

### BOARD OF DIRECTORS

Chairman- Promoter Non Executive  
**Mr. ARUN KUMAR BHANGADIA**

Managing Director  
**Mr. ARVIND KUMAR BHANGADIA**

Independent Director  
**Mr. MURLIDHAR MUTGI**

Independent Director  
**Mr. RAMSWAROOP AGARWAL**

Independent Director  
**Mr. ARUN KUMAR SARDA**

### STOCK EXCHANGE (Listed/Traded)

**Bombay Stock Exchange Ltd**  
**(BSE Indo Next-BSE Code 590093)**

**The Ahmedabad Stock Exchange Ltd.**

**The Madras Stock Exchange Ltd.,**

### 17th ANNUAL GENERAL MEETING

Day : Friday

Date : 30th September, 2011

Time : at 11.00 a.m.

Venue : **RGA Hall, Snatak Bhavan,**  
5-4-790/1, Ashirvad Complex,  
1st Flr, Abids, Hyderabad

### BANKERS

**Axis Bank**

**ING Vysya Bank**

**HDFC Bank**

### AUDITORS

**M/s. K. Venkateswara Rao & Associates**  
Chartered Accountants  
Flat No. 105, 1<sup>st</sup> Floor, Pooja Manor,  
Himayathnagar, Hyderabad - 500 029.

### REGISTRAR & SHARE TRANSFER AGENT

**Venture Capital & Corporate Investments**  
**Private Limited**  
12-10-167, Bharat Nagar, Hyderabad-18  
Ph.No: (040) 23818475 / 23818476

### DEMAT

**Central Depository Services (India) Ltd.,**  
**National Securities Depository Limited**

### REGISTERED OFFICE

**4-4-231/1/2/ABC, Inderbagh,**  
Sultan Bazar, Hyderabad - 500 095.  
Phone No. : 040-24757370  
Email: info@trimurthidrugs.com  
Web site: www.trimurthidrugs.com

**NOTICE**

Notice is hereby given that the 17<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Friday the 30<sup>th</sup> day of September, 2011 at 11 .00 A.M. at RGA Hall, Snatak Bhavan, 5-4-790/1, Ashirvad Complex, 1st Floor, Abids, Hyderabad – 500 001, to transact the following Business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2011 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend for the financial year ended 31<sup>st</sup> March, 2011.
3. To appoint Mr. Ramswaroop Agarwal, Director who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors who shall hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board

Place: Hyderabad.

Dated: 19th August 2011

SD/-

**ARUN KUMAR BHANGADIA**  
Chairman

**NOTES:**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member of the company. The instrument of proxy in order to be effective shall be deposited at the registered office of the Company by not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 25-09-2011 to 30-09-2011 (both days inclusive) for the purpose of Annual General Meeting and dividend.
3. Members / Proxies should bring the attendance slip duly filled in along with their Annual Report for attending the meeting.

By Order of the Board

Place : Hyderabad

Dated: 19th August 2011

SD/-

**ARUN KUMAR BHANGADIA**

Chairman

**ANNEXURE TO THE NOTICE  
INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT  
PROFILE OF DIRECTORS TO BE REAPPOINTED**

**MR. Ramswaroop Agarwal**

Sri Ramswaroop Agarwal is an Independent Director of the Company. He is also a director on the Board of Hyderabad Securities and Enterprises Ltd (Formerly: Hyderabad Stock Exchange Ltd) and HSE Securities Ltd. He has experience of over 25 years in various fields and his services will immensely help the company in independent working and growth of the business of the company. Hence the Board recommends his appointment for the approval of the members.

None of the Directors are interested in the above resolution except Sri Ramswaroop Agarwal.

By Order of the Board

Place : Hyderabad  
Dated: 19th August 2011

SD/-  
**ARUN KUMAR BHANGADIA**  
Chairman

**DIRECTORS' REPORT**

To  
The Members,

Your Directors have pleasure in presenting the 17<sup>th</sup> Annual Report on the business and operations of the Company together with the audited statements of accounts for the financial year ended 31<sup>st</sup> March, 2011.

**FINANCIAL HIGHLIGHTS :**

The Financial results for the year ended 31<sup>st</sup> March, 2011 are summarized as under:

(Rs. In Lakhs)

Particulars	2010-2011	2009-2010
Income from operations	1651.92	685.78
Other Income	62.09	52.11
Total Expenditure	1644.51	647.05
Profit/Loss before Interest and Depreciation	96.97	114.60
Interest	01.34	0.05
Depreciation	26.13	23.70
Profit/Loss after Interest and Depreciation	69.50	90.85
Provision for Taxation		
* Current Tax	24.92	20.55
* Deferred Tax	(02.62)	01.31
* Fring Benifit Tax	NIL	NIL
* Previous Year's Tax Adjustment	NIL	NIL
Profit After Taxation	47.22	68.99
Appropriations		
* Proposed Dividend	20.25	20.25
* Provision for Tax on Dividend	03.28	03.36
* Transfer to General Reserve	04.72	06.90
Balance Brought Forward from Previous Year	73.99	35.52
Balance Carried to Balance Sheet	92.95	73.99
Earning Per Share	00.70	01.02

**DIVIDEND:**

Your board of directors has recommended a dividend of Rs 0.30 Paise (Thirty Paise Only) (3%) per equity share which is subject to the approval of the Shareholders in the ensuing Annual general meeting of the Company. The total payment on account of dividend (Including Dividend Tax) shall be Rs.23.53 Lakhs.

**REVIEW OF OPERATIONS:**

The Company has earned profit of Rs. 47.22 Lakhs after Tax and after making provision for Dividends and Dividend Tax, a sum of Rs. 4.72 Lakhs has been transferred to Reserves & Surplus.

2010-11 is was a very good year for the company, the Income from operations of the Company has increased by 1.41 times over the previous years turnover, however the profitability of the company is decreased due to the increased competition, Licence & Fees expences and input costs. The over all working of the Company is Satisfactory. The Company is looking at various cost reduction measures and hopes to improve the performance in the year to come. The Company also expects to enhance the shareholders value through a responsible strategy directed at building the brand value over a period of time.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) Appropriate accounting policies have been selected and applied consistently and have made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2011 and of the profit of the Company for the said period.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The annual accounts have been prepared on a going concern basis.

**AUDITORS:**

The Statutory Auditors M/s. K. Venkateswara Rao & Associates, Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

**DIRECTORS:**

Mr. Ramswaroop Agarwal, in accordance with provisions of the Companies Act, 1956 and the Articles of Association of the Company retire by rotation at the 17th Annual General Meeting and being eligible, offers himself for re-appointment. The board recommends his reappointment as a director of your company.

Brief profile of the director seeking reappointment is given in Annexure to AGM Notice.

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

**FIXED DEPOSITS:**

The Company has not accepted any fixed deposits U/s 58A and as such no amount of principle or interest was outstanding as on the date of Balance Sheet.

**CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:**

The Company has no activity relating to conservation of energy or technology absorption. Further the company did not have any foreign exchange earnings or outgo during the year. Hence no information pursuant to section 217(1)(e) of the Companies Act, 1956 read with (disclosure of particulars in the report of Board of Directors) Rules, 1988 is provided.

**LISTING OF SECURITIES:**

The Equity Shares of your Company are traded at Bombay Stock Exchange Limited (BSE Indo Next Model) and listed at The Ahmedabad Stock Exchange Limited. In order to increase the marketability of the Company's equity the company has also got itself listed on The Madras Stock Exchange Limited during the year. The requisite Annual Listing Fees of the Ahmedabad Stock Exchange Limited and Madras Stock Exchange Limited had been paid as on the date of this report.

**CORPORATE GOVERNANCE:**

The Company's philosophy on Corporate Governance is attainment of the highest level of transparency, accountability and equity in all the spheres of operations, interactions with the shareholders, employees, government and others. And as per clause 49 of the Listing Agreement with the stock exchanges a separate section on Corporate Governance followed by the Company together with the certificate from the Auditors of the Company confirming Compliance is set out in the Annexure forming part of this Report.

**CORPORATE SOCIAL RESPONSIBILITY:**

Your Company recognized that its operations impact a wide community of stakeholders, including investors, employees, customers, business associates and local communities and that appropriate attention to the fulfillment of its corporate responsibilities can enhance overall performance. In structuring its approach to the various aspects of the corporate social responsibility, the company takes account of guidelines and statements issued by stakeholder representatives and other regulatory bodies.

**PARTICULARS OF EMPLOYEES:**

None of the employees who is employed throughout the year are covered under section 217 (2A) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time.

**ACKNOWLEDGEMENT:**

Your Directors place on record their appreciation for the valuable support extended by various departments viz., Commercial Tax department, Drug Control Department and Banks for their continued support to the Company's growth. The Directors record their special appreciation to all employees for their efforts and contribution towards the growth and achieving this performance.

Your Directors also wish to express their thanks to the shareholders for the confidence which they reposed in them.

For and on behalf of the Board

Place: Hyderabad.  
Dated: 19th August 2011

**ARUN KUMAR BHANGADIA**  
Chairman



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company has earned profit of Rs. 47.22 Lakhs after Tax. The company has after making provision for Dividends and Dividend Tax, transferred a sum of Rs. 4.72 Lakhs to General Reserve.

### INDUSTRIES STRUCTURE AND DEVELOPMENTS

In India, Drugs and Pharmaceutical Industries are among the largest and the most advanced in the developing countries in terms of impact on the Societies they make. They Generate large employment pool and provide essential drugs to the vast and needy populations across the subcontinent and also across the globe. Indian Pharmaceutical Industry has made huge technological strides in the recent past and attained the know how of wide ranging capabilities in the complex domain of drug manufacturing.

Pharmaceutical Industry in India has been de-licensed and industrial licensing for most of the drugs and pharmaceutical products has been done away with. Manufacturers are now free to produce any drug duly approved by the Drug Control Authority.

The Company Operations as on date are limited to Generic Drug Industry. A Generic Drug is identical to and bioequivalent of a branded drug in dosage form, safety, strength, route of administration, quality performance characteristics and intended use which US Food and drug administration (FDA) also confirms respective countries have intensive procedures for drug approval wherein various generic version also have to meet the stringent criteria in the same way as innovative drugs. The most important advantage with generic drug is that they are cheaper as no R&D investments are involved as in the case of new drugs. The prevailing fierce competition also makes the manufactures keep to low prices. Thus, generic drugs help various patients by making drug available at affordable prices while retaining the quality. In other words, generic drugs balance public interest especially in diseases like cancer and AIDS, the prevalence of which is very high, that too in developing countries and treatment with patented drugs is steeply priced.

### OUTLOOK:

Keeping in view of the current competitive marketing conditions and improving economic situations in the country, the company is looking at various cost reduction measures and hopes to perform better in its margins. The Company looks forward to greater reach and significant holding of hand with new business areas in the years to come. The Company also expects to enhance the shareholders value through a responsible strategy directed at building value over the long-term.

**RISK AND CONCERNS:**

Risks and prospects are un-separable components of any company's business. The Directors and the Management of your Company keeping this in mind is taking all decisions so that no single shareholder is adversely affected on account of any decision taken by the Company. The Risk Management Committee of the company is working in this area, to assess the risks and minimize their incidence, so that the returns can be maximized.

**INTERNAL AUDIT SYSTEM:**

During the year the Company had appointed M/s. Ramesh Athasniya & Company, Chartered Accountants as internal auditors to the Company an external audit firm of Chartered Accountants, who submits reports on quarterly basis. The reports are placed before the Audit Committee and comments and suggestions made by the internal auditors are noted and implemented by the Company.

**CAUTIONARY STATEMENT:**

Statements in this Management Discussion and Analysis Report may be "forward looking statements: within the meaning of applicable securities laws and regulations. These statements are based on certain assumption and expectations of future events. Actual results could differ materially from those expressed or implied. Important facts that could make a difference at the Company's operations include economic conditions affecting domestic demand and supply conditions, finished goods prices, changes in government regulations and tax regime etc. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of subsequent developments, information or events.

## CORPORATE GOVERNANCE REPORT

### COMPANIES PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE

The Company always strives to achieve optimum performance at all levels by adhering to corporate governance practices and envisages fair and transparent business practices, effective management control by the Board, adequate representation of promoter, executive and independent directors on the Board, accountability for performance, monitoring of executive performance by the Board, compliance of laws, transparent and timely disclosure of financial and management information and voluntary best practices and disclosures.

#### BOARD OF DIRECTORS:

##### a) Composition

Category	Number of Directors	Non-Executive	Executive
Promoter Directors	2	1	1
Independent Directors	3	3	Nil

##### b) Board Meetings

The Board of Directors of the Company shall meet at least four times a year, with a time gap of not more than three months between any two meetings.

During the year the meeting(s) of the Board of Directors held 6 times viz. as per the below table.

Particulars	Date
First Meeting	28.04.2010
Second Meeting	18.06.2010
Third Meeting	30.07.2010
Fourth Meeting	28.08.2010
Fifth Meeting	28.10.2010
Sixth Meeting	30.01.2011

Agenda papers along with necessary statements were circulated to the Directors in advance for each of those meetings and all the relevant information was placed before the Board from time to time.

##### c) Attendance of each Director at the Board Meeting during the year and at Last Annual

**General Meeting including other Directorships.**

Name of Director	Attendance		No. of other Directorships	Committee Membership
	Board Meetings	Last AGM		
Mr. Arvind Kumar Bhangadia	6	Y	2	1
Mr. Murlidhar Mutgi	6	Y	Nil	2
Mr. Ramswaroop Agarwal	6	Y	2	3
Mr. Arun Kumar Bhangadia	6	Y	4	2
Mr. Arun Kumar Sarda	6	Y	1	3

\*

**AUDIT COMMITTEE:**

The Audit committee consists of the following directors:

<b>Mr. Ramswaroop Agarwal</b>	- Chairman	- Independent Non-Executive Director
<b>Mr. Arun Kumar Sarda</b>	- Member	- Independent Non-Executive Director
<b>Mr. Arun Kumar Bhangadia</b>	- Member	- Promoter Non-Executive Director

During the year under review, Four Audit Committee meetings were held on 26th April 2010, 28th July 2010, 26th October 2010 & 21th January 2011.

The scope of the committee includes: -

- a) Reviewing with the management, the periodic financial statements before submission to the board, focusing primarily on:
- Any changes in accounting policies and practices.
  - The going concern assumption.
  - Qualifications in draft audit report.
  - Major accounting entries based on exercise of judgment by the Management.
  - Significant adjustments arising out of audit.
  - Compliance with accounting standards.
  - Compliance with Stock Exchange and legal requirements concerning financial statements.
  - Any related party transactions i.e. transactions of the Company of material nature, with promoters, or the management, their subsidiaries or relatives etc. that may have a potential conflict with the interest of the Company at large.

- b) Reviewing with the management, statutory and internal auditors, and the adequacy of internal control system and recommending improvements to the management.
- c) Reviewing the adequacy of the internal audit function, discussion with the internal auditors about any significant findings and follow up thereon.
- d) 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.
- e) Reviewing financial and risk management policies of the Company.
- f) Such other matters as may be entrusted to the committee from time to time.

**REMUNERATION COMMITTEE :**

THE REMUNERATION COMMITTEE CONSISTS OF THE FOLLOWING DIRECTORS:

<b>Mr. Murlidhar Mutgi</b>	- Chairman	- Independent Non-Executive Director
<b>Mr. Ramswaroop Agarwal</b>	- Member	- Independent Non-Executive Director
<b>Mr. Arun Kumar Sarda</b>	- Member	- Independent Non-Executive Director
<b>Mr. Arun Kumar Bhangadia</b>	- Member	- Promoter Non-Executive Director

The Remuneration committee meeting was held on 25<sup>th</sup> July, 2010 during the year under review.

The details of the remuneration to the managerial personnel of the company for the financial year 2010-2011 as under.

The Company had paid an amount of Rs.3,45,000/- to Mr. Arvind Kumar Bhangadia, Managing Director of the Company as Salary.

**INVESTORS' GRIEVANCE COMMITTEE:**

The investors' grievance committee consists of the following directors.

<b>Mr. Arvind Kumar Bhangadia</b>	- Chairman	- Promoter Non-Executive Director
<b>Mr. Murlidhar Mutgi</b>	- Member	- Independent Non-Executive Director
<b>Mr. Arun Kumar Sarda</b>	- Member	- Independent Non-Executive Director
<b>Mr. Ramswaroop Agarwal</b>	- Member	- Independent Non-Executive Director

The Investors' Grievance Committee of the Board is empowered to oversee the redressal of investor's complaints pertaining to share transfers, non-receipt of annual reports, issue of duplicate certificates, transmission (with and without legal representation) of shares. Its scope also includes delegation of powers to the executives of the Company share transfer agents to process share transfers and other investor-allied matters.

The Committee meets periodically to take care of the issues relating to share transfers and other shareholders' correspondence or grievances.

During the year under review no complaint is pending as on date of this report.

**GENERAL BODY MEETINGS:**

Location and time of General Meetings for the last three years :

Year	Type	Date	Venue	Time
2009-2010	AGM	30.08.2010	RGA Hall, Snatak Bhavan, 5-4-790/1, Ashirvad Complex, 1st Flr, Abids, Hyderabad – 500 001,	11.00 A.M.
2008-2009	AGM	07.09.2009	RGA Hall, Snatak Bhavan, 5-4-790/1, Ashirvad Complex, 1st Flr, Abids, Hyderabad – 500 001,	04.30 P.M.
2007-2008	AGM	29.09.2008	RGA Hall, Snatak Bhavan, 5-4-790/1, Ashirvad Complex, 1st Flr, Abids, Hyderabad – 500 001,	10.30 A.M.

**RELATED PARTY TRANSACTIONS:**

During the year the Company has dealt with the following persons, where such persons is/ are Directors/Directors' Relatives.

Name of the Person	Relationship	Amount (Rs.)	Nature of Transaction
Arvind Kumar Bhangadia	Managing Director	3,45,000	Salary Paid
Arun Kumar Bhangadia	Director	3,00,000	Rent Paid
Jyothi Bhangadia	Directors' Relative	84,000	Rent Paid
Kiran Bhangadia	Directors' Relative	3,00,000	Rent Paid
TDPL Health Care (India) Ltd.	Company in Which Mr. Arun Kumar Bhangadia and Mr. Arvind Kumar Bhangadia, are Directors.	2,26,83,269	Purchase Medicines from TDPL Health Care (India) Ltd.

- i) The Management of the Company feels that the Rent paid to above Directors and their relatives was reasonable when compared to prevailing market prices in the similar areas.
- ii) The Medicines Purchased from TDPL Health Care (India) Ltd: M/s. TDPL Health Care (India) Ltd: is C&F Agent and the Price paid for such medicines is reasonable when compared to prevailing market prices in the similar areas.

**MEANS OF COMMUNICATION:**

The Company has published its financial results on a quarterly and half yearly basis as well as Annual results in English and Telugu newspapers and the same has been submitted to the Stock Exchanges. The Company also places all the above information on the Company's website.

**FINANCIAL CALENDAR 2011-2012 (TENTATIVE SCHEDULE) :**

Financial reporting for the quarter ending June 2011	29 <sup>th</sup> July 2011
Financial reporting for the quarter ending September 2011	By the end of 15-11-2011
Financial reporting for the quarter ending December 2011	By the end of 15-2-2012
Financial reporting for the quarter ending March 2012	By the end of 15-5-2012

**GENERAL SHAREHOLDER INFORMATION:**

- a) Annual General Meeting : 30th September, 2011  
 b) Financial Year : 1<sup>st</sup> April, to 31st March  
 c) Book Closure Date : 25th September, 2011 to 30th September, 2011

**LISTING:**

Presently, the Company's securities are traded on Bombay Stock Exchange Limited (BSE Indo Next Model), listed at The Ahmedabad Stock Exchange Ltd (ASE) and The Madras Stock Exchange Ltd. (MSE).

**MARKET INFORMATION:**

The Performance of the stock in Bombay Stock Exchange Limited for the period from 01st April, 2010 to 31st March, 2011 was as follows:

Month	Bombay Stock Exchange Limited (BSE)		
	High	Low	Volume
April-2010*	06.06	04.07	2923662
May-2010*	05.19	03.93	1216813
June-2010*	04.78	03.98	1027099
July-2010*	05.69	04.00	905793
August-2010*	04.98	04.11	890659
September-2010*	06.69	03.69	3323533
October-2010	41.70	03.80	397650
November-2010	50.40	34.00	790410
December-2010	51.70	33.30	398365
January-2011	43.70	30.25	158164
February-2011	37.50	20.00	234121
March-2011	27.75	17.40	92350

\* Note : \*Rs. 1/- Paid-up and others Rs. 10/- Paid-up

**DEMATERIALIZATION OF SHARES:**

Particulars	No.of Shares	% of Total Issued Capital
Issued Capital	67,50,000	100 %
Held in Dematerialised form in CDSL	51,70,124	76.59 %
Held in Dematerialised form in NSDL	9,14,056	13.54 %
Held in Physical	6,65,820	9.86 %
Total No.of Shares	67,50,000	100 %

The ISIN is Active in NSDL and CDSL and ISIN No is INE314I01036

**SHARE TRANSFER SYSTEM :**

All the share transfers are processed at the registrars and share transfer agents of the company M/s. Venture Capital Corporate & Investments Pvt. Ltd., and approved by the Share Transfer Committee of the Company.

**REGISTRAR AND TRANSFER AGENT:**

Members are requested to correspond with the Company's Registrar and Share Transfer Agents for transfer, delivery or any other correspondence

**ADDRESS OF REGISTRAR AND TRANSFER AGENT:**

Venture Capital & Corporate Investments Private Limited  
 12-10-167, Bharat Nagar, Hyderabad - 500 018 Andhra Pradesh.  
 E-mail: [info@vccilindia.com](mailto:info@vccilindia.com) Tel No. (040) 23818475/23818476



**DISTRIBUTION OF SHARE HOLDING AS ON 31.03.2011**

Range of Ordinary Shares	No of Holders	% to Holders	No of Shares	% of Capital
Up to 500	2,546	88.93	4,51,461	6.69
501 to 1000	128	4.47	1,04,289	1.54
1001 to 2000	80	2.80	1,22,162	1.82
2001 to 3000	25	0.87	64,772	0.96
3001 to 4000	15	0.52	53,667	0.79
4001 to 5000	12	0.42	57,975	0.86
5001 to 10000	21	0.73	1,38,020	2.04
10001 above	36	1.26	57,57,654	85.3
<b>Total</b>	<b>2863</b>	<b>100.00</b>	<b>67,50,000</b>	<b>100.00</b>

**SHARE HOLDING PATTERN AS ON 31.03.2011**

Category	As on 31 <sup>st</sup> March, 2011	
	No of Shares	Percentage of Shareholding (%)
Promoter's Holding Promoters - Indian Promoters	4733800	70.13
Persons acting in concert	—	—
<b>Sub-total:</b>	<b>4733800</b>	<b>70.13</b>
Non-Promoters Holding		
Private Corporate Bodies	642855	09.52
Indian Public	1373345	20.34
<b>Sub-total:</b>	<b>2016200</b>	<b>29.87</b>
<b>GRAND TOTAL</b>	<b>67,50,000</b>	<b>100.00</b>

## CERTIFICATE

- a. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- 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 the 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, violate 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 the 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 controls 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.

For Trimurthi Drugs & Pharmaceuticals Ltd.,

SD/-

**Arvind Kumar Bhangadia**  
Managing Director

SD/-

**Arun Kumar Bhangadia**  
Chairman

Place: Hyderabad.  
Date : 19th August 2011

**DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT**

Compliance of Code of Conduct for Directors and Senior Management Personnel pursuant to the amended provisions of Clause 49 of the Listing Agreement.

The Board laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company.

All the Board Members and Senior Management Personnel affirmed that they have complied with the said Code of Conduct on an annual basis in respect of the financial year ended 31.03.2011

SD/-

**Arvind Kumar Bhangadia**  
Managing Director

SD/-

**Arun Kumar Bhangadia**  
Chairman

Place: Hyderabad.  
Date : 19th August 2011

**Auditors' Certificate on Compliance with Conditions of Corporate Governance  
Under Clause 49 of the Listing Agreement**

To  
The Members of  
M/s. Trimurthi Drugs & Pharmaceuticals Ltd.,

We have examined the Compliance with conditions of Corporate Governance of M/s. Trimurthi Drugs & Pharmaceuticals Ltd., for the year ended 31st March, 2011 as stipulated in clause 49 of the Listing Agreement with stock Exchanges.

The Compliance with the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of 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 and representations made by the Directors and the Management's, we certify that the company has complied with conditions of the Corporate Governance as stipulated in Clause 49 of the above mentioned Listing agreement.

As required by the guidance note issued by the institute of Chartered Accountants of India, we have to state that no grievances of investors are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

**For K. Venkateswara Rao & Associates**  
Chartered Accountant

SD/-  
**(K.Venkateswara Rao)**  
Proprietor.  
M.No. 200/27305

Place: Hyderabad.  
Date: 19th August 2011

**AUDITOR'S REPORT**

To  
The Members of  
**M/s TRIMURTHI DRUGS & PHARMACEUTICALS LIMITED**

1. I have audited the attached balance sheet of M/s TRIMURTHI DRUGS & PHARMACEUTICALS LIMITED as at 31st March, 2011, and the Profit & Loss A/c for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.
2. I conducted my audit in accordance with the accounting standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sub-section(4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to my comments in the Annexure referred to above, I report that:
  - (i) I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purposes of my audit;
  - (ii) In my opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
  - (iii) The balance sheet, the profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.

- (iv) In my opinion, the balance sheet, the profit and loss account and the cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause(g) of sub-section(1) of section 274 of the Companies Act, 1956.
- (vi) In my opinion and to the best of our information and according to the explanations given to me, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give 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, 2011.
- (b) In the case of the profit and loss account, of the Profit for the year ended on that date.
- (c) In the case of cash flow statement, of the cash flows for the year ended on that date.

For **K.VENKATESWARA RAO & ASSOCIATES**  
Chartered Accountants  
FRN006374S

SD/-  
**(K.VENKATESWARA RAO)**  
Proprietor  
M.No. 200/27305

Place : Hyderabad  
Date : 19th August 2011

## ANNEXURE

Referred to in paragraph 3 of my report of even date,

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) All the assets have been physically verified by the management during the year and in my opinion, the frequency of verification is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
  - (c) During the year, the company has not disposed off any major part of the plant and machinery.
- (ii) a) The inventory has been physically verified during the year by the management. In my opinion, the frequency of verification is reasonable.
  - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to size of the company and nature of the business.
  - c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stock and book records were not material.
- (iii) a) The company had not taken any loans from the companies covered in the register maintained under section 301 of the Companies Act, 1956.
  - b) In my opinion, the rate of interest and other terms and conditions on which loans have been granted to companies listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest of the company.
  - c) The parties to whom loans have been given, have repaid the principle amounts as stipulated and have been regular in the payment of interest.
  - d) There is no overdue amount of loans granted to companies listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In my opinion and according to the information and explanations given to me, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of my audit, I have not observed any continuing failure to correct major weakness in internal controls.
- (v) a) According to the information and explanations given to me, we are of the opinion of that transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.

- b. In my opinion and according to the information and explanations given to me, the transactions made in pursuance of contracts of arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the values of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In my opinion and according to the information and explanations given to me, the company has not accepted any deposits from the public during the year under reference.
- (vii) In my opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) As per the information given to me, the Central government has not prescribed maintenance of Cost records under Section 209(1) (d) of the Companies Act, 1956.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues. As explained to me the company has not established any Provident Fund Scheme to its employees as the same is not applicable to the company and the company has not established Employees State insurance Act for its employees.
- (b) According to the information and explanations given to me, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2011 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to me, there are no dues of income tax, sales tax, wealth tax, excise duty and cess, which have not been deposited on account of any dispute.
- (x) The company is not having any accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and also for the immediately preceding financial year.
- (xi) In my opinion and according to the information and explanations given to me, the company has not defaulted in repayment of dues to bank.
- (xii) In my opinion 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) In my opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor;s Report) Order, 2003 are not applicable to the Company.
- (xiv) In my opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report ) Order, 2003 are not applicable to the company.
- (xv) In my opinion and according to the explanations given to me, the company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) In my opinion, the company has not availed any term loans except availing of car loans.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the funds raised on short-term basis have not been used for long term investment. And no long term funds have been raised by the company.
- (xviii) According to the information and explanations given to me, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to me, during the period covered by my audit report, the company has not issued any debentures.
- (xx) The company, during the year has not raised money by public issues.
- (xxi) According to the information and explanations given to me, no fraud on or by the company has been noticed or reported during the courses of my audit.

For **K.VENKATESWARA RAO & ASSOCIATES**

Chartered Accountants

FRN006374S

SD/-

**(K.VENKATESWARA RAO)**

Proprietor

M.No. 200/27305

Place : Hyderabad  
Date : 19th August 2011

**TRIMURTHI DRUGS & PHARMACEUTICALS LIMITED  
BALANCE SHEET AS on 31st March, 2011**

Particulars	Schedule Number	As on 31.03.2011		As on 31.03.2010	
<b>SOURCES OF FUNDS</b>					
<b>A. SHARE HOLDERS FUNDS</b>					
a) Share Capital	1	67,500,000		67,500,000	
b) Reserves & Surplus	2	11,115,219		8,747,253	
			78,615,219		76,247,253
<b>B. SECURED LOANS</b>	3		1,528,712		2,256,077
<b>C. DEFERRED TAX LIABILITY</b>			1,794,457		2,056,118
			<b>81,938,388</b>		<b>80,559,448</b>
<b>APPLICATION OF FUNDS :</b>					
<b>A. FIXED ASSETS :</b>					
Gross Block	4	28,477,496		27,928,102	
Less : Accumulated Depreciation		12,326,697		9,713,229	
			16,150,799		18,214,873
<b>B. INVESTMENTS</b>	5		5,189,000		8,054,000
<b>C. CURRENT ASSETS, LOANS &amp; ADVANCES:</b>					
a) Cash & Bank Balances	6 (A)	3,349,736		1,699,492	
b) Deposits	6 (B)	2,251,549		2,001,549	
c) Closing Stock	6 (C)	10,016,440		8,019,809	
d) Sundry Debtors	6 (D)	10,391,397		11,250,624	
e) Loans & Advances	6 (E)	40,962,286		37,614,770	
			66,971,408		60,586,244
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>					
a) Current Liabilities	7 (A)	1,526,804		1,879,005	
b) Provisions	7 (B)	4,846,015		4,416,663	
			6,372,819		6,295,668
<b>NET CURRENT ASSETS</b>			60,598,589		54,290,576
<b>TOTAL</b>			<b>81,938,388</b>		<b>80,559,448</b>
<b>NOTES TO ACCOUNTS</b>	11				

Vide our report of even date,  
**For K.Venkateswara Rao & Associates,**  
Chartered Accountants,

**K.Venkateswara Rao,**  
Proprietor.  
Firm Regn. No. 006374S

Place : Hyderabad  
Date : 19th August 2011

For and on behalf of the Board

**Arvind Kumar Bhangadia**  
Managing Director

**Arun Kumar Bhangadia**  
Chairman

**TRIMURTHI DRUGS & PHARMACEUTICALS LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> March, 2011**

Particulars	Schedule Number	As on 31.03.2011		As on 31.03.2010	
<b>A. INCOME:</b>					
Sales			165,192,156		40,986,361
Sale of Shares			NIL		27,591,623
Interest, Dividend and Other Income	8		6,209,270		5,115,848
Closing Stock	6 (C)		10,016,440		8,019,809
<b>TOTAL (A)</b>			<b>181,417,866</b>		<b>81,809,128</b>
<b>B. EXPENDITURE:</b>					
Opening Stock			8,019,809		5,534,449
Purchases			156,880,168		35,607,412
Purchases of Shares			NIL		24,085,244
Administration & Other Expenses	9		6,094,039		4,385,607
Selling & Distribution Expenses	10		860,143		741,678
Depreciation			2,613,468		2,370,068
<b>TOTAL (B)</b>			<b>174,467,627</b>		<b>72,724,458</b>
<b>C. Net Profit Before Prior Adjustment</b>			6,950,239		9,084,670
<b>D. Adj. relating to Taxes of Previous Years :</b>					
Income Tax Paid for 2010-2011			2080		NIL
<b>E. Net Profit Before Tax :</b>			6,952,319		9,084,670
<b>F. Provision For Taxation :</b>					
Provision for Taxation/MAT			2,492,509		2,055,331
Deferred Tax Liability/(Asset)			(261,661)		130,491
<b>G. Profit After Tax (Before appropriations)</b>			<b>2,230,848</b>		2,185,822
<b>H. i) Proposed Dividend</b>			2,025,000		2,025,000
Add. : Dividend Distribution Tax			328,506		336,332
			<b>2,353,506</b>		2,361,332
ii) Amount Transferred to General Reserve			<b>472,147</b>		689,885
<b>I. Net Profit After Appropriations</b>			2,825,653		3,051,217
			1,895,818		3,847,631
<b>J. Add/(Less) : Previous Year Balance</b>			7,399,468		3,551,837
<b>K. Balance Carried to Balance Sheet</b>			9,295,286		7,399,468
<b>L. Earning Per Share</b>					
Basic			0.70		1.02
Diluted			0.70		1.02
Notes of Accounts	11				

Vide our report of even date,  
**For K.Venkateswara Rao & Associates,**  
Chartered Accountants,

**K.Venkateswara Rao,**  
Proprietor.  
M.No. 200/27305  
Firm Regn. No. 006374S

Place : Hyderabad  
Date : 19th August 2011

For and on behalf of the Board

**Arvind Kumar Bhangadia**  
Managing Director

**Arun Kumar Bhangadia**  
Chairman

**TRIMURTHI DRUGS & PHARMACEUTICALS LIMITED  
SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET**

Particulars	As on 31.03.2011 (Rs.)	As on 31.03.2010 (Rs.)
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
2,00,00,000 Equity Shares of Rs.10/- each (Previous Year 70,000,000 Equity Shares of Rs. 1/- each Fully Paid)	<b>200,000,000</b>	70,000,000
<b>Issued, Subscribed and Paid-up Capital</b>		
67,50,000 Equity Shares of Rs.10/- each	<b>67,500,000</b>	67,500,000
<b>SCHEDULE -2</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>(A) General Reserve</b>		
Opening Balance	<b>1,347,784</b>	657,899
Add. : Transfer during the year	<b>472,147</b>	689,885
	<b>1,819,931</b>	<b>1,347,784</b>
<b>(B) Profit &amp; Loss Account :</b>		
Opening Balance	<b>7,399,470</b>	3,551,838
Add. : Current Year Profit	<b>1,895,818</b>	3,847,631
	<b>9,295,288</b>	<b>7,399,469</b>
Total (A) + (B)	<b>11,115,219</b>	8,747,253
<b>SCHEDULE -3</b>		
<b>SECURED LOANS</b>		
ICICI Bank Car Loan	<b>1,528,712</b>	2,256,077
	<b>1,528,712</b>	<b>2,256,077</b>
<b>SCHEDULE -5</b>		
<b>INVESTMENTS</b>		
Property at Gandhi Nagar	<b>NIL</b>	3,000,000
Flats at Khajaguda, Hyderabad	<b>5,054,000</b>	5,054,000
<b>Quoted</b>		
Mahaveer Infoway Ltd (44,100 shares, Market value Rs. 8,82,000/-)	<b>135,000</b>	NIL
	<b>5,189,000</b>	<b>8,054,000</b>

**TRIMURTHI DRUGS & PHARMACEUTICALS LIMITED**  
**SCHEDULE-4**

Sl. No.	Particulars	Rate	Gross Block		Depreciation			Net Block			
			Cost as at 01-04-2010	Additions/ (Deletions)	Total upto 31-03-2011	Upto 01-04-2010	For the Year	Adj.	Total	As at 31-03-2011	As at 31-03-2010
1.	Building & Civil Works	1.63%	715853	-Nil-	715853	11080	11668	-Nil-	22748	693105	704773
2.	Plant and Machinery	4.75%	-Nil-	456562	456562	-Nil-	12990	-Nil-	12990	443572	-Nil-
3.	Furniture & Fittings	6.33%	487518	6412	493930	251787	31101	-Nil-	282888	211042	235731
4.	Office Equipment	6.33%	701556	19970	721526	268914	44966	-Nil-	313880	407646	432642
5.	Vehicles	9.50%	5440946	-Nil-	5440946	752026	464395	-Nil-	1216421	4224525	4688920
6.	Computer and Printer	16.21%	522479	66450	588929	428658	28433	-Nil-	457091	131838	93821
7.	<b>Intangible Assets:</b> Intangible Assets	-Nil-	20000000	-Nil-	20000000	8000000	2000000	-Nil-	10000000	10000000	12000000
8.	Website	33.33%	59750	-Nil-	59750	764	19915	-Nil-	20679	39071	58986
	<b>TOTAL:</b>		<b>27928102</b>	<b>549394</b>	<b>28477496</b>	<b>9713229</b>	<b>2613468</b>	<b>-Nil-</b>	<b>12326697</b>	<b>16150799</b>	<b>18214873</b>

**TRIMURTHI DRUGS & PHARMACEUTICALS LIMITED**  
**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET**

Particulars	As on 31.03.2011 (Rs.)		As on 31.03.2010 (Rs.)	
<b>SCHEDULE - 6</b>				
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
<b>A) Cash &amp; Bank Balances :</b>				
i. Cash on Hand		122,261		175,571
ii. Bank Balances with Scheduled Banks in :				
a) Current Accounts	2,620,965		315,684	
b) Fixed Deposit Accounts	606,510		1,208,237	
		3,227,475		1,523,921
		3,349,736		1,699,492
<b>B) Deposits :</b>				
i. With Government/Quasi Govt Authorities		1,549		1,549
ii. With Others		2,250,000		2,000,000
		2,251,549		2,001,549
<b>C) Closing Stock :</b>				
i. Closing Stock of Pharmaceuticals		10,016,440		8,019,809
		10,016,440		8,019,809
<b>D) Sundry Debtors:</b>				
i. Debtors outstanding for a period exceeding 6 months Considered Good	2,179,070		NIL	
Considered Doubtful	814,198		814,198	
ii. Other Debtors		2,993,268		814,198
		8,212,327		11,250,624
		11,205,595		12,064,822
Less : Provision for Doubtful Debts		814,198		814,198
		10,391,397		11,250,624
<b>E) Loans &amp; Advances:</b>				
i. Loans		32,849,169		33,496,958
ii. Advances recoverable in Cash or in kind or for value to be received		6,149,684		3,120,124
iii. Advance Tax & TDS		1,963,433		997,688
		40,962,286		37,614,770

**TRIMURTHI DRUGS & PHARMACEUTICALS LIMITED**  
**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET**

PARTICULARS	As on 31.03.2011 (Rs.)	As on 31.03.2010 (Rs.)
<b>SCHEDULE -7</b>		
<b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>		
<b>(A) CURRENT LIABILITIES:</b>		
<b>Sundry Creditors:</b>		
Dues other than SSI Units	<b>760979</b>	862485
Dues to SSI Units	<b>-Nil-</b>	-Nil-
Other Creditors	<b>-Nil-</b>	25229
Trade Deposits	<b>50000</b>	230000
Outstanding Expenses	<b>193481</b>	210257
TDS Payable	<b>22344</b>	16422
ING Vysya Bank Current Account	<b>-Nil-</b>	534612
Advance for Sale of Flat	<b>500000</b>	-Nil-
	<b>1526804</b>	<b>1879005</b>
<b>(B) PROVISIONS:</b>		
Income Tax Payable	<b>2492509</b>	2055331
Provision for Proposed Dividend	<b>2025000</b>	2025000
Provision for Dividend Distribution Tax	<b>328506</b>	336332
	<b>4846015</b>	<b>4416663</b>
<b>SCHEDULE -8</b>		
<b><u>INTEREST, DIVIDEND &amp; OTHER INCOME:</u></b>		
Interest	<b>5141889</b>	4258037
Dividend	<b>-Nil-</b>	116263
Profit on Sale of Investments	<b>5019</b>	95487
Other Income / Chit Dividend / Commission	<b>990362</b>	541548
Rental Income Received from Flats	<b>72000</b>	-Nil-
Provision for Bad Debts Written off	<b>-Nil-</b>	200000
	<b>6209270</b>	<b>5211335</b>

**TRIMURTHI DRUGS & PHARMACEUTICALS LIMITED**

PARTICULARS	As on 31.03.2011 (Rs.)	As on 31.03.2010 (Rs.)
<b>SCHEDULE -9</b>		
<b>ADMINISTRATIVE EXPENDITURE</b>		
Audit Fees	<b>88240</b>	88240
Bank Charges	<b>34520</b>	42609
Boarding & Lodging Expenses	<b>83727</b>	51865
Donations	<b>5601</b>	16100
Directors Remuneration	<b>345000</b>	240000
Electricity Charges	<b>42960</b>	37044
General Expenses	<b>55707</b>	116093
Insurance Charges	<b>66963</b>	47393
Interest Paid	<b>133570</b>	5489
Listing Fee	<b>47981</b>	11030
License & Fees	<b>908323</b>	92022
Postage & Telegrams	<b>62484</b>	37357
Printing & Stationery	<b>96445</b>	150189
Professional Charges	<b>429300</b>	278979
Rates & Taxes	<b>52035</b>	33546
Rent	<b>702000</b>	684000
Repairs & Maintenance	<b>211763</b>	255488
Salaries	<b>2537253</b>	1970078
Subscriptions & Periodicals	<b>4164</b>	8370
Telephone & Internet Expenses	<b>45118</b>	59917
Travelling Expenses	<b>140886</b>	116145
	<b>6094039</b>	<b>4341955</b>
<b>SCHEDULE - 10</b>		
<b>SELLING &amp; DISTRIBUTION EXPENSES:</b>		
Commission on Sales	<b>-Nil-</b>	219386
Discount	<b>429662</b>	190795
Carriage Outward Expenses	<b>309534</b>	304558
Advertisement Expenses	<b>46889</b>	43652
Other Selling Expenses	<b>74058</b>	26939
	<b>860143</b>	<b>785330</b>



## TRIMURTHI DRUGS &amp; PHARMACEUTICALS LIMITED

## SCHEDULE-11

## SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES ON ACCOUNTS

## A. SIGNIFICANT ACCOUNTING POLICIES:

**1. Basis of Preparation of Financial Statements:**

- (i) Financial Statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and provisions of the Companies Act, 1956 as applicable to this Company.
- (ii) Accounting Policies not specifically referred to otherwise are consistent and in consonance with the generally accepted accounting principles followed by the Company.

**2. Basis of Accounting :** All Income and Expenditure items are recognised on accrual basis. However, Dividend Income is accounted for on Receipt Basis.

**3. Fixed Assets & Depreciation:**

- (i) Fixed Assets are valued at cost less Depreciation. Cost includes all expenses incurred for acquisition of assets and the expenditure incurred for renovation on leased premises has been capitalised. Depreciation has not been provided on the motor car whose ownership is under dispute and registered in one of the directors names and its book value is Rs.350032/-
- (ii) The Company provides Depreciation on Straight Line Method at the rates and in the manner specified under Schedule XIV of the Companies Act, 1956. For the Intangible assets the depreciation has been provided by considering the useful life of the asset as 10 years. For the Intangible Assets namely Website Development, the useful life is estimated as Three years and accordingly depreciation has been provided on pro rata basis.

**4. Inventories:** Closing Stock had been valued at Cost or Market Value whichever is lower.

**5. Investments :** Investments are stated at cost.

**6. Retirement Benefits:** Employees post retirement benefits such as Gratuity, Pension and leave Encashment will be accounted as and when it arises.

**7. Impairment of Assets:** No asset was identified as impaired during the year.

**8. Cash Flow Statement:** The Cash Flow Statement is prepared by the "Indirect Method" set out in Accounting Standard (AS) – 3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the company. Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand, with Banks in current accounts and demand deposit.

**9. Foreign Exchange Transactions:** There were no foreign exchange transactions during the year.

**10. Changes in Accounting Policies:** Accounting Policies have been consistently applied where a newly issued Accounting Standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use, Management evaluates all recently issued or revised Accounting Standards on an ongoing basis and accordingly changes the Accounting Policies as applicable.

**11. Taxes on Income:** Current tax determined based on the amount of tax payable in respect of taxable Income for the period. Deferred tax is recognized on timing differences being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. During the current period the timing difference has arisen due to change in depreciation rates.

**B. NOTES TO ACCOUNTS :**

**i. Remuneration To Auditors :**

Particulars	2010-11 Amount (Rs.)	2009-10 Amount (Rs.)
Statutory Audit Fees	66,180	66,180
Tax Audit Fee	22,060	22,060
<b>TOTAL</b>	<b>88,240</b>	<b>88,240</b>

**ii. Accounting Standard 18 Related Party Disclosure:**

As per Accounting Standard 18 issued by the Institute of Chartered Accountants of India, the company's related parties with whom the Company has entered into transactions during the year in the ordinary course of business, as certified by the Management are disclosed below.

Name of the Person	Relationship	Amount (Rs.)	Nature of Transaction
Arvind Kumar Bhangadia	Executive Director	3,45,000	Remuneration
Arun Kumar Bhangadia	Director	3,00,000	Rent
Jyothi Bhangadia	Directors' Relative	84,000	Rent
Kiran Bhangadia	Directors' Relative	3,00,000	Rent
TDPL Health Care (India) Ltd.	Company in Which Mr. Arun Kumar Bhangadia and Mr. Arvind Kumar Bhangadia, are Directors.	2,26,83,269	Medicines purchased from TDPL Helath Care (India) Ltd.

- a) The Management of the Company feels that the Rent paid to related parties was reasonable when compared to prevailing market price in the similar areas.
- b) M/s TDPL Health Care (India) Limited is a C&F Agent of M/s Alpa Laboratories Limited, Indore, which is not related to the Company. The price paid for purchase of medicines is reasonable when compared to prevailing market prices.

**3. Earning Per Share:**

Basic EPS before extraordinary items	<b>0.70</b>
Diluted EPS before extraordinary items	<b>0.70</b>

**4. Segment Reporting :**

As per the Accounting Standard -17 Segment Reporting is Furnished here under.

Particulars	Amount (Rs.) 31.03.2011	Amount (Rs.) 31.03.2010
<b>Revenue</b>		
i) Pharma Business	1661.83	409.86
ii) Financial Activity	52.14	42.58
iii) Investment Activity	0.05	25.94
iv) Trading in Shares	0.00	275.92
<b>TOTAL</b>	<b>1714.01</b>	<b>754.30</b>
<b>Results</b>		
i) Pharma Business	25.37	14.80
ii) Financial Activity	44.08	38.87
iii) Investment Activity	0.05	2.12
iv) Trading in shares	0.00	35.06
<b>TOTAL</b>	<b>69.50</b>	<b>90.85</b>
<b>Capital Employed</b>		
i) Pharma Business	321.06	234.52
ii) Financial Activity	328.49	334.97
iii) Investment Activity	51.89	95.54
<b>TOTAL</b>	<b>701.44</b>	<b>665.03</b>

**Note :** In the segment reporting, common assets that are used interchangeable not allocated to the individual segments above.

- 5. Provisions, Contingent Liabilities and Contingent Assets:** Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if the Company has a present obligation as a result of past event, a probable outflow of resource is expected to settle the obligation and the amount of obligation can be really estimated.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance sheet Date.

Provision for Income Tax includes an amount of Rs.93,461/- (Rupees Ninety Three Thousand Four Hundred and Sixty One Only) towards Interest U/s 234B & C of Income Tax Act, 1961.

- 6. Accounting Standard 22- Accounting for Taxes on Income:** Provision for current year taxation is Rs.2492509/- ( This includes interest U/s 234 B and C of IT Act of Rs.93461/-)

The deferred tax liability is arrived as under:

Particulars	31-03-2011	31-03-2010
Opening Deferred Tax Liability	20,56,118	19,25,627
Add/(Less): Deferred Tax Asset/Liability on account of depreciation difference	(52,778)	1,30,491
Add/(Less): Deferred Tax Asset/Liability on account of timing difference	(2,08,884)	-Nil-
<b>Closing Deferred Tax Liability</b>	<b>17,94,456</b>	<b>20,56,118</b>

7. In the opinion of the Directors, Current Assets, Loans and Advances have the value at which they are stated in the Balance sheet, if realized in the ordinarily course of the Business.
8. Balances of Sundry Debtors, Loans and Advances are subject to confirmation.
9. The Company has made payments to units covered under Micro, Small and Medium Enterprises Development Act, 2006 in due time. There are no outstanding balances due to these Units at the closure of the accounting year.
10. Previous year figures have been regrouped and rearranged wherever found necessary, to be in confirmative with current year classification.
11. Paises are rounded off to the nearest rupee.
12. Schedules 1 to 10 form part an integral of this report.

As per our report of even date  
**For K.Venkateswara Rao & Associates**  
 Chartered Accountants

**K.Venkateswara Rao**  
 Proprietor  
 M.No. 200/27305  
 Place : Hyderabad  
 Date : 19th August 2011

For and on behalf of the Board

**Arvind Kumar Bhangadia**  
 Managing Director

**Arun Kumar Bhangadia**  
 Chairman

(Note on accounting for investments)

ISO 9001:2008 Company

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2011**

(Rs. In Lacs)

Particulars	As at 31.03.2011	As at 31.03.2010
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit before Tax and Extraordinary items	69.52	90.85
Adjustment for:		
Depreciation	26.13	23.70
Interest & other Income	(62.09)	(52.12)
<b>Operating profit before working capital changes</b>	<b>33.57</b>	<b>62.42</b>
Adjustments for :		
Trade and Other receivables (Increase)	(24.88)	(45.90)
Inventories (Increase)	(19.97)	(24.85)
Trade payable	0.77	(5.96)
<b>Cash generated from operations</b>	<b>(44.08)</b>	<b>(76.72)</b>
Cash flow before extra-ordinary items	(44.08)	(76.72)
Extraordinary items and Tax	(48.46)	(44.17)
<b>Net Cash used for Operating activities</b>	<b>(58.97)</b>	<b>(58.46)</b>
<b>B. Cash flow from Investing Activities:</b>		
Purchase of Fixed Assets	(5.49)	(31.65)
Sale of Fixed Assets	NIL	NIL
Increase in Investments	28.65	(55.55)
Decrease in Deposits	(2.50)	10.91
Interest and Other Income	62.09	52.11
<b>Net Cash flow from Investing Activities</b>	<b>82.75</b>	<b>(24.18)</b>
<b>C. Cash flow from Financing Activities:</b>		
Increase in Share Capital	NIL	NIL
Proceeds from Short Term Borrowings	(7.27)	2.42
Share Issue and Preliminary Expenses	NIL	NIL
<b>Net Cash flow from Financing Activities</b>	<b>(7.27)</b>	<b>2.42</b>
<b>Net Increase in Cash and Cash equivalents</b>	<b>16.50</b>	<b>(80.22)</b>
Cash and Cash equivalents as at (Opening Balance)	16.99	97.21
Cash and Cash equivalents as at (Closing Balance)	<b>33.50</b>	<b>16.99</b>

We have verified the above Cash Flow Statement of TRIMURTHI DRUGS & PHARMACEUTICALS LIMITED, for the year ended on 31st March' 2011, which has been derived from the audited annual accounts after making such adjustments / groupings as were considered appropriate and found the same to be true and correct.

Vide our report of even date  
**For K.Venkateswara Rao & Associates**  
 Chartered Accountants

**K.Venkateswara Rao**  
 Proprietor  
 M.No. 200/27305  
 Firm Regn. No. 006374S  
 Place : Hyderabad  
 Date : 19th August 2011

For and on behalf of the Board

**Arvind Kumar Bhangadia**  
 Managing Director

**Arun Kumar Bhangadia**  
 Chairman

**PART IV OF THE COMPANIES ACT, 1956 BALANCE SHEET  
ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I REGISTRATION DETAILS :**

Registration No.	: 18956	State Code	: 01
Balance Sheet Date	: 31.03.2011		

**II CAPITAL RAISED DURING THE YEAR: (Rs in 000's)**

a) Public Issue	: NIL	b) Bonus Issue	: NIL
c) Private Placement	: NIL	d) Rights Issue	: NIL

**III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS : (Rs in 000's)**

Total Liabilities	: 81938	Total Assets	: 81938
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**SOURCES OF FUNDS**

Paid up Capital	: 67500
Share Application Money	: NIL
Reserves & Surplus	: 11115
Secured Loans	: 1528
Deferred Tax	: 1795

**APPLICATION OF FUNDS**

Net Fixed Assets	: 16150
Investments	: 5189
Net Current Assets	: 60599
Misc. Expenditure	: NIL
Accumulated Losses	: NIL

**IV. PERFORMANCE OF THE COMPANY (Amt in Rs.000's) :**

Total Income	: 171401	Profit after Tax	: 4722
Total Expenditure	: 164451	Earning per Share(Rs.)	: 0.70
Profit before Tax	: 6952	Dividend Rate	: 03%

**V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY  
(AS PER MONETARY TERMS)**

Product Description : Trading & Marketing of Pharmaceutical products.

Vide our Reports of even Date

For and on behalf of the Board

**For K.Venkateswara Rao & Associates**

Chartered Accountants

SD/-

**K.Venkateswara Rao**  
Proprietor

SD/-

**Arvind Kumar Bhangadia**  
Managing Director

SD/-

**Arun Kumar Bhangadia**  
Chairman

Place: Hyderabad.

Date : 19th August 2011



**TRIMURTHI DRUGS & PHARMACEUTICALS LIMITED**

Regd. Office : 4-4-231/1/2/ABC, Inderbagh, Sultan Bazar, Hyderabad-500 095.

**ATTENDANCE SLIP**

Name	:
Folio No./Client ID	:
Number of Shares	:

I hereby record my presence at the 17th ANNUAL GENERAL MEETING of the Company at RGA Hall, Snatak Bhavan, 5-4-790/1, Ashirvad Complex, 1st Floor, Abids, Hyderabad – 500 001 on Friday the 30th September, 2011 at 11.00 A.M.

SIGNATURE OF THE ATTENDING MEMBER/PROXY
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Note: Shareholder/Proxy holder wishing to attend the meeting must bring this Attendance Slip to the meeting and hand it over at the entrance duly signed.

**TRIMURTHI DRUGS & PHARMACEUTICALS LIMITED**

Regd. Office : 4-4-231/1/2/ABC, Inderbagh, Sultan Bazar, Hyderabad-500 095.

**PROXY**

I/We.....of.....(address) being a Member/Members of Trimurthi Drugs & Pharmaceuticals Limited, do hereby appoint Mr./Ms.....of.....(address) as my/our proxy to attend and vote for me/us behalf at the 17th Annual General Meeting of the Company, to be held on Friday the 30th September, 2011 at 11.00 a.m. and at any adjournment thereof.

Signed this.....day of .....2011

Regd. Folio No/Client ID.....

Number of Shares.....



Signature

Note: The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time of the holding the Meeting. A proxy need not be a member.

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