

23<sup>rd</sup>

# Annual Report

2013-14

**SHIVA MEDICARE LIMITED**

# SHIVA MEDICARE LIMITED

## BOARD OF DIRECTORS

**Sri Amit Jain**  
Director

**SRI Gagan Lamba**  
Director

**SRI John Wilson Babu**  
Director

**SRI Durgaprasad Kolapalli**  
Director

## CIN NO

**L93090TG1993PLC088165**

## AUDITORS

**V. Ramachandra Rao**  
Advocate Colony, Ground Floor  
Himayat Nagar  
Hyderabad-29

## BANKERS

**Vijaya Bank**

## Registrar & Transfer Agent:

**Cameo Corporate Services P Ltd**  
Subramaniam Building,  
No1, Club House road,  
Chennai - 600002  
Phone : 044-28460390 , 28460391

## REGISTERED OFFICE

**Flat no.4, Navneeth Villa Appts**  
3-6-521/A, Himayat Nagar,  
Hyderabad-500029  
Ph: 040-27660781,  
Fax:040-27660782  
cs.shivamedi@gmail.com  
info@i41.in  
www.i41.in

**SHIVA MEDICARE LIMITED**  
Flat no.4, Navneeth Villa Appts 3-6-521/A, Himayat Nagar, Hyderabad-500029  
**CIN NO: L93090TG1993PLC088165**

**NOTICE**

NOTICE is hereby given that Annual General Meeting of the Members of Shiva Medicare Limited will be held on Monday 14<sup>th</sup> July 2014 at 10.00 A.M. at the Registered Office of the Company at Flat no.4, Navneeth Villa Appts 3-6-521/A, Himayat Nagar, Hyderabad-500029 to transact the following business:

**Ordinary Business**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2014 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 (Din no 00028335) 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 M/s Rama Chandra Rao., Chartered Accountants, Hyderabad (Registration No. 203292), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company."

**Special Business**

4. To appoint Shri John Wilson Babu (DIN: 05160184) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri John Wilson Babu (DIN: 05160184), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to March 31, 2019."
5. To appoint Shri Durga Prasad Rao Kolapalli (Din: 05164189) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Durga Prasad Rao Kolapalli (Din: 05164189), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to March 31, 2019."
6. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To Note Reduction Of Share Capital and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Article 49(d) and 50 of the Articles of Association of the Company, and subject to the provisions of Section 66 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and subject to such other approvals, permissions and sanctions, as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the members hereby approves the reduction of its equity from 62,70,070 equity shares of Rs10/- paidup to 6,27,007 shares of face value of Rs.10/- each (the "Capital Reduction") from the shareholders of the Company on a proportionate basis i.e, 90% of existing paidup capital which is within the Company's fully paid-up Equity Share Capital and Free Reserves/ Net Worth as per Audited provisional Balance Sheet as on the March, 2013 and 2014;

"RESOLVED FURTHER THAT such reduction to be utilized for writing off against carry forward losses to the tune of Rs. 5,64,30,630, being unrepresented asset of the company to give true and fair view of books of accounts."

"RESOLVED FURTHER that the Board of Directors (which expression includes a Committee of Directors of the Company constituted for this purpose) be and is authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to be in the best interest of the shareholders for the implementation of the Capital Reduction , carry out incidental documentation as also to make applications to the appropriate authorities for their approvals and to initiate all necessary actions for preparation and issue of various documents, opening of bank accounts, declaration of solvency, extinguishment of share certificates required to be filed in connection with the Capital Reduction on behalf of the Board and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Capital Reduction to the Registrar of Companies or other authorities."

"RESOLVED FURTHER THAT Mr. John Wilson and Mr. Durga Prasad director of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as it may, in their absolute discretion, deem necessary, expedient, usual or proper for giving effect to and implementing the Capital Reduction, including but not limited to:

- (a) opening, operation and closure of all necessary accounts including bank accounts for the purpose of payment and authorizing persons to operate the said accounts;
- (b) making all applications to, and filings with, the appropriate authorities for their requisite approvals including approvals, as may be required from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed there under;
- (c) Extinguishment of share certificates and filing of certificates of extinguishment required to be filed in connection with the Capital Reduction on behalf of the Company and/or the Board;
- (d) to settle all such questions, difficulties or doubts that may arise in relation to the implementation of the Capital Reduction;
- (e) sign, execute and deliver such documents as may be necessary or desirable in connection with or incidental to the Capital Reduction;
- (f) execution of documents under the Common Seal of the Company as may be required;
- (g) Engage/appoint lawyer/ consultant/adviser etc. for the purpose of filing of the application/petition and representation before the High Court;
- (h) File Application/ Petition with the High Court or any other relevant authority for seeking directions/approval in relation to the said reduction of capital;
- (i) Make such alterations and changes and/or modifications in the said Application/Petition as may be expedient and necessary for satisfying the requirements and conditions imposed if any, by the concerned Hon'ble High Court, Stock exchanges, SEBI or any other authority; -
- (j) To swear and depose affidavits;
- (k) To sign all applications, petitions, vakalatnama and other documents; and
- (l) To do all acts and things as may be considered necessary and expedient in relation thereto for affecting reduction of capital.

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

Sd.

Place: HYDERABAD

Date: 07.06.2014

**(Amit Jain)  
(DIRECTOR)**

NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from 9<sup>th</sup> July, 2014 to 14<sup>th</sup> July, 2014 (both days inclusive) for the purpose of the Annual General Meeting

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

4. Details as required under the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

5. Electronic copy of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

6. Notice of the Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website [www.i41.in](http://www.i41.in) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [cs.shivamedi@gmail.com](mailto:cs.shivamedi@gmail.com)

Section 108 of Companies Act 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 provides for the mandatory electronic voting facility to all the members of the Company to exercise their right to vote at the general meetings through electronic means. The Company in compliance of the provisions is providing the electronic voting facility to all the members at the cutoff date for transacting the businesses at the Annual General Meeting through CDSL. A member may exercise his right to vote at the Annual General Meeting by electronic means by following the e-Voting process. The complete detail of the instructions for e-voting is annexed to this Notice.

Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting. Members may please note that no gifts/ gift coupons shall be distributed at the venue of the Annual General Meeting.

Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

**All future shareholders' communications would be sent to you electronically on this e-mail address. Please inform any changes in your e-mail address to the Depository through your Depository Participant in case you hold the shares electronically and to the Registrar & Share Transfer Agent (RTA) or the Company, in case you hold the shares physically.**

Kindly note that in case you wish to get a hard copy of the above documents, the same will be provided to you, free of cost, upon receipt of request from you. You may, in that case, write to the Company at the aforesaid address.

**7. Voting through electronic means;**

a. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Securities Depository Limited (CSDL).

b. The instructions for e-voting are as under:

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.

- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

\*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of your name and the sequence number in the PAN field. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

# Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

The e-voting period commences on 8th July 2014 (9:00 am) and ends on 10<sup>th</sup> July, 2014 (6:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 13<sup>th</sup> June 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 13<sup>th</sup> June, 2014.

Mrs. Renuka P, Practicing Company Secretary (Membership No. 11963) and has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.

The Results shall be declared in the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.i41.in](http://www.i41.in) in and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

8. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours 9.00am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company

9. Retirement of Directors by rotation:

Mr. Amit Jain Director of the Company retires by rotation at the Annual General Meeting.

Mr. Amit Jain, aged 35 yrs. , holds a BSc. in Industrial Engineering from Purdue University, USA and MSc. Finance and Management from Cranfield University, UK. He has several years experience in managing varied businesses ranging from product distribution and marketing to chemical and paper manufacturing. Mr Amit Jain is presently director in 4 other companies.

None of the Directors of the Company is in any way concerned or interested in the resolution except Mr. Amit Jain

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

Sd.

**(Amit Jain) DIRECTOR**

Place: Hyderabad

Date: 07/06/2014

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

**Item No. 4 and 5**

Shri John Wilson Babu and Sri. K. Durga Prasad retires at the ensuing Annual General Meeting in terms of their appointment.

Shri John Wilson Babu and Sri. K. Durga Prasad are Independent Directors of the Company .

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

It is proposed to appoint Shri John Wilson Babu and Sri. K. Durga Prasad as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 3 (three) consecutive years for a term up to the conclusion of the 43rd Annual General Meeting of the Company in the calendar year 2017.

Shri John Wilson Babu and Sri. K. Durga Prasad are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Shri John Wilson Babu and Sri. K. Durga Prasad for the office of Directors of the Company.

The Company has also received declarations from Shri John Wilson Babu and Sri. K. Durga Prasad that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Shri John Wilson Babu and Sri. K. Durga Prasad fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Shri John Wilson Babu and Sri. K. Durga Prasad are independent of the management.

Brief resume of Shri John Wilson Babu and Sri. K. Durga Prasad, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letters for respective appointments of Shri John Wilson Babu and Sri. K. Durga Prasad as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Shri John Wilson Babu and Sri. K. Durga Prasad are interested in the resolutions set out respectively at Item Nos. 4 and 5 of the Notice with regard to their respective appointments.

The relatives of Shri John Wilson Babu and Sri. K. Durga Prasad may be deemed to be interested in the resolutions set out respectively at Item Nos. 4 and 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Ordinary Resolutions set out at Item Nos. 4 and 5 of the Notice for approval by the shareholders.



## **Item No. 6**

The existing AoA are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

With the new companies act, 2013 coming into force several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares.

The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 6 of the Notice.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

## **Item No. 7 – Reduction of share capital:**

In accordance with the Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with Circular No. CIR/CFD/DIL/8/2013 dated May 2 I. 2013 issued by SEBI, the Complaints Report and Observation Letter of the stock exchanges are enclosed herewith the Notice.

The copies of the following documents will be open for inspection at the Registered Office of the Company on all working days (Monday to Friday) between 11:00A.M. to 1:00 P.M.:

- Memorandum and Articles of Association of the Company.
- The audited balance sheet and profit and loss account of the Company for the year ended March 31, 2013 and March 31, 2014.
- Complaints Report submitted by the Company with the Stock exchanges.
- Valuation Certificate-of the company (Reduction of Capital).
- Fairness Opinion by merchant banker on the proposed reduction of capital
- Copies of the letters dated March 21, 2014 of the BSE Limited respectively granting No-objection/ observation letter to the reduction of capital
- Notice to equity shareholders and the Explanatory Statement, copies of which may be obtained Free of cost.

### **1.SALIENT FEATURES OF THE REDUCTION OF CAPITAL:**

The Company has been incurring losses for past couple of years due to business Loss and inadequate working capital facilities. The accumulated losses of the Company as on 31<sup>st</sup> March 2013 which amounted to Rs. 7,37,91,602/- (Rupees Seven Crore Thirty Seven lakhs ninety one thousand six hundred and two only) as on 31.03.2013 has wiped off almost the net worth of the Company. The company is therefore unable to raise any finance either from the capital markets or financial institutions whether in the form of equity or debt, to undertake business activities on a larger scale. The proposed Scheme would enable the company to show the actual financial position in its balance sheet to depict the representing Assets value which in turn will enable it to approach for financial assistances in order to develop its ' business and thereby increase its net worth to enhance the stakeholders' value

In view of the accumulated losses and erosion of more than 90% Net worth, the Company is not in position to undertake any projects of manufacturing, trading or Exports of Pharma related and other goods, and due to paucity of working capital, the Company has also not been not able to raise any loans from Financial Institutions, which is essential for expanding its business activities.

After reduction and reconsolidation and after considering the treatment of fractional shares, the share capital of the company will not be exceeded 6,27,007 fully paid equity shares of Rs.10/- each aggregating to Rs. 62, 70,070/-.

The resolution is subject to confirmation of the Hon'ble High Court of Judicature at Hyderabad.

## 2. NO-OBJECTION/OBSERVATION LETTER FROM THE STOCK EXCHANGES

In terms of clause 24(f) of the Listing Agreement, the Company, being a listed company, was required to file application with the stock exchanges for obtaining No-Objection/ Observation Letter to the reduction of capital at least 30 days before the date of filing of the application with Hon'ble High Court. The BSE Limited have vide their letters dated March 21, 2014, issued No-Objection Letter/ Observation Letter to the reduction of capital. The same has been enclosed below along with complaint report pertaining to Scheme.

## 3. DETAILS OF SHAREHOLDING OF EXECUTIVE DIRECTORS IN THE COMPANY

The share holding of Director in the company as on date of filing application for NoC to BSE:

S.No	Name	Number of Shares
1.	Amit Jain	155000

## 4. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN OF THE COMPANY

Capital Structure	Amt in Rs.	
Particulars	Pre Reduction	Post Reduction
Authorized	10,00,00,00	10,00,00,000
Subscribed & Paidup	6,27,00,700	62,70,070

### Share holding pattern

Particulars	Pre Reduction of capital		Post Reduction of Capital	
	No Of Shares held	% of Share Holding	No Of Shares held	% of Share Holding
Promoter and Promoter Group	1617140	25.79	161714	25.79
Non Promoters	4652930	74.21	465293	74.21

## 5. FAIRNESS OPINION FROM MERCHANT BANKER

Merchant Banker has certified that pursuant to Clause 24 of the listing agreement and SEBI circular dated Feb 04, 2013, they have reviewed the proposed application for reduction of capital and the valuation certificate of the company (Reduction of Capital) and believe it to be fair and reasonable from a commercial and financial point of view to the holders of equity shares of the Company.

6. No investigation proceedings are pending under Section 235 to Section 251 or any other provisions of the Companies Act, 1956 against the company.

7. The registered office of the Company is situated in Hyderabad, therefore the Company would file an application for the approval of the reduction of capital before the High Court of Judicature at Hyderabad on passing the Special Resolution.

8. The Company shall file a certified copy of the Order of the Hon'ble High Court sanctioning the reduction of capital with the Registrar of Companies, Telangana.

The Board of Directors of the Company recommends to the shareholders for passing the proposed special resolution.

By Order of the board of directors.

Amit Jain  
Director  
Date:07/06/2014  
Place: Hyderabad

Ref: DCS/AMAL/SK/24(f)/425/2013-14

March 21, 2014

The Company Secretary  
**Shiva Medicare Limited**  
Flat No- 4, Navneeth Villa Appts,  
3-6-521/A, Himayat Nagar,  
Hyderabad- 500 029.

Dear Sir

**Sub: Observation letter regarding the Scheme of Reduction of Capital of Shiva Medicare Limited (SML).**

We refer to your draft Scheme of Reduction of Capital under Companies Act, 1956 regarding Scheme of Reduction of Shiva Medicare Limited ((SML).

The Exchange has noted the confirmation given by the Company stating that the scheme does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing Agreement or the requirements of BSE Limited (BSE).

As required under SEBI Circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No.CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated March 21, 2014 has given its comment(s) on the draft scheme of amalgamation:

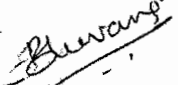
- *The company shall duly comply with various provisions of the Circulars,*
- *The Company shall comply with the assurances provided vide your letter dated February 17, 2014.*

Accordingly, we hereby convey Exchange's 'No-objection' with limited reference to those matters having bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable you to file the scheme with the Hon'ble High Court.

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of arrangement.

The Exchange reserves its right to withdraw its No-objection/approval at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Yours faithfully,



Bhuvana Sriram  
Deputy Manager



Pooja Sanghvi  
Asst. Manager

# SHIVA MEDICARE LIMITED

ANNEXURE III

Complaints Report from 30<sup>th</sup> December 2013 to 19<sup>th</sup> January 2014.

## Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NIL
5.	Number of complaints pending	NIL

## Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	NA	NA	NA

For Shiva Medicare Limited



Director

Date: 20/01/2014

Redg office: Flat No.4, Navneeth Villa Appts, 3-6-521/A, Himayat Nagar, Hyderabad-500 029  
Ph: +91-40-27660781, Fax: +91-40-27660782, Email: info@i41.in, www.i41.in

# SHIVA MEDICARE LIMITED

## 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	4	Yes	4	Nil
Sri Gagan Lamba	Non-Executive Director	Director	5	3	Yes	0	Nil
Sri John Wilson	Non-Executive Director	Director	5	5	Yes	1	Nil
Sri Durga Prasad	Non-Executive Director	Director	5	5	Yes	0	Nil

#### Detail about Directors seeking Reappointment:

##### Shri John Wilson:

He is expert in field of Marketing and Human Resource Management. Since company has undertaken extensive revival program over the span of next few years Mr. Wilson expertise shall be of great importance to the company. Mr John Wilson is director in only one private company (Larven solutions Private Limited).

# SHIVA MEDICARE LIMITED

## **Shri Durga Prasad:**

He is commerce graduate with expert knowledge of Income Tax. Since company has undertaken extensive revival program over the span of next few years Mr. DurgaPrasad expertise shall be of great importance to the company. Mr. Durga Prasad is not director in any other company.

## **Meeting of Board of Directors**

During the Financial Year 2012-13 Board of Directors met on the following dates: 25<sup>th</sup> April 2013, 30<sup>th</sup> July 2013, 23<sup>rd</sup> October 2013, 18<sup>th</sup> December 2013, and 27<sup>th</sup> January 2014.

## **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](http://www.i41.in)

All the members of the Board and Senior Management Personnel have affirmed compliance to the code as on 31<sup>st</sup> March 2014.

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 John Wilson	-	Independent Director
Member	-	Sri Amit Jain	-	Director
Member	-	Sri Gagan Lamba	-	Independent Director

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

**25<sup>th</sup> April 2013,  
30<sup>th</sup> July 2013,  
23<sup>rd</sup> October 2013 and  
27<sup>th</sup> January 2014.**

Attendance of the Directors in the Audit Committee Meeting:

# SHIVA MEDICARE LIMITED

<u>Name of the Director</u>	<u>No. of Meetings Held</u>	<u>No. of Meetings attended</u>
Sri Amit Jain	4	4
Sri John Wilson	4	4
Sri Gagan Lamba	4	3

#### 4. Remuneration Committee:

a) Composition, Name of the Chairman and members:

Sri Durga Prasad  
Sri Amit Jain  
Sri John Wilson

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 John Wilson	-	Director
Member	-	Sri Durga Prasad	-	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.

#### Policy on Disclosure and Internal procedure for prevention of Insider Trading

Mr. Amit Jain, Compliance Officer is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

#### 6. GENERAL BODY MEETINGS

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

September 30, 2011	D-110, Kamla Nagar Delhi-110007	11.00 AM	Nil
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# SHIVA MEDICARE LIMITED

17 <sup>th</sup> August, 2012	D-110, Kamla Nagar Delhi-110007	11.00 AM	Nil
23 <sup>rd</sup> August, 2013	Himayat Nagar Hyderabad	11.00 AM	Nil

## 7. Disclosures

(a) **RELATED PARTY TRANSACTIONS:** No related party transactions during the year 2013-14

## 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 : 14<sup>th</sup> July, 2014 at 10.00 A.M  
Venue : Flat no.4, Navneeth Villa Appts  
3-6-521/A, Himayat Nagar,  
Hyderabad-500029

(b) Financial Year : April – March

(c) Date of Book Closure : 9<sup>th</sup> July 2014 to 14<sup>th</sup> July, 2014  
(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



# SHIVA MEDICARE LIMITED

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

Cameo Corporate Services P Ltd  
Subramaniam Building,  
No1, Club House road,  
Chennai - 600002  
Phone: 044-28460390, 28460391  
Unit: Shiva Medicare Limited

(f) The listing fee for the year 2014-15 has been paid to Bombay Stock Exchange Ltd.

(g) **Address for Correspondence:**

For suggestions / grievances / Queries to  
**Shiva Medicare Limited**  
**Flat no.4, Navneeth Villa Appts**  
**3-6-521/A, Himayat Nagar,**  
**Hyderabad-500029**  
**Ph: 040-27660781,**  
**Fax: 040-27660782**  
**cs.shivamedi@gmail.com**  
**info@i41.in**  
**www.i41.in**

# SHIVA MEDICARE LIMITED

## 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 31<sup>st</sup> March, 2014 together with the Auditor's Report thereon.

### OPERATIONS

During the period under review, the Company has not done any business activity; hence there are no 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 the steps are as follows

- 1) Resumption in Trading of Equity Shares of Company at BSE Ltd
- 2) New Project Planning & Execution.
- 3) Restructuring of Company's balance sheet through Capital Reduction.

In fact we are pleased to inform you that the company has already received NoC for the draft Scheme of Capital Reduction from BSE Ltd and a special resolution with regards to the same has been proposed in this AGM.

Once the company's capital is restructured and carry forward losses are set off, it would enable the management to explore various opportunities to enhance the net worth of the company through suitable means.

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.

### 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 as such no amount of interest and principal was outstanding as of the date of the balance sheet.

### 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.

# SHIVA MEDICARE LIMITED

## 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.

## AUDITORS

M/s. Rama Chandra Rao. Chartered Accountant, Hyderabad Auditors of the Company retires at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

## 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 31<sup>st</sup> March, 2014; 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 31<sup>st</sup> March 2014 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: Hyderabad  
Date: 07.06.2014

Sd.  
**AMIT JAIN**  
**DIRECTOR**

Sd.  
**JOHN WILSON**  
**DIRECTOR**

# SHIVA MEDICARE LIMITED

## 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 2014.

Place: Hyderabad  
Date: 07<sup>th</sup> June, 2014

Sd.  
Amit Jain  
Director

## CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION FOR THE FINANCIAL YEAR 2013-14

To  
The Board of Directors  
Shiva Medicare Limited  
Hyderabad

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: Hydrabad  
Date: 07<sup>th</sup> June, 2014

Sd.  
Amit Jain  
Director

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## OVER VIEW :

### 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 \$6 billion, 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:

During the year ended revocation of suspension for trading in shares of company at BSE was approved and the shares have been available for trading. 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 RISKS AND CONCERNS :

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: Hyderabad

sd/-

Date: 07.06.2014

Amit Jain (Director)

**V. Rama Chandra Rao F.C.A**

Chartered Accountants

H.No:1-2-56/55, Plot No. 1039,

Ground Floor Street No.5

Himayat Nagar, Hyderabad-29

**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, 2014 as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to 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 us, we 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 31<sup>st</sup> March, 2014, 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.

Date: 24/05/2014

Place: Hyderabad

Sd.

V. Ramachandra Rao

Chartered Accountant

Membership No: 203292

## **INDEPENDENT AUDITORS' REPORT**

**To the Members of  
SHIVA MEDICARE LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Shiva Medicare Limited ("the Company") which comprises the balance sheet as at 31 March, 2014, the statement of profit and loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the companies Act 2013 in terms of the General Circular 15/2013 dated 13-09-2013 of the Ministry of Corporate Affairs) and in accordance with the Accounting principles generally accepted in India. This responsibility includes the design implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

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

(a) in the case of the balance sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2014;

(b) in the case of the statement of profit and loss, of the profit of the Company for the year ended on that date; and

(c) in the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order"), as amended, issued by the Central Government in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that :

(a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;

(d) in our opinion, the balance sheet, the statement of profit and loss and the cash flow statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the companies Act 2013 in terms of the General Circular 15/2013 dated 13-09-2013 of the Ministry of Corporate Affairs); and

(e) on the basis of written representations received from the directors as on 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2014, from being appointed as a director in terms of clause (g) of subsection (1) of Section 274 of the Act.

Sd/-

Place : Hyderabad

Date :30.05.2014.

V.RAMACHANDRA RAO  
Chartered Accountant

Membership No.203292



## STATEMENT REFERRED TO IN THE AUDIT REPORT

- i. There were no fixed assets during the year ended on 31-03-2014.
  - a. The Company has no Stock and hence the question of physical verification does not arise.
- ii.
  - 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, 1956.
  - 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 the 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	Repayment during the year	Closing balance
Shiva paper mills limited	4,75,000	-	-	4,75,000
Sh.Pramod 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

- iii. 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.
- iv.
  - a) According to the information and explanation 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 to 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 exceed valued of five lakh in respect of any party during the year.

- c) 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 share holders.
- v. As the operation of the company remain closed during the financial year there was no internal audit system in operation.
- vi. Maintenance of the cost record has not been prescribed by the Central Government u/s 209(1)(d) of the companies Act, 1956.
- vii.
  - a) We have to report that the custom duty of Rs. 36,778, property tax Rs. 817,129, sales tax Rs. 14,874 & TDS on contractors Rs. 4239 & TDS on salaries for Rs. 300 are outstanding as on 31.03.2014.
  - 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, sales tax, custom duty, excise and cess which were arrears, as on 31.03.2014 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.
- viii. 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.
- ix. As per records of the company and the information and explanations given to us, we have to report that the company had defaulted in repayment of its secured loans to banks. During the year ended 31.03.2006 the company paid entire amount due to banks on one time settlement. Consequently there is no outstanding amount payable to banks.
- x. 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 loans and advance on the basis of security by way of pledge of shares, debenture and other securities, it is not required to maintain records in respect thereof.
- xi. 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.
- xii. In our opinion and as per the information and explanations give by management, the company is not dealing in or trading in shares, securities, debentures and other investments.
- xiii. 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 shorter basis have been used for long-term investments and no long-term funds have been used to finance short term investments.

- xiv. 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.
- xv. During the year the company had not issued any debentures and as such creation of security is not applicable.
- xvi. During the year under review, no money was raised by public issue and s such disclosure of end use of money raised is not applicable.
- xvii. 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.

Sd/-

V.RAMACHANDRA RAO  
Chartered Accountant

Place : Hyderabad  
Date :30.05.2014.

Membership No.203292

**SHIVA MEDICARE LIMITED**  
**Profit and Loss for the year ending 31 March 2014**

Particulars	Notes	As 31 March 2014	As at 31 March 2013
<b>Income</b>			
I) Revenue from Operations	2.09	0	0
<b>II) Total Revenue</b>		<b>0</b>	<b>0</b>
<b>III) Expenses</b>			
Other Expenses	2.10	242,307	1,395,755
<b>Total Expenses</b>		<b>-242,307</b>	<b>-1,395,755</b>
<b>IV) Profit before exceptional items, extraordinary items &amp; tax</b>		<b>-242,307</b>	<b>-1,395,755</b>
<b>V) Exceptional Items</b>			
Liabilities no longer payable-Written Back			450,685
<b>VI) Profit before ExtraOrdinary Items &amp; Tax (IV-V)</b>		<b>-242,307</b>	<b>-945,070</b>
<b>VII) Extraordinary Items</b>			
Previous Year Expenses		0	
Interest on delayed payments		0	
<b>VIII) Profit before Tax</b>		<b>-242,307</b>	<b>-945,070</b>
<b>IX) Tax Expenses</b>			
Income Tax - Current Year		0	0
Income Tax - Previous Year		0	0
Diffreded Tax		0	0
<b>X) Profit/Loss for the period-Loss</b>		<b>-242,307</b>	<b>-945,070</b>

**Significant Accounting Policies**

**Notes to Accounts**

the notes referred above form an integral part of financial statement

as per our report attached

For V. RAMACHANDRA RAO.,  
Chartered Accountant

For and On behalf of the Board of  
SHIVA MEDICARE LIMITED

Proprietor  
Membership No. 203292

Amit Jain  
Director

John Wilson  
Director

Date : 30/05/2014

Date : 30/05/2014

Place : Hyderabad

Place : Hyderabad

**XII) Earning per Share**

1) Basic	-0.15
2) Diluted	-0.15

**SHIVA MEDICARE LIMITED**  
**Balance Sheet as at 31 March 2014**

I	Particulars	Notes	As 31 March 2014	As at 31 March 2013
<b>EQUITY &amp; LIABILITIES</b>				
<b>1) Shareholder's Funds</b>				
	a) Share Capital	2.01	62,700,700	62,700,700
	b) Reserves & Surplus		-74,033,909	-73,791,602
<b>2) Share Application Money Pending</b>				
	<b>Allotment</b>	2.02	0	0
<b>3) Non-Current Liabilities</b>				
	a) Trade Payables	2.04	0	0
	b) Other Long Term Liabilities	2.05	1,713,482	1,713,482
<b>4) Current Liabilities</b>				
	a) Short Term Borrowings	2.03	10,748,528	10,520,950
	b) Trade Payables	2.04	16,854	16,854
	c) Other Current Liabilities	2.05	810,000	810,000
<b>Total</b>			<b>1,955,655</b>	<b>1,970,384</b>
<hr/>				
II	<b>ASSETS</b>			
<b>1) Non-Current Assets</b>				
	a) Long Term Loans & Advances	2.06	1,954,546	1,954,546
	<b>b) Investments</b>			
<b>2) Current Assets</b>				
	a) Trade Receivables	2.07		0
	b) Cash & Cash Equivalents	2.08	1,109	15,838
<b>Total</b>			<b>1,955,655</b>	<b>1,970,384</b>

**Significant Accounting Policies**

**Notes to Accounts**

the notes referred above form an integral part of financial statement

as per our report attached

For V. RAMACHANDRA RAO.,  
Chartered Accountant

For and On behalf of the Board of  
SHIVA MEDICARE LIMITED

Proprietor  
Membership No. 203292

Amit Jain  
Director

John Wilson  
Director

Date : 30/05/2014  
Place : Hyderabad

Date : 30/05/2014  
Place : Hyderabad

# SHIVA MEDICARE LIMITED

Notes to the financial statements for the year ended 31st March 2014

(Amount in Indian Rupees)

2.01 Share Capital	As at 31 March 2014		As at 31 March 2013	
	No. of Shares	Amount	No. of Shares	Amount
<u>Authorised</u>				
Equity Shares of Rs.10 each	10,000,000	100,000,000	10,000,000	100,000,000
<u>Issued, Subscribed and fully paid</u>				
Equity Shares of Rs.10 each fully paid:				
At the beginning of the year	6,270,070	62,700,700	6,270,070	62,700,700
Add: Issued during the year	0	0	0	0
At the end of the year	6,270,070	62,700,700	6,270,070	62,700,700
<b>Total</b>	<b>6,270,070</b>	<b>62,700,700</b>	<b>6,270,070</b>	<b>62,700,700</b>

\* Each holder of equity shares is entitled to one vote per share with a right to receive dividend per share declared by the company. In the event of liquidation, the equity share holders are entitled to receive remaining assets of the company (after distribution of all preferential amounts) in the proportion of equity shares held by the share holders. During the year ended 31st March 2013, the company has recorded per share dividend of Rs.Nil (previous years Rs.Nil) to equity share holders.

**Details of share holding more than 5% of the company**

Name of the shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of Shares	% of holding in the class	No. of Shares	% of holding in the class
Equity Shares of Rs.10 each fully paid held by:				
a) M/S Shiva Paper Mills Limited	350,000	5.58	350,000	5.58
b) Sterlix USA	450,000	7.18	450,000	7.18
<b>Total</b>	<b>800,000</b>	<b>12.76</b>	<b>800,000</b>	<b>12.76</b>

2.02 Reserves & Surplus	As at 31 March 2014		As at 31 March 2013	
<b>(a) <u>Capital Reserve</u></b>				
Balance at the beginning of the year		10,205,091		10,205,091
Addition during the year				
Deduction during the year				
<b>Balance at the end of the year</b>		<b>10,205,091</b>		<b>10,205,091</b>
<b>(b) <u>Forfeited Shares</u></b>				
Balance at the beginning of the year		430,500		430,500
Addition during the year				
Deduction during the year				
<b>Balance at the end of the year</b>		<b>430,500</b>		<b>430,500</b>
<b><u>Profit &amp; Loss Account Balance</u></b>				
<b>(c) (Deficit/Surplus)</b>				
Balance at the beginning of the year		-84,427,193		-83,482,123
Addition during the year		-242,307		-945,070
Deduction during the year		0		0
<b>Balance at the end of the year</b>		<b>-84,669,500</b>		<b>-84,427,193</b>
<b>Total</b>		<b>-74,033,909</b>		<b>-73,791,602</b>

# SHIVA MEDICARE LIMITED

Notes to the financial statements for the year ended 31st March 2014

(Amount in Indian Rupees)

2.03 Borrowings	Long Term - Non-current portion		Short Term	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
Demand Loans - Related Parties	2,216,500	0	0	2,216,500
Demand Loans	8,532,028	0	0	8,304,450
<b>Total</b>	<b>10,748,528</b>	<b>0</b>	<b>0</b>	<b>10,520,950</b>

2.04 Trade Payable	Long Term - Non-current portion		Short Term	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
Payable to suppliers covered under the Micro, Small & medium Enterprises Development Act	0		16,854	16,854
Others		0		0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>16,854</b>	<b>16,854</b>

2.05 Other Liabilities	Long Term - Non-current portion		Short Term	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
Expenses payable	0	0	0	0
Other Liabilities	0	0	810,000	810,000
Other Liabilities - related Parties	840,162	840,162	0	0
Share Application Money refundable			0	0
Statutory Liabilities	873,320	873,320		
<b>Total</b>	<b>1,713,482</b>	<b>1,713,482</b>	<b>810,000</b>	<b>810,000</b>

2.06 Loans & Advances	Long Term - Non-current portion		Short Term	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
Balance with Tax Authorities	54,546	54,546	0	0
Loans & Advances to others	1,900,000	1,900,000	0	0
<b>Total</b>	<b>1,954,546</b>	<b>1,954,546</b>	<b>0</b>	<b>0</b>

Aggregate balance of loans and avances to related parties-unsecured considered good	0	0	0	0
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2.06A Investments	Long Term - Non-current portion		Short Term	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

2.07 Trade Recievables	Long Term - Non-current portion		Short Term	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
Debts outstanding for aperiod of 6 months	0		0	0
less: Provision	0		0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

2.08 Cash & Bank Balances	As at 31st March 2014		As at 31st March 2013
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2013
Cash & Equivalents			
Balance with Banks in current accounts		1,008	1,108
Cash in Hand	101		14,730
<b>Total</b>	<b>1,109</b>		<b>15,838</b>

**SHIVA MEDICARE LIMITED**

Notes to the financial statements for the year ended 31st March 2014

(Amount in Indian Rupees)

2.09 Revenue from Operations	As at 31st March 2014	As at 31st March 2013
Revenue from Operations-Gross	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

2.10 Other Expenses	As at 31st March 2014	As at 31st March 2013
Advertisement	0	0
Rates, Taxes & Fee	0	0
Share transfer agent fee	10,000	11,500
Bank Charges	657	1,564
Listing charges	140,650	1,152,904
Pastage	0	
Miscellaneous Expenses	91,000	229,787
<b>Total</b>	<b>242,307</b>	<b>1,395,755</b>

2.11 Earning per Share	As at 31st March 2014	As at 31st March 2013
Profit for calculation of EPS RS.	-242,307	-945,070
Weighted No. of Equity Shares	6,270,070	6,270,070
<b>Basic/Diluted EPS (Rs.)</b>	<b>-0.04</b>	<b>-0.15</b>

2.12 Contingent Liabilities & Commitments	As at 31st March 2014	As at 31st March 2013
01) Contingent liabilities:		
a) Other Money for which the company is contingently Liable	0	0
	395,453	395,453
<b>Total</b>	<b>395,453</b>	<b>395,453</b>

2.13 Differed Tax Assets/Liability	As at 31st March 2014	As at 31st March 2013
In compliance of the Accounting Standard 22 issued by the Institute of Chartered Accountants of India, the company has not made provision for net differed tax assets.	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

2.14 Segment Information	As at 31st March 2014	As at 31st March 2013
The company has not carried any business activity during the year and the previous year, hence there are no disclosure to be provided under the Accounting Standard 17 'Segment reporting' other than those already provided in the financial statements.	0	0
<b>Total</b>	<b>0</b>	<b>0</b>



**SHIVA MEDICARE LIMITED**

Notes to the financial statements for the year ended 31st March 2014

(Amount in Indian Rupees)

**2.15 Transactions With related Parties**

As at 31st March 2014

As at 31st  
March 2013

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

**3) Relatives of Key Management Personnel**

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

**Transactions during the year with related Parties**

Nature of Transactions	As at 31st March 2014		As at 31st March 2013	
	Entitles under common control (1)	Key Management Personnel & their relatives (2)	Year ended 2013-14 Rs.	Year ended 2012-13 Rs.
<b>Share Application money</b>	0	0	0	
<b>Unsecured Loans</b>	0	0	0	
<b>Repayment During The Year</b>				
Shiva Papermills limited	0	0	0	750,000

**Shiva Medicare Limited**

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2014.**

<b>2.16 Additional information</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>
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

<b>2.17 Others</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>
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- i) 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
- ii) 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
- iii) 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
- iv) Paise have been rounded off to nearest rupee.
- v) Previous Year's figures have been regrouped and / or rearranged.

As per our report attached

**For V. RamaChandra Rao**  
*Chartered Accountants*  
Registration No.: 002638 N

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

Place: Hyderabad  
Date: 30/05/2014

Amit Jain  
Director

John Wilson  
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 of the Companies Act, 2013.

#### **EARNING PER SHARE**

Basic earnings 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 earnings 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 **V.Ramachandra Rao**  
**Chartered Accountants**

**Amit Jain**

**John Wilson**

**Membership No. : 203292**  
**Place: Hyderabad**  
**Date: 30/05/2014**

**Director**

**Director**

**SHIVA MEDICARE LIMITED****Cash Flow Statement for the year ended 31 March 2014**

	For the year ended 31-Mar-14	For the year ended 31-Mar-13
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) Before Tax	(242,307)	(1395755)
<b>Adjustment for :</b>		
Liabilities no longer payables written back	0	450685
<b>Operating Profit/(Loss) Before Working Capital Changes</b>	<u>(242,307)</u>	<u>(945,070)</u>
<b>Adjustment for :</b>		
Decrease/(Increase) in loans and advances	0	(600000)
Increase/(Decrease) in current liabilities	0	(450685)
<b>Cash generated from operating activities before taxes</b>	<u>(242,307)</u>	<u>(1,995,755)</u>
Direct taxes paid ( net of funds)	0	0
<b>Net cash generated from operating activities</b>	<u>(242,307)</u>	<u>(1,995,755)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	0	0
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in short term borrowings	227,578	1980450
increase in long term borrowings	0	0
Repayment of long term borrowings	0	0
Decrease in other borrowings	0	0
<b>Net cash generated from financing activities</b>	<u>227578</u>	<u>1980450</u>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(14,729)</u>	<u>(15,305)</u>
Cash and cash equivalent at the beginning of the year	15838	31143
<b>Cash and cash equivalent at the end of the year</b>	<u>1109</u>	<u>15838</u>

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

For V. RAMACHANDRA RAO.,  
Chartered Accountant

For and On behalf of the Board of  
SHIVA MEDICARE LIMITED

Proprietor  
Membership No. 203292

Director

Director

Date : 30/05/2014

Place : Hyderabad

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To.

If undelivered, please return to:  
**Shiva Medicare Limited**  
**Flat no.4, Navneeth Villa Appts**  
**3-6-521/A, Himayat Nagar,**  
**Hyderabad-500029**