



Shilpa Medicare Limited



27th Annual Report

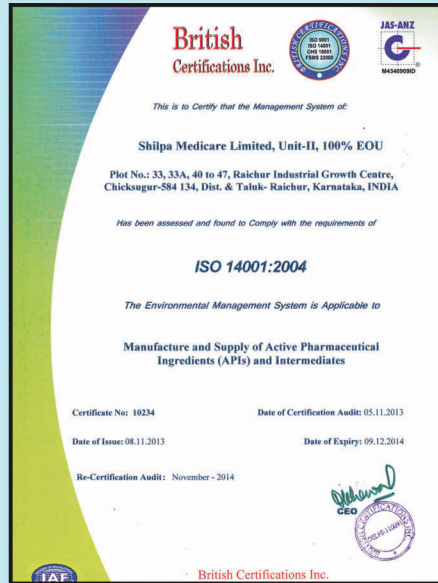
2013-2014



Awards



Best Export Excellence Award from VITC , Bangalore
Award presented by Sri Roshan Baig Welfare Minister Govt. of Karnataka



Best Export Excellence Award from FKCCI, Bangalore
Award presented by Sri Anant Kumar Union Minister of Chemicals Govt. of India



Innovating for
affordable healthCare

Registered Office :

1st Floor, 10/80, Rajendra Gunj,
Raichur-584102 (Karnataka)

**27th
ANNUAL GENERAL MEETING**

Day : Saturday
Date : 20th September, 2014
Time : 11.30 A.M
Venue : Hotel Nrupatunga, Ambedkar Circle,
Station Road, RAICHUR-584101 (Karnataka)

CONTENTS

	Page No.
Performance at a Glance	03
Notice to Members	04
Directors Report.....	10
Management Discussion and Analysis.....	15
Corporate Governance Report.....	18
Managing Director & Finance Manager's Certificate	27
Auditor's Report on Corporate Governance.....	28
Independent Auditor's Opinion.....	29
Balance Sheet.....	34
Profit & Loss Account	35
Cash Flow Statement.....	36
Notes to Accounts.....	41
Auditors Report on Consolidated Financial Statements.....	59
Consolidated Balance Sheet.....	62
Consolidated Profit & Loss Account.....	63
Consolidated Cash Flow Statement.....	64
Consolidated Notes to Accounts	68
Statement Pursuant to Section 212 of the Companies Act, 1956.....	87
Admission Slip.....	89
Proxy Form	91

COMPANY INFORMATION

Board of Directors

Omprakash Inani	:	Chairman
Vishnukant C Bhutada	:	Managing Director
Ajeet Singh Karan	:	Independent Director
Carlton Felix Pereira	:	Independent Director
Pramod Kasat	:	Independent Director
Rajender Sunki Reddy	:	Independent Director
N.P.S Shinh	:	Independent Director
Venugopal Loya	:	Independent Director

Board Committees :

Audit Committee

Venugopal Loya - Chairman
Omprakash Inani - Member
Pramod Kasat - Member
Rajender Sunki Reddy - Member

Nomination and Remuneration Committee

Pramod Kasat - Chairman
Venugopal Loya - Member
Omprakash Inani - Member

Stakeholders Relationship Committee

Omprakash Inani - Chairman
Vishnukant C Bhutada - Member

Corporate Social Responsibility Committee

Venugopal Loya - Chairman
Omprakash Inani - Member
Vishnukant C Bhutada - Member

Company Secretary

Vemuri Ajay

Auditors

Bohara Bhandari Bung And Associates
Chartered Accountants
Amar Complex, M.G. Road
Raichur – 584 101

Bankers

The Lakshmi Vilas Bank Ltd
Standard Chartered Bank Ltd
Axis Bank Ltd
State Bank Of India

Registered Office

1st Floor, 10/80, Rajendra Gunj
Raichur – 584102 (Karnataka)
Phone: 08532-235704, 236494
Fax: 08532-235876
Email: info@vbshilpa.com
Web : www.vbshilpa.com

Works

4-A, Deosugur Industrial Area,
Deosugur – 584 170.(Raichur District)

100 % Export Oriented Unit

33-33A, 40-47,
Raichur Growth Center,
Wadloor Road, Chicksugur Cross,
Chicksugur – 584134.(Raichur District)

SEZ Unit

Plot No. S-20 to S-24/A, Pharma SEZ
APIIC Green Industrial Park,
Pollepally village, Jadcherla Mandal,
Dist – Mahaboobnagar – 509301 (AP)

R&D Unit Vizag (Recognised by DSIR)

Survey No:207, Modavalasa Village
Denkada Mandalam, Dist:Vijayanagaram

R&D Unit Raichur (Recognised by DSIR)

33-33A, 40-47, Raichur Growth Center, Wadloor Road,
Chicksugur Cross, Chicksugur - 584 134. Raichur District

Subsidiary Companies

1. Loba Feinchemie GmbH, (Step-Down Subsidiary)
2. Zatortia Holdings Limited
3. Raichem Medicare Private Limited,
4. Nu Therapeutics Private Limited,
5. Makindus INC,USA

Associate Companies

- 1.Reva Pharmachem Private Limited

Joint Venture

- 1.Maia Pharmaceuticals Inc,USA

PERFORMANCE OF THE COMPANY STANDALONE AT A GLANCE FOR 5 YEARS

(Rs. In Lakhs)

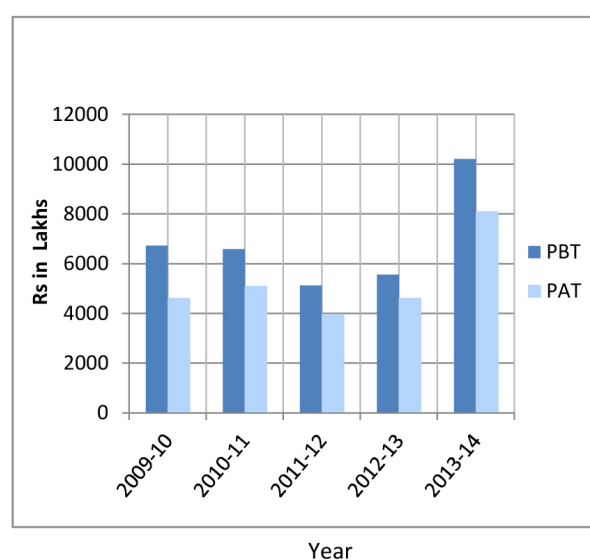
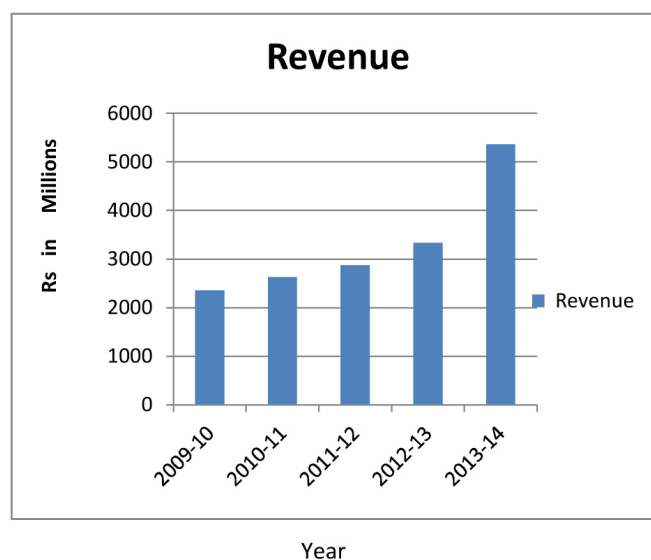
Year	2009-10	2010-11	2011-12	2012-13	2013-14
Gross Revenue(Net of Excise duty)	23557.90	26285.60	28754.54	33320.22	53622.14
Profit before Depreciation, Extraordinary Item & Taxes	7700.89	7625.74	6210.34	6846.86	12317.41
Depreciation	976.47	1042.10	1143.84	1275.36	2109.20
PBT	6724.42	6583.64	5129.21	5561.13	10208.20
Taxes*	2123.15	1491.11	1154.45	965.17	2122.52
PAT & Extraordinary Item	4601.27	5092.53	# 3974.76	#4595.96	#8085.68
Dividend (Inc. Dividend Tax)	180.37	224.12	256.52	370.53	451.03

PERFORMANCE PARAMETERS

Net Fixed Assets	12793.88	12709.48	14084.14	15255.58	25766.05
Share Capital	440.48	480.48	490.48	490.58	735.72
Reserves & Surplus	10778.98	22603.09	28239.44	32588.13	40520.78
Net Worth (Net)	11219.46	23083.57	28729.92	33078.71	41256.51
Returns on Net Worth (%)	41.02	22.06	13.83	13.89	19.59
Borrowings	6746.74	5097.41	5486.43	9816.58	8007.76
Debt Equity Ratio (Gross)	0.60	0.22	0.19	0.30	0.15
Dividend (%)	35	40	45	65	50
Earning per share	20.89	22.08	16.54	12.49	21.98

* Includes Deferred taxes of the respective year.

Effect of exchange fluctuation on Long Term Borrowings & investment in foreign subsidiary Company considered as per option given vide MCA notification no GSR 914 (E) dt 29.12.2011



NOTICE

Notice is hereby given that the 27th Annual General Meeting of the Members of the Company will be held on Saturday the 20th day of September, 2014 at 11.30 AM at Hotel Nrupatunga, Ambedkar Circle, Station Road, Raichur- 584101, Karnataka to transact the following items of business:

ORDINARY BUSINESS:

1. To consider and adopt the Accounts of the Company for the financial year ended 31st March, 2014, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity shares.
3. To appoint a Director in place of Mr. Omprakash Inani (DIN : 01301385) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary resolution.

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there-under, and pursuant to the recommendation of the audit committee, M/s. Bohara Bhandari Bung & Associates, Chartered Accountants, Registration No. 008127S be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Meeting for a period of 3 years, subject to ratification by the members at every Annual General Meeting, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company for the financial year ending March 31, 2015.”

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Narinder Pal Singh Shinh (DIN : 00023160), Director of the Company, whose period of office is liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of two years with effect from ensuing Annual General Meeting.”

6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Carlton Felix Pereira (DIN : 00106962), Director of the Company, whose period of office is liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of two years with effect from ensuing Annual General Meeting.”

7. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ajeet Singh Karan (DIN : 00183622), Director of the Company, whose period of office is liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of two years with effect from ensuing Annual General Meeting.”

8. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Pramod Kasat (DIN : 00819790), Director of the Company, whose period of office is liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of two years with effect from ensuing Annual General Meeting.”

9. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Venugopal Loya (DIN : 01270402), Director of the Company, whose period of office is liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of two years with effect from ensuing Annual General Meeting.”

10. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Rajender Sunki Reddy (DIN : 02284057), Director of the Company, whose period of office is liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of two years with effect from ensuing Annual General Meeting.”

11. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 180(1) (c) and any other applicable provisions of the Companies Act, 2013 and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves

of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company’s Bankers in the ordinary course of business, shall not be in excess of Rs.200 (Rupees Two Hundred) Crores over and above the aggregate of the paid up share capital and free reserves of the Company.”

12. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 180(1) (a) and any other applicable provisions of the Companies Act, 2013 and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to authorize the Board to mortgage and /or create charge to the extent of Borrowing limits of the Board of Directors, on all or any of the movable or immovable properties both present and future or the whole or substantially the whole of the undertakings of the Company to or in favour of any Financial Institutions, Banks, NBFCs or any other Agencies to secure the term loans and / or other financial assistance that has already been granted or may in future be granted by them to the Company from time to time.”

13. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 and Companies (cost records and audit) Rules, 2014 and thereon, the appointment of M/s.N.Ritesh & Associates, Cost Accountants, (Registration No.M/26963), Mr.Ritesh T, as Cost Auditors to audit the cost records maintained by the Company for the financial year ending March 31, 2015, on a remuneration of Rs.1,50,000/- (Rupees One Lakh Fifty Thousand only) excluding taxes as may be applicable, in addition to reimbursement of all out of pocket expenses, be and is hereby approved and ratified.”

By order of the Board of Directors

For SHILPA MEDICARE LIMITED

Place: Raichur
Date : 14-08-2014

Vemuri Ajay
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.
2. Proxy forms in order to be effective must be deposited at the Registered office of the Company not less than 48 hours before the meeting.
3. The Share Transfer Register and the Register of Members of the Company will remain closed **from 13-09-2014 to 19-09-2014 (both days inclusive)** .
4. M/s. Karvy Computershare Pvt. Ltd., Plot No. 17 to 24, Vithalrao Nagar, Madhapur, Hyderabad-500081, Telangana, is the Share Transfer Agent (STA) of the Company. All communications in respect of share transfers and change in the address of the members may be communicated to them.
5. Members seeking any information or clarification on the accounts are requested to send queries in writing to the Registered Office of the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.
6. All the shareholders and beneficial owners who have not claimed the dividend for the **years 2007-08 to 2012-13** are requested to submit their claims immediately to the Company/ STA for respective dividends. The dividends unclaimed for 7 years will be transferred to Investor Education and Protection Fund.
7. The annual accounts of the subsidiary companies and the related detailed information are available for inspection of any shareholders at the Registered Office of the Company during business hours and shall be provided to the shareholders who seek such information.
8. Members/Proxies are requested to bring their copies of the Annual Report to the AGM and the Attendance slip duly filled in for attending AGM. Copies of Annual Report will not be provided at the AGM.
9. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
10. Members holding shares in physical form may obtain the Nomination forms from the Company's Registrar & Share Transfer Agents and members holding shares in electronic form may obtain the Nomination form from their respective Depository Participants.
11. Members holding Shares in physical form may write to the Company/Registrar & Share Transfer Agents (RTA) for any change in their address and bank mandates; members having shares in electronic form may inform the same to their depository participants immediately.
12. **Process and manner for members opting for e-voting are as under :**
The Company is offering e-voting facility to its members enabling them to cast their votes electronically. The

Company has signed an agreement with M/s Karvy Computershare Private Limited for facilitating e-voting to enable the shareholders to cast their votes electronically pursuant to Rule 20 of Companies (Management and Administration) Rules, 2014. The instructions for e-voting are as under:

A. In case a member receives an email from Karvy Computershare Private Limited (Karvy):

- I. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- II. Enter the login credentials (i.e., User ID and password mentioned in your email/AGM Notice). Your Folio No./ DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

User ID:	For Members holding shares in Demat form:
	a. For NSDL: 8 character DP ID followed by 8 digit Client ID
	b. For CDSL: 16 digit Beneficiary ID/Client ID
	For Members holding shares in Physical form:
Password:	Event No.(EVEN) followed by Folio No. registered with the Company.
	Your unique password is printed on the AGM Notice/provided in the email forwarding the electronic notice.

- III. After entering these details appropriately, Click on "LOGIN".
- IV. You will now reach password Change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- V. You need to login again with the new credentials.
- VI. On successful login, the system will prompt you to select the "EVEN" i.e., Shilpa Medicare Limited.
- VII. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

VIII. You may then cast your vote by selecting an appropriate option and click on “Submit”. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any numbers of times till they have voted on the Resolution.

IX. Corporate/Institutional Members (i.e other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e mail ID: cs.vbshilpa@gmail.com, with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format “Corporate Name_EVEN NO.”

B. In case of Members receiving AGM Notice by Post:

- I. User ID and initial password as provided in the AGM Notice Form.
- II. Please follow all steps from Sr.No. (i) to (ix) as mentioned in (A) above, to cast your vote.
13. The e-voting period commences on **13th September at 9.00 A.M.** and ends on **15th September at 3.00 P.M.** In case of any query pertaining to e-voting, please visit Help & FAQ’s section of Karvy e-voting website.
14. Kindly note that the shareholders can opt only one mode of voting i.e. either by e-voting or physical mode. If you are opting for e-voting, then cannot vote by physically also and vice versa. However, in case shareholders cast their vote physically and e-voting, then voting done through e-voting will prevail and voting done physically will be treated as invalid.
15. The Board of Directors has appointed Mr. B. Chagan Lal of M/s. B.Chagan Lal & Associates, a Practicing Company, as a Scrutinizer to process the e-voting and submit a report to the Chairman.
16. Mr. Ramakant Innani, Compliance Officer of the Company shall be responsible for addressing all the grievances in relation to this Annual General Meeting including e-voting. His contact details are Email:ramakant@vbshilpa.com, Phone Nos.08532-236494.
17. The members may download a copy of the notice of this meeting and the results declared along with the Scrutinizer’s Report from the website of the Company (www.vbshilpa.com) or from <https://evoting.karvy.com>.
18. Brief Profile of Directors seeking re-appointment at the 27th Annual General Meeting (pursuant to Clause 49 of the Listing Agreement) is attached to this Notice as **Annexure - A**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

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

Item Nos. 5 to 10

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors which came into effect from April 1, 2014, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. The term shall be effective prospectively.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and the amended Listing Agreement.

All the Directors proposed to be appointed under these resolutions are Non-Executive Independent Directors of the Company.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Narinder Pal Singh Shinh, Mr. Carlton Felix Pereira, Mr. Ajeet Singh Karan, Mr. Pramod Kasat, Mr. Venugopal Loya and Mr. Rajender Sunki Reddy, being eligible, offer themselves for appointment, and are proposed to be appointed as Independent Directors for a term as stated in the Resolutions.

The Nomination and Remuneration Committee and the Board of Directors have recommended appointment of Mr. Narinder Pal Singh Shinh, Mr. Carlton Felix Pereira, Mr. Ajeet Singh Karan, Mr. Pramod Kasat, Mr. Venugopal Loya and Mr. Rajender Sunki Reddy as Independent Directors of the Company.

Mr. Narinder Pal Singh Shinh, Mr. Carlton Felix Pereira, Mr. Ajeet Singh Karan, Mr. Pramod Kasat, Mr. Venugopal Loya and Mr. Rajender Sunki Reddy, non-executive Independent Directors of the Company, have given declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, each of these Directors fulfill the conditions specified in the Companies Act, 2013 and Rules made there-under for their appointment as Independent Directors of the Company and they are Independent of the management. These Directors are not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and they have given their consent to act as Director.

Copies of the draft letter for appointment of Mr. Narinder Pal Singh Shinh, Mr. Carlton Felix Pereira, Mr. Ajeet Singh Karan, Mr. Pramod Kasat, Mr. Venugopal Loya and Mr. Rajender Sunki Reddy as Independent Directors setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

A brief profile of Independent Directors to be appointed, including nature of their expertise and other disclosure as required under Clause 49 of the Listing Agreement, is provided at **Annexure A** of this Notice.

Except these Directors, being appointees or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out at item Nos. 5 to 10.

Item No. 11 & 12

As per the provisions of Section 180 of the Companies Act, 2013 the consent of members is required to be obtained by way of Special Resolution. Therefore, the board proposed the resolutions U/s. 180(1)(a) and 180(1)(c) to obtain the consent of members. Accordingly the resolutions were proposed authorizing the Board to borrow over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs.200 (Rupees Two Hundred) Crores excluding the working capital credit

facilities and other temporary borrowings made in the ordinary course of business. It is also proposed to give authority U/s. 180(1)(a) to the Board to pledge create charge or mortgage, against the assets of the Company or to hypothecate the assets against the loans and other credit facilities provided to the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 11 & 12 except to the extent of shares held by them in the Company.

Item No. 13 Appointment of Cost Auditor

Pursuant to the recommendation of the Audit Committee, the Board of Directors had at its meeting held on 29th May, 2014, approved the reappointment of the Cost Auditors, M/s.N.Ritesh & Associates, Cost Accountants (Registration No.M/26963) and remuneration payable to them, as set out in the Resolution under this Item of the Notice.

In accordance with Rule 14 of Companies (Audit and Auditors) Rules 2014, the appointment of and remuneration payable to the Cost Auditors requires ratification by the Shareholders and hence this resolution is put for the consideration of the shareholders.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution.