

Ref: SML/BSE-SEPT/2017 – 04

Date: September 29, 2017

To  
Deputy Manager  
Dept. of Corporate Services,  
Bombay Stock Exchange Limited  
P J Towers, Dalal Street,  
Fort, MUMBAI – 400001

Dear Sir/Madam,

***Sub: 26<sup>th</sup> Annual General meeting ('AGM') Voting Result, Scrutinizers Report & Annual Report of Shiva Medicare Limited***

***Ref: Regulation 34 & 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; Script Code# 524602***

With reference to the above captioned subject matter we herewith submit the following:


1. Voting results as required under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations as Annexure – I.
2. Report of Scrutinizer dated September 28, 2017, pursuant to Section 108 of the Companies Act, 2013 and Rule 20(4) (xii) of the Companies (Management and Administration) Rules, 2014.
3. Annual Report for the financial year 2016-17 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

We request you to take note of the Voting results, Scrutinizers Report & 26<sup>th</sup> Annual report of the Company on your records and acknowledge the receipt of the same.

Thanking you,

Yours faithfully,

For Shiva Medicare Limited

  
**Mahesh Kumar Vellaboyina**  
Director  
DIN: 07304691



*Encl: Voting results, Scrutinizers Report & Annual Report*

**Register & Corporate Office:-**

8-2-676/A/A/A/1&2, Road No.13, Banjara Hills, Hyderabad – 500 034, Telangana State, India

Ph: +91-40-6455-1556, Website: [www.shivamedicare.com](http://www.shivamedicare.com)

CIN: L93090TG1993PLC088165



# 26<sup>th</sup> Annual Report 2016-17

CIN: L93090TG1993PLC088165

Regd Off Add: 8-2-676/A/A/A/1&2, Road No.13, Banjara Hills, Hyderabad - 500 034,  
Telangana State, India

# SHIVA MEDICARE LIMITED

CIN: L93090TG1993PLC088165

Regd Off Add: #8-2-679/A/A/A/1&2, Road No.13, Banjara Hills, Hyderabad - 500 034, Telangana, India.

## NOTICE

NOTICE is hereby given that the 26<sup>th</sup> Annual General Meeting of the Members of Shiva Medicare Limited (CIN: L93090TG1993PLC088165) will be held on Thursday, September 28, 2017 at 11.00 Hrs at Taj Banjara, Road No.1, Banjara Hills, Hyderabad - 500 034, Telangana, India to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2017 and Profit and Loss Account for the financial year ended as on that date together with the Directors' Report and Auditor's Report thereon.
2. To appoint a Director in place of Mr. Kishan Prasad Palaypu (DIN: 01154438), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Mahesh Kumar Vellaboyina (DIN: 07304691), who retires by rotation and, being eligible, offers himself for re-appointment
4. **To consider and ratify the Appointment of M/s. Srinivas P & Associates., Chartered Accountants (Firm No.006987S), Hyderabad, as a Statutory Auditor of the Company for the financial year 2017-18:**

*To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as a Ordinary Resolution*

**"RESOLVED THAT** pursuant to provisions of Section 139, and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, (Including any statutory enactment or modification thereof, for the time being in force), the Company hereby ratifies the appointment of Srinivas P & Associates, Chartered Accountants (FRN: 006987S), Hyderabad as the Statutory Auditors of the Company, to hold the office from the conclusion of this 26<sup>th</sup> Annual General Meeting till the conclusion of 27<sup>th</sup> Annual General Meeting at such remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable taxes and reimbursement of travelling and out of pocket expenses in connection with the audit may fix in this behalf."

### Special Business:

5. **Appointment of Mr. Sangam Venkateshwar Rao (DIN: 02945294) as a Director:**

*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 Section 152 & 161 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force), Mr. Sangam Venkateshwar Rao (DIN: 02945294) who was appointed as an Additional Director (Non-Executive under Professional Category) of the Company by the Board of Directors at its meeting held on February 14<sup>th</sup>, 2017 and whose term of office expires at this Annual General Meeting (‘AGM’) and in respect of whom the Company has received a notice in writing from him along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

**FURTHER RESOLVED THAT** any of the Board of Directors, be and are, hereby empowered and authorized to take such steps, in relation to the above and to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and to file necessary E-Forms with Registrar of Companies.”

**6. Appointment of Mrs. Namrata Chadha (DIN: 07921003) as an Independent Director:**

*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 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made there under, including any amendment, modification, variation or re-enactment thereof read with Schedule IV to the Companies Act, 2013, for the time being in force, and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Mrs. Namrata Chadha (DIN: 07921003), who was appointed as an Additional Director (Non- Executive under Independent Category) in board of directors meeting held on September 04<sup>th</sup>, 2017 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 her 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 with effect from September 04<sup>th</sup>, 2017 to September 03<sup>rd</sup>, 2022.”

**RESOLVED FURTHER THAT** Mrs. Namrata Chadha, an Independent Director of the company and shall not be liable for retirement by rotation during the tenure of her office.”

**RESOLVED FURTHER THAT** any of the Board of Directors or company secretary of the company be and are hereby empowered and authorized to take such steps, in relation to the above and to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and to file necessary E-Forms with Registrar of Companies.”

**7. Power to Borrow Funds on behalf of the Company:**

*To consider and if thought fit, to pass the following resolution as a Special Resolution:*

**“RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board), to borrow any sum or sums of money from time to time at its discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other Persons, Firms, Bodies Corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), subject to such aggregate borrowings not exceeding the amount which is Rs. 50 Crores (Rupees Fifty Crores only) over and above the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) and that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

**8. Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings.**

*To consider and if thought fit, to pass the following resolution as a Special Resolution:*

**“RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board) for creation of charge / mortgage / pledge / hypothecation / security in addition to existing charge / mortgage / pledge / hypothecation / security, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all

or any of the moveable and / or immovable properties, tangible or intangible assets of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company, as the case may be in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed / to be availed by the Company by way of loan(s) (in foreign currency and / or rupee currency) and securities (comprising fully / partly convertible debentures and / or nonconvertible debentures with or without detachable or non-detachable warrants and / or secured premium notes and / or floating rate notes / bonds or other debt instruments), issued / to be issued by the Company including deferred tax loans availed / to be availed by various Units of the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Act together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s) / Trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the loan agreement(s), debenture trust deed(s) or any other document, entered into / to be entered into between the Company and the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies) representing various state government and / or other agencies etc. in respect of the said loans / borrowings / debentures / securities / deferred sales tax loans and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies), etc.

**RESOLVED FURTHER THAT** the securities to be created by the Company as aforesaid may rank prior / pari passu / subservient with / to the mortgages and / or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board and as may be agreed to between the concerned parties.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalize, settle, and execute such documents / deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages / charges as aforesaid."

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

Place: Hyderabad  
Date: September 04, 2017

Kishan Prasad Palaypu  
Director  
DIN: 01154438

NOTES:

1. AN EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 WITH RESPECT TO THE SPECIAL BUSINESS SET OUT IN THE NOTICE IS ANNEXED HERETO.
2. EVERY MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM/HER SELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
5. The Register of Members and Share Transfer Books of the company will remain closed from September 22, 2017 to September 28, 2017 (both days inclusive) for the purpose of the Annual General Meeting.
6. Details as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.
7. 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 Participant(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.
8. Notice of the Annual General Meeting and the Annual Report for the Financial Year 2016-2017 will also be available on the Company's website **www.shivamedicare.com** 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 email id: [contact@shivamedicare.com](mailto:contact@shivamedicare.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

9. 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 Depository Services Limited (CDSL).
  - b. The instructions for shareholders voting electronically are as under:
    - (i) The voting period begins on September 25, 2017 at 09:00 Hrs and ends on September 27, 2017 at 17:00 Hrs. 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 September 21, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
    - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
    - (iii) Click on Shareholders.



- (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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com)

(xx) Other instructions:

- a. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on September 21, 2017.
  - b. Mrs. Manjula Aleti, Practicing Company Secretary (Membership # 31661), has been appointed as the scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
  - c. The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizers' report of the total votes cast in favor of against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
  - d. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.shivamedicare.com](http://www.shivamedicare.com) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges where the Company's shares are listed.
10. 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.

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

Place: Hyderabad

Date: September 04, 2017

Kishan Prasad Palaypu  
Director  
DIN: 01154438

## **Annexure to the Notice**

### **Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013:**

The following Statement set out all material facts relating to Item Nos. 5 to 8 mentioned in the accompanying Notice.

#### **Item No. 5**

Mr. Sangam Venkateshwar Rao was appointed as an Additional Director w.e.f. February 14, 2017 in accordance with the provisions of Section 161 of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing Mr. Sangam Venkateshwar Rao candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. The Board feels that presence of Mr. Sangam Venkateshwar Rao on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 5 for adoption.

The profile and specific areas of expertise of Mr. Sangam Venkateshwar Rao is provided in annexure to this notice.

None of the Directors and Key Managerial Personnel of the Company or their relatives is in any way concerned or interested, financially or otherwise, in the said resolution. The Board recommends resolutions under Item No. 5 to be passed as an ordinary resolution.

#### **Item No. 6**

As per the provisions of Section 149(4) of the Companies Act, 2013, every listed company shall have at least 1/3rd of its total number of directors as independent directors, further pursuant to Section 149(6) of the said Act, lays down the criteria for independence. Mrs. Namrata Chadha, non-executive directors of the Company have furnished declarations to the Company under Section 149(7) of the Companies Act, 2013, confirming the meeting of the criteria prescribed for independent directors under Section 149(6) of the said Act.

In the opinion of the Board Mrs. Namrata Chadha, possess the relevant expertise and experience, fulfill the conditions specified in the said Act and the rules made there under and are independent of the management of the Company. In terms of Section 149 of the Companies Act, 2013, an independent director shall hold office for two terms of up to 5 consecutive years each on the board of a company, but shall be eligible for re-appointment on passing of a special resolution by the company and disclosure of the same in the Directors' report. Further, in terms of Section 149(13) of the said Act, independent directors are not liable to retire by rotation.

Accordingly, the Board proposes to appoint Mrs. Namrata Chadha as an Independent Director of the Company for a period of 5 years with effect from September 04, 2017, as set out at Item Nos. 6 of this Notice. Notices as required under Section 160 of the Companies Act, 2013 have been received from some Members proposing the candidature of the said

Independent Director of the Company. Upon the confirmation of the appointment of these individuals as Independent Directors by the Members of the Company, the appointment shall be formalized by the issue of a letter of appointment by the Company to the said Independent Directors.

Brief profile of the said Independent Director, in terms of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided after this Notice.

The Board accordingly recommends the resolutions at Item Nos. 6 of this Notice for the approval of the Members as ordinary resolutions. None of the said Directors are related to each other.

None of the Directors or Key Managerial Personnel of the Company or their relatives other than those mentioned in the respective resolutions and their relatives are in any way concerned or interested, financially or otherwise, in the resolutions at Item Nos. 6 of this Notice.

#### **Item No. 7 & 8**

Board of Directors (which term shall be deemed to include any Committee of the Board) to borrow money (ies) on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) and for creation of charge on moveable and immovable properties of the Company as security in favour of lending agencies for a sum not exceeding Rs. 50 Crores (Rupees Fifty Crores only), over and above the aggregate of the paid-up share capital and free reserves of the Company.

Keeping in view your Company's business requirements and growth plans, it is considered desirable to increase the said borrowing limits under the provisions of Section 180(1)(c) of the Companies Act, 2013 (the "Act").

The borrowings by a Company, in general, are required to be secured by mortgage or charge on all or any of the moveable or immovable properties of the Company in such form, manner and ranking as may be determined by the Board from time to time, in consultation with the lender(s).

Your consent is required under the provisions of Sections 180(1)(c) and 180(1)(a) of the Act, to increase the borrowing limits and to mortgage and / or create a charge on any of the moveable and / or immovable properties and / or the whole or any part of the undertaking(s) of your Company to secure its borrowings.

None of the Directors, Key Managerial Personnel and their relatives, are in any way, concerned or interested in the said resolutions.

The resolutions as set out in item nos. 7 and 8 of this Notice are accordingly commended for your approval.

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

Place: Hyderabad  
Date: September 04, 2017

Kishan Prasad Palaypu  
Director  
DIN: 01154438

## **SPECIFIC ATTENTION OF SHAREHOLDERS**

### **Sub: Furnishing of E-mail ID**

Members are requested to provide their e-mail IDs so as to enable the Company to send documents like notice calling general meetings, audited financial statements, Directors' report, Auditors' report etc., by way of e-mail.

Shareholders:

1. Physical Mode: E-mail ID be furnished to the Company in the format enclosed.
2. Electronic / Demat Mode: E-mail ID be furnished to the DP with whom demat account has been opened and not to the Company. The Company cannot act on e-mail IDs received directly from the Members holding shares in Demat Mode for registration of e-mail IDs.

**SHIVA MEDICARE LIMITED**  
**E-MAIL REGISTRATION FORM**  
(Exclusively for Shareholders holding shares in physical form)

To  
Cameo Corporate Services Limited  
Subramaniam Building,  
No1, Club House road,  
Chennai - 600002  
Phone: 044-28460390, 28460391

Dear Sir,

**Sub: Registration of E-mail**

Ref Unit: Shiva Medicare Limited

Regd. Folio No. :	
Full Name of Shareholder:	1.
Full Name(s) of Joint Shareholder(s):	2.
Full Name(s) of Joint Shareholder(s):	3.
E-mail ID to be registered:	
	<b>Signature of the Applicant</b>

Date:

Place:

**Note:**

1. On registration of e-mail, all the communications, including the Annual Reports, will be sent at the said registered e-mail.
2. Shareholders are requested to keep the Company informed of any change in their e-mail ID.



**Annexure A (for item Nos. 2, 3, 5 & 6 of the Notice):**

Details of the Directors seeking appointment / re-appointment in the forthcoming Annual General Meeting in pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Name of the Director	Mr. Kishan Prasad Palaypu
Date of Birth	August 15, 1958
Qualification	Chartered Accountant
Date of Appointment	May 18, 2016
Relationship with Directors	None
Expertise in Specific functional areas	professional advisory cum Management Consultancy services to several Corporate Entities in the lines of Capital Budgeting, Taxation, Business Structuring, Mergers, Acquisitions, Amalgamations, Strategic Business Planning; Financial Restructuring; Debt restructuring etc.
Directorship held in other Companies as on March 31, 2017	1. Grey Mat Techno Solutions Limited; 2. Krian Consultancy Services Private Limited; 3. Toppers Civils Academy Private Limited.
Chairman / Member of the Committee of the Board of Directors in other Companies as on March 31, 2017	None
Number of Shares Held in the Company as on March 31, 2017	NIL

Name of the Director	Mr. Mahesh Kumar Vellaboyina
Date of Birth	August 28, 1970
Qualification	B.E (Bachelor of Engineering) & MBA
Date of Appointment	December 06, 2016
Relationship with Directors	None
Expertise in Specific functional areas	Experienced solution architect and management Professional with 24 years of experience.
Directorship held in other Companies as on March 31, 2017	1. Krian Consultancy Services Private Limited; 2. R-Estate Solutions Private Limited; 3. OXA Medical Solutions Private Limited; 4. IDEIN Ventures Private Limited.
Chairman / Member of the Committee of the Board of Directors in other Companies as on March 31, 2017	None
Number of Shares Held in the Company as on March 31, 2017	NIL

Name of the Director	Mr. Venkateshwar Rao Sangam
Date of Birth	November 01, 1955
Qualification	LLB
Date of Appointment	February 14, 2017
Relationship with Directors	None
Expertise in Specific functional areas	More than 35 Years of Experience in the Field of Civil and Criminal Law.
Directorship held in other Companies as on March 31, 2017	1. Grey Mat Techno Solutions Limited
Chairman / Member of the Committee of the Board of Directors in other Companies as on March 31, 2017	None
Number of Shares Held in the Company as on March 31, 2017	NIL

Name of the Director	Mrs. Namrata Chadha
Date of Birth	March 06, 1963
Qualification	BA (Hon's), MA & LLB
Date of Appointment	September 04, 2017
Relationship with Directors	None
Expertise in Specific functional areas	More than 20 years of experience in advocacy with the Government in policy formulation for developmental projects in issues pertaining to gender and children.
Directorship held in other Companies as on March 31, 2017	None
Chairman / Member of the Committee of the Board of Directors in other Companies as on March 31, 2017	None
Number of Shares Held in the Company as on March 31, 2017	NIL

# SHIVA MEDICARE LIMITED

CIN: L93090TG1993PLC088165

Registered office: No.8-2-676/A/A/A/1&2, Road No.13, Banjara Hills,  
Hyderabad - 500 034, Telanagana State, India  
Ph: 040-6455-1556, e-mail: contact@shivamedicare.com,  
website: www.shivamedicare.com

## ATTENDENCE SLIP

(To be handed over at the entrance of the meeting hall)

Full name of the member attending \_\_\_\_\_

Member's Folio No/Client ID : \_\_\_\_\_ No.of shares held \_\_\_\_\_

Name of Proxy \_\_\_\_\_

(To be filled in, if the Proxy attends instead of the member)

I hereby record my presence at the 26<sup>th</sup> Annual General Meeting of the Shiva Medicare Limited, at Taj Banjara, Road No.1, Banjara Hills, Hyderabad - 500 034, Telangana State, India on Thursday, September 28, 2017 at 11.00 Hrs.

\_\_\_\_\_  
Member's / Proxy's Signature

### Notes :

1. Members are required to bring their copies of the Annual Report to the meeting , since further copies will not be available.
2. The Proxy to be effective should be deposited at the Registered office of the Company not less than FORTY-EIGHT HOURS before the commencement of the meeting.
3. A Proxy need not be a member of the company.
4. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other jointholders, Seniority shall be determined by the order in which the names stand in the Register of Members.
5. This form of proxy confers authority to demand or join in demanding a poll.
6. The submission by a members of this form of proxy will not procedure such member from attending in presence and voting at the meeting.

# SHIVA MEDICARE LIMITED

CIN: L93090TG1993PLC088165

Registered office: No.8-2-676/A/A/A/1&2, Road No.13, Banjara Hills,  
Hyderabad - 500034, Telangana State, India  
Ph: 040-6455-1556, e-mail: contact@shivamedicare.com,  
website: www.shivamedicare.com

## PROXY FORM

Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the member (s):
Registered Address:
E-mail Id:
Folio No./Client ID:
DP ID:

I/We being the member(s) of ..... Shares of the above mentioned Company hereby appoint:

1. Name.....  
Address.....  
Email ID.....Signature.....  
or falling him/her

2. Name.....  
Address.....  
Email ID.....Signature.....  
or falling him/her

3. Name.....  
Address.....  
Email ID.....Signature.....  
or falling him/her

as my/our proxy to attend and vote (on a Poll) for me /us and on my/our behalf at the 26<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, September 28, 2017 at 11.00 Hrs at Taj Banjara, Road No.1, Banjara Hills, Hyderabad - 500 034, Telangana State, India and at any adjournment thereof in respect of such resolutions as are indicated below:-

S. No.	Resolutions	For*	Against*
	<b>Ordinary Business</b>		
1.	Adoption of Financial Statements for the year ended March 31 <sup>st</sup> , 2017;		
2.	Appointment of Mr. Kishan Prasad Palaypu (DIN: 01154438), who retires by rotation and eligible for re-appointment.		
3.	Appointment of Mr. Mahesh Kumar Vellaboyina (DIN: 07304691), who retires by rotation and eligible for re-appointment.		
4.	Ratify the appointment of M/s. Srinivas P & Associates, Chartered Accountant (Firm No.006987S), Hyderabad, as a Statutory Auditor of the Company for the financial year 2017-18.		
	<b>Special Business</b>		
5.	Appointment of Mr. Sangam Venkateshwar Rao (DIN: 02945294) as a Director (Non -Executive Director under Professional Category)		
6.	Appointment of Mrs. Namrata Chadha (DIN: 03288531) as an Independent Director		
7.	Power to Borrow Funds on behalf of the Company		
8.	Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings.		

Signed this.....day of.....2017

Signature of Shareholder.....

Affix  
Revenue  
Stamp

Signature of Proxy holder(s).....

Notes:

The instrument of Proxy in order to be effective, should be deposited at the registered office of the company, duly completed and signed, not later than 48 hours before the commencement of the meeting.

For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the 26<sup>th</sup> Annual General Meeting.

It is optional to put a `X` in the appropriate column against the resolutions indicated in the Box. If you leave the `For` or `Against` column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

## DIRECTORS' REPORT

To  
Shareholders,  
Shiva Medicare Limited

Your Directors would like to present the 26<sup>th</sup> Annual Report together with the Audited Accounts for the year ended March 31, 2017. The financial highlights of your Company for the year ended March 31, 2017 are as follows:

### 1. FINANCIAL RESULTS:

Particulars	Financial Year ended 31 <sup>st</sup> March, 2017(in Rs.)	Financial Year ended 31 <sup>st</sup> March, 2016(in Rs.)
1. Revenue from Operations	0	0
2. Indirect Income	303,558	67,000
<b>Total Income</b>	<b>303,558</b>	<b>67,000</b>
Finance Costs	265,391	0
Depreciation	21,593	0
<b>Total Expenditure</b>	<b>10,882,106</b>	<b>542,536</b>
<b>Profit/Loss Before Tax</b>	<b>(10,865,532)</b>	<b>(475,536)</b>
Less: Tax Expenses	0	0
Prior Period Adjustments	(38,356)	0
<b>Net Profit /Loss After Tax</b>	<b>(10,903,918)</b>	<b>(475,536)</b>
<b>Earnings per share(Basic &amp; Diluted):</b>	<b>(4.79)</b>	<b>(0.95)</b>

### 2. OPERATIONS:

During the year under review, the company has been working on taking over a special medical device Safety Syringe manufacturing activity and suitable steps are being taken by the Company to identify niche products to be manufactured by the company and main business objective would be brought to some logical conclusions by end of the year.

In the process of exploring the takeover of special medical device products, your Company has incurred expenditure resulting into a loss of Rs.10,903,918/- in the current year as against the loss of Rs.475,536/- in the previous year. The increase has been on account of Finance Cost, Employment Benefit Expenses, Legal & Statutory Expenditures and other Expenses being higher compare to the previous year.

The Company has been in the process of closing a highly profitable business by adopting strategies to introduce manufacture of niche products and are hopeful to close the strategic acquisitions during the current financial year.

### 3. CHANGE IN SHARE CAPITAL:

There is a change in Share Capital of the company during the year under review. On

May 18, 2016 the Company issued & allotted Equity Share, of 1,649,993 at face value of Rs.10/- each on preferential basis with in principle approval from BSE & Other concerned statutory bodies.

Shares have been allotted to the following 2 (two) body Corporates. The details are:

Sr. No.	Name & Address of the Allottee	No. of Shares	Price of the Equity Share
1.	Grey Mat Techno Solutions Private Limited # Plot No.555, Road No.3, Arora Colony, Banjara Hills, Hyderabad - 500 034, Telangana State, India.	749,993	Rs.10/-
2.	Krian Consultancy Services Private Limited # Plot No.555, Road No.3, Arora Colony, Banjara Hills, Hyderabad - 500 034, Telangana State, India.	900,000	Rs.10/-

#### 4. DIVIDEND:

There being no operation carried out by the Company and the main activity being exploring setting up of new business, the Company during the financial year under review, has only incurred expenditure without there being revenue generation from operation as such, shareholders may not be rewarded with any dividend.

#### 5. EXPORTS:

During the year under review there are no exports.

#### 6. DEPOSITS:

Your Company did not invite or accept any Deposit during the year under review.

#### 7. FUTURE OUTLOOK:

The company has been negotiating to take over the business of manufacturing, marketing and distribution of User Controlled Auto Retractable Safety Syringes.

#### 8. CORPORATE GOVERNANCE:

A separate report on Corporate Governance is enclosed as a part of this Annual Report. A certificate from the Auditors of the Company in compliance of conditions of Corporate Governance norms stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Report on Corporate Governance as **Annexure - I**.

#### 9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements), 2015 is presented in a separate section forming part of the Annual Report as **Annexure - II**.

**10. ENVIRONMENT AND POLLUTION CONTROL:**

The Company ensures the very minimum quantity of generation of waste, low emission levels and low noise pollution levels during the operations. As of now there is no such manufacturing facility available.

**11. DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. APPOINTMENT AND CESSATION****a) APPOINTMENT:**

During the period under review, the following appointments have been made and the same is proposed to be ratified and approved by the members:

1. To Appoint Mr. Sangam Venkateshwar Rao (DIN: 02945294) as a Director (Non- Executive under Professional category);
2. To Appoint Mrs. Namrata Chadha (DIN: 07921003) as a Director (Non-Executive Director under Independent Category).

**b) CESSATION:**

During the year under review, the following cessation has taken place in the Company:

1. To take note of resignation of Mrs. Seema Jha Manoj (DIN: 06970544), Director of the Company.

**B. EVALUATION OF THE BOARD'S PERFORMANCE:**

Board carried out through a structured evaluation process covering various aspects of the Board's functioning such as composition of the Board & committees of the Board, experience & competencies, performance of specific duties & obligations etc. Separate exercise of Board Members has been carried out to evaluate the performance of individual Directors inducted on to the Board, and Chairman who have been evaluated on parameters such as attendance, Professional contribution at the meetings, independent judgment and all such other matters.

The evaluation of the Independent Directors and that of the Chairman has been carried out by the entire Board excluding the Director being evaluated and the evaluation of Non-Independent Directors has been carried out by the Independent Directors. A separate meeting of Independent Directors was also held during the year wherein the performance of Chairman, Board and Executive Directors has been evaluated.

The Directors have been satisfied with the evaluation results, reflecting the overall engagement of the Board and its Committees.



### C. REMUNERATION POLICY:

The company follows a policy on remuneration of Directors and Senior Management Employees.

The Objectives of the policy

1. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and key Managerial positions and to determine their remuneration.
2. To determine remuneration based on the company's size and financial position and trends and practices on remuneration prevailing in peer Companies.
3. To carry out evaluation of the performance of Directors,
4. To reward linked directly to their effort, performance, dedication and achievement in relation to the operations of the Company.

### C. DECLARATION BY INDEPENDENT DIRECTORS:

All Independent Directors of the Company have given declaration stating that they meet the criteria of independence as provided under Companies Act, 2013.

### D. FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS:

The Company has formulated a familiarization program for Independent Directors to provide insights into the Company's insight and other important aspects to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director.

## 12. AUDITORS & AUDITORS' REPORT:

### A. STATUTORY AUDITORS:

M/s. Srinivas P & Associates (Formerly called as M/s. SPED & CO.), Chartered Accountants (Firm Reg No. 006987S & Membership# 204098), appointed on December 31, 2017 as a Statutory Auditors of the Company for a period of 5 years subject to ratification at every annual general meeting of the Company.

M/s. Srinivas P & Associates, vide letter dated 06.12.2016; have confirmed their consent and their eligibility to be appointed as the statutory auditors of the company for a period of 5 Years from the Conclusion of 25<sup>th</sup> AGM to 30<sup>th</sup> AGM.

### B. SECRETARIAL AUDITOR:

During the year, the Company has appointed M/s. AMAM & Associates represented by Mr. Mohammed Anwar Ul Haq Abdul Mannan (Member Ship # 33676 & Certificate of Practice # 12553), Company Secretary in Practice, as Secretarial Auditor of the Company. The report of the Secretarial Auditor is annexed as **Annexure - III** to this report. The

Secretarial Audit Report does not contain any reservation, qualification or adverse remark.

**C. INTERNAL AUDITOR:**

Since there have not been any operations during the year, Internal Audit is not required.

**13. DIRECTORS' RESPONSIBILITY STATEMENT:**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 and loss of the company for that period;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts on a going concern basis;

(e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls have been found to be adequate and in operation effectively; and

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems have been adequate and operating effectively.

**14. RELATED PARTY TRANSACTIONS:**

All related party transactions that have been entered during the financial year were on arm's length basis and have been in the ordinary course of business. There have been no materially significant transactions made between related party and the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Your Directors draw attention of the members to Significant Accounting Policies 1.14 to the financial statement which sets out related party disclosures.

**15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Your Company has no activity with regard to conservation of energy or technology absorption. Your Company does not have any foreign exchange earnings or outgo during the year.

**16. INTERNAL FINANCIAL CONTROLS:**

The Company has in place adequate internal financial controls with reference to financial statements.

**17. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:**

The information in respect of the employees of the Company required pursuant to Section 197(12) of Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be provided upon request in terms of Section 136 of the Act.

No employee was in receipt of remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended; and hence disclosure, to the effect as required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 to the effect.

**18. POLICY ON SEXUAL HARASSMENT:**

The Company has adopted policy on Prevention of Sexual Harassment of Employees at workplace in accordance with The Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, the Company has not received any complaints pertaining to sexual harassment.

**19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

The Company has not; made any loan; given guarantee or provided any security pursuant to the provisions of Section 186 of Companies Act, 2013. The details of investments made by the Company pursuant to the provisions of Section 186 of Companies Act, 2013 is provided in the financial statement.

**20. DISCLOSURES:**

**A. EXTRACT OF ANNUAL RETURN:**

Extract of Annual Return of the Company is annexed herewith as **Annexure IV** to this Report.

**B. COMPOSITION OF AUDIT COMMITTEE:**

The Audit Committee comprises of Mr. Ram Murthy Telukuntla (Chairman), Mr. Raghu Ramaiah Kaveti and Mr. Mahesh Kumar Vellaboyina as other members.

All the recommendations made by the Audit Committee have been accepted by the Board.

**C. VIGIL MECHANISM:**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. No complaints received during the year 2016-17.

**D. NUMBER OF BOARD MEETINGS:**

The Board of Directors of the Company met Eight (8) times during the financial year. For further details, report on Corporate Governance may be referred to.

**E. LISTING FEES:**

The Company confirms that it has paid listing fees for the year to BSE Limited where its shares are listed.

**21. GENERAL:**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. The Company has no subsidiaries, joint ventures or associate companies.
- b. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

**22. APPRECIATION:**

The Board of Directors is pleased to place on record its appreciation of the co-operation and support extended by Government of India, various State Governments and their concerned Department / Agencies / Regulatory Authorities for their continuous support and co-operation. The Directors also wish to place on record the support extended by each and every stakeholders of the company.

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

Place: Hyderabad

Date: September 04, 2017

Kishan Prasad Palaypu  
Director  
DIN: 01154438

Shiva Rama Babu Velchuri  
Director  
DIN: 06866062

## CORPORATE GOVERNANCE REPORT

**1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

The Company aims at achieving transparency, accountability and equity in all facets of its operations and in all interactions with stakeholders, including shareholders, employees, government, lenders and other constituents, while fulfilling the role of a responsible corporate representative committed to good corporate practices. The Company is committed to achieve good standards of Corporate Governance on a continuous basis by laying emphasis on ethical corporate citizenship and establishment of good corporate culture which aims at true Corporate Governance.

The Company believes that all its operations and actions must result in enhancement of the overall shareholders value in terms of maximizing shareholder's benefits, over a sustained period of time.

**2. BOARD OF DIRECTORS:****a) Composition and provisions as to Board and Committees:**

The policy is to have appropriate mix of executive and independent directors to maintain proper composition of the Board and to separate the Board functions of governance and management. The total strength of the Board as on March 31, 2017 is 6 (Six) Directors comprising of Independent Directors. The Board periodically evaluates the need for increasing or decreasing its size. Following is the present composition of our Board and their number of directorships in other companies as on March 31, 2017.

Name of the Director	Category	No. of other Directorships as on 31.03.2017	No. of membership(s) of Board Committees* in other companies as on 31.03.2017	No. of Chairmanship(s) of Board Committees* in other Companies as on 31.03.2017	No. of Shares held
Mr. Kishan Prasad Palaypu DIN: 01154438	Director	4	-	-	-
Mr. Shiva Rama Babu Velchuri DIN: 06866062	Executive Director	4	-	-	-
Mr. Mahesh Kumar Vellaboyina DIN: 07304691	Director	5	-	-	-
Mr. Raghu Ramaiah Kaveti DIN: 03288531	Independent Director	5	1	-	-
Mr. Ram Murthy Telukuntla DIN: 01715859	Independent Director	2	-	-	-
Mr. Sangam Venkateshwar Rao DIN: 02945294	Director	2	-	-	-

*Mr. John Wilson Babu Chebrolu DIN: 05160184	Independent Director	3	-	-	-
*Mr. Srinivas Vuppala DIN: 05351230	Independent Director	3	-	-	-
**Mrs. Seema Jha Manoj DIN: 06970544	Independent Women Director	1	-	-	-

\*Resigned on December 06, 2016, \*\*Resigned on February 10, 2017.

#Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies (excluding Shiva Medicare Limited) have been considered

**b) Attendance of each Director at the Board of Directors Meeting and the last Annual General Meeting:**

Name of the Director	No. of Board meetings held from 01.04.2016 to 31.03.2017	No. of Board meetings attended from 01.04.2016 to 31.03.2017	Attendance at last AGM (31.12.2016)
Mr. Kishan Prasad Palaypu	8	8	Present
Mr. Shiva Rama Babu Velchuri	2	2	Present
Mr. Mahesh Kumar Vellaboyina	2	2	Present
Mr. Raghu Ramaiah Kaveti	2	2	Present
Mr. Ram Murthy Telukuntla	2	2	Present
Mr. Sangam Venkateshwar Rao	1	1	NA
Mr. Srinivasa Vuppala	6	6	NA
Mr. John Wilson Babu	6	6	NA
Mrs. Seema Manoj Jha	7	5	Absent

c) No. of meetings of Board of Director held, dates on which meetings were held: During the financial year ended March 31, 2017, Eight (8) Board Meetings were held on May 18, 2016, May 30, 2016, July 15, 2016, August 14, 2016, September 08, 2016, November 14, 2016, December 06, 2016 & February 14, 2017.

**d) Disclosure of relationships between directors inter-se:**

There is no inter-se relationship between the Board Members.

**e) Details of Familiarization Programme imparted to Independent Directors:**

The Company has formulated a familiarization program for Independent Directors to provide insights into the Company's manufacturing, marketing, finance and other important aspects to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director.

**f) Re-appointment of Directors:**

There has been no such re-appointment taken place during the period.

**3. AUDIT COMMITTEE:****a) Composition, name of members and Chairperson**

1. Mr. John Wilson Babu *	- Chairman, Independent Director
2. Mr. Srinivasa Vuppala *	- Member, Independent Director
3. Mrs. Seema Manoj Jha **	- Member, Non-Executive Director

*\*Resigned on December 06, 2016 & \*\*Resigned on February 10, 2017*

#Reconstitution of the Audit Committee made by the Board of Directors on February 14, 2017 as the existing members of the committee resigned.

**b) Meetings and attendance during the year**

During the financial year ended March 31, 2017 - Three (3) Audit Committee Meetings were held on May 30, 2016, August 14, 2016 & November 14, 2016

Name	No. of meetings attended
1. Mr. John Wilson Babu	3
2. Mr. Srinivasa Vuppala	3
3. Mrs. Seema Manoj Jha	2

**c) Brief Description of Terms of reference**

- (1) Overview of Company's financial reporting process and disclosure of financial information;
- (2) Review of financial statements before submission to Board;
- (3) Review of adequacy of internal control systems and internal audit functions;
- (4) Review of Company's financial and risk management policies; and
- (5) Adequacy of internal financial control system in place and operating effectiveness of such controls.

**4. NOMINATION AND REMUNERATION COMMITTEE:****a) Composition, Name of members and Chairperson**

1. Mr. John Wilson Babu *	- Chairman, Independent Director
2. Mr. Srinivasa Vuppala *	- Member, Independent Director
3. Mrs. Seema Manoj Jha **	- Member, Non-Executive Director

*\*Resigned on December 06, 2016 & \*\*Resigned on February 10, 2017*

#Reconstitution of the Audit Committee made by the Board of Directors on February 14, 2017 as the existing members of the committee resigned.

**b) Meetings and attendance during the year**

During the financial year ended March 31, 2017 – One (1) Nomination and Remuneration Committee was held on May 18, 2016.

Name	No. of meetings attended
1. Mr. John Wilson Babu	1
2. Mr. Srinivasa Vuppala	1
3. Mrs. Seema Manoj Jha	1

**c) Brief description of terms of reference**

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal; and
5. To ensure that the level and composition of remuneration involves a balance reflecting short and long term performance objectives appropriate to the working of the Company and its goals is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.

**d) Performance Evaluation Criteria for Independent Directors**

The Board has adopted a formal performance evaluation policy for evaluating the performance of the Independent Directors. The exercise was carried out through a structured evaluation process covering various aspects such as attendance at meetings of Board and its committees, contribution at the meetings, independent judgment, experience & competencies, performance of specific duties & obligations, etc. The evaluation of the Independent Directors was carried out by the entire Board excluding the Director being evaluated.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Independent Directors.

**5. REMUNERATION OF DIRECTORS:**

- (a) All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity – The Non-executive Directors do not have any pecuniary relationship or transactions vis-à-vis the listed entity except for receiving sitting fees for attending meetings of the Board and Committees.
- (b) Criteria of making payments to non-executive directors – Criteria of making payments to non-executive Directors have been disclosed in the Remuneration Policy of the Company.



(c) Disclosures with respect to remuneration:

(i) All elements of remuneration package of individual directors summarized under major groups -

(Rs. in Lakhs)

Sl. No.	Name of the Director	Salary	Perquisites	Sitting fees paid	Commission	Total
1	Mr. Kishan Prasad Palaypu	0	0	0	0	0
2	Mr. Shiva Rama Babu Velchuri	1,000,000	0	0	0	1,000,000
3	Mr. Mahesh Kumar Vellaboyina	0	0	0	0	0
4	Mr. Raghu Ramaiah Kaveti	0	0	10,000	0	10,000
5	Mr. Ram Murthy Telukuntla	0	0	10,000	0	10,000
6	Mr. Sangam Venkateshwar Rao	0	0	0	0	0
7	Mr. Srinivasa Vuppala	0	0	0	0	0
8	Mr. John Wilson Babu	0	0	0	0	0
9	Mrs. Seema Manoj Jha	0	0	0	0	0

(ii) Details of fixed component and performance linked incentives, along with the performance criteria - The Company does not have any performance linked incentive for the Executive Directors.

(iii) Service contracts, notice period, severance fees - Nil

(iv) Stock option details - The Company does not have any stock option plans at present.

## 6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

a. Name of Non-Executive Director heading the Committee:

<sup>1</sup>Mr. Raghu Ramaiah Kaveti

b. Name and designation of Compliance Officer:

Mr. Rajesh Vankadara (Company Secretary)

<sup>1</sup> Stakeholder's Relationship Committee reconstituted on February 14, 2017 and Mr. Raghu Ramaiah Kaveti appointed as a Chairman of the Committee.

c. Number of Shareholders Complaints received so far:

No. of Complaints received for the 4<sup>th</sup> Quarter - Nil

No. of Complaints received for the Year ended March 31, 2017 - NIL

d. Number not solved to the satisfaction of shareholders: NIL

e. Number of pending complaints : NIL

## 7. GENERAL BODY MEETINGS:

a) Location and time, where last three AGMs held:

Financial Year	Date	Venue	Time
2015 - 2016	31.12.2016	Hotel Kens, Plot No. 53, Srinagar Colony, Beside Karnataka Bank, Hyderabad, Telangana 500073	10.00 Hrs
2014-2015	28.09.2015	Flat No.4, House No.3-6-521/A, Navneeth Villa Aparts, Himayat nagar, Hyderabad - 500029	09.00 Hrs
2013-2014	14.07.2014	Flat No.4, Navneeth villa Aparts, 3-6-521/A, Himayat Nagar, Hyderabad - 500029	10.00 Hrs.

b) List of Resolutions passed in the previous three AGMs:

At the AGM held on 31.12.2016, the following special resolutions were passed:

1. To Appoint the M/s. Srinivas P & Associates as a New Statutory Auditors of the Company;
2. To regularize the Appointment of Mr. Kishan Prasad Palaypu (DIN: 01154438), as a Non-Executive Director of the Company;
3. To regularize the Appointment of Mr. Shiva Rama Babu Velchuri as an Executive Director of the Company;
4. To regularize the Appointment of Mr. Mahesh Kumar Vellaboyina as a Non-Executive Director of the Company;
5. To regularize the Appointment of Mr. Raghu Ramaiah Kaveti as an Independent Director of the Company;
6. To regularize the Appointment of Mr. Ram Murthy Telukuntla as an Independent Director of the Company.

At the AGM held on 28.09.2015, the following special resolutions were passed:

1. To regularize the Appointment of Shri. Srinivasulu Vuppala (DIN: 05351230), Independent Director of the Company;

2. To regularize the Appointment of Smt. Seema Manoj Jha (DIN: 06970544), Independent Director of the Company.

At the AGM held on 14.07.2014, the following special resolutions were passed:

1. Appointment of Mr. John Wilson Babu (DIN: 05160184) as Independent Director
2. Appointment of Mr. Durga Prasad Rao Kolapalli (DIN: 05164189) as Independent Director
3. Adoption of new Articles of Association containing regulations inconformity with the Companies Act, 2013
4. Reduction of Share Capital of the Company

c) Whether Special resolutions were put through postal ballot during the financial year 2015-16, details of voting pattern: Nil

d) None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through postal ballot.

Provisions of Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding passing of resolutions through postal ballot shall be complied with whenever necessary.

## **8. MEANS OF COMMUNICATION:**

a. Quarterly results & website - The Company's quarterly financial results are informed to BSE Limited and also uploaded on the Company's website: [www.shivamedicare.com](http://www.shivamedicare.com)

b. Newspapers wherein results are normally published - The results are usually published in Business Standard and Vaartha.

c. Display of official news releases and the presentations made to institutional investors or to the analysts - The website shall be used for this purpose, whenever the occasion arises.

## **9. GENERAL SHAREHOLDER INFORMATION**

a) AGM - Date, time and Venue:

Day, Date	:	Thursday, September 28, 2017
Time	:	11.00 Hrs
Venue	:	Taj Banjara, Road No.1, Banjara Hills, Hyderabad - 500 034, Telangana State, India.

b) Financial Year: 1<sup>st</sup> April to 31<sup>st</sup> March of the following year

c) Date of Book closure: September 22, 2017 to September 28, 2017 (both days)

d) Dividend payment date:	inclusive) N.A.
e) Listing on Stock Exchanges:	
Name of Stock Exchange	BSE Limited
Address:	P.J.Towers, Dalal Street, Mumbai – 400001
f) Stock code :	524602

Listing Fees: The Company has paid annual listing fees to the Stock Exchange.

- g) Market price data & performance in comparison to broad-base indices i.e., SENSEX: There were only 16 trading activities during the period High: 13.24 and Low 7.07.
- h) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc -NA
- i) Securities are suspended from trading: NA
- j) Registrar & Transfer Agent:  
Cameo Corporate Services Ltd  
Subramanian Building, No.1,  
Club House Road, Chennai - 600002  
Ph No.:044-28460390 / 391

- k) Share transfer system:

Shares sent for transfer in physical form are registered and returned by our Registrar and Share Transfer Agent in 15 days of receipt of the documents, provided the documents are found to be in order. Shares under objection are returned within two weeks.

- l) Distribution of shareholding:

Shareholding pattern as on March 31, 2017

S. No.	Particulars	No. of shares	% of Holding
(A)	Shareholding of Promoter and Promoter Group:		
1	Indian	1,657,023	72.77
2	Foreign	0	0
	<b>Total Shareholding of Promoter and Promoter Group</b>	<b>1,657,023</b>	<b>72.77</b>
(B)	Public Shareholding:		
1	Institutions	11,320	0.50
2	Non-Institutions	608,657	26.73
	<b>Total Public Shareholding</b>	<b>619,977</b>	<b>27.23</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued		
1	Promoter and Promoter Group	0	0

2	Public	0	0
	<b>Total (A+B+C)</b>	<b>2,277,000</b>	<b>100</b>

**Distribution of shareholding as on March 31, 2017**

Category	Holders		Amount	
	Number	% to total	In Rs.	% to total
up to 5000	8,761	99.5002	3,356,050	14.7389
5001 - 10000	12	0.1362	105,300	0.4624
10001 - 20000	7	0.0795	105,400	0.4628
20001 - 30000	4	0.0454	114,900	0.5046
30001 - 40000	1	0.0340	110,300	0.4844
40001 - 50000	0	0	0	0
50001 - 100000	6	0.0681	422,200	1.8541
100001 & ABOVE	12	0.1362	18,555,850	81.4925
<b>TOTAL</b>	<b>8,805</b>	<b>100</b>	<b>6,270,070</b>	<b>100</b>

**m) Dematerialization of shares and liquidity**

The Company's shares are available for dematerialization on both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) 1,664,523 shares amounting to 73.10% of the paid-up capital have been dematerialized by investors as on March 31, 2017.

ISIN: INE875N01028

Address of Registrar for Dematerialization of Shares:

**M/s Cameo Corporate Services Limited**

Subramanian Building, No.1,  
Club House Road, Chennai - 600002  
Ph No.:044-28460390 / 391

- n) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity - Not Applicable as the Company has not issued any of the above instruments.**
- o) Commodity price risk or foreign exchange risk and hedging activities - Not Applicable**
- p) Plant Locations - Nil**
- q) Address for correspondence:**
- i. For transfer / dematerialization of share, change of address of members and other queries relating to shares of the Company:

M/s Cameo Corporate Services Ltd  
Subramanian Building, No.1,  
Club House Road, Chennai - 600002

Ph No.:044-28460390 / 391

- ii. Any queries relating to dividend of earlier years & annual reports, etc.

The Company Secretary,  
Shiva Medicare Limited  
No.8-2-676/A/A/A/1&2,  
Road No.13, Banjara Hills,  
Hyderabad - 500 034  
Ph: 040-2337-8264,  
Email ID: [cs@shivamedicare.com](mailto:cs@shivamedicare.com)  
Website: [www.shivamedicare.com](http://www.shivamedicare.com)

## 10. OTHER DISCLOSURES

- a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large.

During the period under review, the Company has not entered into any material transaction with any of its related parties. None of the transactions with any of related parties have been in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Significant Accounting Policies 1.14 of Audited Financial Statements, forming part of the Annual Report.

All related party transactions have been negotiated on an arm's length basis in the ordinary course of business, and are intended to further the Company's interests.

Omnibus approval has been granted by the Audit Committee for transactions entered with related parties for the financial year 2016-17 and the same was reviewed / cleared by the Audit Committee at regular intervals.

- b. Details of non-compliance by the company, penalties, and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years - Nil
- c. Whistle Blower policy:

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil mechanism/Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct.

The reportable matters may be disclosed to the Compliance Officer who operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no personnel have been denied access to the Audit Committee.

- a. Details of compliance with mandatory requirements and adoption of non-

mandatory requirements.

Mandatory requirements: All complied with.

Non-mandatory requirements:

- b. Audit qualifications: The Company is in the regime of unqualified financial statements.
  - c. Separate posts of Chairman and Managing Director: The Company is in the process of appointing Chairman and Managing Director.
  - d. Reporting of Internal Auditor: As there are no operations in the Company, hence no internal auditor is required.
  - e. Web link where policy for determining 'material' subsidiaries is disclosed – Not Applicable as the Company has no subsidiaries
  - f. Web link where policy on dealing with related party transactions is disclosed – [www.shivamedicare.com](http://www.shivamedicare.com)
  - g. Disclosure of commodity price risks and commodity hedging activities - Nil
- 11.** Non-compliance of any requirement of corporate governance report of sub- paras (2) to (10) above, with reasons thereof - Not Applicable as all requirements have been complied with.
- 12.** The extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted are disclosed under Para 10(d) of Corporate Governance Report.
- 13.** The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as were applicable.

The above report has been approved by the Board of Directors in their meeting held on September 04, 2017.

**DECLARATION**

As provided under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Kishan Prasad Palaypu & Shiva Rama Babu Velchuri, Directors of the Company hereby declare that all members of the Board of Directors and Senior Management Personnel have affirmed compliance with Shiva Medicare Limited Code of Conduct for the year ended March 31, 2017

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

Place: Hyderabad

Date: September 04, 2017

Kishan Prasad Palaypu  
Director  
DIN: 01154438

Shiva Rama Babu Velchuri  
Director  
DIN: 06866062

NOTE: Disclosures with respect to Demat suspense account/unclaimed suspense account have not been given as there are no shares in demat suspense account/unclaimed suspense account.



**CEO/CFO CERTIFICATE UNDER PART B OF SCHEDULE II OF SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Board of Directors  
M/s. Shiva Medicare Limited

We hereby certify that:

- A. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. 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 that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. Instances of significant fraud of which they 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.

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

Place: Hyderabad  
Date: September 04, 2017

Shiva Rama Babu Velchuri  
Director  
DIN: 06866062

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE**

To the members of  
Shiva Medicare Limited

We have examined the compliance of conditions of Corporate Governance by Shiva Medicare Limited, for the year ended on March 31, 2017, as stipulated in Securities and Exchange Board of India (Listing obligations and Disclosure requirements) Regulations, 2015 as per the listing agreement entered into by the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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.

**For Srinivas P & Associates  
(Formerly S P E D & Co.,)  
Chartered Accountants  
Firm Registration No. 006987S**

Place: Hyderabad

Date: September 04, 2017

**CA P Srinivas**  
Proprietor  
Membership # 204098

**MANAGEMENT DISCUSSION ANALYSIS FORMING PART  
OF THE ANNUAL REPORT**

**1. 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.

**2. ABOUT THE COMPANY**

During the year ended the company is in process of 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 shareholder's value.

**3. OPPORTUNITIES & THREATS**

Indian Pharma Sector is one of the sunrise sectors. With the new government initiative of MAKE IN INDIA there is significant new 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 once the Capital Restructuring process is over.

**THREATS:**

Firms in Pharmaceutical sector are facing following problems in adding capacity due to:

- Non-Availability of Adequate raw materials in terms of quantity and quality and at attractive prices
- Lack of Infrastructure
- Shortage of skilled manpower and labour related issues
- Uncertainty in market conditions
- High financial charges

**4. 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.

**5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an adequate internal control system commensurate with the size and complexity of the organization. The Company has undertaken a comprehensive review of all internal control systems to take care of the needs of the expanding size of the Company and also upgraded the IT support systems.

**6. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:**

There are no material developments in the Human Resources area. The industrial relations have been generally satisfactory. The Company constantly reviews the manpower requirements and has a properly equipped Department to take care of the requirements. The total number of people employed by the Company as on September 04<sup>th</sup>, 2017 was 5.

**7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The total income for the year 2016-17 was Rs.303,558/- and incurred loss of Rs. 1.09 Crores.

**8. DISCLOSURE OF ACCOUNTING TREATMENT**

In the preparation of financial statements, no treatment different from that prescribed in Accounting Standard has been followed.

**NOTE:**

1. Readers are advised to kindly note that the above discussion contains statements about risks, concerns, opportunities, etc., which are valid only at the time of making the statements. A variety of factors known / unknown, expected or otherwise may influence the financial results. These statements are not expected to be updated or revised to take care of any changes in the underlying presumptions.
2. Readers may therefore appreciate the context in which these statements are made before making use of the same.

**FORM MR - 3**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON  
31<sup>ST</sup> March, 2017**

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members

**SHIVA MEDICARE LIMITED**

No.8-2-676/A/A/A/1&2, Road No.13 Banjara Hills,  
Hyderabad TG 500034

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SHIVA MEDICARE LIMITED** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 ("Audit Period") generally complied with few exceptions with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **SHIVA MEDICARE LIMITED** for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) (to the extent applicable) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28<sup>th</sup> October, 2014. (Not applicable to the Company during the Audit Period); - not applicable during the audit period
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - not applicable during the audit period.
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - not applicable during the audit period and
- (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998; - not applicable during the audit period .
- (i) Securities and Exchange Board of India ( Depositories and Participants ) regulations, 1996

The following are the industry specific laws which are applicable to the Company:

- a) Drugs and Cosmetics Act, 1940 ;
- b) The Medicinal and Toilet Preparations (Excise Duties ) Act, 1955;
- c) Drugs Price Control Order, 2013 and notifications made thereunder;
- d) Electricity Act, 2003;
- e) Indian Boilers Act, 1923

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Listing Agreement entered into by the Company with Stock Exchanges and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015

During the period under review the Company has generally complied with few exceptions with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. One of the few exceptions as mentioned below:

The Financial Statements and Annual Return for the year ended 31<sup>st</sup> March, 2016 were not filed within the due dates with Registrar of Companies as per the Act, Rules, Regulations, Guidelines.etc.

We further report that:

Adequate notice is given to directors to schedule the Board Meetings, agenda and detailed seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As a general practice of the Board decisions are taken on unanimous consent.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For AMAM & Associates  
Company Secretaries**

Date: September 04, 2017  
Place: Hyderabad

**Mohammad Anwar ul haq Abdul Mannan**  
ACS: 33676  
CP No. 12553

This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

*'Annexure A'*

To,  
The Members  
**SHIVA MEDICARE LIMITED**  
No.8-2-676/A/A/A/1&2, Road No.13 Banjara Hills,  
Hyderabad TG 500034

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on the secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For AMAM & Associates  
Company Secretaries**

Date: September 04, 2017  
Place: Hyderabad

**Mohammad Anwar ul haq Abdul Mannan**  
ACS: 33676  
CP No. 12553



**Extract of Annual Return  
Form No.MGT-9**

as on financial year ended on March 31<sup>st</sup>, 2017  
(Pursuant to section 92(3) of the Companies Act,2013 and  
Rule 12(1) of the company (Management & Administration) Rules, 2014)

**I. Registration Details :**

i.	CIN	L93090TG1993PLC088165
ii.	Registration Date	05.08.1993
iii.	Name of the Company	Shiva Medicare Limited
iv.	Category /Sub -category of the company	Public Company/ Limited by Shares
v.	Address of the Registered office & contact Details	No.8-2-676/A/A/A/1&2, Road No.13, Banjara Hills, Hyderabad - 500 034, Telangana State, India  contact@shivamedicare.com
vi.	Whether Listed Company	Yes
vii.	Name, Address & contact details of the Registrar & transfer Agents, if any	M/s. Cameo Corporate Services Limited Subramanian Building, No-1, Club House Road, Chennai - 600002

**II. Principal Business Activities of the Company:**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Other Pharma Products	24231	100%

**III. Particulars of Holding, Subsidiary & Associate Companies:**

Sl No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of shares held	Applicable Section
	NA	NA	NA	NA	NA



## Annexure - IV

Funds									
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1):	0	11320	11320	1.80	5350	5970	11320	0.50	(1.30)
(2) Non-Institutions	0	0	0	0	0	0	0	0	0
a) Bodies Corporate	0	0	0	0	0	0	0	0	0
i) Indian	0	105920	105920	16.89	860	145780	146640	6.44	(10.45)
ii) Overseas	0	0	0	0	0	45000	45000	1.98	1.98
b) Individuals									
i) Individual Shareholders Holding nominal share capital upto Rs.1 lakh	0	279,681	279,681	44.61	8320	387696	396016	17.39	(27.25)
ii) Individual Shareholders holding nominal share capital in excess of Rs.1 lakh	0	68,372	68,372	10.90	0	21001	21001	0.92	(9.98)
c) Others (specify)									
i) NRI	0	0	0	0	0	0	0	0	0
ii) Clearing Members / Clearing House	0	0	0	0	0	0	0	0	0
Sub-Total (B)(2):	0	453973	453973	72.40	9180	599477	608657	26.73	(45.67)
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	465293	465293	74.21	14530	605447	619977	27.23	(46.98)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	627007	627007	100.00	1664523	612477	2277000	100	0

## II. Shareholding of Promoters &amp; Promoter Group

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1	Grey Mat Techno Solutions Limited	0	0	0	751573	33	Nil	33
2	Krian Consultancy Services Private Limited	0	0	0	905450	39.77	Nil	39.77
3	Shiva Paper Mills Ltd	35000	5.5820	Nil	0	0	Nil	Nil
4	Slab Properties Pvt Ltd	1000	0.1594	Nil	0	0	Nil	Nil
5	Indocount Finance Ltd	1540	0.2456	Nil	0	0	Nil	Nil
6	Charla Paper Pvt Ltd	1000	0.1594	Nil	0	0	Nil	Nil
7	Damani Shipping Pvt Ltd	500	0.0797	Nil	0	0	Nil	Nil
8	TechnoPvt Ltd G D	250	0.0398	Nil	0	0	Nil	Nil
9	Shiva Services Limited	6910	1.1020	Nil	0	0	Nil	Nil
10	Indocount Securities Limited	30	0.0047	Nil	0	0	Nil	Nil
11	Steril TX (USA) Inc.	45000	7.1769	Nil	0	0	Nil	Nil
12	Parmod Jain	16371	2.6109	Nil	0	0	Nil	Nil
13	Kiran Jain	21001	3.3494	Nil	0	0	Nil	Nil
14	Amit Jain	15500	2.4720	Nil	0	0	Nil	Nil
15	Rajat Jain	15500	2.4720	Nil	0	0	Nil	Nil
16	Kiran Jain	1500	0.2392	Nil	0	0	Nil	Nil
17	Davinder Kumar	251	0.0400	Nil	0	0	Nil	Nil
18	Agarwal J K	1	0.0001	Nil	0	0	Nil	Nil
19	Shika Jain	350	0.558	Nil	0	0	Nil	Nil
20	Satish Jain	10	0.0015	Nil	0	0	Nil	Nil
<b>Total</b>		161714	25.79	Nil	1657023	1657023	Nil	46.98

**III Change in Promoter's Shareholding: Grey Mat Techno Solutions Limited**

Sl. No		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	0	0	0	0
2	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease - May 18 <sup>th</sup> , 2017 New Shares allotted & Acquire Shares in Open offer	751573	33.00	751573	33.00
3	At the end of the year	751573	33.00	751573	33.00

**III Change in Promoter's Shareholding: Krian Consultancy Services Private Limited**

Sl. No		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	0	0	0	0
2	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease - May 18 <sup>th</sup> , 2017 New Shares allotted & Acquire Shares in Open offer	905450	39.77	905450	39.77
3	At the end of the year	905450	39.77	905450	39.77

**IV. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs) :**

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Foresight Financial Services Ltd	20610	3.2870	20610	3.2870
2	Synergy Financial Exchange Ltd	14540	2.3190	14540	2.3190
3	Worldlink Finance Ltd	11960	1.9075	11960	1.9075
4	Integrated Advisory Services Ltd	10110	1.6124	10110	1.6124
5	Mefcom Capital markets Ltd	9720	1.5502	9720	1.5502
6	3A Capital Services Ltd	9390	1.4976	9390	1.4976
7	Pressman Ltd	5450	0.8692	0	0
8	South Asian Financial Exchange ltd	5400	0.8612	5400	0.8612
9	Bank of Baroda	5350	0.8533	5350	0.8533
10	Goodluck Commercial Ltd	4000	0.6380	4000	0.6380

## V. Shareholding of Directors and Key Managerial Personnel: NIL

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	0	0	0	0

## VI. Indebtedness:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	43,50,000	0	43,50,000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	43,50,000	0	43,50,000
Change in Indebtedness during the financial year	0	0	0	0
* Addition	0	34,31,614	0	34,31,614
* Reduction	0	0	0	0
Net Change	0	34,31,614	0	34,31,614
Indebtedness at the end of the financial year				
i) Principal Amount	0	77,81,614	0	77,81,614
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	77,81,614	0	77,81,614

## VII. Remuneration of Directors and Key Managerial Personnel

## A. Remuneration to Managing Director, Whole time Directors and/or Manager:

(Amount in Rupees)

SN.	Particulars of Remuneration	Executive Director	Total
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10,00,000	10,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil
5	Others, please specify	Nil	Nil
	Total	10,00,000	10,00,000

## B. Remuneration to other directors:

(Amount in Rupees)

	Particulars of Remuneration	Ram Murthy Telukuntla	Raghu Ramaiah Kaveti	Total Amount
1	1.Independent Directors			
	Fee for attending board /committee meetings	10,000	10,000	20,000
	Commission	Nil	Nil	Nil
	Others, (Conveyance)	1,000	1,000	2,000
	Total (1)	10,000	10,000	20,000
	2.Other Non-Executive Directors	Nil	Nil	Nil
2	Fee for attending board committee meetings	Nil	Nil	Nil
	Commission	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil
3	Total (2)	Nil	Nil	Nil
4	Total (1+2)	11,000	11,000	22,000

## C. Remuneration to Key Managerial Personnel:

(Amount in Rupees)

Sl.N	Particulars of Remuneration	Name of KMP			
		CEO	CS	CFO	Total
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	276,544	Nil	276,544
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	276,544	Nil	276,544

## VIII. Penalties / Punishment / Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. Company					
Penalty			None		
Punishment					
Compounding					
B. Directors					
Penalty			None		
Punishment					
Compounding					
C. Other Officers in Default					
Penalty			None		
Punishment					
Compounding					



Statement of Particulars as per Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014

I. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year. - NA

I. Remuneration to Non-Executive Directors:

The Board on the recommendation of the Nomination and Remuneration Committee (NRC) shall review and approve the remuneration payable to the Non-executive Directors of the Company within the overall limits as permitted under the Act and approved by the shareholders.

Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.

II. Remuneration to other employees

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization, Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

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

Place: Hyderabad

Date: September 04<sup>th</sup>, 2017

Kishan Prasad Palaypu  
Director  
DIN: 01154438

Shiva Rama Babu Velchuri  
Director  
DIN: 06866062

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies  
(Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	None
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	
4.	Share capital	
5.	Reserves & surplus	
6.	Total assets	
7.	Total Liabilities	
8.	Investments	
9.	Turnover	
10.	Profit before taxation	
11.	Provision for taxation	
12.	Profit after taxation	
13.	Proposed Dividend	
14.	% of shareholding	

**Notes:** The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: **NIL**
2. Names of subsidiaries which have been liquidated or sold during the year: **NIL**

**For Srinivas P & Associates,  
(Formerly S P E D & Co.,)  
Chartered Accountants**

**For Shiva Medicare Limited**

**CA P Srinivas**  
Proprietor  
Membership No. 204098  
**Date:** September 04, 2017  
**Place:** Hyderabad

Kishan Prasad Palaypu  
Director  
DIN: 05160184

Shiva Rama Babu Velchuri  
Director  
DIN: 06866062

**Part “B”: Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:

Name of associates/Joint Ventures	None
1. Latest audited Balance Sheet Date	
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	
Amount of Investment in Associates/Joint Venture	
Extend of Holding%	
3. Description of how there is significant influence	
4. Reason why the associate/joint venture is not consolidated	
5. Net worth attributable to shareholding as per latest audited Balance Sheet	
6. Profit/Loss for the year	
i. Considered in Consolidation	
ii. Not Considered in Consolidation	

- Names of associates or joint ventures which are yet to commence operations: NIL
- Names of associates or joint ventures which have been liquidated or sold during the year: NIL

**Note:** This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

**For Srinivas P & Associates,**      **For Shiva Medicare Limited**  
**(Formerly S P E D & Co.,)**  
**Chartered Accountants**

**CA P Srinivas**

Proprietor

Membership No. 204098

**Date:** September 04, 2017

**Place:** Hyderabad

Kishan Prasad Palaypu

Director

DIN: 05160184

Shiva Rama Babu Velchuri

Director

DIN: 06866062

**FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

**Particulars of Contracts or Arrangements with Related Parties**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

## 1. Details of contracts or arrangements or transactions

Sl No.	Name of the Party	Nature Of transaction	Incurring during the financial year 2016-17 (Rs.)
1	Grey Mat Techno Solutions Limited	Unsecured Loan - Repaid	2,026,386
2	Krian Consultancy Services Private Limited	Unsecured Loan	3,683,000
3	KSL Securities	Loans & Advances	4,950,000
4	TRM Associates	Loans & Advances	80,000

## 2. Directors and relatives of Directors:

S. No.	Name of Director and relative of director	Nature of Transactions	Incurring during the financial year 2016-2017
1	Shiva Rama Babu Velchuri	Remuneration	2,500,000
2	Ram Murthy Telukuntla	Repayment of Unsecured Loan	610,000
3	Kishan Prasad Palaypu	Unsecured Loan	1,775,000
4	Shailaja	Repayment of Unsecured Loan	720,000
5	Srinath Kishan Palaypu	Salary	1,100,000
6	Abhignya Kishan Palaypu	Advance	60,000
7	Somaiah	Repayment of Unsecured Loan	450,000

**Annexure – MGT-9**

Salient terms of the contracts or arrangements or transaction including the value, if any: All transaction has been entered into keeping in view the prevailing market prices and valuations.

Date of approval by the Board: As the company is a limited company, the Board has granted omnibus approval. All services, Trade related transactions are done as per the existing market norms and terms and conditions of Payment.

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

Place: Hyderabad

Date: September 04, 2017

Kishan Prasad Palaypu

Director

DIN: 05160184

Shiva Rama Babu Velchuri

Director

DIN: 06866062

## **INDEPENDENT AUDIT REPORT**

**To the Members of  
M/s. SHIVA MEDICARE LIMITED**

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

We have audited the accompanying financial statements of **SHIVA MEDICARE LIMITED** which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made hereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements

### **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, of the state of affairs of the Company as at March 31, 2017, and its Profit/Loss and its Cash Flow for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - a. we have sought and 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 it 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 aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors as on March 31<sup>st</sup>, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31<sup>st</sup>, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure - B**”.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided the requisite disclosure’s in the financial statements as to holding as well as dealings in specified bank notes during the period 08.11.2016 to 30.12.2016 and it is in accordance with the books of accounts maintained by the company

**For Srinivas P & Associates  
(Formerly SPED & CO.,)  
Chartered Accountants  
Firm Regn No. : 006987S**

Place of Signature: Hyderabad  
Date: September 04, 2017

**CA P Srinivas  
Proprietor  
Member Ship No.: 204098**



## **“Annexure A” to the Independent Auditors’ Report**

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;  
  
(b) The Fixed Assets have been physically verified by the management and which in our opinion, no material discrepancies between the book records and the physical fixed assets have been noticed.
- 2) The Company does not have any manufacturing operations & inventory, hence physical verification of inventory is not applicable.
- 3) All loans and advances granted by the Company in the form secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013; in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As the Company does not have any manufacturing operations, the maintenance of cost records is not applicable.
- 7)
  - a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31<sup>st</sup>, 2017 for a period of more than six months from the date on when they become payable.
  - b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not availed any loan either from banks, financial institutions or from the

government and has not issued any debentures.

- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud, by the Company or on the company by its officers or employees, has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has made a preferential allotment of 1,649,993 Fully paid Equity shares of Face Value Rs.10/- each, in line with the Section 42 of the Companies Act, 2013 and there are no discrepancies in the allotment of shares and related compliances are fully complied with and the funds are properly utilized as raised.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For Srinivas P & Associates  
(Formerly SPED & CO.,)  
Chartered Accountants  
Firm Regn No. : 006987S**

Place of Signature: Hyderabad  
Date: September 04, 2017

**CA P Srinivas  
Proprietor  
Member Ship No.: 204098**

## **“Annexure B” to the Independent Auditor’s Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting Of SHIVA MEDICARE LIMITED (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

## **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017.

**For Srinivas P & Associates  
(Formerly SPED & CO.,)  
Chartered Accountants  
Firm Regn No. : 006987S**

Place of Signature: Hyderabad  
Date: September 04, 2017

**CA P Srinivas  
Proprietor  
Member Ship No.: 204098**



# Shiva Medicare Limited

Regd Office: No. 8-2-676/A/A/A/1&2, Road No. 13, Banjara Hills, Hyderabad - 500 034 Telangana INDIA

## BALANCE SHEET AS AT 31ST MARCH 2017

Amount in Rs.

	Particulars	Note No.	Figures as at end of Current Reporting Period	Figures as at end of Previous Reporting Period
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>(1)</b>	<b>Shareholders' funds</b>			
	(a) Share capital	1	2,27,70,000	62,70,070
	(b) Reserves and surplus	2	(2,89,62,733)	(1,80,58,815)
<b>(2)</b>	<b>Share application money pending allotment</b>		-	-
<b>(3)</b>	<b>Non-current liabilities</b>			
	(a) Unsecured loans	3	77,81,614	43,50,000
	(b) Other Long Term liabilities	4	95,84,680	1,15,88,680
<b>(4)</b>	<b>Current liabilities</b>			
	(a) Other Current liabilities	5	84,01,762	8,10,000
	<b>TOTAL</b>		<b>1,95,75,323</b>	<b>49,59,935</b>
<b>II</b>	<b>ASSETS</b>			
<b>(1)</b>	<b>Non-Current assets</b>			
	(a) Fixed Assets	6	19,09,384	-
	(b) Long Term Loans & Advances	7	39,00,000	47,23,112
<b>(2)</b>	<b>Current assets</b>			
	(a) Cash & cash equivalents	8	56,51,530	1,61,692
	(b) Short term Loans & Advances	9	77,95,686	68,431
	(c) Other Current assets	10	3,18,723	6,700
	<b>TOTAL</b>		<b>1,95,75,323</b>	<b>49,59,935</b>
	Significant Accounting Policies and Notes to Accounts form an integral part of Financial Statement as per our report attached			

**For Srinivas P & Associates**  
Chartered Accountants  
Firm Registration NO. 006987S

**For Shiva Medicare Limited**

**CA P Srinivas**  
Proprietor  
Membership No. 204098

**Kishan Prasad Palaypu**  
Director  
DIN: 01154438

**ShivaRama Babu Velchuri**  
Executive Director  
DIN: 06866062

Place: Hyderabad  
Date: September 04, 2017

**Rajesh Vankadara**  
Company Secretary

**Ram Murthy Telukuntla**  
Director  
DIN: 01715859



# SHIVA MEDICARE LIMITED

Registered Office: No. 8-2-676/A/A/A/1&2, Road No. 13, Banjara Hills, Hyderabad - 500 034 Telangana INDIA

## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

(Amount in Rupees)

Particulars	Note No.	Figures for the Current Reporting Period	Figures for the Previous Reporting Period
<b>Income</b>			
I. Revenue from Operations		-	-
II. Other Income	11	3,03,558	67,000
III. <b>Total Revenue ( I + II)</b>		<b>3,03,558</b>	<b>67,000</b>
<b>Expenses</b>			
IV. a) Employee Benefits Expense	12	73,72,882	-
b) Finance cost	13	2,65,391	-
c) Depreciation and Amortization Expense	6	21,593	-
d) Other Expenses	14	35,09,224	5,42,536
<b>Total Expenses</b>		<b>1,11,69,090</b>	<b>5,42,536</b>
V. Profit before Exceptional & Extraordinary Items and Tax ( III - IV)		<b>(1,08,65,532)</b>	<b>(4,75,536)</b>
VI. Exceptional Items		-	-
VII. <b>Profit before Extraordinary Items and Tax ( V- VI)</b>		<b>(1,08,65,532)</b>	<b>(4,75,536)</b>
VIII. Extraordinary Items		-	-
IX. <b>Profit Before Tax ( VII- VIII)</b>		<b>(1,08,65,532)</b>	<b>(4,75,536)</b>
X. Tax Expense :			
1. Current tax			
2. Deferred tax			
XI. Profit / (Loss) for the Period Before Prior Period Adjustments		(1,08,65,532)	(4,75,536)
XII. Prior Period Adjustments		(38,386)	
XV. <b>Profit (Loss) for the period (XI + XIV)</b>		<b>(1,09,03,918)</b>	<b>(4,75,536)</b>
XVI. Earnings per equity share:			
1. Basic		(4.79)	(0.76)
2. Diluted		(4.79)	(0.76)
Significant Accounting Policies Notes to Accounts the notes referred above form an integral part of Financial Statement as per our report attached	15		

**For Srinivas P & Associates**  
Chartered Accountants  
Firm Registration NO. 006987S

**CA P Srinivas**  
Proprietor  
Membership No. 204098

Place: Hyderabad  
Date: September 04, 2017

**For Shiva Medicare Limited**

**Kishan Prasad Palaypu**      **ShivaRama Babu Velchuri**  
Director      Executive Director  
DIN: 01154438      DIN: 06866062

**Rajesh Vankadara**      **Ram Murthy Telukuntla**  
Company Secretary      Director  
DIN: 01715859



# SHIVA MEDICARE LIMITED

Registered Office: No. 8-2-676/A/A/A/1&2, Road No. 13, Banjara Hills, Hyderabad - 500 034 Telangana INDIA

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

	(Amount in Rs.)	(Amount in Rs.)
<b>Cash Flow from Operating Activities</b>		
<b>Net loss for the period before tax and extraordinary items</b>	(1,09,03,918)	
Adjustments for:		
Depreciation and amortization	21,593	
Interest income	(3,03,558)	
Interest expense	2,65,391	
Operating Loss before working capital changes	(1,09,20,492)	
Increase in current liabilities	75,91,762	
Increase in Loans, advances & Others	(80,39,278)	
<b>Net Cash used in Operating Activities</b>		<b>(1,13,68,008)</b>
<b>Cash Flow from Investing Activities</b>		
Payment towards acquisition of fixed assets	(19,30,977)	
Repayment of Loans & advances	8,23,112	
Proceeds from long term liabilities	14,27,614	
Interest received	3,03,558	
<b>Net Cash provided by Investing Activities</b>		<b>6,23,307</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issue of equity shares	1,64,99,930	
Interest paid	(2,65,391)	
<b>Net Cash provided by Financing Activities</b>		<b>1,62,34,539</b>
<b>Net Increase in Cash &amp; Cash equivalents - (a)</b>		<b>54,89,838</b>
Opening cash & cash equivalents - (b)		1,61,692
<b>Closing cash &amp; cash equivalents - (a) + (b)</b>		<b>56,51,530</b>

## SHIVA MEDICARE LIMITED

### Notes to the financial statements

<b>1. Share capital</b>	<b>As at 31st March 2017</b>		<b>As at 31st March 2016</b>	
<b>Authorised</b>	<b>No. of Shares</b>	<b>Amount</b>	<b>No. of Shares</b>	<b>Amount</b>
Equity Shares of Rs.10 each	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
<b>Issued, Subscribed and fully paid</b>				
Equity Shares of Rs.10 each fully paid:				
At the beginning of the year	6,27,007	62,70,070	6,27,007	62,70,070
Add: Issued during the year	16,49,993	1,64,99,930	-	-
<b>At the end of the year</b>	<b>22,77,000</b>	<b>2,27,70,000</b>	6,27,007	62,70,070

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

<b>Name of the shareholder</b>	<b>As at 31st March 2017</b>		<b>As at 31st March 2016</b>	
	<b>No. of shares</b>	<b>% of holding in the class</b>	<b>No. of shares</b>	<b>% of holding in the class</b>
Equity Shares of Rs.10 each fully paid held by:				
a) Grey Mat Techno Solutions Limited	7,51,573	33.01%		
b) Krian Consultancy Services Pvt LTd	9,05,450	39.77%		
c) M/S Shiva Paper Mills Limited	35,000	1.54%	35,000	5.58%
d) Sterlix USA	45,000	1.98%	45,000	7.18%
<b>Total</b>	<b>17,37,023</b>		<b>80,000</b>	



## SHIVA MEDICARE LIMITED

### Notes to the financial statements

2. Reserves & surplus	As at 31st March 2017	As at 31st March 2016
<b>a) Capital Reserve</b>		
Balance at the beginning of the year	1,02,05,091	1,02,05,091
Additions during the year	-	-
Deductions during the year	-	-
<b>Balance at the end of the year</b>	<b>1,02,05,091</b>	<b>1,02,05,091</b>
<b>b) Forfeited shares</b>		
Balance at the beginning of the year	4,30,500	4,30,500
Addition during the year	-	-
Deduction during the year	-	-
<b>Balance at the end of the year</b>	<b>4,30,500</b>	<b>4,30,500</b>
<b>c) Profit &amp; Loss Account Balance (Deficit or surplus)</b>		
Balance at the beginning of the year	(2,86,94,406)	(8,46,49,500)
Addition during the year	(1,09,03,918)	(4,75,536)
Deduction during the year	-	-
Share Capital - Capital Reduction	-	5,64,30,630
<b>Balance at the end of the year</b>	<b>(3,95,98,324)</b>	<b>(2,86,94,406)</b>
<b>Total</b>	<b>(2,89,62,733)</b>	<b>(1,80,58,815)</b>
<b>3. Unsecured Loans</b>		
from Related parties	77,81,614	43,50,000
<b>Total</b>	<b>77,81,614</b>	<b>43,50,000</b>
<b>4. Other Long term liabilities</b>		
Other Long term Liabilities - Related parties	83,21,152	96,51,152
Other Long term Liabilities - Others	12,63,528	19,37,528
<b>Total</b>	<b>95,84,680</b>	<b>1,15,88,680</b>

# SHIVA MEDICARE LIMITED

## Notes to the financial statements

<b>5. Other Current Liabilities</b>		
Over Draft against Fixed Deposit	51,73,564	-
Creditors for Expenses	10,90,787	8,10,000
Creditors for Fixed Assets	12,02,017	-
Statutory Liabilities	9,35,394	-
<b>Total</b>	<b>84,01,762</b>	<b>8,10,000</b>
<b>7. Long term Loans &amp; Advances</b>		
Balance with Tax Authorities	-	54,546
Loans & Advances to others	39,00,000	46,68,566
<b>Total</b>	<b>39,00,000</b>	<b>47,23,112</b>
<b>8. Cash &amp; Bank Balances</b>		
<b>Cash &amp; Equivalents</b>		
Balance with Banks	56,13,483	60,892
Cash in hand	38,047	1,00,800
<b>Total</b>	<b>56,51,530</b>	<b>1,61,692</b>
<b>9. Short term Loans &amp; Advances</b>		
From Related Parties	48,27,255	-
From Others	29,68,431	68,431
<b>Total</b>	<b>77,95,686</b>	<b>68,431</b>
<b>10. Other Current Assets</b>		
TDS Receivable	37,056	6,700
Others	2,81,667	-
<b>Total</b>	<b>3,18,723</b>	<b>6,700</b>

## SHIVA MEDICARE LIMITED

### Notes to the financial statements

<b>11. Other Income</b>		
Interest income	3,03,558	67,000
<b>Total</b>	<b>3,03,558</b>	<b>67,000</b>
<b>12. Employee Benefit Expenses</b>		
Director Remuneration	10,00,000	
Staff Salaries	63,71,882	
Staff Training Exp	1,000	
<b>Total</b>	<b>73,72,882</b>	-
<b>13. Finance Cost</b>		
Interest on Overdraft	2,65,391	
	<b>2,65,391</b>	-
<b>14. Other expenses</b>		
Advertisement	1,00,497	14,800
Annual General Expense	2,26,419	
Audit Fees	2,63,000	
Sitting fee	20,000	
Rent Rates, taxes & fee	5,52,974	2,10,880
Prinitng & stationery	31,026	1,04,240
Bank charges	4,148	2,009
Subscription charges	-	2,10,607
Communication exp	42,329	
Professional fee	21,32,822	
Travelling & Conveyance exp	58,440	
Office Maintenance exp	77,569	
<b>Total</b>	<b>35,09,224</b>	<b>5,42,536</b>

**6. Fixed asset**

<b>Asset</b>	<b>Opening</b>	<b>Purchases During the year</b>	<b>Deletions during the year</b>	<b>Closing Gross block</b>	<b>Depreciation during the year</b>	<b>Closing Net block</b>
Furniture & Fixtures	-	6,38,024	-	6,38,024	7,612	<b>6,30,412</b>
Office Equipments	-	7,99,644	-	7,99,644	12,558	<b>7,87,086</b>
Computer (Server)	-	3,41,250	-	3,41,250	444	<b>3,40,806</b>
Software	-	1,52,059	-	1,52,059	979	<b>1,51,080</b>
<b>Total</b>	-	<b>19,30,977</b>	-	<b>19,30,977</b>	<b>21,593</b>	<b>19,09,384</b>

## **Significant accounting policies:**

### **Company overview**

Shiva Medicare Limited [SHIVMED] is a manufacturing company with intent to acquire 75% holding in an Australian company "QSTAT Life Sciences Pty Ltd". We manufacture "User Controlled Auto Retractable Safety Syringes" which eliminates needle Stick Injuries (NSI) that are the primary causes for spreading HIV/AIDS, Hepatitis B & C viruses. With the increased awareness about accidental needle stick injuries and growing emphasis on occupational safety, the safety injection devices have emerged as one of the most popular and preferred delivery devices.

The company is a public limited company incorporated and domiciled in India and has its registered office at Hyderabad, Telengana, India. The company has its listing on the BSE Limited.

## **1 Significant accounting policies**

### **1.1 Basis of preparation of financial statements**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### **1.2 Use of estimates**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

### **1.3 Revenue recognition**

No sale of products was made during the year. Interest is recognised on time basis.

#### **1.4 Provisions and contingent liabilities**

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### **1.5 Onerous contracts**

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract.

#### **1.6 Tangible assets**

Tangible assets are stated at cost, less accumulated depreciation and impairment, if any. Direct costs are capitalized until such assets are ready for use.

#### **1.7 Intangible assets**

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

#### **1.8 Depreciation and amortization**

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as provided by the Companies Act. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use.

#### **1.9 Impairment**

The Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price or value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated

amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

### **1.10 Earnings per share**

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

### **1.11 Investments**

Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or long-term based on Management's intention. Current investments are carried at the lower of cost and fair value of each investment individually. Cost for overseas investments comprises the Indian Rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment. Long term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

### **1.12 Cash and cash equivalents**

Cash and cash equivalents comprise cash and cash on deposit with banks and financial institutions. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

### **1.13 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### **1.14 Related Party Transactions**

As per Accounting standard AS-18 on Related Party disclosures issued by the Institute of Chartered Accountants of India, the disclosure of transactions with the related party as defined in the Accounting standard are given below:

#### **List of Related Parties & Nature of Relationship:**

<b>S.No</b>	<b>Name of the Related Parties</b>	<b>Nature of relation ship</b>
1	Greymat Techno Solutions Limited	Associate Company
2	Krian Consultancy Services Private Limited	Associate Company
3	Shiva Ram Babu Velucheri	Director
4	Ram Murthy Telukuntla	Director

5	KSL Securities	Director Interested in the Firm
6	TRM & Associates	Director Interested in the Firm
7	Kishan Prasad Palaypu	Director of Associate company
8	Shailaja	Relative to Director
9	Srinath Kishan Palaypu	Relative to Director
10	Abhignya Kishan Palaypu	Relative to Director
11	Somaiah	Relative to Director

**List of Related Party Transactions:**

(Amount in Rupees)

Particulars	Financial Year Ended March 31 <sup>st</sup> , 2017
Remuneration:	
1. Srinath Kishan Palaypu	1,110,000
2. Shiva Rama Babu Velchuri	2,500,000

The details of amounts due to or due from related parties as at March 31<sup>st</sup>, 2017 and March 31<sup>st</sup>, 2016 as follows:

(Amount in Rupees)

Particulars	Financial Year Ended March 31 <sup>st</sup> , 2016	Financial Year Ended March 31 <sup>st</sup> , 2017
Investments During the Year		
1. Grey Mat Techno Solutions Limited	0	7,515,730
2. Krian Consultancy Services Private Limited	0	9,054,500
Other Payables		
3. Grey Mat Techno Solutions Limited	4,350,000	2,323,614
4. Krian Consultancy Services Private Limited	0	3,683,000
5. Kishan Prasad Palaypu	0	1,775,000
6. Ram Murthy Telukuntla	600,000	0
7. Shailaja	780,500	60,500
8. Somaiah	460,000	10,000
Loans & Advances		
9. KSL Securities	0	4,950,000
10. TRM & Associates	0	80,000
11. Abhignya Kishan Palaypu	0	60,000
12. Ram Murthy Telukuntla	0	10,000



**1.15 Cash Transaction of SBN Disclosure:**

<b>Particulars</b>	<b>SBN's</b>	<b>Other Denomination Notes</b>	<b>Total (in Rs.)</b>
Closing Cash In Hand as on 08 <sup>th</sup> November, 2016	NA	100*400	40,000
		50*36	1,800
		20*3	60
		10*1	10
		2*1	2
		<b>Total</b>	<b>41,872</b>
(+) Permitted receipts	NA	-	-
(-) Permitted Payments	NA	100*4	400
		20*1	20
		30*1	10
		<b>Total</b>	<b>430</b>
(-)Amount deposited in Banks	NA	-	-
Closing cash in hand as on 30 <sup>th</sup> December, 2016	NA	100*396	39,600
		50*36	1,800
		20*2	40
		2*1	2
		<b>Total</b>	<b>41,442</b>

**For Srinivas P & Associates  
(Formerly SPED & CO.,)  
Chartered Accountants  
Firm Regn No. : 006987S**

**Place of Signature: Hyderabad  
Date: September 04, 2017**

**CA P Srinivas  
Proprietor  
Member Ship No.: 204098**

# Route Map to the AGM Venue: Taj Banjara, Road No.1, Banjara Hills, Hyderabad – 500 034, Telangana State, India

