhavesh Shah)
Director

(Vinit Ranawat)
Director

MUMBAI

Dated : 30th May, 2011.

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011.

	As at 31/03/2011	As at 31/03/2010
	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax and Extraordinary items	96,13,355.82	55,44,219.00
Adjustments for		
Depreciation	94,00,759	92,21,912.00
(Interest Income)	(3,93,647)	(1,75,045.00)
Interest on Borrowings	58,82,398	59,82,373.00
(Profit) / Loss on sale of fixed assets	(2,318.00)	(23,381.00)
	14,887,192.00	1,50,05,859.00
Operating Profit/(Loss) before working capital changes	24,500,547.82	2,05,50,078.00
Adjustments for		
Inventories (Increase)/Decrease	(85,22,118)	(2,14,75,414.00)
Sundry Debtors (Increase)/Decrease	1,166,941	(9,533,242.00)
Recoverable (Increase)/Decrease	3,010,591	5,623,229.00
Sundry Creditors Increase/(Decrease)	72,718	(1,998,853.00)
Other Liabilities Increase/(Decrease)	4,611,435	13,327,258.00
	339,566.81	(14,057,022.00)
Cash Generated from operations	24,840,114.63	6,493,056.00
Taxes	3,044,956.00	45,87,161.00
Prior Period Adjustments	-	-
NET CASH FROM OPERATING ACTIVITIES - A -	21,795,158.63	1,905,895.00
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(26,497,814.78)	(70,99,347.00)
Interest Received	393,647.00	1,75,045.00
Sale of Fixed Assets	3,100.00	43,270.00
NET CASH IN INVESTING ACTIVITIES - B -	(26,101,067.78)	(68,81,032.00)

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

	As at 31/03/2011 Rupees	As at 31/03/2010 Rupees
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Borrowings (Net)	(1,271,340.00)	1,38,74,084.00
Interest paid	(5,882,398.18)	(59,82,373.00)
NET CASH FROM FINANCING ACTIVITIES - C -	<u>(7,153,738.18)</u>	<u>78,91,711.00</u>
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>(11,459,647)</u>	<u>2,916,574</u>
Cash and cash equivalents as at 1st April 2010	1,33,54,348	1,04,37,774
Cash and cash equivalents as at 31st March 2011	<u>18,94,701</u>	<u>1,33,54,348</u>

- Note :** 1. Figures in brackets represent out flows.
2. Previous Year figures have been regrouped wherever necessary.

For SANGHVI SANGHVI & SANGHVI

Firm Registration No. : 109138W
Chartered Accountants

(Maulik Vira)
Partner
Membership No. 112909

For and on behalf of the Board of Directors

(Hemant Ranawat)
Executive Director

(Bhavesh Shah)
Director

(Vinit Ranawat)
Director

MUMBAI

Dated : 30th May, 2011.

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

To,
The Board of Directors,
Shivagrigo Implements Ltd,
MUMBAI - 400 007.

We have examined the attached Cash Flow Statement of SHIVAGRICO IMPLEMENTS LIMITED for the year ended 31st March, 2011. The statement has been prepared by the company in accordance with the requirement of clause 32 of listing agreement with the Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report dated 30th May, 2011 to the members of the Company.

FOR SANGHVI SANGHVI & SANGHVI

Firm Registration No. : 109138W

Chartered Accountants

MUMBAI
DATED : 30th May, 2011

MAULIK VIRA
Partner
Membership No. 112909

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS	State Code 11
Registration No.	2121
Balance Sheet Date	31.03.2011
II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSAND)	
Public Issue	Right Issue
Nil	Nil
Bonus Shares	Private Placement
Nil	Nil
III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSAND)	
<u>Total Liabilities</u>	<u>Total Assets</u>
1,31,798	1,31,798
<u>SOURCES OF FUNDS</u>	
Paid-up Capital	<u>Reserve and surplus</u>
46,136	14,907
<u>Secured Loans</u>	<u>Unsecured Loans</u>
68,123	NIL
<u>Deferred Tax Liability</u>	
2,632	
<u>APPLICATION OF FUNDS</u>	
<u>Net Fixed Assets</u>	<u>Investments</u>
64,450	17
<u>Net Current Assets</u>	<u>Misc. Expenditure</u>
67,331	NIL
IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSAND)	
Turnover (Gross Revenue)	<u>Total Expenditure</u>
2,37,993	228,380
<u>Profit (Loss) Before Tax</u>	<u>Profit (Loss)/After Tax</u>
9,613	6,568
<u>Earning Per Share in Rs.</u>	<u>Dividend rate%</u>
1.41	Nil

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

V. GENERAL NAMES OF PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code)	720690.01
Product Description	Non-Alloy Steel Ingots
Item Code No. (ITC Code)	820130.00
Product Description	Agriculture Implements
Item Code No. (ITC Code)	721490.00
Product Description	Others Bars + Rods of Iron & Non-Alloy Steel.

Signature to Schedule to '1' to '16' Append Herewith.

For SANGHVI SANGHVI & SANGHVI

Firm Registration No. : 109138W
Chartered Accountants

(Maulik Vira)
Partner
Membership No. 112909

For and on behalf of the Board of Directors

(Hemant Ranawat)
Executive Director

(Bhavesh Shah)
Director

(Vinit Ranawat)
Director

MUMBAI

Dated : 30th May, 2011.

SHIVAGRICO IMPLEMENTS LIMITED, MUMBAI

Regd. Office : A-404/405, Adinath Apartments, 281, Tardeo Road, Mumbai-400 007.

PROXY FORM THIRTY-SECOND ANNUAL GENERAL MEETING

I/We of _____
in the district of _____ being a member/members of SHIVAGRICO IMPLEMENTS LIMITED
hereby appoint _____, or failing him _____ of _____
in the district of _____

as my/our proxy to attend and vote for me/us on my/our behalf at the Thirty-Second Annual General Meeting of the Company to be held on Thursday, 29th September, 2011 at 11.00 a.m. at the Indian Merchant's Chamber Building, Ashok Birla Board Room, 3rd Floor, IMC Marg, Churchgate, Mumbai - 400 020 and at any adjournment thereof.

Signed this _____ day to _____ 2011

Affix One Rupee Revenue Stamp
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Signature _____

Regd Folio No. _____ No. of Shares _____

Note : The proxy form duly signed across the revenue stamp of One Rupee should reach the Company's Registered Office at least 48 hours before the time of the meeting.

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THIRTY-SECOND ANNUAL GENERAL MEETING

ATTENDANCE SLIP

I hereby record my presence at the Thirty-Second Annual General Meeting of the Company

Name of the Shareholder (in block letters)

No. of Shares held

Folio No.

Signature

Full Name of the Proxy(in block letters)

Note : (1) Shareholders attending in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting Hall.

(2) Members are requested to bring their copy of the Annual Report for the meeting.

BOOK-POST

To,

If undelivered please return to:
SHIVAGRICO IMPLEMENTS LIMITED
A-404/405, Adinath Apartments,
281, Tardeo Road,
Mumbai-400 007.