

21<sup>st</sup> Annual Report 2012 - 2013

# Mahavir Advanced Remedies Limited



# Mahavir Advanced Remedies Ltd.

Formerly known as Indo-American Advanced Pharmaceuticals Ltd.

## BOARD OF DIRECTORS

BVS Koteswara Rao	Chairman & Managing Director
Anitha Mahesh	Independent Director
Mani Murugadas Rao	Independent Director
Shantilal R Purohit	Independent Director



## COMPLIANCE OFFICER

Mr. BVS Koteswara Rao

## AUDITORS

G. Sivaprakash  
Chartered Accountant,  
No.5, Fifth Cross Street,  
West Shenoy Nagar, Chennai 600 030

## BANKERS

Vysya Bank  
The Catholic Syrian Bank  
Andhra Bank

## REGISTERED OFFICE

No. 91, D-11, Govindappa Naicken Street  
Chennai - 600 079 (Tamil Nadu)

## REGISTRAR & SHARE TRANSFER AGENT

Purva Sharegistry (India) Pvt. Ltd.  
No. 9, Shiv Shakti Ind. Estate  
Gr. Floor, J. R. Boricha Marg  
Lower Parel, Chennai-400 011

## ANNUAL GENERAL MEETING

Date : 27th September, 2013  
Time : 11.30 A.M.  
Venue : No. 91, D-11,  
Govindappa Naicken Street  
Chennai - 600 079

## C O N T E N T S

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Members are requested to bring their copy of Annual Report at the time of Meeting

## **NOTICE**

Notice is hereby given that the 21st Annual General Meeting of the members of **MAHAVIR ADVANCED REMEDIES LIMITED** will be held on Friday, 27th September, 2013 at 11.30 A.M. at No. 91, D-11, Govindappa Naicken Street, Chennai - 600 079 (Tamil Nadu) to transact following business as:

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts and also Auditors' Report thereon for the year ended 31st March 2013.
2. To appoint a Director in place of Mr. BVS Koteswara Rao, who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and thought fit, to pass, with or without modification(s), the following Resolution, as an Ordinary Resolution:

"**RESOLVED THAT** M/s. G. Sivaprakash, Chartered Accountants, Chennai be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, to examine and audit the accounts of the Company for the financial year 2013-2014, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors plus reimbursement of out of pocket expenses and applicable taxes."

### **SPECIAL BUSINESS :**

4. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :

"**RESOLVED THAT** Pursuant to the provisions of Section 260 and all other applicable provisions of the Companies Act, 1956 (the Act) and in terms of Article 87 of the Articles of Association of the Company, Mr. Shantilal R Purohit, who was appointed as an Additional Director of the Company at the Board meeting held on 22nd May 2013 and who holds the office up to the date of this Annual General Meeting in terms of provision of section 260 of the Act, and in whose respect the Company has received a notice from a member under Section 257 of the Act, together with necessary deposit as mentioned in the said section, proposing the candidature of Mr. Shantilal R Purohit for the office of Director of the Company be and is hereby appointed as Non-Executive, Independent Director of the Company."

### **Notes :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
3. The Register of Member and the Share Transfer Books of the Company will remain closed from

20th September 2013 to 27th September 2013 (both days inclusive).

4. A detail of Director seeking re-appointment in this Annual General Meeting is attached separately to the notice.
5. Shareholders/Investors are advised to send their queries/complaints through the dedicated e-mail Id [indoamerican1234@gmail.com](mailto:indoamerican1234@gmail.com) for quick and prompt redressal of their grievances.
6. The Shares of the Company are mandated by the Securities & Exchange Board of India (SEBI) for trading in dematerialized form by all investors.
7. The identity/signature of Members holding shares in electronic/demat form is liable for verification with the specimen signatures furnished by NSDL/CDSL. Such Members are advised to bring the relevant identity card issued by the Depository Participant to the Annual General Meeting.
8. Members desirous of getting any information about the accounts of the Company, are requested to send their queries so as to reach at-least ten days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.
9. Members are requested to intimate change in their address immediately to M/s Purva Sharegistry (India) Pvt. Ltd., the Company's Registrar and Share Transfer Agents, at their office at 9, Shiv Shakti Ind. Estate, Ground Floor, J. R. Boricha Marg, Lower Parel, Chennai-400 011.
10. Members holding shares in physical form in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant Share Certificates to M/s Purva Sharegistry (India) Pvt. Ltd., RTA of the Company, at their address given above.
11. Pursuant to SEBI Circular, the Shareholders holding shares in physical form are requested to submit self attested copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name as the same has been made mandatory by SEBI.
12. Members holding shares in physical form and wishing to avail of the nomination facility, can ask RTA to avail Nomination Form and/or are requested to send the duly filled in nomination in the prescribed form (form 2B) to M/s Purva Sharegistry (India) Pvt. Ltd., RTA of the Company, at their address given above or to the Compliance Officer at the Registered Office of the Company.
13. Members are requested to bring copies of Annual Report to the Annual General Meeting.
14. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
15. Members are requested to quote Folio Number/DP ID-Client ID in their correspondence.
16. The Equity shares of the Company are listed on Bombay, Madras & Cochin Stock Exchanges and Listing Fees for the financial year 2013-2014 have been paid to Bombay Stock Exchange Ltd.

**Details of Director seeking re-appointment in the 21st Annual General Meeting on 27th September 2013 (in term of Clause 49 of the Listing Agreement)**

<p><b>BVS Koteswara Rao</b></p> <p>Fathers' Name Date of Birth Date of Appointment Expertise in specific functional areas</p> <p>Years of Experience Qualifications List of outside Directorship held Member of Committee on the Board</p> <p>Member/Chairman of Committee in other Companies No. of Shares held in own name or in the name of Relatives</p>	<p>Langaiah Boggarapu 1st April 1955 28th September 2006 He is a Founder Member of the Company and is in the business of pharmaceutical products for more than three decades and is in the activities of Marketing and Distribution. 32 Years Undergraduate Not Any Chairman - Share Transfer Committee Member - Investor Grievance Committee Member - Audit Committee Not Any 9,20,400 Equity Shares or 8.10% of Paid-up Capital in the name of Relatives</p>
<p><b>Shantilal R Purohit</b></p> <p>Fathers' Name Date of Birth Date of Appointment Expertise in specific functional areas</p> <p>Years of Experience Qualifications List of outside Directorship held Member of Committee on the Board Member/Chairman of Committee in other Companies No. of Shares held in own name or in the name of Relatives</p>	<p>Ramnarayan Purohit 8th November 1970 22nd May 2013 He is having vast experience in Accounting &amp; Taxation matters and is into Capital Market activities since last 15 years. 18 Years Graduate Not Any Not Any Not Any Nil</p>

Chennai, May 30, 2013

By order of the Board  
For MAHAVIR ADVANCED REMEDIES LIMITED

**Registered Office :**

No. 91, D-11, Govindappa Naicken Street  
Chennai - 600 079 (Tamil Nadu)

**BVS KOTESWARA RAO**  
Managing Director

## DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in presenting the 21st Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2013.

(` in Lacs)

Financial Results	Year Ended 31.03.2013	Year Ended 31.03.2012
Sales / Income	14.49	20.78
Profit /(Loss) before Tax	-15.31	-31.71
Less : Provision for Taxation	0.00	0.00
Profit /(Loss) after Tax	-15.31	-31.71
Add: Profit/(Loss) brought forward from Previous Year	-318.70	-286.99
Balance of Losses carried forward	-334.01	-318.70

### BUSINESS OPERATIONS

According to the latest estimates, Indian Economy grew by 5% in FY 2013, reflecting lower than expected growth in both industry and services sectors. Inflation also was at elevated levels. However with commodity and crude oil prices on the decline from the peak and with various policy initiatives coming through, the Economy is estimated to grow by around 6% in FY2014 with lower Inflation.

### OVERALL PERFORMANCE & OUTLOOK

The Business environment remains extremely challenging and the recessionary economic conditions continuously leading to slowdown in demand and inflation pushed further scale up of input costs, left its adverse imprint on overall performance for 2012-2013. Due to all those reasons the Company could not do well during the year under review. Gross income from operations was to the extent of ` 14.49 Lac during the year in comparison to last years' figure of ` 20.78 Lac.

The Company is in the business of trading of tablet, liquid orals, capsules and ointments under the allopathic system and capsules and liquid orals under the ayurvedic/ sidha systems. The Company's business involves significant investments in marketing for its operations.

The outlook for the current year is challenging mainly due to sluggish economy. However, your Company expects to grow despite the adverse environment due to its commitment to clients of the Company.

### DIVIDEND

Due to carried forward losses, your Directors do not recommend any Dividend for the year under review.

### SUBSIDIARY COMPANY

The Company does not have any subsidiary Company.

**MANAGEMENT DISCUSSION & ANALYSIS**

As required by Clause 49 of Listing Agreement, the Management Discussion and Analysis is annexed and forms part of the Directors' Report.

**MANAGEMENT**

There is no Change in Management of the Company during the year under review.

**DIRECTORS**

During the year, Mr. Krishna Sugavanam, Mr. Dipendranath Ray Prathasarathi Ray and Mr. Rajagopal Rao Suresh Babu have resigned from the Board w.e.f. 4th September 2012 due to personal commitments. Your Directors wish to place on record their appreciation for the guidance and inputs provided by Mr. Krishna Sugavanam, Mr. Dipendranath Ray Prathasarathi Ray and Mr. Rajagopal Rao Suresh Babu during their tenure as Directors of your Company.

In accordance with the provisions of Act and Articles of Association of your Company, Mr. BVS Koteswara Rao, Director of your Company, retires by rotation and are due for election at the ensuing Annual General Meeting. Mr. BVS Koteswara Rao, being eligible, offers himself for re-appointment.

The Board recommends the appointment of Mr. BVS Koteswara Rao pursuant to the applicable provisions of the Act. The resolutions seeking your approval on this item along with the requisite disclosures/explanatory statement are included in the Notice for convening the Annual General Meeting.

Further, none of the Directors of the Company are disqualified under section 274(1)(g) of the Companies Act 1956.

**FURTHER ISSUE OF SHARES ON PREFERENTIAL BASIS**

During the Year, the Company has issued 63.50 Lac Equity Shares of ` 10/- each to Non-Promoters at a price of ` 11/- per Shares including Premium of ` 1/- each Shares.

**CHANGE IN NAME OF THE COMPANY**

During the Year, the name of the Company has changed from Indo-American Advanced Pharmaceuticals Limited to MAHAVIR ADVANCED REMEDIES LIMITED as per Resolution Passed by Members in Extra-Ordinary General Meeting held on 18th February 2013.

**CHANGE IN SITUATION OF REGISTERED OFFICE OF THE COMPANY**

During the Year, the Registered Office of the Company has been shifted within the limits of Chennai and is currently located at No. 91, D-11, Govindappa Naicken Street, Chennai - 600 079 (Tamil Nadu)

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

1. In the preparation of the annual accounts, for the year ended 31st March 2013, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed;
2. The Directors had adopted 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 of the Company for that period;

3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. The Annual Accounts have been prepared on the historical cost convention, a going concern basis and on accrual basis.

#### **STATUTORY INFORMATION**

The Company being basically in the media sector, requirement, regarding and disclosures of Particulars of conservation of energy and technology absorption prescribed by the rule is not applicable to us.

#### **INFORMATION TECHNOLOGY**

Your Company believes that in addition to progressive thought, it is imperative to invest in Information and Technology to ascertain future exposure and prepare for challenges. In its endeavor to obtain and deliver the best, your Company has entered into alliances/tie-ups with an IT solution Company to harness and tap the latest and the best of technology in the world and deploy/absorb technology wherever feasible, relevant and appropriate.

#### **RESEARCH & DEVELOPMENT**

The Company believes that technological obsolescence is a reality. Only progressive research and development will help us to measure up to future challenges and opportunities. We invest in and encourage continuous innovation. During the year under review, expenditure on research and development is not significant in relation to the nature size of operations of your Company.

#### **AUDITORS**

The Auditors M/s G. Sivaprakash, Chartered Accountants, Chennai hold the office until the conclusion of ensuing Annual General Meeting. Your Company has received certificate from the Auditors u/s 224(1B) of the Companies Act, 1956 to the effect that their reappointment if made, will be within the limit prescribed. The shareholders are requested to appoint Auditors and fix their remuneration.

#### **COMMENTS ON AUDITOR'S REPORT :**

The notes referred to in the Auditor's Report are self explanatory and as such they do not call for any further explanation as required under section 217(3) of the Companies Act, 1956.

#### **PARTICULARS OF EMPLOYEES**

The information as required by provisions of section 217(2A) of the Companies Act, 1956 read with the companies (Particular of employees) amendments rules, 1975 is reported to be NIL.

#### **PARTICULARS UNDER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956**

The Company was in the business of trading of tablet, liquid orals, capsules and ointments under the allopathic system and capsules and liquid orals under the ayurvedic/ sidha systems during the year under review and hence the information regarding conservation of energy, Technology Absorption, Adoption and innovation, the information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, is reported to be NIL.



**FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company has not earned or used foreign exchange earnings/outgoings during the year under review.

**PUBLIC DEPOSITS**

During the year under review, your Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act 1956 and the rules there under.

**REPORT ON CORPORATE GOVERNANCE**

The Company conforms to the norms of Corporate Governance as envisaged in the Companies Act, 1956 and the Listing Agreement with the Bombay Stock Exchange Limited. Pursuant to Clause 49 of the Listing

Agreement, a Report on the Corporate Governance and the Auditors Certificate on Corporate Governance are annexed to this report.

**APPRECIATION**

Your Directors wish to place on record their appreciation towards the contribution of all the employees of the Company and their gratitude to the Company's valued customers, bankers, vendors and members for their continued support and confidence in the Company.

Chennai, May 30, 2013

By order of the Board  
For **MAHAVIR ADVANCED REMEDIES LIMITED**

**Registered Office :**

No. 91, D-11, Govindappa Naicken Street  
Chennai - 600 079 (Tamil Nadu)

**BVS KOTESWARA RAO**  
Managing Director

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## MANAGEMENT DISCUSSION & ANALYSIS

### MACRO ECONOMIC ENVIRONMENT

The year 2012 had been a year of slow growth world over and as per IMF forecast Global Economy is likely to show a growth of 3.3% during 2013 as compared to growth of 3.2% during 2012. The Global Economies witnessed a subdued growth with diverging growth paths across major economies. US economy which has registered a modest recovery is again subject to the adverse impact of the budget sequestration which will gradually gain pace during 2013. Japan's economy has shown signs of improvement on account of monetary and fiscal stimulus undertaken. The sovereign debt crises and the danger of a banking system meltdown in peripheral euro zone countries coupled with contraction in its major economies like Germany has resulted in negative growth in Euro zone.

The growth in the Emerging Market Economies which are viewed as growth engines of the world economy world over have also slowed down with Brazil and South Africa registering accelerated growth where as Russia, China and India a lower growth.

According to the Central Statistics Office's advance estimate of GDP growth, Indian Economy is expected to grow at 5% during the year 2012-13 as compared to a growth of 6.21% registered during 2011-12. This has been mainly on account of weak industrial activity compounded by domestic supply bottlenecks and slackening of external demand. This has also slowdown the growth in the service sector which has been the main driver of the growth.

The Reserve Bank of India in order to strike a balance in growth- inflation dynamics have initiated various measures during 2012-2013 to provide greater liquidity to financial system. This has resulted in moderating the headline inflation within its acceptable level. The food inflation as measured by new combined (rural and urban) consumer price index (CPI) remains in double digit is a cause of concern. The measures initiated are expected to result in moderate growth in GDP in the second half of 2013-2014.

### REVIEW OF OPERATIONS

The current financial year was extremely challenging for the Company. Due to lack of availability of Fund and on other side challenge of be present in the market has pushed your Company to continue to be invested in Pharmacy products and the same has forced Company to incur loss during the year. However the figure of Loss was lesser than earlier financial year though it was a matter of despair for the Company continues to be a loss making Company in spite of hard work done by your Company.

The Business environment remains extremely challenging and the recessionary economic conditions continuously leading to slowdown in demand and inflation pushed further scale up of input costs, left its adverse imprint on overall performance for 2012-2013. Due to all those reasons the Company could not do well during the year under review. Gross income from operations was to the extent of ` 14.49 Lac during the year in comparison to last years' figure of ` 20.78 Lac.

### BUSINESS SEGMENT

During the year, the Company is into the business of sole segment of trading of tablet, liquid orals, capsules and ointments under the allopathic system and capsules and liquid orals under the ayurvedic/sidha systems. The Company's business involves significant investments in marketing for its operations.

### OPPORTUNITIES

The Pharmaceutical industry in India is the world's third-largest in terms of volume and stands 14th in terms of value. Further, Indian pharmaceuticals industry is expected to grow by 19% in 2013. Indian is now among the top five pharmaceuticals emerging markets. There will be new drug launches, new drug filings and Phase II clinical trials throughout the year. On the back of increasing sales of generic medicines, continued growth in chronic therapies and a greater penetration in rural markets, the domestic pharmaceutical market is expected to register a strong double digit growth of 13-14 percent in year 2013.

Moreover the increasing population of the higher-income group in the country will open a potential US\$ 8 billion market for multinational companies selling costly drugs by 2015. Besides the domestic pharma market is estimated to touch US\$ 20 billion by 2015 making India a lucrative destination of clinical trials for global giants.

Further estimates the healthcare market in India to reach US\$ 31.59 billion by 2020.

### **THREATS & CHALLENGES**

Over the past decade, pharmaceutical companies have entered a difficult period where shareholders, the market and the regulators have created significant pressures for change within the industry. The core issues of most of the drug companies are declining productivity of in-house R&D, patent expiration of number of block buster drugs, increasing legal and regulatory concerns and pricing issues. As a result, larger pharmaceutical companies are shifting to new business model with greater outsourcing of discovery services, clinical research and manufacturing.

Current global financial conditions and the threat of broad recession accelerated the timetable for implementing transformational changes in global organizations, as the industry confronts lower corporate stock prices and increasingly cost-averse customer. A leader of the largest global pharmaceutical companies recognizes the needs for transformational changes in their organizations, but will need to move swiftly to ensure sustained growth.

Transformations in the business model of larger pharmaceutical industry spell more opportunity for Indian pharmaceutical companies. Pharmaceutical production costs are almost 50 percent lower in India than in western nations, while overall R&D costs are about one-eighth and clinical trial expenses around one-tenth of western levels.

### **RISK MANAGEMENT**

The Company has aligned its policy on risk assessment in line with global approach and risk assessment reports are reviewed on regular intervals. The Company has adopted a focused approach towards risk management in the form of a corporate insurance program which has the goal of optimizing the financing of insurable risks by using a combination of risk retention and risk transfer. The program covers all potential risks relating to business operations of the Company at its various locations.

The Company's business critical software is operated on a server with regular maintenance with back-up of data with regular basis. The system's parallel architecture overcomes failures and breakdowns. Reliable and permanently updated tools guard against virus attacks. Updated tools are regularly loaded to ensure a virus free environment.

### **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The Company has implemented a comprehensive system of internal controls and risk management systems for achieving operational efficiency, optimal utilisation of resources, credible financial reporting and compliance with local laws. These controls are regularly reviewed by both internal and external agencies for its efficiency and effectiveness. Management information and reporting system for key operational activities form part of overall control mechanism.

The Company has retained the services of independent firms of professionals to function as internal auditors and provide reports on various activities covering observations on adequacy of internal controls and their recommendations. Findings of internal audit reports and effectiveness of internal control measures are reviewed by top management and audit committee of the Board. During the year, internal audit team of Company performed audits of major operational areas of the Company and carried out elaborate checks and verification and shared their findings with top management for remediation of minor gaps wherever required.

**HUMAN RESOURCES**

The Company recognizes that its success is deeply embedded in the success of its human capital. During 2012-2013, the Company continued to strengthen its HR processes in line with its objective of creating an inspired workforce. The employee engagement initiatives included placing greater emphasis on learning and development, launching leadership development programme, introducing internal communication, providing opportunities to staff to seek inspirational roles through internal job postings, streamlining the Performance Management System, making the compensation structure more competitive and streamlining the performance-link rewards and incentives.

The Company believes that learning is an ongoing process. Towards this end, the Company has built a training infrastructure which seeks to upgrade skill levels across grades and functions through a combination of in-house and external programme.

**CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY**

The Company constantly strives to meet and exceed expectations in terms of the quality of its business and services. The Company commits itself to ethical and sustainable operation and development of all business activities according to responsible care and its own code of conduct. Corporate Social Responsibility is an integral part of the Company's philosophy and participates in activities in the area of education and health.

**CAUTIONARY STATEMENT**

Certain statements under "Management Discussion & Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statement within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

**COMPLIANCE**

The Compliance function of the Company is responsible for independently ensuring that operating and business units comply with regulatory and internal guidelines. The Compliance Department of the Company is continued to play a pivotal role in ensuring implementation of compliance functions in accordance with the directives issued by regulators, the Company's Board of Directors and the Company's Compliance Policy. The Audit Committee of the Board reviews the performance of the Compliance Department and the status of compliance with regulatory/internal guidelines on a periodic basis.

New Instructions/Guidelines issued by the regulatory authorities were disseminated across the Company to ensure that the business and functional units operate within the boundaries set by regulators and that compliance risks are suitably monitored and mitigated in course of their activities and processes. New products and process launched during the year were subjected to scrutiny from the Compliance Standpoint and proposals of financial services were screened from risk control prospective.

The Company has complied with all requirements of regulatory authorities. No penalties/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years except re-instatement fees paid to BSE for revocation of suspension from trading in the Equity Shares of the Company.

Chennai, May 30, 2013

By order of the Board  
For MAHAVIR ADVANCED REMEDIES LIMITED

**Registered Office :**

No. 91, D-11, Govindappa Naicken Street  
Chennai - 600 079 (Tamil Nadu)

**BVS KOTESWARA RAO**  
Managing Director

## **ANNEXURE TO THE DIRECTORS' REPORT**

### **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Corporate Governance for the Company means achieving high level of accountability, efficiency, responsibility and fairness in all areas of operation. Our Employees are committed towards the protection of the interest of the Stakeholders viz. Shareholders, creditors, investors, clients etc. Our policies consistently undergo improvements keeping in mind our goal i.e. maximization of value of all the stakeholders.

The goal is achieved through -

- Infusion of best expertise in the Board;
- Consistent monitoring and improvement of the human and physical resources;
- Board/Committee meetings at regular intervals to keep the Board informed of the recent happenings.

### **BOARD OF DIRECTORS**

#### **Composition of Directors**

The Board has four members with an Executive Chairman. The Independent Directors on the Board are competent and highly respected professionals from their respective fields and have vast experience in general corporate management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as members of the Board. The day to day management of the Company is conducted by Managing Director subject to supervisions and control of the Board.

All the Directors are liable to retire by rotation as per Article 128 of the Article of Association and eligible for re-election.

None of the non-executive directors has any material pecuniary relationships or transactions with the company, its promoters, directors and associates which in their judgment would affect their independence. None of the directors are inter-se related to each other.

The Board of Directors met 9 times on 2nd April, 4th July, 27th August, 4th September, 5th November and 12th November in year 2012, on 22nd January, 14th February and 8th March in the year 2013 during the financial year 2012-2013.

The composition and category of the Board of Directors as at March 31, 2013, the number of other Directorships/Committee memberships held by them and also the attendance of the Directors at the Board meetings of the Company are as under:

Name	Designation	Board Meetings Attended	Whether Attended AGM	Committee Membership in other Listed Cos.	Committee Chairmanship in other Listed Cos.	No. of Directorship in other Listed Cos.
BVS Koteswara Rao*	Managing Director	9	Yes	Nil	Nil	Nil
Anitha Mahesh	Independent Director	9	Yes	4	2	5
Mani Murugadas Rao	Independent Director	9	Yes	2	1	1
Shantilal R Purohit	Independent Director	Nil	Yes	Nil	Nil	Nil

\*Chairman of the Board

### AUDIT COMMITTEE

The Audit Committee of the Board consists of two Independent Directors & the Managing Director. All members of the Audit Committee are financially literate and they have accounting or related financial management expertise.

The primary purpose of the Audit Committee is to assist the Board of Directors (the "Board") of Mahavir Advanced Remedies Limited, (the "Company") in fulfilling its oversight responsibilities with respect to (a) the accounting and financial reporting processes of the Company, including the integrity of the audited financial results and other financial information provided by the Company to its stockholders, the public, any stock exchange and others, (b) the Company's compliances with legal and regulatory requirements, (c) the Company's independent auditors' qualification and independence, (d) the audit of the Company's Financial statements, and the performance of the Company's internal audit function and its Independent Auditors.

### Terms of Reference

The Audit Committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting System, internal control system, discussion on quarterly, half-yearly and annual financial results, interaction with Statutory & Internal Auditors, one-on-one meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory and fixing their remuneration, appointment and remuneration of Internal Auditors, Review of Business Risk Management Plan, Management Discussions & Analysis, Review of Internal Audit Reports, significant related party transactions. The Company has framed the Audit Committee Charter for the purpose of effective compliance of Clause 49 of the Listing Agreement. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

Additionally, the following terms of reference were issued to the Audit Committee by the Board of Directors:

- to consider and recommend to the Board the investment guidelines for Capital and Money Market operations;
- to review the Annual Budget;
- to take note of the significant decisions taken or important developments considered at the Management

- d) Committee/Working Board Meetings; and
- e) to carry out any other duties that may be delegated to the Audit Committee by the Board of Directors from time-to-time.

**Authority and Responsibilities**

The Audit Committee has power to investigate any activity within its terms of reference, call upon any of the Employees of the Company, to obtain outside legal or other professional advice as and when the same is being required and to secure attendance of outsiders with relevant expertise, if it considers necessary.

**Following are the Role of Audit Committee -**

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up there on.

10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism.
14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

In addition to the above, Audit Committee reviews the followings :

- i Management discussion and analysis of financial condition and results of operations;
- ii Statement of significant related party transactions submitted by management;
- iii Management letters / letters of internal control weaknesses issued by the statutory auditors and qualification in draft audit report;
- iv Internal audit reports relating to internal control weaknesses;
- v To review the annual financial statements and to recommend their adoption to the Board, with particular reference to disclosure of any related party transaction;
- vi To review the Quarterly financial statements and recommend their adoption to the Board; and
- vii The appointment, removal and terms of remuneration of the Chief internal auditor.

The members of Audit Committee met five times on 2nd April, 4th July, 27th August and 12th November in year 2012 and on 14th February in year 2013 during the financial year ended on 31st March 2013.

Name	Number of Meetings Held	Meetings Attended
Ms. Anitha Mahesh*	5	5
Mr. Mani Murugadas Rao	5	5
Mr. BVS Koteswara Rao	5	5

\*Chairman of Committee

#### REMUNERATION COMMITTEE

Since the Company does not have remuneration Committee (constitution of which is a non-mandatory requirement), the details pertaining to the same are not provided.

#### Details of Remuneration paid to Directors

The payment of salary to Directors was Nil during the financial year 2012-2013.

No Stock option has been allotted to any of the Directors during the financial year 2012-2013.

None of the Independent Directors holds any shares in their name or in the name of their relatives.



**SHARE TRANSFER COMMITTEE**

The Board of Directors has constituted Share Transfer Committee under the Chairmanship of Mr. BVS Koteswara Rao; Chairman with two other Independent Directors.

The members of Share Transfer Committee met 9 times on 19th May, 30th June, 27th August, 28th August, 29th August, 14th September and 16th November in year 2012, on 14th February, and 31st March in year 2013 during the financial year ended on 31st March 2013.

Name	Number of Meetings Held	Meetings Attended
Mr. BVS Koteswara Rao*	9	9
Ms. Anitha Mahesh	9	9
Mr. Mani Murugadas Rao	9	9

\*Chairman of Committee

**INVESTOR GRIEVANCE COMMITTEE**

The Board of MAHAVIR ADVANCED REMEDIES LIMITED has constituted a Committee of Directors, which inter-alia also functions as "Shareholders/Investors" Grievance Committee, consisting of three members, chaired by a Non-Executive, Independent Director. The Committee meets once a month and inter-alia, deals with various matter relating to:

- Transfer/transmission/transposition of shares;
- Consolidation/splitting of shares/folios;
- Issue of Share Certificates for lost, sub-divided, consolidated, rematerialize, defaced etc;
- Review of Shares dematerialized and all other related matters; and
- Investors' grievances and redressal mechanism and recommend measures to improve the level of Investor Services.

The Share Department of the Company and the Registrar and Share Transfer Agent, Purva Sharegistry India Pvt. Ltd. attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges and Registrar of Companies etc.

The Minutes of Shareholders'/Grievances Committee are noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

**COMPLIANCE OFFICER**

The Company has appointed Mr. BVS Koteswara Rao as a Compliance Officer within the meaning of Listing Agreement.

**COMPOSITION OF COMMITTEE AND MEETINGS ATTENDED**

During the year, twelve meetings of the Committee of Directors were held on April 2, May 2, June 4,

July 2, August 1, September 3, October 1, November 1 and December 3 in year 2012 and on January 2, February 1 and March 1 in year 2013.

Brief Details of Names, Position, Category and meeting attended by Members of Committee is as follows:

Name	Position	Category	Meetings Attended
Mr. Mani Murugadas Rao*	Chairman	Independent, Non-Executive	12
Ms. Anitha Mahesh	Member	Independent, Non-Executive	12
Mr. BVS Koteswara Rao	Member	Executive - Wholetime	12

\*Chairman of Committee

#### DETAILS OF SHAREHOLDERS' COMPLAINTS DURING THE YEAR

During the year the Company did not receive any complaint from its Members and there were Nil Complaint at the end of Financial Year ending on 31st March 2013.

#### GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings :

Annual General Meeting	Date & Time	Venue
20th Annual General Meeting	29th September 2012, 10.30 AM	No. 24,Railway Colony, III Street, Aminjikarai, Chennai - 600 029
19th Annual General Meeting	28th September 2011, 3.30 PM	No. 24,Railway Colony, III Street, Aminjikarai, Chennai - 600 029
18th Annual General Meeting	30th September 2010, 3.30 PM	No. 24,Railway Colony, III Street, Aminjikarai, Chennai - 600 029

#### LOCATION AND TIME OF EXTRA-ORDINARY GENERAL MEETINGS HELD IN LAST THREE YEARS:

Details of Extra-Ordinary General Meetings have been held during last three financial years are as under :-

During Current Financial Year, an Extra Ordinary General Meeting (EOGM) was held on 18th day of February 2013 at 10.30 AM at Registered Office of the Company for Issue and Allotment up to 63.50 Equity Shares on preferential basis at a price of ` 11/- per Share to Non-Promoters Group to meet the Working Capital requirements of the Company. Also the Authorized Capital of the Company was increased from ` 5.50 Crore to ` 15.50 Core to enable Company to issue and allot further shares as proposed in said EOGM.

Beside above business, a Resolution was also being passed for Change in Name of the Company from Indo-American Advanced Pharmaceuticals Limited to Mahavir Advanced Remedies Limited and accordingly to alter Memorandum & Articles of Association.

No Extra Ordinary General Meeting (EOGM) was held during remaining two out of last three financial years.

#### POSTAL BALLOT

No Resolutions were being passed during last three financial years through Postal Ballot Rules.

At the forthcoming Annual General Meeting, there is no item on the agenda that needs approval by Postal Ballot.

**SPECIAL RESOLUTION PASSED IN LAST THREE ANNUAL GENERAL MEETINGS:**

No Special Resolutions have been passed during last three financial years.

**BOARD DISCLOSURES****Risk Management**

The Company has a Risk Management Policy which has been adopted by the Board of Directors, currently, the Company's risk management approach comprises of the following :-

- ❖ Governance of Risk
- ❖ Identification of Risk
- ❖ Assessment of Control of Risk

The risks have been prioritized through a companywide exercise. Members of Senior Management have undertaken the ownership and are working on mitigating the same through co-ordination among the various departments, insurance coverage, security policy and personal accident coverage for lives of all employees.

The Company has appointed a Risk Officer and also put in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

Risk Officer will make a presentation periodically on risk management to the Board of Directors and the Audit Committee. The Board and the Audit Committee provide oversight and review the risk management policy periodically.

**DISCLOSURE OF ACCOUNTING TREATMENT**

In the preparation of financial statements, the Company has followed the Accounting Standards referred to in Section 211(3)(c) of the Companies Act, 1956. The Significant Accounting Policies which are consistently applied are set out in the Notes to the Financial Statements.

**INSIDER TRADING**

The Securities and Exchange Board of India (SEBI) has over the years introduced various amendments to the Insider Trading Regulations of 1992 which ordain new action steps by corporate and other market intermediaries for the purposes of prevention of Insider Trading.

Pursuant to the above requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a `Code of Conduct` for Prevention of Insider Trading (The Code) with effect from October 1, 2002. The Code is applicable to all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Compliance Officer has been appointed for monitoring adherence to the said Regulations.

**DISCLOSURES**

- (a) There were no transactions with related party i.e. with Promoters, Directors, Management, Subsidiaries or Relatives that may have potential conflict of interest with the Company at large. The details of the related Party transactions are disclosed under the notes on accounts, as required under the Accounting Standard 18 issued by the Institute of Chartered Accountants of India.
- (b) There has been no instance of non-compliance by the Company on any matter related to Capital Markets and hence the question of penalties or strictures being imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority does not arise.

- (c) In Compliance with the Securities & Exchange Board of India (Prohibition of Insider Trading Regulations, 1992) as amended till date, on Prohibition of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences of non-compliance thereof.
- (d) Reconciliation of Share Capital : A qualified Practicing Company Secretary carried out Reconciliation of Share Capital on quarterly basis to reconcile the total admitted capital with Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The "Reconciliation of Share Capital Audit Report" confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with CDSL. Further, the Company is yet to establish connectivity with National Securities Depository Ltd. (NSDL).

### **CODE OF BUSINESS CONDUCT & ETHICS**

The Company has adopted Code of Business Conduct and Ethics ("the Code") which is applicable to the Board of Directors and Senior Management Team (one level below the Board of Directors) of the Company. The Board of Directors and the members of Senior Management Team are required to affirm semi-annual compliance of this Code. The Code requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company website.

### **CONFLICT OF INTEREST**

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. Members of Board while discharging their duties, avoid conflict of interest in the decision making process. The members of Board restrict themselves from any discussions and voting in transactions that they have concern or interest.

### **DISCLOSURES ON NON-MANDATORY REQUIREMENTS**

The Company has adopted/complied with the following non-mandatory requirements as prescribed in Annexure I D to Clause 49 of Listing Agreement with the Stock Exchange :-

- a) None of the Independent Directors on the Board of the Company has served for the tenure of exceeding nine years. The Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which in the opinion of the Company would enable him to contribute effectively to the Company in his capacity as an Independent Director.
- b) The Company has not setup Compensation and Remuneration Committee.
- c) There was no case of Non-Compliance during financial year 2012-2013 in term of provisions of Listing Agreement entered into with BSE by the Company. Further, no penalties have been levied or actions have been taken by BSE or SEBI during last three years.
- d) The Company has complied with all mandatory provisions of listing agreement.
- e) The financial statements of the Company are unqualified.

**MEANS OF COMMUNICATIONS**

- In Compliance with the requirement of Listing Agreement, the Company regularly intimates financial results to Bombay Stock Exchange Ltd. immediately after they are approved by Board of Directors.
- The Quarterly/Half Yearly/Nine Months & Annual Results have been submitted to Bombay Stock Exchange Ltd. and published in the leading English Newspapers and in vernacular language Newspaper.
- Company displays its Quarterly Results/Half Yearly/Nine Months & Annual Results on its website www.iaap.in
- Official News releases have been posted on its web portal www.iaap.in
- No formal representations were made to Institutional Investors or Analysts during the year under review.
- Management Discussion and Analysis forms part of the Annual Report will be posted to the shareholders of the Company.

**GENERAL SHAREHOLDER INFORMATION**

Detailed information in this regard is provided in section "Shareholders Information" which forms part of this Annual Report.

**SHAREHOLDERS' INFORMATION****a. Next Annual General Meeting**

The information regarding 21st Annual General Meeting for the financial year ended on 31st March 2013 is as follows :-

**Day & Date** : Friday, 27th September 2013

**Time** : 11.30 A.M.

**Venue** : No. 91, D-11, Govindappa Naicken Street, Chennai - 600 079 (Tamil Nadu)

**b. Financial Year** : 1st April to 31st March.

**c. Future Calendar** :

Subject Matter	Date
Financial Reporting of 1st Quarter ended on 30th June 2013	Mid of August, 2013
Financial Reporting of 2nd Quarter ended on 30th September 2013	Mid of November, 2013
Financial Reporting of 3rd Quarter ended on 31st December 2013	Mid of February 2014
Financial Reporting of 4th Quarter ended on 31st March 2014	During May 2014
Date of Annual General Meeting	During September 2014

**d. Date of Book Closure** : September 20 to September 27, 2013. (Both days inclusive)

**e. Dividend Payment Date** : No Dividend has been recommended for the year under review.

- f. **Dividend History** : The Company has not paid any Dividend during last 10 years.
- g. **Listing of Shares** : Bombay, Madras & Cochin Stock Exchanges
- h. **Listing & Custody Fees** : Company has paid Annual listing Fees to BSE and Custodial Fees to CDSL for year 2013-2014.
- i. **Stock Code & ISIN** : Scrip Code 531689 on BSE.  
ISIN - INE716N01016 on CDSL.
- j. **Market Price Data** :

Month	Price on BSE (₹) & Volume			BSE Sensitive Index	
	High	Low	Volume	High	Low
September 2012	7.65	7.30	300	18,869.94	17,250.80
October 2012	N.A.	N.A.	Nil	19,137.29	18,393.42
November 2012	N.A.	N.A.	Nil	19,372.70	18,255.69
December 2012	N.A.	N.A.	Nil	19,612.18	19,149.03
January 2013	N.A.	N.A.	Nil	20,203.66	19,508.93
February 2013	N.A.	N.A.	Nil	19,966.69	18,793.97
March 2013	N.A.	N.A.	Nil	19,754.66	18,568.43

\*Equity Shares of the Company were under trading suspension till August 2012.

**k. Registrar & Share Transfer Agent.**

M/s. Purva Sharegistry (India) Pvt. Ltd. has been appointed as Registrar & Share Transfer Agent for all work relating to share registry in terms of physical. All transfer, transmission, request related to correspondence/queries, intimation of change of address etc. should be addressed to our RTA directly at the following Address:

**M/s. Purva Sharegistry (India) Pvt. Ltd.**

9, Shiv Shakti Ind. Estate, Ground Floor, J. R. Boricha Marg, Lower Parel, Chennai-400 011

Tel : 022-2301 6761 / 2301 8261, Fax : 022-2301 2517, Email : purvashr@mtnl.net.in

Website : www.purvashare.com

**l. Share Transfer Systems**

The Share transfer is processed by the Registrar & Share Transfer Agent, Purva Sharegistry (India) Pvt. Ltd. and approved by Share Transfer Committee, if the documents are complete in all respects, within 15 days from the date of lodgment.

## m. Distribution of Shareholding as on 31st March 2013

No. of Equity Shares	No. of Share Holders	% of Share Holders	Total No. of Shares Held	% of Share Holding
1-500	21	7.22	8100	0.07
501-1000	34	11.68	32300	0.28
1001-2000	2	0.69	3600	0.03
2001-3000	23	7.90	58900	0.52
3001-4000	14	4.81	50900	0.45
4001-5000	8	2.75	39600	0.35
5001-10000	59	20.27	562600	4.95
10001 and Above	130	44.67	10603200	93.34
<b>Total....</b>	<b>291</b>	<b>100.00</b>	<b>11359200</b>	<b>100.00</b>

## n. Shareholding Pattern as on 31st March 2013

Categories	No. of Shares	% of Shareholding
Promoters, Directors, Relatives & Person acting in concert	920400	8.10
Indian Bank	0	0.00
Non-Resident Indians	5500	0.05
Private Corporate Bodies	0	0.00
Indian Public (including HUF & Clearing Members)	8576300	75.50
Hind Un-Divided Family	1857000	16.35
<b>Total .....</b>	<b>11359200</b>	<b>100.00</b>

## o. Dematerialization of Equity Shares &amp; Liquidity

The Company's Equity Shares are in Physical trading segment as the Company has established connectivity with only CDSL by signing the necessary agreements.

**Procedures for dematerialization / rematerialization of Equity Shares:-**

Shareholders seeking demat / remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to Registrar and Share Transfer Agents of the Company. Upon receipt of the request and share certificates, the Registrar will verify the same. Upon verification, the Registrar will request CDSL to confirm the demat request. The demat account of the respective share holder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

In case of remat, upon receipt of the request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The Registrar then requests CDSL to confirm the same. Approval of the Company is being sought and equivalent numbers of shares are issued in

physical form to the shareholder. The share certificates are dispatched within one month from the date of issue of Shares.

As on 31st March 2013, 9.96% Equity Shares of the Company are in dematerialized form.

**p. Unclaimed Dividend**

Pursuant to Section 205C of the Companies Act, 1956, Dividends that are unpaid/unclaimed for a period of seven years from the date of they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government. At the end of year 2013, no unclaimed dividend is pending for payment to its investors.

**q. Nomination**

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

**r. Electronic Clearing Service**

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Depositories for depositing dividends. Dividend will be credited to the Members' bank account through NECS wherever complete core banking details are available with the Company. In case where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. The Company complies with the SEBI requirement.

**s. Service of Documents through Electronic Mode**

As a part of Green Initiatives, the members who wish to receive the notice/documents through e-mail, may kindly intimate their e-mail address to the Company's Registrar and Share Transfer Agent, Purva Sharegistry (India) Pvt. Ltd. to their dedicated e-mail id i.e., "purvashr@mtnl.net.in."

**t. Requirement of PAN Card in case of Transfer of Shares in Physical Form**

Pursuant to SEBI Circular, the shareholders holding shares in physical form are requested to submit self certified copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.

**u. For the Attention of Shareholders holding shares in electronic form**

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

**v. Green initiatives in Corporate Governance to receive documents through email by registering your email address :**

The Ministry of Corporate Affairs (MCA) has taken a "Green initiative in the Corporate Governance" by providing an opportunity to the shareholders to register their email address with Company and changes therein from time to time.



The Company will send notices/documents such as Annual Reports and notices by email to the shareholders registering their email address. To support this laudable move of the Government, the members who have not registered their email address, so far, are requested to do so at the earliest, in respect of demat holding through the respective Depository Participant (DP) and in respect of physical holding through the Registrar and Share Transfer Agent (RTA) M/s. Purva Sharegistry (India) Pvt. Ltd.

While every notice/document will be sent through email address registered with the Company, in case you desire to receive any notice/document in physical form, please intimate by email and the same shall be sent to your address registered with the Company/DP.

We solicit your patronage and support in joining hands with the Company to implement the e-governance initiative.

**w. Details on use of Public Funds Obtained in the last three years :**

Particulars of Utilization	Amount (₹ in Lac)
Advances for Factory Land	274.00
Advances to Suppliers	443.50
<b>Total .....</b>	<b>717.50</b>

**x. Outstanding GDRs./ADRs/Warrants or any convertible instruments, conversion data likely impact on Equity :**

Not Any.

**y. Investors' Correspondence**

Shareholders can contact the following Officials for secretarial matters of the Company :-

Mr. BVS Koteswara Rao - indoamerican1234@gmail.com

**z. Code of Conduct**

The Board of Directors of the Company has laid down Code of Conduct for Directors and for Senior Management & Employees. All Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the Managing Director & Chief Executive Officer is annexed to this report.

**aa. Address for Correspondence**

MAHAVIR ADVANCED REMEDIES LIMITED

No. 91, D-11, Govindappa Naicken Street, Chennai - 600 079 (Tamil Nadu)

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**CHAIRMAN & MANAGING DIRECTOR'S DECLARATION ON  
CODE OF CONDUCT**

As required by Clause 49 of Listing Agreement, the Managing Director and CEO's Declaration for Code of Conduct is given below:

To

The Members of

**MAHAVIR ADVANCED REMEDIES LIMITED**

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Chennai, May 30, 2013

By order of the Board  
For **MAHAVIR ADVANCED REMEDIES LIMITED**

**Registered Office :**

No. 91, D-11, Govindappa Naicken Street  
Chennai - 600 079 (Tamil Nadu)

**BVS KOTESWARA RAO**  
Managing Director

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**ANNUAL CERTIFICATE UNDER CLAUSE 49(I)(D) OF THE LISTING AGREEMENT  
WITH THE STOCK EXCHANGES**

I, BVS Koteswara Rao, Managing Director of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct during the year ended 31st March 2013.

Chennai, May 30, 2013

By order of the Board  
For **MAHAVIR ADVANCED REMEDIES LIMITED**

**BVS KOTESWARA RAO**  
Managing Director

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Members,

**MAHAVIR ADVANCED REMEDIES LIMITED**

We have examined the compliance of Corporate Governance by M/s. MAHAVIR ADVANCED REMEDIES LIMITED for the year ended on 31" March, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate Governance. It is neither an audit nor an expression of to opinion on the financial statement of the Company.

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

We state that no investor grievance(s) is/ are pending for a period exceeding for one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

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

For **G. Sivaprakash**  
Chartered Accountants

Place : Chennai

Date : May 30, 2013

Proprietor  
Membership Number 200/24556

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## SECRETARIAL COMPLIANCE REPORT

The Board of Directors,

**M/s. MAHAVIR ADVANCED REMEDIES LIMITED**

We have examined the registers, records and papers of M/s. MAHAVIR ADVANCED REMEDIES LIMITED as required to be maintained under the Companies Act, 1956, (hereinafter referred to as "The Act"), the rules made there under and also the provisions contained in the Memorandum of Association and Articles of Association of the Company for the year ended 31st March 2013.

On the basis of our examination as well as information and explanations furnished by the Company and the records made available to us, we report that:

1. The Company has kept and maintained all registers and records as per Annexure "A" to this certificate, as per the provisions of the Companies Act 1956 (the Act) and the rules made there under and all entries therein have been duly recorded during the year.
2. The Company has filed the forms and return as stated in Annexure "B" to this certificate, with the Registrar of Companies or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company has given proper notice along with the agenda for convening of Board Meeting, Committee Meetings and Annual General Meetings during the year.
4. The proceedings of the Meetings were properly recorded in the Minutes Books during the year.
5. The Board of Directors of the Company is duly constituted during the year.
6. The Company has obtained all the necessary approvals from the Board and Shareholders as required by the Act during the year.
7. The Company has not accepted any Deposit in terms of Section 58A of the Act read with Companies (Acceptance of Deposit) Rules, 1975 during the year.
8. The Company has closed its Register of Members from 26th September 2012 to 28th September 2012 (both days inclusive) during the financial year and necessary compliance of section 154 of the Act has been made.
9. The Company has not declared dividend and thus compliance with the provisions of section 205 of the Act is not applicable to the Company for the year.
10. The Company has not paid remuneration to the Managing Director of the Company during the year in terms of section 198, 269, 309 read with Schedule XIII of the Act.
11. The Company has not appointed any sole selling agent in terms of section 294 of the Act during the year.
12. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under section 295 of the Act during the year.
13. The Company has not entered into any transactions, which falls under section 297 of the Act during the year.
14. The Directors have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions of section 299 of the Act.
15. The Company has not appointed any person as a place of profit in terms of section 314 of the Act during the year.
16. The Company has complied with the provisions of section 372A of the Act.
17. The Company :
  - a) has delivered all the Share Certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;

- b) was not required to deposit amount in a separate Bank Account as no Dividend was declared during the financial year.
  - c) was not required to post warrants to any member of the Company as no Dividend was declared during the financial year..
  - d) Was not required to transfer any amount to Investor Education and Protection Fund.
  - e) Has duly complied with the requirement of section 217.
18. The Board of Directors of the Company is duly constituted and there was no appointment of Additional Director/s alternate Director/s and Directors to fill the casual vacancy during the financial year.
  19. The Company was not required to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act.
  20. The Company has issued 63,50,000 Equity Shares of ` 10/- each at a perineum of ` 1/- per share Shares during the financial year.
  21. The Company has not bought back any share during the financial year.
  22. There was no redemption of preference shares or debentures during the financial year.
  23. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
  24. As per the information and explanation given, the Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 15A during the financial year.
  25. The Company has not borrowed fund from its Directors, members, public, financial institutions, banks and others during the financial year ending on 31st March 2013.
  26. The Company has altered the provisions of the Memorandum with respect to situation of the Company's Registered Office within state of Tamil Nadu during the year under scrutiny and has shifted its Registered Office from the state of Punjab to State of Maharashtra.
  27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
  28. The Company has altered the provisions of the Memorandum with respect to the name of the Company and has changed its name from Indo-American Advanced Pharmaceuticals Limited to Mahavir Advanced Remedies Limited during the year under scrutiny.
  29. The Company has altered its Memorandum of Association and Articles of Association with respect to the Share Capital of the Company and has increased its Authorized Capital from ` 5.50 Crore to ` 15.50 Crore during the year.
  30. The Company has not sub-divided face value of its Equity Shares during the year under review.
  31. There was no prosecution initiated against the Company, or Show Cause Notices received by the Company, for offences under the Act.
  32. The Company has not received any money as security from its employees during the financial year 2012-2013.

**For Amit R. Dadheech & Associates**  
Company Secretaries

Place : Mumbai  
Date : May 30, 2013

**Amit R. Dadheech**  
Proprietor  
C. P. No. 8952

## Annexure "A"

Register as maintained by the Company :-

Statutory Registers :

1. Register of Members u/s 150
2. Register of Directors, Managing Director, Manager and Secretary u/s 303
3. Register of Disclosures of Interest by Directors u/s 301(3)
4. Minutes Book u/s 301
5. Register of Directors Shareholding u/s 307

## Annexure "B"

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other Authorities during the financial year ending on 31st March 2013.

Sr. No.	Form N. / Return	Filed u/s	For	Whether filed within prescribed time Yes / No	If delay in filing whether requisite additional Fees paid Yes/No
1.	Form 23AC and ACA for the Financial Year ended on 31st March 2012	220	Annual Requirement	Yes	Yes
2.	Form 20B for the Financial Year ended 31st March 2012	159	Annual Requirement	Yes	Yes
3.	Form No. 5	95, 97	Increase in Authorized Capital	Yes	N. A.
4.	Form 23	192	Registration of Resolutions	No	Yes
5.	Form No. 2	75(1)	Return of Allotment	No	Yes
6.	Form 18	146	Change in situation of Registered Office	Yes	N.A.
7.	Form 32	303(2) and 264(2)	Resignation of Directors	Yes	N.A.
8.	Form 1B	21	Change in Name of the Company	Yes	N.A.

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**AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2013**

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To the Members of MAHAVIR ADVANCED REMEDIES LIMITED, CHENNAI.

**Report on the Financial Statements**

We have audited the accompanying financial statements of M/s. Mahavir Advanced Remedies Limited, which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the 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 the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

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

2. As required by Section 227(3) of the Act, we report that:
- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

**G. Sivaprakash**  
Chartered Accountants

Place : Chennai  
Date : May 30, 2013

Proprietor  
Membership Number 200/24556



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**ANNEXURE TO THE AUDITORS' REPORT**

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Referred to in paragraph 3 our report of even date on the accounts for the year ended 31st March 2013 of MAHAVIR ADVANCED REMEDIES LIMITED, CHENNAI.

- (i) The company has no fixed assets, so item (i) of paragraph 4 of the order is not applicable to the Company.
- (ii) The company has no inventories, so item (ii) of paragraph 4 of the order is not applicable to the Company.
- (iii) According to information and explanations given to us, the company has not taken or granted any secured or unsecured loans from/to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed assets and for the sale. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v)
  - (a) According to information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
  - (b) According to information and explanations given to us, no transactions have been made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of each party.
- (vi) In our opinion, and according to information and explanations given to us, the Company has not accepted any deposits from the public. Under section 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975, during the year.
- (vii) In our opinion, the Company's internal audit system is commensurate with the size and the nature of its business.
- (viii) Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- (ix)
  - (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Income-tax, Wealth Tax, sale-tax, custom duty and any other statutory dues applicable to it;
  - (b) According to information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sale-tax, custom duty and excise duty etc. were outstanding as at 31st March 2013, for a period of more than six months from the date they became payable;
  - (b) According to the records of the company, there are no dues of income tax, wealth tax, sale-tax, custom duty and excise duty, which have been deposited on account of any dispute.

- (x) The accumulated losses of the company are not more than fifty per cent of its net worth. The company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year also.
- (xi) In our opinion and according to information and explanations given to us, the company not defaulted in repayment of dues to financial institution, bank or debenture holders.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a Chit Fund, Nidhi or Mutual Benefit Society. Hence requirement of item (xiii) of paragraph 4 of the order is not applicable to the Company.
- (xiv) The Company is in to the trading medicines or pharmaceutical products. Based on our examination of documents and records, we are of the opinion that proper records have been maintained by the company and timely entries have been made therein. The shares, securities and other investments have been held by the company in its own name.
- (xv) As informed to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) As per information and explanations given to us, the company has not taken any fresh term loan during the year.
- (xvii) According to information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long-term investment. Similarly, no funds raised on long term basis have been used for short-term investment.
- (xviii) According to information and explanations given to us, the company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The company has not issued any debenture. Hence requirement of item (xix) of paragraph 4 of the order is not applicable to the Company.
- (xx) The company has not raised any money through public issue. Hence requirement of item (xx) of paragraph 4 of the order is not applicable to the Company.
- (xxi) According to the information and explanations provided to us, a fraud on or by the company has not been noticed or reported during the year.

**G. Sivaprakash**  
Chartered Accountants

Place : Chennai  
Date : May 30, 2013

Proprietor  
Membership Number 200/24556

**BALANCE SHEET AS AT 31ST MARCH, 2013**

	Note No.	31.03.2013	31.03.2012
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	2.1	113,592,000	37,580,000
Reserves and Surplus	2.2	(27,051,166)	(31,870,232)
		<b>86,540,834</b>	<b>5,709,768</b>
<b>SHARE APPLICATION MONEY PENDING ALLOTMENT</b>		-	765,633
<b>NON-CURRENT LIABILITIES</b>			
Deferred Tax Liabilities (Net)		-	-
<b>CURRENT LIABILITIES</b>			
Other Current Liabilities	2.3	5,107	634,991
Short-Term Provision		-	-
		<b>5,107</b>	<b>634,991</b>
<b>TOTAL</b>		<b>86,545,941</b>	<b>7,110,392</b>
<b>ASSETS</b>			
<b>NON- CURRENT ASSETS</b>			
Fixed Assets		-	-
Tangible Assets		-	-
Non-Current Investments		-	-
		<b>0</b>	<b>0</b>
<b>CURRENT ASSETS</b>			
Stock-in-Trade		-	-
Other Current Assets	2.4	4,465,001	3,864,951
Cash and Cash Equivalents	2.5	116,207	258,979
Short-term loans and advances	2.6	81,964,733	2,986,462
<b>TOTAL</b>		<b>86,545,941</b>	<b>7,110,392</b>
Significant Accounting Policies and Notes on Accounts	1		

As per our report of even date

For &amp; on behalf of Board

G. SIVAPRAKASH  
Chartered AccountantsProprietor  
M. No : 200/24556BVS Koteswara Rao  
DirectorAnitha Mahesh  
DirectorPlace : Chennai  
Date : 30th May 2013

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED  
31ST MARCH, 2013**

	Note No.	31.03.2013 `	31.03.2012 `
<b>INCOME</b>			
Revenue from Operations	2.7	1,365,250	2,078,110
Other Income	2.8	83,909	-
<b>TOTAL INCOME</b>		<b>1,449,159</b>	<b>2,078,110</b>
<b>EXPENSES</b>			
Changes in Inventories of Finished Goods, Work in Progress & Closing Stock		-	-
Purchase of Stock		-	-
Employee Benefits Expenses	2.9	620,210	1,882,120
Depreciation Expenses		-	-
Finance Cost		-	-
Other Expenses	2.10	2,359,883	3,366,589
<b>TOTAL EXPENSES</b>		<b>2,980,093</b>	<b>5,248,709</b>
<b>PROFIT / (LOSS) BEFORE TAXATION</b>		<b>(1,530,934)</b>	<b>(3,170,599)</b>
Tax Expense:			
Current tax		-	-
Deferred Tax		-	-
<b>NET PROFIT / (LOSS) FOR THE YEAR</b>		<b>(1,530,934)</b>	<b>(3,170,599)</b>
<b>Earnings per Equity Share:</b>			
Basic and Diluted (Face Value of ` 10/- each, Previous Year ` 10/- each)	2.11	(0.28)	(0.63)
Significant Accounting Policies & Notes to Financial Statements			
AS PER OUR REPORT OF EVEN DATE		1	

As per our report of even date

For &amp; on behalf of Board

**G. SIVAPRAKASH**  
Chartered Accountants

Proprietor  
M. No : 200/24556

**BVS Koteswara Rao**  
Director

**Anitha Mahesh**  
Director

Place : Chennai  
Date : 30th May 2013

## STATEMENT OF CASH FLOW ANNEXED TO THE BALANCE SHEET AS AT 31ST MARCH, 2013

		Amount in `
		31.03.2013      31.03.2012
<b>A. Cash Flow from Operating Activities</b>		
<i>Net Profit before tax and extraordinary Items</i>		(1,530,934)      (3,170,599)
Adjustments for		
Depreciation		-      -
Dividend		-      -
Miscellaneous Income		-      -
Loss on Sale of Fixed Assets		-      3,366,589
<i>Operating profit before working capital changes</i>	I	<u>1,530,934</u> <u>195,990</u>
<i>Adjustments for Capital Changes</i>		
Decrease (Increase) in Trade and other Receivables		(79,578,321)      -
Decrease (Increase) in Inventories		-      -
(Decrease)/Increase in Current Liabilities		(629,884)      (125,830)
Earlier Year Income Tax Adjustments		-      -
<i>Cash Generated from operations</i>	II	<u>(80,208,205)</u> (125,830)
<b><i>Net Cash From Operating Activities</i></b>	I+II	<u>81,739,139</u> 70,160
Taxes (Paid) / Refund Received	III	-      -
<b><i>Cash Flow before Extra-Ordinary Items</i></b>	I+II+III	<u>81,739,139</u> <u>70,160</u>
<i>Xtra Ordinary Items</i>		-      -
<b><i>Net Cash Flow from Operating Activities</i></b>	(A)	<u>81,739,139</u> <u>70,160</u>
[I +II+III]		
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets		-      -
Sale of Fixed Assets		-      1,103,719
Decrease / (Increase) in Investments		-      (998,138)
Dividend Received		-      -
Miscellaneous Income		-      -
<b><i>Net Cash from Investing Activities</i></b>	B	-      105,581
<b>C. Cash Flow From Financing Activities</b>		
Proceeds from Preferential Issue		69,850,000      -
Proceeds from Call Money		12,512,000
Share Application money received/(refunded)		(765,633)
<b><i>Net Cash used in Financing Activities</i></b>	C	<u>81,596,367</u> -
<b>D Net Increase in Cash &amp; Cash Equivalents</b>	D	<u>142,772</u> 175,741
Opening Balance of Cash & Cash Equivalents		258,979      83,238
<b>E Closing Balance of Cash &amp; Cash Equivalents</b>	E	<u>116,207</u> 258,979

For and on behalf of the Board

Chennai, 30th May 2013

Director

Director

G. SIVAPRAKASH  
Chartered Accountant

Chennai, 30th May 2013

Proprietor  
Membership No. 200/24556

**1. SIGNIFICANT ACCOUNTING POLICIES****1.1 Basis of Preparation of Financial Statements**

Financial Statements have been prepared under the historical cost convention and in accordance with the provisions of Companies Act, 1956. Accounting Policies not referred to otherwise are consistent and are in accordance with the generally accepted accounting Principles in India.

**1.2 Use of Estimates**

The preparation of Financial Statements are in conformity with generally accepted accounting principles requires estimates and assumptions to be made to that effect the reported amount of Assets and Liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

**1.3 Fixed Assets**

There was no Fixed Assets with the Company during financial year 2012-13.

**1.4 Depreciation**

There was no Fixed Assets with the Company during financial year 2012-13, thus details about Depreciation is not applicable to the Company.

**1.5 Investments**

Investments which are readily realisable and intended to be held for less than one year are classified as Current Investments. All other Investments are classified as long term investments. Current Investments are carried at lower of cost and fair value determined on an individual investment basis. Long Term investments are carried at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in nature in the opinion of the management.

**1.6 Inventories**

Stock-in-trade has been valued at cost or market price which ever is lower.

**1.7 Taxes on Income**

No Provision for Taxation has been provided during the year and accordingly the policies are deviation from the Accounting Standards

**1.8 Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**1.9 Revenue Recognition**

Items of Income and Expenditure are recognized and accounted for on Accrual basis.

**1.10 Contingent Liability, if any, are disclosed by way of Notes.**

## Notes on Financial Statements for the year ended March 31, 2013

### 2.1 SHARE CAPITAL

Particulars	31.03.2013		31.03.2012	
	Number	₹	Number	₹
<b>Authorised</b>				
Equity Shares of ₹ 10/- each (Previous Year ₹ 10/-)	15,500,000	55,000,000	5,500,000	55,000,000
<b>Issued</b>				
Equity Shares of ₹ 10/- each (Previous Year ₹ 10/-)	5,009,200	155,000,000	15,500,000	155,000,000
Add: Shares Issued on Preferential basis	6,350,000	63,500,000	-	-
	11,359,200	113,592,000	5,009,200	50,092,000
<b>Subscribed and fully paid up</b>				
Equity Shares of ₹ 10/- each (Previous Year ₹ 10/-)	5,009,200	50,092,000	2,506,800	25,068,000
Add: Shares Issued on Preferential basis	6,350,000	63,500,000	-	-
	11,359,200	113,592,000	2,506,800	25,068,000
Subscribed but no fully paid up				
Equity Shares of ₹ 10/- each Paid-up of ₹ 5/-	-	-	2,502,400	12,512,000
	-	-	2,502,400	12,512,000
<b>Total</b>	11,359,200	113,592,000	5,009,200	37,580,000
Equity shares with voting rights				
Aggregate of calls unpaid				
- by directors	-	-	-	-
- by officers	-	-	-	-
- by others	-	-	2,502,400	12,512,000

#### NOTES:

- Equity shareholder holding more than 5% of equity shares along with the number of Equity Shares held is as given below  
Not Any
- The company has one class of Equity shares having a par value of ₹ 10/- each. Each shareholder is eligible to one vote per share held.

## Notes on Financial Statements for the year ended March 31, 2013

### 2.2 RESERVES AND SURPLUS

Particulars	31.03.2013	31.03.2012
<b>Securities Premium Reserve</b>	<b>6,350,000</b>	-
	<b>6,350,000</b>	-
<b>General Reserve</b>		
Opening Balance	-	-
Add : Transfer from Surplus	-	-
	-	-
Surplus in Profit & Loss Statement		
Opening Balance	(31,870,232)	(28,699,633)
Add: Net Profit / (Loss) for the year	(1,530,934)	(3,170,599)
Amount available for Appropriations	(33,401,166)	(31,870,232)
Less: Appropriations		
Transfer to Statutory Reserves	-	-
Transfer to Contingent Provision against Standard Assets	-	-
	(33,401,166)	(31,870,232)
<b>Total</b>	<b>-27,051,166</b>	<b>-31,870,232</b>
<b>2.3 DEFERRED TAX LIABILITIES (NET)</b>		
Deferred Tax Liabilities (Net)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

The Company has not accounted for Deferred Tax in accordance with the Accounting Standard 22 "Accounting For Taxation on Income" Issued by ICAI.

Current year Deferred tax asset has not been created for the Business Loss during the year, as the same will be not eligible for carry forward due to Belated filing of the returns & for previous year losses the company has not accounted for Deferred Tax Assets.

### 2.3 OTHER CURRENT LIABILITIES

Particulars	31.03.2013	31.03.2012
<b>Other payables</b>		
Trade Payables	-	573,670
Other Current Liabilities	5,107	61,321
<b>Total</b>	<b>5,107</b>	<b>634,991</b>

### 2.4 OTHER CURRENT ASSETS

Miscellaneous Expenditure Not Written Off	4,465,001	3,864,951
<b>Total</b>	<b>4,465,001</b>	<b>3,864,951</b>



## Notes on Financial Statements for the year ended March 31, 2013

### 2.5 CASH AND BANK BALANCES

Particulars	31.03.2013	31.03.2012
Cash and Cash Equivalents		
Cash in Hand	23,381	251,561
Balances with Banks		
Vysya Bank	1,964	1,964
Catholic Syrian Bank - Nlr	1,701	1,701
Catholic Syrian Bank - Chennai	3,753	3,753
Andhra Bank	53,452	-
Cheque in Hand	31,956	-
<b>Total</b>	<b>116,207</b>	<b>258,979</b>

### 2.6 SHORT-TERM LOANS & ADVANCES

(Unsecured, considered good)

Trade Receivables	1,065,498	1,065,498
Land Advances	27,400,000	-
Advances to Supplier	44,350,000	-
Unsecured Loans	7,835,000	1,500,000
Telephone Deposits	21,650	21,650
Machinery Advances	165,000	165,000
T.D.S	28,396	28,396
T.D.S (AY 13-14)	3,551	-
Rental Advance	1,000,000	-
Refund Due - Asst. Year (97-98)	1,090	1,090
Electricity Deposits	53,500	53,500
Sales Tax Deposits	15,000	15,000
Advances to Staff	25,000	135,280
Accrued Interest on Government Securities	1,048	1,048
<b>Total</b>	<b>81,964,733</b>	<b>2,986,462</b>

### 2.7 Revenue form Operation

Operating Business		
Revenue / Gross Receipts	1,365,250	2,078,110
Other Financial Services	-	-
<b>Total</b>	<b>1,365,250</b>	<b>2,078,110</b>

### 2.8 Other Income

Interest Received	83,909	-
<b>Total</b>	<b>83,909</b>	<b>-</b>

## Notes on Financial Statements for the year ended March 31, 2013

### 2.9 Employee Benefits Expenses

Particulars	31.03.2013	31.03.2012
Salaries & Bonus	620,210	1,882,120
Staff Welfare Expenses	-	-
<b>Total</b>	<b>620,210</b>	<b>1,882,120</b>

**Note :** The Payment of Gratuity Act is not applicable to the Company as no. of Employees in the Company are below threshold minimum. Therefore, the Company has no liability on account of retirement Benefits in lieu of Accounting Standard 15 (Revised) on Employees Benefit.

### 2.10 Other Expenses

Particulars	31.03.2013	31.03.2012
Paymant to Auditor	15,000	-
Advertisement	8,640	-
Bank Charges	4,260	-
Listing Fees	187,657	-
Revocation Fees	1,387,351	-
RTA Fees	44,944	-
Professional Charges	10,000	-
ROC Fees	6,500	-
Other Expenses	695,531	-
Loss on Sale of Fixed Assets	-	3,366,589
<b>Total</b>	<b>2,359,883</b>	<b>3,366,589</b>

### 2.11 Computation of Basic & Diluted EPS

Profit earned (After Tax)	( ` )	(3,170,599)	(3,170,599)
Weighted Average No. of Equity Shares outstanding during the year, Face Value of ` Re.10/- each		11,359,200	5,009,200
Earning Per Shares (Basis & Diluted)		-0.28	-0.63

### 2.11 Related Parties Disclosures (As per Accounting Standard 18)

#### 1. Relationship

- a. Wholly Owned Company - Not Any
- b. Associate Company - None
- c. Company under the Common Control of Promoters
- d. Key Management Personnel

#### 2. Transactions

There has been no related parties transactions during the year under review except normal share transactions executed through

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## Notes on Financial Statements for the year ended March 31, 2013

**2.12 Segment Reporting (As per Accounting Standard 17)**

a. The Company has three Primary Business Segments viz.

i. Pharmaceutical Business

Gross Segment Revenue	Current Year	Previous Year
i. Pharmaceutical Business	1,365,250	2,078,110

b. Secondary Segment

The Company operates predominantly within the geographical limits of India. It has no secondary segment revenue.

**2.13 Disclosure for Payment to Micro, Small & Medium Enterprises**

The Company has not received any intimation from their suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, relating to the amount unpaid as at the year end together with interest paid / payable as required under the said Act, have not been given.

**2.14 Impairment of Assets**

Company Management during the year have carried out technological evaluation for identification of Assets, if any, in accordance with Accounting Standard 28. Based on the judgement of the Management and as certified by Directors, no provision for impairment is found to be necessary in respect of any Assets as all the assets were sold off during the year.

# MAHAVIR ADVANCED REMEDIES LIMITED

Registered Office : No. 91, D-11, Govindappa Naicken Street, Chennai - 600 079 (Tamil Nadu)

## PROXY FORM

I/We \_\_\_\_\_ resident of \_\_\_\_\_ in the district of \_\_\_\_\_ being member/members of the above named Company, hereby appoint \_\_\_\_\_ resident of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him \_\_\_\_\_ resident of \_\_\_\_\_ in the district of \_\_\_\_\_ as my /our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 21st Annual General Meeting of the Company, to be held at No. 91, D-11, Govindappa Naicken Street, Chennai - 600 079 on Friday, 27th day of September 2013 at 11.30 AM and at any adjournment thereof.

Registered Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_

Signed on this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Signed by the said \_\_\_\_\_

Signature of Proxy \_\_\_\_\_

Attested by Shareholder \_\_\_\_\_

Affix ` 1/-  
Revenue  
Stamp

\$

# MAHAVIR ADVANCED REMEDIES LIMITED

Registered Office : No. 91, D-11, Govindappa Naicken Street, Chennai - 600 079 (Tamil Nadu)

## ATTENDANCE SLIP

I hereby record my presence at the 21st Annual General Meeting of the Company to be held on Friday, the 27th day of September 2013 at 11.30 A.M., at No. 91, D-11, Govindappa Naicken Street, Chennai - 600 079 and any adjournment thereof.

Name of Shareholder/s \_\_\_\_\_

Father/Husband's Name \_\_\_\_\_

Name of Proxy or Company Representative \_\_\_\_\_

Registered Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_

Signature of the Shareholder(s) or Proxy or Company Representative \_\_\_\_\_

Please fill in this Attendance Slip and hand it over at the entrance of the Place of Annual General Meeting



## BOOK-POST

*If undelivered, please return to :*

**Mahavir Advanced Remedies Limited**

No. 91, D-11, Govindappa Naicken Street, Chennai - 600 079 (Tamilnadu)