

21st
Annual Report
2011-12

SHIVA MEDICARE LIMITED

SHIVA MEDICARE LIMITED

BOARD OF DIRECTORS

Sri Amit Jain
Director

SRI Gagan Lamba
Director

SRI John Wilson Babu
Director (wef 24.03.2012)

SRI Durgaprasad Kolapalli
Director (wef 24.03.2012)

SRI P. Vishalakshan
Director (up to 31.03.2012)

AUDITORS

AVK & Associate
317, Express Arcade,
H-10, Netaji subhash Place,
Pitampura, Delhi-110034
Ph:011-42471074

BANKERS

Bank of Baroda
Vijaya Bank

Registrar & Transfer Agent:

Knack Corporate Services P Ltd
No. 6/18, I Floor, Poes Road,
I Street, Teynampet, Chennai -
Ph: 044 - 24350613

REGISTERED OFFICE

D-110, Kamla Nagar
Delhi-110007
Ph:011-41530502

NOTICE

NOTICE is hereby given that Annual General Meeting of the Members of Shiva Medicare Limited will be held on Friday, the 17th day of August 2012 at 11.00 A.M. at the Registered Office of the Company at D-110, Kamla Nagar, , Delhi 110007 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012 and Profit and Loss Account for the period ended as on that date together with the Directors' Report and Auditor's Report thereon.
2. To appoint a Director in place of Sh., Amit Jain who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

"RESOLVED THAT pursuant to Sub-Section (1) of Section 224 of the Companies Act, 1956, M/s Rama Chandra Rao., Chartered Accountants, Hyderabad, be and are hereby appointed auditors of the company to fill the vacancy caused by the resignation of M/s AVK & Associates, Chartered Accountants, Delhi, to hold the office from the date of this meeting until the conclusion of the next annual general meeting of the company on a remuneration as may be decided by the Board of Directors plus reimbursement of out-of-pocket expenses that may be incurred by the auditors in the performance of their duties as auditors of the company."

Special Business

4. To consider and if thought fit to pass with or without modification, the following Ordinary resolution:

"RESOLVED that Shri John Wilson Babu, who was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 on 24/03/2012 and who holds office up to the date of ensuing Annual General Meeting, and who is eligible for reappointment under the relevant provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company subject to liable to retire by rotation.
5. "RESOLVED that Shri DurgaPrasad, who was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 on 24/03/2012 and who holds office upto the date of ensuing Annual General Meeting, and who is eligible for reappointment under the relevant provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company subject to liable to retire by rotation.

**By the Order of the Board
For Shiva Medicare Limited**

Place: New Delhi

Date: 25/07/2012

Sd.
(Amit Jain)
DIRECTOR

SHIVA MEDICARE LIMITED

**Regd. Office: D-110, Kamla Nagar
Delhi - 110007**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A FORM OF PROXY IS ENCLOSED.
2. Members are requested to bring the copy of their Annual Report along with them to the Annual General Meeting.
3. Members are requested to intimate the change of address, if any, immediately.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 3

The Existing Auditors M/s AVK & Associates, Chartered Accountants, Delhi do not wish to continue as the auditor of the company due to their other preoccupations and have submitted their resignation to the Company. The Board proposed to appoint M/s. Rama Chandra Rao., Chartered Accountant, Hyderabad as the new Auditors of the Company.

Pursuant to the provisions of Section 224(1) of the Companies Act, 1956, any changes in the Auditors of the company need the shareholders approval. Thus, the resolution is placed for the member's approval.

None of the directors are interested in the said resolutions.

ITEM NO. 4

Shri John Wilson Babu was appointed as an Additional Director on the Board effective 24/03/2012 In terms of Section 260 of the Companies Act, 1956 he holds office up to the date of ensuing Annual General Meeting and is eligible for re-appointment. The Company has received a notice proposing the candidature of Shri John Wilson Babu for the office of a Director in terms of Sections 255 & 257 of the Companies Act, 1956 subject to liable to retire by rotation.

The Board recommends appointment of Shri John Wilson Babu in Annual General Meeting as Director of the Company.

Hence, placed before you for your kind approval.

ITEM NO. 5

Shri DurgaPrasad was appointed as an Additional Director on the Board effective 24/03/2012 In terms of Section 260 of the Companies Act, 1956 he holds office up to the date of ensuing Annual General Meeting and is eligible for re-appointment. The Company has received a notice proposing the candidature of Shri Durga Prasad for the office of a Director in terms of Sections 255 & 257 of the Companies Act, 1956 subject to liable to retire by rotation.

The Board recommends appointment of Shri Durga Prasad in Annual General Meeting as Director of the Company.

Hence, placed before you for your kind approval.

**By the Order of the Board
For Shiva Medicare Limited**

Place: New Delhi

Date: 25/07/2012

Sd.
(Amit Jain)
DIRECTOR

SHIVA MEDICARE LIMITED

**Regd. Office: D-110, Kamla Nagar
Delhi - 110007**

DIRECTORS' REPORT

To
The Members of Shiva Medicare Limited,

Your Directors have great pleasure in presenting their Annual Report along with the Audited Accounts for the year ended 31st March, 2012 together with the Auditor's Report thereon.

OPERATIONS

During the period under review, the Company has not done any business activity; hence there is no any working Results.

You must be pleased to know that the management of company has taken some concrete steps in order to revive the company and bring back the glories years of the company and thereby increasing share holders value. Some of these steps are as follows

- 1) Manufacturing API which has very good demand from Major Pharma Players
- 2) Identification suitable Land in order to put up State of Art Facility.
- 3) Revocation of Suspension of Shares Listed at BSE Ltd.
- 4) Restructuring of Company's balance sheet
- 5) Identification of JV (Foreign Partner) for the new proposed Plant.

With the above measure that the company has planned to initiate in the coming two years, the management of company is quite confident of increasing substantial share holder's value.

SHIFTING OF REGISTERED OFFICE FROM DELHI TO ANDHRA PRADESH

The location of the major Pharmaceuticals manufactures are based in the Southern States namely Andhra Pradesh and Tamil Nadu. As a measure of rationalization and to carry on the business of the Company more economically & efficiently, it is proposed to shift the Registered Office from the state of Delhi to the state of Andhra Pradesh. The Company has already submitted the petition with the Hon"ble Company Law Board, Northern Region, Delhi and is pending for further process and action. The members of the company has already passed the resolution through this effect through Postal Ballot.

DIVIDEND

You directors have not recommended payment of any dividend during the period under review.

DEPOSITS

The Company has not accepted any deposits from the public during the year under the provisions of Section 58A as well as Section 58AA of the Companies Act, 1956.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO

There was no business activity and hence no steps were taken for Conservation of Energy. There was no Technology Absorption, Foreign Exchange Earning and Outgo. There was no Technical Know How pursuant to sections 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the report of the Board of Directors) Rules 1988.

PERSONNEL

There was no employee who was in receipt of the remuneration for the year or part thereof as prescribed under Section 217(2A) of the Companies Act, 1956 relating to the Companies (Particulars of employees) Rules, 1975, is required to be annexed.

DIRECTORS

Sh. Amit Jain is retiring by rotation and is eligible for re-appointment in the ensuing Annual General Meeting. Sh. John Wilson Babu & Sh. Durga Prasad were appointed as Additional Director and is eligible for appointment in the ensuing Annual General meeting. Sh. P. Vishalakshan resigned from the Directorship of the Company.

AUDITORS

The Existing Auditors M/s AVK & Associates, Chartered Accountants, Delhi, do not wish to continue as the auditor of the company due to their other preoccupations and have submitted their resignation to the Company. The Board proposed to appoint M/s. Rama Chandra Rao. Chartered Accountant, Hyderabad as the new Auditors of the Company. The Company has received letters from them to effect that their appointment, if made, would be within the prescribed limits under Section 224(IB) of the Companies Act, 1956.

Pursuant to the provisions of Section 224(1) of the Companies Act, 1956, any changes in the Auditors of the company need the shareholders approval. Thus, The Board recommends their appointment as Auditors.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement, it is hereby confirmed:

- a) That in preparation of the Annual Accounts for the financial year ended 31st March, 2012; the applicable accounting standards have been followed along with proper explanation relating to material departures, if any. ;
- b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Directors had prepared the accounts for the financial year ended 31st March 2012 on a 'going concern' basis.

ACKNOWLEDGEMENT

The Directors wish to place on record their appreciation for the assistance, support and Co-operation to the Company.

**For and on behalf of the Board
For Shiva Medicare Limited**

Place: New Delhi
Date: 25/07/2011

**AMIT JAIN
DIRECTOR**

**DurgaPrasad
DIRECTOR**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENT

The Indian Pharmaceutical industry currently tops the charts amongst India's science based industries with wide ranging capabilities in the complex field of drug manufacture & technology. With Leading MNC players from around the world scouting for potential takeover of Indian Companies and Indian Pharma Sector is growing very healthy along with economy. A highly organized sector, the Indian pharmaceutical industry is estimated to be worth \$6billion, growing about 8 to 9% annually against the GDP projection of 6%. It ranks very high amongst all the third world countries. The pharma industry in India meets around 70% of the country's demand for bulk drugs, drug intermediaries, pharma formulations, tablets, capsules, orals and injectibles. There are approximately 250 large units which form the core of the pharma industry in India.

ABOUT THE COMPANY:

The Land, plant and machinery of our company was sold long back in order to settle the dues to bank and other statutory obligations. The management of the company is working hard to restart the company operations and is looking forward for various opportunities in Pharma Sector. Your company has started a new corporate office in Hyderabad and is in process of negotiating manufacturing some very vital Pharma Ingredients that will have an assured buy back arrangement with couple of leading Pharmaceuticals manufacturers. Your company has already paid advance for identifying suitable land to put up a state of Art plant in coming near future. Management of company is working very hard to add to share holder's value.

OPPORTUNITIES AND THREATS:

There is significant opportunity in the Indian Pharma Industry. With many MNC's acquiring small and midsize Pharma companies. Your company foresees a better future in years to come.

The company is also trying to identify suitable land parcel where in company can start its further activities. Advances for the same have already been given and the process to negotiate and finalize should be completed by year end.

OUTLOOK:

The management is trying to bring back company on the growth trajectory and revive its operations there by significantly adding to share holder's value.

**By the order of the board
For Shiva Medicare Limited**

Place: Delhi

Date: 25.07.2012

Amit Jain (Director)

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

The Company philosophy on the code of Corporate Governance is:

- (i) To ensure that adequate control system exists to enable the board to effectively discharge its responsibility to all the shareholders of the company.
- (ii) To ensure that the decision making process is fair and transparent.
- (iii) To ensure that the fullest commitment of the Management and the board to the maximization of shareholders value.
- (iv) To ensure that the employees of the company subscribe to the corporate values and apply them in their conduct and to ensure that the company follows globally recognized Corporate Governance practices.

2. Board of Directors:

- (i) Composition: The details of composition and categories of Directors are:

Name	Category	Designation held	No. of Meetings Held	No. of Meetings Attended	Whether Attended Last AGM (Y/N)	No. of Directorships in other Boards	No. of Memberships in other committees
Sri Amit Jain	Executive Director	Director	5	5	Yes	2	Nil
Sri P. Vishalakshan	Non-Executive Director	Director	5	3	Yes	0	Nil
Mr Gagan Lamba	Non-Executive Director	Director	5	5	Yes	0	Nil

Meeting of Board of Directors

During the Financial Year 2010-11 Board of Directors met on the following dates: 22nd May 2011, 21st July 2011, 23rd October 2011, 31st January 2012 and 24th March 2012.

Code of Conduct

The Code of Conduct of Shiva Medicare Limited is applicable to Directors, Senior Management Team and employees of the Company. The Code of Conduct is available on Company's website www.i41.in. All the members of the Board and Senior Management Personnel have affirmed compliance to the code as on 31st March 2012.

The Declaration of Managing Director regarding compliance with Code of Conduct by Directors and Senior Management Personnel is attached to this report.

3. Audit Committee: As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an Audit Committee has been constituted consisting of two Independent Directors and one Executive Director as sub-Committee to the Board and considers the terms of reference as stipulated under Clause 49 of the Listing Agreement:

Composition and other details: The Audit Committee of the Company was constituted with two Independent Directors and one Executive Director viz.,

Chairman	-	Sri Amit Jain	-	Director (Executive)
Member	-	Sri P. Vishalakshan	-	Independent Director
Member	-	Sri Gagan Lamba	-	Independent Director

During the year the Audit Committee met 4 times on the following Dates:

**22nd May 2011,
21st July 2011,
23rd October 2011 and
31st January 2012.**

Attendance of the Directors in the Audit Committee Meeting:

<u>Name of the Director</u>	<u>No. of Meetings Held</u>	<u>No. of Meetings attended</u>
Sri Amit Jain	4	4
Sri P. Vishalakshan	4	2
Sri Gagan Lamba	4	4

4. Remuneration Committee:

a) Composition, Name of the Chairman and members:

Sri P. Vishalakshan
Sri Amit Jain
Sri Gagan Lamba

b) The Terms of reference stipulated by the Board to the Remuneration Committee

To formulate a remuneration policy and approve the remuneration or revise the remuneration payable to the Directors. The remuneration policy of the Company is directed towards motivating and retaining the senior officers of the Company by rewarding performance.

5. Share Holders/ Investors Grievance Committee

a. Constitution: The shareholders grievance committee was constituted by the Board of Directors in accordance with the requirement of clause 49 of the listing agreement.

b. Composition: The composition of the Committee is as follows

Chairman	-	Sri Gagan Lamba	-	Director
Member	-	Sri P. Vishalakshan	-	Director
Member	-	Sri Amit Jain	-	Director

- c. Functions:** The functions of the committee are as follows: oversees
- (i) Share Transfer with in stipulated time.
 - (ii) Non-receipt of Dividends, if any.
 - (iii) To consider Replacement of lost/stolen/mutilated share certificates.
 - (iv) Non-receipt of rights/bonus/share certificates.
 - (v) Other related issues.

6. GENERAL BODY MEETINGS

- a. Details of Location and Time of holding the last three Annual General Meetings.

September 29, 2009	D-110, Kamla Nagar Delhi-110007	11.00 AM	Nil
September 25, 2010	D-110, Kamla Nagar Delhi-110007	11.00 AM	Nil
September 30, 2011	D-110, Kamla Nagar Delhi-110007	11.00 AM	Nil

- b. Details of Special Resolution passed through Postal ballot during the year:

Transfer of Register office from State of UT Delhi to State of Andhra Pradesh.

7. Disclosures

- (a) **RELATED PARTY TRANSACTIONS:** Details related party transactions during the year 2011-12 has been mention in Notes to The Balance sheet Refer Note 2.15

8. MEANS OF COMMUNICATION:

- a. In compliance with the requirements of Listing Agreement, the Company regularly intimates Un-audited as well as audited financial results to the Stock Exchange immediately after they are taken on record by the Board.
- b. The Management Discussion and Analysis Report is part of this Annual Report

9. GENERAL SHAREHOLDERS INFORMATION:

(a) Annual General Meeting:

Date & Time : 17th August, 2012 at 11.00 A.M
Venue : **D-110, Kamla Nagar
Delhi-110007**

(b) Financial Year - April – March

(c) Date of Book Closure : 11th August 2012 to 17th August 2012
(Both Days inclusive)

(d) Listing on Stock Exchange : The Equity Shares of the company are listed on:

The Bombay Stock Exchange, Mumbai,
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001.
Scrip Code: 524602

DSE Ltd & MSE Ltd

(e) Registrars & Transfer Agents: Share Transfers & Communication regarding
Share Certificates and Change of address, etc,

Knack Corporate Services Pvt. Ltd.A
No. 6/18, I Floor, Poes Road, I Street,
Teynampet, Chennai – 600018
Tel.:044 - 24350613 Fax:044 - 24350392
Unit: Shiva Medicare Limited

(f) The listing fee for the year 2011-12 has been paid to Bombay Stock Exchange Ltd.

(g) Address for Correspondence:

For suggestions / grievances / Queries to

D-110, Kamla Nagar
Delhi-110007
Mail: cs.shivamedi@gmail.com
Website: www.i41.in

DECLARATION BY CEO ON CODE OF CONDUCT AS REQUIRED BY CLAUSE 49I (D)(ii) OF THE LISTING AGREEMENT

I, Amit Jain, Director of Shiva Medicare Limited to best of my knowledge and belief hereby declare that all Board Members and Senior Management Personnel have affirmed compliance with the Company Code of Conduct during the financial year ended 31st March 2012.

Place: New Delhi

Amit Jain

Date: 25th July, 2012

Director

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION FOR THE FINANCIAL YEAR 2010-11

To
The Board of Directors
Shiva Medicare Limited
Delhi

We hereby certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

- (i) These statements do not contain any materially untrue statement or omit any material fact or contain Statements that might be misleading;
- (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit committee:

- (i) significant changes in internal control over financial reporting during the year;
- (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
- (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: New Delhi

Amit Jain

Date: 25th July, 2012

Director

A.N. SARMA

Practicing Company Secretary

Flat No. 502, Maheshwari Chambers, Somajiguda Main Road, Hyderabad - 500 082. A.P.
Ph : 040 - 23320728, 9177509864 e-mail : an_sarma@yahoo.co.in



**Certificate on compliance of conditions of Corporate Governance as per Clause 49 of the
Listing Agreement with the Stock Exchange in India**

To
The Shareholders of Shiva Medicare Limited

I have examined the compliance of conditions of Corporate Governance of Shiva Medicare Limited, for the period ended **31st March, 2012** 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. My examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring 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 my opinion and to the best of our information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that in respect of investor grievances received during the period ended **31st March, 2012**, No investor grievances are pending against the Company as per the records Maintained by the Company and presented to the Investor Services Committee.

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

Place: Hyderabad
Date: 13.08.2012



A.N.SARMA
Company Secretary in Practice
M. No. FCS 4557, C.P. No.7812

AVK & Associates
Chartered Accountants
317, Express Arcade, H-10, Netaji Subhash Place, Pitampura, Delhi 110034.
Ph. 011 42471074, 42471075

AUDITORS' REPORT

To
The Members of
Shiva Medicare Limited

We have audited the attached Balance Sheet of *M/s Shiva Medicare Limited* as on March 31, 2012 and the Profit & Loss Account for the year ended on that date annexed thereto and report that:

1. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amount and the disclosure 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.
- 2.. As required by the Companies (*Auditors' Report*) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - i) 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;
 - ii) 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 the said books.
 - iii) The Balance Sheet, Profit & Loss Account dealt with in this report are in agreement with the books of accounts;
 - iv) In our opinion, and subject to our observations and read with other notes thereon in Schedule 7 of the Balance Sheet and the Profit & Loss Account, dealt with by this report, are in compliance with the mandatory accounting standard referred to in section 211 (3C) of the Companies Act, 1956.



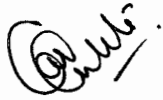
- v) Based on the representations made by all the Directors of the company as on 31st March 2012 and taken on record by the Board of Directors of the company and in accordance with the information and explanations as made available, we report that none of the directors are disqualified as on 31st March 2012, from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said account subject to:-

Preparation of the financial statements on the basis of the going concern concept in view of the accumulated losses and the sale of entire asset consequent to which the loss for the current year and the accumulated losses are understated which, however, cannot be fully quantified

and read with significant accounting policies and other 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 :-

- a) In case of the Balance Sheet, of the State of affairs of the company as at 31st March 2012; and
- b) In case of the Profit & Loss Account, of the loss of the company for the year ended on that date.

For AVK & Associates
Chartered Accountants



Parul Gupta
Partner

FCA -095539



Place : New Delhi

Dated: 31-5-2012

Annexure referred to in paragraph 1 the Auditors Report on the Accounts of M/s. Shiva Medicare Limited for the year ended 31st March, 2012.

- i. There were no fixed assets during the year ended on 31-03-2012.
- ii. Based on our examination of records, the Company does not have any inventory during the year and hence the reporting requirements of clause (ii)(a) (b) and (c) are not applicable.
- iii.(a) As per the information and explanation given to us, the company has taken interest free loan from parties covered u/s 301 of the Companies Act, and it has not given any loans to any party covered u/s 301 of the companies Act.
 - (b) The loans are interest free unsecured loan and as per the information and explanation given to us is not prima-facie prejudicial to the interest of the company.
 - (c) We have been informed that there are no terms of repayment of principal and hence the reporting requirement of this clause and clause iii(d) are not applicable.

The details of the loans are as under:

Name of the Party	Opening Balance	Receipt during the year	Repayments during the year	Closing balance
Shiva Paper Mills Limited	59,15,000	-	46,90,000	12,25,000
Sh.Parmod Kumar Jain	-	10,00,000		10,00,000
Sh.Amit Jain	-	5,00,000	-	5,00,000
Smt. Kiran Jain	-	1,65,000	-	1,65,000
Sh.Rajat Jain	-	5,00,000	5,00,000	-

- iv. The entire operation of the company remain closed and there was no employee and consequently the internal control procedures established in the past for purchase of inventory, fixed assets, sale of goods was also not in operation.
- v.(a) According to the information and explanations given to us, we are of the opinion that the transaction that needs to be entered into the register maintained under section 301 of the companies Act, 1956 have been so entered.
 - (b) In our opinion and according the information and explanation given to us, there has been no transaction made in pursuance to contracts or arrangements entered in the register maintained u/s 301 which exceeds value of five lakh rupees in respect of any party during the year except an interest free loan received from a director the terms of which are reasonable.



- vi. As per the information and explanation given to us, the company has not accepted any public deposit except outstanding inter-corporate loans and deposits from shareholders.
- vii. As the operation of the company remain closed during the financial year there was no internal audit system in operation.
- viii. Maintenance of the cost records has not been prescribed by the Central Government u/s 209(1)(d) of the Companies Act, 1956
- ix. (a) We have to report that the custom duty of Rs. 36,778/- , property taxes of Rs.817,129/-, sales tax Rs. 14874 & TDS on contractors Rs. 4239 & TDS on salaries for Rs. 300 are outstanding as on 31-3-2012 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, except as above, there were no other undisputed amounts, payable in respect of income tax, wealth tax, sale tax, custom duty, excise and cess which were arrears, as on 31-3-2012 for a period of more than six months from the date they became payable and that there are no demands pending on account of any disputes before any forum.
- x. The accumulated losses of the company at the end of the financial year exceed its net worth. The company has incurred cash losses in this financial year.
- xi. As per records of the company and the information and explanation given to us, we have to report that the company had defaulted in repayment of its secured loans to banks. During the year ended 31-3-2006 the company paid entire amount due to banks on one time settlement. Consequently there is no outstanding amount payable to banks.
- xii. Based on our examination of documents and records maintained by the company, we are of the opinion that since the company has not granted any loan and advance on the basis of security by way of pledge of shares, debentures and other securities, it is not required to maintain records in respect thereof.
- xiii. In our opinion, the company is neither a chit fund nor nidhi / mutual benefit fund/society and hence clause 4 (xiii) of the Order is not applicable to the company.
- xiv. In our opinion and as per the information and explanations given by management, the company is not dealing in or trading in shares, securities, debentures and other investments.
- xv. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that during the year no funds were raised on short-term basis have been used for long-term investments and no long-terms funds have been used to finance short term investment.
- xvi. During the year the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xvii. During the year the company had not issued any debentures and as such creation of security is not applicable.



- xviii During the year under review, no money was raised by public issue and as such disclosure of end use of money raised is not applicable.
- xix. Based upon the audit procedure performed and information and explanations given by the management we report that during the year no fraud on or by the company has been noticed or reported by the management.

For **AVK & Associates**
Chartered Accountants



Parul Gupta
Partner
FCA 095539
Place : New Delhi
Dated: 31-5-2012



Shiva Medicare Limited

Statement of Profit and Loss for the year ended 31 March 2012

(Amount in Indian Rupees)

Particulars	Notes	For the year ended 31 March 2012	For the year ended 31 March 2011
Income			
I) Revenue from Operations	2.09	-	-
II) Total Revenue		-	-
IV) Expenses			
Other expenses	2.10	251,372	106,459
Total expenses		251,372	106,459
V. Profit before exceptional items, extraordinary items and tax (III-IV)		(251,372)	(106,459)
VI. Exceptional items:			
Liabilities no longer payable written back		(200,000)	-
VII. Profit before extraordinary items and tax (V-VI)		(51,372)	(106,459)
VIII. Extraordinary items			
Previous Year Expenses		133,950	-
Interest on delayed payments		40,800	-
IX. Profit before tax (VII-VIII)		(226,122)	(106,459)
X. Tax expense			
(1) Income Tax - Current year		-	-
(2) Income Tax - Previous year		-	-
(3) Deferred tax		-	-
XI. Profit (Loss) for the period		(226,122)	(106,459)
XII. Earning per equity share:	2.11		
(1) Basic		(0.04)	(0.02)
(2) Diluted		(0.04)	(0.02)

Significant accounting policies 1

Notes to Accounts 2

The notes referred to above form an integral part of the financial statements

As per our report attached

For AVK & Associates
Chartered Accountants
Registration No.: 002638N



Parul Gupta

Partner

Membership No.: 095539

Place: New Delhi.

Date: 31-5-2012



For and on behalf of the Board of
Shiva Medicare Limited


Director


Director

Shiva Medicare Limited

Notes to the financial statements for the year ended 31 March 2012

(Amount in Indian Rupees)

2.01 Share Capital	As at 31 March 2012		As at 31 March 2011	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity shares of Rs.10 each *	10,000,000	100,000,000.00	10,000,000	100,000,000.00
	10,000,000	100,000,000.00	10,000,000	100,000,000.00
Issued, subscribed and fully paid up				
Equity shares of Rs.10 each fully paid up				
At the beginning of the year	6,270,070	62,700,700.00	6,270,070	62,700,700.00
Add: Issued during the year	-	-	-	-
At the end of the year	6,270,070	62,700,700.00	6,270,070	62,700,700.00
Total	6,270,070	62,700,700.00	6,270,070	62,700,700.00

* Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts) in the proportion of equity shares held by the shareholders. During the year ended 31 March 2012, the Company has recorded per share dividend of Rs. Nil (previous year: Rs.Nil) to equity shareholders.

Details of shareholders holding more than 5% shares of the Company

Name of the Shareholder	As at 31 March 2012		As at 31 March 2011	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of Rs.10 each fully paid up held by				
a) M/s Shiva Paper Mills Limited	350,000	5.58	350,000	5.58
b) M/s Steriltx (USA) INC	450,000	7.18	450,000	7.18
Total	800,000	12.76	800,000	12.76

2.02 RESERVES & SURPLUS

	As at 31 March 2012	As at 31 March 2011
(a) Capital Reserve		
Balance at the beginning of the year	10,205,091.00	10,205,091.00
Addition During the year	-	-
Deduction during the year	-	-
Balance at the end of the year	10,205,091.00	10,205,091.00
(b) Forfeited Share		
Balance at the beginning of the year	430,500.00	430,500.00
Addition During the year	-	-
Deduction during the year	-	-
Balance at the end of the year	430,500.00	430,500.00
(c) (Deficit)/ surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	(83,256,001.00)	(83,149,542.00)
Add/ (less): Profit/ (loss) for the year	(226,122.00)	(106,459.00)
Less: Appropriations		
Transfer to special reserve	-	-
Balance at the end of the year	(83,482,123.00)	(83,256,001.00)
Total	(72,846,532.00)	(72,620,410.00)



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Shiva Medicare Limited

Notes to the financial statements for the year ended 31 March 2012

(Amount in Indian Rupees)

2.03	BORROWINGS	Long Term - Non-current portion		Short Term	
		As at 31 March	As at 31 March	As at 31 March	As at 31 March
		2012	2011	2012	2011
	Demand Loans - Related parties	-	-	2,966,500	5,991,500
	Demand Loans	-	-	5,574,000	-
	Total	-	-	8,540,500	5,991,500

2.04	TRADE PAYABLE	Long Term		Short Term	
		As at 31 March	As at 31 March	As at 31 March	As at 31 March
		2012	2011	2012	2011
	Trade Payables				
	Payable to suppliers covered under the Micro, Small & Medium Enterprises development Act, 2006	450,685	450,685	16,854	3,861
	Others	-	-	-	-
	Total	450,685	450,685	16,854	3,861

2.05	OTHER LIABILITIES	Long Term		Short Term	
		As at 31 March	As at 31 March	As at 31 March	As at 31 March
		2012	2011	2012	2011
	Expenses payable	-	-	-	21,000
	Other Liabilities	-	-	-	200,000
	Other Liabilities - Related Party	840,162	862,792	-	-
	Share Application Money Refundable	-	-	810,000	1,585,000
	Statutory Liabilities	873,320	873,320	-	-
	Total	1,713,482	1,736,112	810,000	1,806,000

2.06	LOANS & ADVANCES	Long Term		Short Term	
		As at 31 March	As at 31 March	As at 31 March	As at 31 March
		2012	2011	2012	2011
	Balance with Tax Authorities	54,546	54,546	-	-
	Loan and advances to others	1,300,000	-	-	-
	Total	1,354,546	54,546	-	-
	Aggregate balance of loans and advances to related parties , unsecured - considered good	-	-	-	-

2.07	TRADE RECEIVABLE	Long Term		Short Term	
		As at 31 March	As at 31 March	As at 31 March	As at 31 March
		2012	2011	2012	2011
	Debts outstanding for a period exceeding six months from	1,500,000	1,500,000	-	-
		1,500,000	1,500,000	-	-
	Less: Provision for doubtful debts	1,500,000	1,500,000	-	-
	Total	-	-	-	-

2.08	CASH & BANK BALANCES	As at 31 March	
		2012	2011
		Cash and cash equivalents	
Balance with banks in			
Current accounts	16,413	13,249	
Cash on hand	14,730	653	
Total	31,143	13,902	

2.09	REVENUE FROM OPERATIONS	As at 31 March	
		2012	2011
		Revenue from operations (Gross)	-
Total	-	-	



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Shiva Medicare Limited

Notes to the financial statements for the year ended 31 March 2012

2.10 OTHER EXPENSES	As at 31 March 2012	As at 31 March 2011
Advertisement & Publicity	5,400	-
Rates, Taxes & Fee	2,100	1,000
Printing & Stationary	66,048	52,178
Bank Charges	1,408	145
Listing Fee	28,250	-
Postage Expenses	128,245	49,275
Miscellaneous Expense	640	-
	232,091	102,598
Less : Recovery of expenses	-	-
	232,091	102,598
Audit fee	15,000	3,500
Taxation matters	-	-
For other services - Issue of certificates	2,200	-
For reimbursement of expenses including service tax	2,081	361
	19,281	3,861
Total	251,372	106,459
2.11 EARNING PER SHARE	As at 31 March 2012	As at 31 March 2011
Profit for calculation of EPS (Rs.)	(226,122)	(106,459)
Weighted No. of Equity Shares	6,270,070	6,270,070
Basic/Diluted EPS (Rs.)	(0.04)	(0.017)
2.12 CONTINGENT LIABILITIES & COMMITMENTS	As at 31 March 2012	As at 31 March 2011
I) Contingent liabilities:		
a) Other Money for which the company is contingently liable	-	-
Cess Due on Rubber	395,453	395,453
2.13 DEFERRED TAX ASSETS / LIABILITIES	As at 31 March 2012	As at 31 March 2011

In compliance of the Accounting Standard 22 issued by the Institute of Chartered Accountants of India, the company has not made provision for net deferred tax assets.

2.14 Segment Information	As at 31 March 2012	As at 31 March 2011
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The company has not carried any business activities during the year and the previous year, hence there are no disclosure to be provided under Accounting Standard 17 'segment reporting' other than those already provided in the financial statements



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Shiva Medicare Limited

Notes to the financial statements for the year ended 31 March 2012

2.15 TRANSACTIONS WITH RELATED PARTIES

**As at 31 March
2012**

**As at 31 March
2011**

List of parties with whom transactions have taken place during the year :-

1) Entities under common control

- a) Shiva Paper Mills Limited
- b) Shiva Services Limited
- c) R.N.Finance Limited
- d) Shiva Kymen Sukka Limited

2) Key Managerial Personnel

- a) Sh. Amit Jain
- b) Sh. P Vishal (resigned on 24-3-2012)
- c) Sh. Gagan Lamba (w.e.f. 15-4-2011)
- d) Sh. Raj Kumar Jain (resigned on 15-4-2011)
- e) Sh. John Wilson Babu Chebrolu (w.e.f. 24-03-2012)
- f) Sh. Durga Prasad Rao Kolapalli (w.e.f. 24-03-2012)

3) Relatives of Key Managerial Personnel

- a) Sh. Parmod Jain
- c) Sh. Parmod Jain HUF
- b) Smt. Kiran Jain
- d) Sh. Rajat Jain

Transactions during the year with related parties

Nature of Transactions	Entities under common control	Key Managerial Personnel & their Relatives	Year Ended 31-3-2012	Year Ended 31-03-2011
	(1)	(2)	(Rs.)	(Rs.)
Share Application Money				
Repayments during the year				
Shiva Kymen Sukka Limited	775,000	-	775,000	-
Unsecured Loans - Demand				
a) Receipts during the year				
Sh. Parmod Kumar Jain		1,000,000	1,000,000	-
Smt. Kiran Jain		165,000	165,000	-
Sh. Amit Jain		500,000	500,000	-
Sh. Rajat Jain		500,000	500,000	-
b) Repayments during the year				
Sh. Rajat Jain		500,000	500,000	-
Shiva Paper Mills Limited		4,690,000	4,690,000	-
c) Closing Balance				
Sh. Parmod Kumar Jain		1,000,000	1,000,000	-
Sh. Amit Jain		500,000	500,000	-
Smt. Kiran Jain		165,000	165,000	-
Sh. P Vishal		76,500	76,500	76,500
Shiva Paper Mills Limited	1,225,000	-	1,225,000	5,915,000
Other Current Liabilities				
a) Receipts during the year				
Sh. Gagan Lamba		46,500	46,500	-
b) Expenses paid on behalf of company				
Sh. Amit Jain		52,298	52,298	-
c) Amount Refunded during the year				
Smt. Kiran Jain		20,000	20,000	-
Shiva Services Limited		101,428	101,428	-
d) Closing Balance				
Sh. Parmod Kumar Jain		164,130	164,130	164,130
Sh. Amit Jain		187,048	187,048	134,750
Smt. Kiran Jain		-	-	20,000
Shiva Services Limited		-	-	101,428
Shiva Paper Mills Limited	422,734	-	422,734	422,734
Sh. Gagan Lamba		46,500	46,500	-
Sh. Parmod Jain HUF		19,750	19,750	19,750



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Shiva Medicare Limited**Notes to the financial statements for the year ended 31 March 2012**

	As at 31 March 2012	As at 31 March 2011
2.16 Additional information		
a) Purchase , Sales & Stocks	Nil	Nil
b) C.I.F. value of Imports	Nil	Nil
c) Expenditure in Foreign Currency	Nil	Nil
d) Remittances in Foreign Currency	Nil	Nil
e) Earning in foreign currency	Nil	Nil

	As at 31 March 2012	As at 31 March 2011
2.17 Others		

- i) During the year ending 31st March 2006, the co. has sold its entire Plant & Machinery and Building for a Lump sum consideration of Rs. 1.55 crore. Out of total consideration of Rs. 1.55 crore, Rs. 15,00,000 is still recoverable by the co. from M/s. T.S. Enterprises, Chennai as on 31.03.2012. In the opinion of the management, the amount outstanding is doubtful and provisions against thereof has been made in accounts.
- ii) In the opinion of the management and read with the other notes, the current assets, loans and advances are expected to realize at least the amount at which they are stated, if realized in the ordinary course of business and provision for all known liabilities has been adequately made in the accounts
- iii) The Company has not complied with the provisions of section 383A of the Companies Act 1956 relating to the appointment of a full time Company Secretary keeping in view of its financial position and non-availability to get a suitable person considering the financial sickness of the Company
- iv) In the earlier years, the company had received share application money from certain parties. The shares were not allotted and part of the application money has been refunded during the year. The balance amount being refundable has been shown under 'other current liabilities'.
- v) No provision for Income Tax is necessary in view of the accumulated losses. Also the accumulated deferred tax assets (net) have not been recognized keeping in view the consideration of prudence in accordance with the Accounting Standard 22 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India. Company will reassess the unrecognized deferred tax assets in subsequent period, having regard to the future developments
- vi) Paise have been rounded off to nearest rupee.
- vii) Previous Year's figures have been regrouped and / or

As per our report attached

For AVK & Associates

Chartered Accountants

Registration No.: 002638 N



Parul Gupta

Partner

Membership No.: 095539

Place: New Delhi

Date: 31-5-2012



For and on behalf of the Board of
Shiva Medicare Limited


Director


Director

SHIVA MEDICARE LIMITED

1. SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING CONCEPTS

The Company follows the Mercantile System of Accounting and recognizes Income and Expenditure on accrual basis except dividend which is accounted for on cash basis. The accounts are prepared on historical cost basis, as a going concern and are consistent with generally accepted accounting principles.

FIXED ASSETS

Fixed Assets are stated at cost of acquisition, inclusive of inward freight, duties & taxes and incidental expenses related to acquisition. In respect of major projects involving construction and modification cum expansion, related pre-operational expenses form part of the value of the assets capitalized.

DEPRECIATION

Depreciation is calculated on fixed assets on straight-line method at the rates and in the manner provided in Schedule XIV of the Companies Act, 1956.

EARNING PER SHARE

Basic earning per share is calculated by dividing the net profit/loss for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is calculated by dividing the net profit/loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

DEFERRED TAXATION

Deferred Taxation is provided using the liability method in respect of the taxation effect arising from all material timing differences between the accounting and tax treatment of income and expenditure which are expected with reasonable probability to crystallize in the foreseeable future.

Deferred tax benefits are recognized in the financial statements only to the extent of any deferred tax liability or when such benefits are reasonably expected to be realizable in the near future.


CONTINGENT LIABILITIES

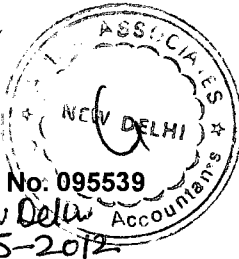
Unprovided contingent liabilities are disclosed in the accounts by way of notes giving nature and quantum of such liabilities.


OTHERS:

Other Accounting Policies followed are generally accepted accounting practices.

For **AVK & Associates**
Chartered Accountants
Registration No. 02638N


Parul Gupta
Partner
Membership No: 095539
Place: New Delhi
Date: 31-5-2012




Director


Director

Shiva Medicare Limited

Cash flow statement for the year ended 31 March 2012

(Amount in Indian Rupees)

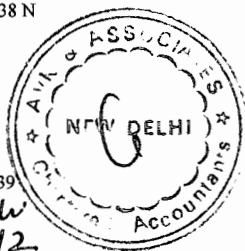
	For the year ended 31 March 2012	For the year ended 31 March 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before taxes	(226,122)	(106,459)
Adjustments for :		
Liabilities no longer payable written back	200,000	-
	<u>200,000</u>	<u>-</u>
Operating gain before working capital changes	(26,122)	(106,459)
Adjustments for :		
Decrease/ (increase) in loans and advances	(1,300,000)	-
Increase / (Decrease) in current liabilities and provisions	(1,205,637)	106,428
	<u>(2,505,637)</u>	<u>106,428</u>
Cash generated from operating activities before taxes	(2,531,759)	(31)
Direct taxes paid (net of refunds)	-	-
Net cash generated from/ (used in) operating activities	(2,531,759)	(31)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	-
Dividend Received	-	-
Shares Application Money received / repaid	-	-
Sales of Fixed Assets	-	-
Sales / (Purchase) of Investments	-	-
Net cash generated from / (used in) investing activities	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in short term borrowings	2,549,000	-
Increase in long term borrowings	-	-
Re-payment of long term borrowings	-	-
Decrease in other borrowings	-	-
Net cash generated from/ (used in) financing activities	2,549,000	-
INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	17,241	(31)
Cash and cash equivalents at the beginning of the year	13,902	13,933
Cash and cash equivalents at the end of the year	31,143	13,902
	<u>31,143</u>	<u>13,902</u>
Notes :		
Cash and cash equivalents include :		
Cash, cheques in hand and remittances in transit	14,730	653
With banks in :		
Deposit accounts		
Current accounts	16,413	13,249
Cash and cash equivalents at the end of the year	31,143	13,902
	<u>31,143</u>	<u>13,902</u>

Note : The Cash Flow Statement has been prepared in accordance with the 'Indirect Method' specified in Accounting Standard 3, Cash Flow

For AVK & Associates
Chartered Accountants
Registration No.: 002638 N

Parul Gupta
Partner

Membership No.: 095539
Place: New Delhi
Date: 31-5-2012



For and on behalf of the Board of
Shiva Medicare Limited

[Signature]
Director

[Signature]
Director