

23rd

Annual Report

2013-14

SHIVA MEDICARE LIMITED

SHIVA MEDICARE LIMITED

BOARD OF DIRECTORS

Sri Amit Jain
Director

SRI Gagan Lamba
Director

SRI John Wilson Babu
Director

SRI Durgaprasad Kolapalli
Director

CIN NO

L93090TG1993PLC088165

AUDITORS

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

BANKERS

Vijaya Bank

Registrar & Transfer Agent:

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

REGISTERED OFFICE

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

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

NOTICE

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

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014 and Profit and Loss Account for the period ended as on that date together with the Directors' Report and Auditor's Report thereon.
2. To appoint a Director in place of Sh., Amit Jain (Din no 00028335) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

"RESOLVED THAT M/s Rama Chandra Rao., Chartered Accountants, Hyderabad (Registration No. 203292), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company."

Special Business

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

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

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

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

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

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

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

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

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

Sd.

Place: HYDERABAD

Date: 07.06.2014

**(Amit Jain)
(DIRECTOR)**

NOTES:

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

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

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

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

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

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

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

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

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

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

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

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

7. Voting through electronic means;

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

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

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

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com during the voting period.

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

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

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

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

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

In case of members receiving the physical copy:

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

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

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

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

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

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

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

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

9. Retirement of Directors by rotation:

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

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

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

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

Sd.

(Amit Jain) DIRECTOR

Place: Hyderabad

Date: 07/06/2014

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

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

Item No. 4 and 5

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Item No. 6

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

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

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

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

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

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

Item No. 7 – Reduction of share capital:

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

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

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

1.SALIENT FEATURES OF THE REDUCTION OF CAPITAL:

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

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

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

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

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

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

3. DETAILS OF SHAREHOLDING OF EXECUTIVE DIRECTORS IN THE COMPANY

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

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

4. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN OF THE COMPANY

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

Share holding pattern

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

5. FAIRNESS OPINION FROM MERCHANT BANKER

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

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

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

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

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

By Order of the board of directors.

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