

**BOARD OF DIRECTORS**

Chairman- Promoter Non Executive  
**ARUN KUMAR BHANGADIA** (DIN NO. : 00021024)

Managing Director  
**ARVIND KUMAR BHANGADIA** (DIN NO. : 00015838)

Independent Director  
**RAMSWAROOP AGARWAL** (DIN NO. : 00021232)

Independent Director  
**DEVENDER KUMAR RATHI** (DIN NO. : 06666011)

Independent Director  
**PRIYANKA BARVE** (DIN NO. : 06955091)

**COMPANY SECRETARY**

**CS Jyothi Ramesh Kakani**

**AUDITORS**

**M/s. K. Venkateswara Rao & Associates**  
 Chartered Accountants  
 3-5-907/2, Flat No. 402, Mahavir Lok,  
 Himayathnagar, Hyderabad - 500 029.

**AUDIT COMMITTEE**

Mr. Ramswaroop Agarwal  
 Mr. Arun Kumar Bhangadia  
 Mrs. Priyanka Barve

**NOMINATION & REMUNERATION COMMITTEE**

Mr. Ramswaroop Agarwal  
 Mr. Arun Kumar Bhangadia  
 Mrs. Priyanka Barve

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

Mr. Ramswaroop Agarwal  
 Mrs. Priyanka Barve  
 Mr. Arvind Bhangadia

**BANKERS**

**ING Vysya Bank**  
**HDFC Bank Ltd.,**

**REGISTRAR & SHARE TRANSFER AGENT**

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

**STOCK EXCHANGE (Listed/Traded)**

**Bombay Stock Exchange Ltd**  
**The Ahmedabad Stock Exchange Ltd.**  
**The Madras Stock Exchange Ltd.,**

**DEMAT ISIN CDSL & NSDL**

**INE314101036**

**CORPORATE IDENTITY NUMBER**

**L67120TG1994PLC018956**

**INVESTOR EMAIL ID / WEBSITE**

**info@trimurthidrugs.com**  
**www.trimurthidrugs.com**

**REGISTERED OFFICE**

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

## NOTICE

Notice is hereby given that the 20th Annual General Meeting of the Members of the Company will be held on Monday the 29th Day of September, 2014 at 11.00 A.M. at Vaishnaoi Hotel, 3-2-848/1, Station Road, Kachiguda, Hyderabad-500 027, to transact the following Business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and statement of Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint Mr. Arvind Kumar Bhangadia, Managing Director (DIN : 00015838) who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s K. Venkateswara Rao & Associates, Chartered Accountants, Hyderabad as Statutory Auditors of the Company for a term of Three Years up to the conclusion of 23rd Annual General Meeting to be held in the year 2017 subject to ratification at every Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS:

4. **To Consider, and if thought fit, to pass with or without modification(s), the following resolution as a Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, **Shri Ramswaroop Agarwal (DIN-00021232)**, a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 01.04.2014 up to 31.03.2019.” :

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

“RESOLVED THAT pursuant to the provisions of section 149, 152 of the Companies Act, 2013 and rules made there under, Mr. Devender Kumar Rathi (DIN 06666011), who was appointed ‘Additional Director’ in the Board of the Company on 04-09-2014. In terms of Section 161 (1)

of the Companies Act, 2013 (“the Act”) read with Articles of Association of the Company, and whose term of office expires at the ensuing Annual General Meeting of the Company, and in respect of whom the company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Devender Kumar Rathi (DIN 06666011) as a candidate for the office of a director of the company who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director for a term upto 31st March, 2019.”

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

“RESOLVED THAT pursuant to the provisions of section 149, 152 of the Companies Act, 2013 and rules made there under, Mrs. Priyanka Barve (DIN 06955091), who was appointed ‘Additional Director’ in the Board of the Company on 04-09-2014 in terms of Section 161 (1) of the Companies Act, 2013 (“the Act”) read with Articles of Association of the Company, and whose term of office expires at the ensuing Annual General Meeting of the Company, and in respect of whom the company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose Mrs. Priyanka Barve (DIN 06955091)Mrs. Priyanka Barve as a candidate for the office of a director of the company who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director for a term upto 31st March, 2019.”

7. To approve Borrowing limits of the Company

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

“RESOLVED that pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) for borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs. 11 Crores.”

“RESOLVED FURTHER that the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required.”

#### 8. Creation of Charges on the assets of the Company

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

“RESOLVED that pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the Company be and is hereby accorded to the creation by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) of such mortgages, charges and hypothecations as may be necessary on such of the assets of the Company, both present and future, in such manner as the Board / Committee of the Board may direct, together with power to take over the management of the Company in certain events, to or in favour of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, other bodies corporate (hereinafter referred to as the “Lending Agencies”) and Trustees for the holders of debentures/ bonds and/or other instruments which may be issued on private placement basis or otherwise, to secure rupee term loans/foreign currency loans, debentures, bonds and other instruments of an outstanding aggregate value not exceeding Rs. 11 Crores together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the Trustees under the Trust Deed and to the Lending Agencies under their respective Agreements / Loan Agreements/ Debenture Trust Deeds entered / to be entered into by the Company in respect of the said borrowings.”

“RESOLVED FURTHER that the Board be and is hereby authorized to finalize with the Lending Agencies / Trustees, the documents for creating the aforesaid mortgages, charges and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this Resolution.”

#### 9. To consider and if thought fit, to pass the following resolution as a special resolution:

“RESOLVED THAT pursuant to section 186 of the Companies Act, 2013 and other applicable

provisions of the Companies Act, 2013 (the 'Act') and/or the Companies Act, 1956 and subject to such other approvals, consents, sanctions and permissions as may be necessary, consent of the company be and is hereby accorded to the Board of Directors of the company to invest upto Rs. 11 Crores (Rupees Eleven Crores) by subscription or otherwise, notwithstanding that the aggregate of the loans and investments so far made or to be made and the guarantee so far given or to be given and the security so far provided or to be provided, to all Bodies Corporate in excess of the limit laid down by Section 186 of the Companies Act, 2013, as they may, in their absolute discretion, deem beneficial and in the interest of the company.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to do from time to time all such acts, deeds and things necessary or expedient or proper in respect of the above investments including the time, the amount and other terms and conditions of investments and varying the same through transfer, sale, disinvestments or otherwise either in part or in full as they may, in their absolute discretion, deem necessary to give effect to this resolution."

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

#### **Amendment of Articles of Association of the Company**

"RESOLVED THAT pursuant to Section 14 of the Companies Act, 2013, the Articles of Association of the Company be and is hereby altered in the following manner:

- a) In definition clause of Article 2 the following definition be inserted:

2(q)'Electronic mode' means carrying out electronically-based, transactions whether main server is installed in India or not, including, but not limited to:

- i. business to business and business-to-consumer transactions, data interchange and other digital supply transactions;
- ii. offering to accept deposits or inviting deposits or accepting deposits or subscriptions in securities, in India or from citizens of India;
- iii. financial statements, web-based marketing, advisory and transactional services, database services and products, supply chain management;
- iv. online services such as telemarketing, telecommuting, education and information research; and all related data communication services;

- v. facsimile telecommunication when directed to the facsimile number or electronic mail directed to electronic mail addresses, using any electronic communication mechanism that the message so sent, received or forwarded is storable and retrievable;
  - vi. posting of an electronic message board or network that the company or the officer has designated for such communications, and which transmission shall be validly delivered upon the posting; or
  - vii. other means of electronic communication, in respect of which the Company or the officer has put in place reasonable systems to verify that the sender is the person purporting to send the transmission; and
  - viii. video conferencing, audio-visual mode, net conferencing and/or any other electronic communication facility.
- b) A new Article 56A is being inserted after Article 56 which is as under:
- “56A. Maintenance of registers and records in electronic mode**
- Notwithstanding anything contained in these Articles, Registers, Index, Agreement, Memorandum, Minutes, Books of Accounts or any other documents required to be kept by the Company under the Companies Act, 2013 may be kept in electronic form in such form and manner as may be prescribed under Section 120 of the Companies Act, 2013 and rules made there under.”
- c) A new Article 93A is being inserted under Article 93 which is as under:
- “93A Voting by members through electronic mode**
- A member may exercise his vote at a General Meeting or Postal Ballot by electronic mode in accordance with Section 108 of the Companies Act, 2013 and rules made there under and shall be eligible to vote only once for a single resolution.”
- d) A new article 118A is being inserted after Article 118 which is as under:
- “118A. Participation in Meeting of the Board by Directors through electronic mode**
- Notwithstanding anything contained herein, the director(s) may participate in the meeting(s) of the Board or any committee thereof through electronic mode by video conferencing or other audio visual modes as may be prescribed, and the Director(s) so participating shall be deemed to be present at the meeting for the purposes of quorum, voting, recording of minutes and all other relevant provisions in this regard by following procedure specified under applicable laws for the time being in force and rules, regulations, circulars, notifications, guidelines etc. issued/ to be issued from time to time by competent/statutory authority(ies).”

- e) Amendment of Article.120 (1) – Chairman

**After conclusion of the existing text in Article 120(1), the following words shall be inserted**

“An individual shall be appointed or re-appointed as Chairperson of the Company as well as the Managing Director or Chief Executive officer of the Company at the same time or vice versa regardless of the Company whether operates in multiple segments of business or not.”

- f) A new Clause 174(4) is being inserted under Article 174(3) which is as under:

**“174(4). Service of documents through electronic mode**

Notwithstanding anything contained in these Articles and as per Sections 20 & 134 of the Companies Act, 2013 read with rules made there under, a Company may serve copies of the Balance sheet, Statement of Profit and loss, Auditors’ Report, Directors’ Report, Notice of the General Meeting along with explanatory statements etc. and any other documents to the members through electronic mode, by following conditions laid down under the relevant Rules.”

- g) A new Article 188 is being inserted after Article 187 which is as under:

**188. “General Clause – Overriding effect of Companies Act, 2013”**

The intention of these Articles is to be in consonance with the contemporary Act, Rules and Regulations prevailing in India. If there is an amendment in any Act, Rules and Regulations allowing what was not previously allowed under the Statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles. In case of any of the provisions contained in these Articles is inconsistent or contrary to the provisions of the Companies Act, 2013 and rules made there under, the provisions of Companies Act, 2013 and rules made there under shall override the provisions of these existing Articles and these Articles shall be deemed to have been amended to include such provisions of the Companies Act, 2013. All references to sections of Companies Act, 1956 shall be deemed to include the corresponding sections/provisions of the Companies Act, 2013 if any.”

**NOTES:**

1. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy

should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

2. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 27th to 29th september (both days inclusive).
4. Members who wish to claim dividends, which have remained unclaimed, are requested to correspond with the Company's Registrar and Share Transfer agent, Venture Capital and Corporate Investments Private Limited, 12-10-167, Bharat Nagar, Hyderabad-500 018. Members are requested to note that dividends remaining unpaid or unclaimed for a period of seven years from the date the became due for payment will, as per Section 205A(5) read with section 205C of the Companies act, 1956, be transferred to Investors Education and Protection Fund.

After completion of seven years as aforesaid, no claims shall stand against the Investors Education and Protection Fund or the Company for the amounts of dividend so transferred nor shall any payments be made in respect of such claims.

5. Members / Proxies are requested to bring the attendance slip duly signed as per the Specimen Signature recorded with the Company/Depository Participant for admission to the meeting hall.
6. Members are requested to notify immediately any change in their address to the Share Transfer Agents and in case their shares are held in the dematerialized form, this information should be passed on to their respective Depository Participants.



7. A member desirous of receiving any information on the accounts or operations of the company is requested to forward his\her queries to the Company at least 7 working days prior to the meeting, so that the required information can be made available at the meeting .
8. Members holding shares in physical form are requested to notify immediately any change in their address along with address proof, i.e Electric/Telephone Bill, driving License or a copy of passport and Bank particulars to the Company or its Registrar & Share Transfer Agent and in case their shares are held in dematerialized form, this information should be passed on directly to their respective depository Participants and not to the Company\RTA without any delay.
9. Members, who hold shares in dematerialized form, are requested to bring their client ID and DP IDS for easier identification of attendance at the meeting.
10. It shall be mandatory for the transferee(s) to furnish copy of PAN CARD to the Company/ RTAs for registration of such transfer of shares, for securities market transactions and off market/private transactions involving transfers of shares in physical form of listed companies.
11. As a part of Green initiative in Corporate Governance the Ministry of Corporate Affairs (MCA), government of India vide its circular has allowed paperless compliance by Companies inter-alia stating that if the Company sends official documents to their shareholders electronically, it will be in compliance with the provision of section 53 of the companies Act, 1956 keeping in view shareholders are requested to update their E-Mail ID with their DP.
12. Queries on accounts may please be sent to the Company at corporates office 10 day in advance of the Annual General Meeting so that the answers may be made available at the meeting.
13. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
14. Voting through electronic means :
  1. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 20th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL).

The instructions for e-voting are as under:-

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)];
- (i) Open email and open PDF file viz; “Trimurthi Drugs and Pharmaceuticals Limited e-Voting.pdf” with your client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL : <https://www.evoting.nsd.co.in>.
  - (iii) Click on Shareholder – Login
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) Password change Menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
  - (vii) Select “EVEN” (Electronic Voting Event Number) of Trimurthi Drugs and Pharmaceuticals Limited.
  - (viii) Now you are ready for e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
  - (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Corporates/Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. together with the attested specimen signature of the duly authorized signatory(ies) who are authorized to vote to the Scrutinizer through e-mail to [scrutinizertdpl@gmail.com](mailto:scrutinizertdpl@gmail.com) with a copy marked to [evoting @nsdl co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository participant(s) or requesting physical copy]:

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:  
EVEN (Electronic Voting Even Number) USER ID PASSWORD/PIN
  - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for casting your vote.
- V. The e-Voting period commences on 22nd September, 2014 (9.00 a.m.) and ends on 24th September, 2014 (6.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 22nd August, 2014 the (cut-off date).
- VII. Shri Pavan Kankani, Company Secretary in Whole-time Practice, (Membership No. F-7432, CP No. 7643) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unlock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the vote cast in favor or against, if any, forthwith to the Chairman of the Company.
- IX. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.trimurthidrugs.com](http://www.trimurthidrugs.com) and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

15.Details of Directors seeking appointment at the Annual General Meeting:

**INFORMATION PURSUANT TO THE CORPORATE GOVERNANCE CLAUSE 49 OF THE LISTING AGREEMENT REGARDING THE DIRECTORS SEEKING RE-APPOINTMENT IN THE ANNUAL GENERAL MEETING**

<b>Particulars</b>	<b>Mr. Arvind Kumar Bhangadia (00015838)</b>	<b>Mr. Ramswaroop Agarwal (00021232)</b>	<b>Mr. Devender Kumar Rathi (06666011)</b>	<b>Mrs Priyanka Barve (06955091)</b>
Date of Birth	20-06-1974	11-03-1963	21-07-1974	03-05-1969
Date of Appointment	04-05-2005	30-09-2003	04-09-2014	04-09-2014
Qualifications	Graduate	Graduate	Matriculate	Graduate
Expertise in specific functional Areas	Vast experience in the Pharma Industry	Vast experience in the field of Financial Services	Experience of more than 15 year in Business	Experience of more than 20 years in Business
Directorships held in other Public Companies	Two (2)	Two (2)	Nil	Nil
Memberships/ Chairmanships of committees of other public companies	Nil	Nil	Nil	Nil
No. of Shares held in the company	29900	Nil	Nil	Nil

By Order of the Board

Place : Hyderabad,  
Dated : 4th September, 2014.

**ARUN KUMAR BHANGADIA,**  
Chairman.  
**(DIN : 00021024)**

**EXPLANATORY STATEMENT Pursuant to Section 102(1) of The Companies Act, 2013  
(The Act)**

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

**Item No. 4**

In accordance with the relevant provisions of the Articles of Association of the Company and the erstwhile provisions of the Companies Act, 1956, Shri Ramswaroop Agarwal (00021232) Independent Director was appointed as independent director by the Members of the Company. The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint them, as Independent Directors on the Board of the Company for a term upto five consecutive years, commencing from 01-04-2014. A brief profile of proposed Independent Directors, including nature of their expertise, is provided in this Annual Report.

Notices have been received from Members proposing candidature of the above Directors for the office of Independent Director of the Company. In the opinion of the Board, they fulfil the conditions specified in the Companies Act, 2013 and the Rules made there under for appointment as Independent Directors of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company.

**Item No. 5**

Mr. Devender Kumar Rathi (06666011) was appointed Additional Director on 04-09-2014, in terms of Section 161 (1) of the Companies Act, 2013, in the category of 'Non-Executive Independent' and is continuing as 'Independent Director'. In terms of the aforesaid section of the Companies Act, 2013, an Additional Director shall hold office upto the date of the next Annual General Meeting and be eligible for appointment to the office of a director at any General Meeting in terms of Section 160 of the Companies Act, 2013.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made there under and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mr. Devender Kumar Rathi (06666011) as 'Independent Director' for a term upto 31.03.2019 and pass the resolution set out at Item No. 5. The appointment of Mr. Devender Kumar Rathi (06666011) is required to be in compliance with the provisions of Section 160 of the Companies Act, 2013.

Mr. Devender Kumar Rathi (06666011) has confirmed compliance with the criteria of Independence as provided under Section 149 (6) of the Act. The Board is of the opinion that his continued association with the Company would be of benefit to the Company. Further, in the opinion of the Board, Mr. Devender Kumar Rathi (06666011) fulfills the conditions specified in the Companies Act, 2013 and the Rules made there under, and he is independent of the Management.

No Director other than Mr. Devender Kumar Rathi (06666011) himself or any of the Key Managerial Personnel of the Company or their relatives are, directly or indirectly, concerned or interested in the Resolution set out at Item No. 5. Further, Mr. Devender Kumar Rathi (06666011) is not related to any other Director of the Company.

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

Mrs. Priyanka Barve (06955091) was appointed Additional Director on 04-09-2014, in terms of Section 161 (1) of the Companies Act, 2013, in the category of 'Non-Executive Independent' and is continuing as 'Independent Director'. In terms of the aforesaid section of the Companies Act, 2013, an Additional Director shall hold office upto the date of the next Annual General Meeting and be eligible for appointment to the office of a director at any General Meeting in terms of Section 160 of the Companies Act, 2013.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made there under and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mrs. Priyanka Barve (06955091) as 'Independent Director' for a term upto 31.03.2019 and pass the resolution set out at Item No. 6. The appointment of Mrs. Priyanka Barve (06955091) is required to be in compliance with the provisions of Section 160 of the Companies Act, 2013.

Mrs. Priyanka Barve (06955091) has confirmed compliance with the criteria of Independence as provided under Section 149 (6) of the Act. The Board is of the opinion that his continued association with the Company would be of benefit to the Company. Further, in the opinion of the Board, Mrs. Priyanka Barve (06955091) fulfills the conditions specified in the Companies Act, 2013 and the Rules made there under, and she is independent of the Management.

No Director other than Mrs. Priyanka Barve (06955091) herself or any of the Key Managerial Personnel of the Company or their relatives are, directly or indirectly, concerned or interested in the Resolution set out at Item No. 6. Further, Mrs. Priyanka Barve (06955091) is not related to any other Director of the Company.

**Item No. 7 & 8**

The borrowing monies on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, subject to the total outstanding amount so borrowed not exceeding a sum of Rs. 11 Crores at any point of time; and

The creation of a mortgage or charge for the said borrowings, as security by way of mortgage/hypothecation on the Company's assets in favour of lending agencies and trustees for the amounts borrowed i.e. upto Rs. 11 Crores, including interest, charges, etc. payable thereon, as the documents for the said purpose could contain the power to take over the management of the Company, in certain events.

Under Section 180 of the Act, the above powers of the Board are required to be exercised only with the consent of the company by a Special Resolution.

The Ministry of Corporate Affairs ("MCA") has vide its General Circular No 4/2014 dated March 25, 2014 clarified that the Ordinary Resolutions passed under Sections 293(1)(a) and 293(1)(d) of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act until September 11, 2014.

The approval of the Members for the said borrowings and creation of a mortgage or charge for the said borrowing is therefore now being sought, by way of a Special Resolutions, pursuant to Section 180(1)(a) and 180(1)(c) of the Act respectively.

The Directors commend the Resolutions at Item Nos. 7 and 8 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolutions at Item Nos. 7 and 8.

**Item No. 9**

Pursuant to Section 186 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and/or the Companies Act, 1956, the Company can make loans to, give

guarantees, provide securities to and make investments in the securities of any other person/other bodies corporate to the extent of 60% of its paid-up share capital and free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is higher, with the approval of the Board of Directors. Where the aggregate of loans and investments made, guarantees given and securities provided exceeds the aforesaid limits, prior approval of shareholders is required by way of a special resolution.

The Company is constantly reviewing opportunities for expansion of its business operations either directly or through its holding/ subsidiaries/ joint ventures/ associate companies/ other bodies corporate or persons and would, therefore, be required to provide financial support by way of loan(s) and/or guarantees and/or security(ies)/ investment in securities of any other person/holding/ subsidiaries/ joint ventures/ associate companies/ other bodies corporate or otherwise, in order to achieve greater financial flexibility and to enable optimal financial structuring to facilitate speedy implementation of various projects of such persons/companies.

It is therefore proposed that the Board of Directors of the Company be authorized to invest by way of subscription and/or purchase of securities, grant of loan(s), giving guarantee(s) and/or providing of security (ies) for an amount not exceeding Rs.11 Crores from time to time in/to one or more of the persons/entities i.e. subsidiaries/holding/joint venture/ associate companies/other bodies corporate. The source of funds for making these investments would be met from borrowings or surplus funds generated by the Company through operations or from such other sources as the Board may deem appropriate. Since the above investments, loans, guarantees and/or securities proposed together with the aggregate of loans made, guarantees given, securities provided an investments made from time to time by the Company may exceed the limit prescribed, approval of shareholders is required for the same.

The proposal outlined above is in the interest of the Company and the Board commends the resolution set out in the accompanying Notice.

Except Directors and Key Managerial Personnel(s) of the Company who are/may be Directors/Shareholder in one or more Persons/Bodies Corporate described hereinabove, no other Director or Key Managerial Personnel of the Company is concerned or interested in the said resolution.

**Item No. 10**

Due to the enactment of majority provisions of the Companies Act, 2013 certain changes are required to be made in the Articles of Association of the Company. Some new Articles/



clauses are proposed to be inserted in relation to use of electronic mode for voting by members, participation in meeting of the Board by Directors, service of documents and maintenance of registers and records.

A general clause is also proposed to be inserted to the effect that if any provision as mentioned in the Articles is inconsistent with the provisions of the Companies Act, 2013 and Rules made therein, then the provisions of the Companies Act, 2013 and rules made therein shall override the provisions of these Articles.

The Board therefore recommends the resolution under section 14 of the Companies Act, 2013 as a special resolution for your approval.

None of the Directors or key managerial personnel of the Company or their relatives are concerned or interested in the resolution.

By Order of the Board

Place : Hyderabad,  
Dated : 4th September, 2014.

**ARUN KUMAR BHANGADIA,**  
Chairman.  
**(DIN : 00021024)**

**DIRECTORS' REPORT**

To  
The Members,

Your Directors have pleasure in presenting the 20th Annual Report on the business and operations of the Company together with the audited statements of accounts for the financial year ended 31st March, 2014.

**FINANCIAL HIGHLIGHTS:**

The Financial results for the year ended 31st March, 2014 are summarized as under:

(Rs. in Lakhs)

Consolidated		Particulars	Standalone	
2013-14	2012-13		2013-14	2012-13
574.22	516.82	Income from Operations	574.22	516.82
1.65	79.47	Other Income	1.65	79.47
514.94	541.57	Total Expenditure	514.94	541.57
485.76	82.05	Profit/Loss before Interest and Depreciation	485.76	82.05
0.64	0.70	Interest	0.64	0.70
28.53	26.63	Depreciation	28.53	26.63
60.93	54.72	Profit/Loss after Interest and Depreciation	60.93	54.72
		Provision for Taxation		
21.46	19.57	- Current Tax	21.46	19.57
2.10	(2.59)	- Deferred Tax	2.10	(2.59)
41.58	37.73	- Profit after taxation	41.58	37.73
		Appropriations		
Nil	Nil	- Proposed Dividend	Nil	Nil
Nil	Nil	- Provision for Tax on Dividend	Nil	Nil
41.58	37.73	- Transfer to General Reserve	41.58	37.73
145.14	111.18	Balance Brought Forward from previous year	145.14	111.18
182.56	145.15	Balance carried to Balance Sheet	182.56	145.15
0.51	0.55	Earnings Per share	0.51	0.55

**DIVIDENDS:**

In the view of requirement for retention of earnings for the business growth, the Board of Directors do not recommend any dividend For the year under review.

**STATUTORY 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. M/s. K. Venkateswara Rao & Associates have informed the Company that, if appointed, their appointment as Auditor's will be pursuant to the provisions of Section 139 of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014. Accordingly, the members approval is being sought for their appointment as Auditor of the Company.

**DIRECTORS:**

Mr. Murlidhar Mutgi & Mr. Arun Kumar Sarda resigned from the office of Directorship citing personal reasons during the year with effect from 12-08-2014. The Board places on record its sincere appreciation for the valuable services rendered by them during their tenure.

During the year, Mr. Devender Kumar Rathi and Mrs. Priyanka Barve were appointed as Additional Directors w.e.f. 04-09-2014. Now the Board proposes to regularize them as Directors.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. With the changes in the Companies Act, the Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by the provisions of Companies Act, 2013. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint existing independent directors, as Independent Directors on the Board of the Company for a term up to five consecutive years. A brief profile of proposed Independent Directors, including nature of their expertise, is provided in this Annual Report.

Notices have been received from Members proposing candidature of the Directors namely Mr. Ramswaroop Agrawal, Mr. Devender Kumar Rathi and Mrs. Priyanka Barve, for the office of Independent Directors of the Company. In the opinion of the Board, they fulfil the conditions specified in the Companies Act, 2013 and the Rules made there under for appointment as Independent Directors of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company [www.trimurthidrugs.com](http://www.trimurthidrugs.com).

Mr. Arvind Kumar Bhangadia will retire by rotation at the ensuing Annual General Meeting in terms of Section 152 and any other applicable provisions of the Companies Act, 2013 and being eligible offers himself for re-appointment.

Mrs. Vani Manda has been appointed as Chief Financial Officer of the company with effect from 04-09-2014.

**COMPANY SECRETARY:**

Ms. Jyoti Ramesh Kakani as company secretary of the company with effect from 04-09-2014.

**DISCLOSURE REGARDING INVESTMENTS:**

Non Current Investments, i.e., (Investment in 5,00,000 Equity Shares of Re.1/- each Kaushalya Global Limited) amounts to Rs. 500000/- as on 31-03-2014.

Loans to Unrelated Parties amounts to Rs. 6,82,41,022 which are Unsecured and considered good as on 31-03-2014. The Company has advanced this surplus funds which is providing a regular income to the Company in the form of interest.

**SUBSIDIARY COMPANY:**

During the year under review your company has made investment of Rs.29.50 Lakhs (2,95,000 Equity Shares of Rs.10/- each) in Equity Shares of Trimurthi Pharmaceuticals India Private Limited, representing 59% of the paid-up equity capital of the said company thereby making it a subsidiary of your company.

Trimurthi Pharmaceuticals India Private Limited was incorporated in the Year 2012 and is engaged in the business of distribution of pharmaceutical products.

**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.

**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 ARRANGEMENTS:**

The Equity Shares of your Company are listed at The Ahmedabad Stock Exchange Limited, Madras Stock Exchange and Bombay Stock Exchange Limited. The requisite Annual Listing Fees of the Ahmedabad Stock Exchange Limited, Madras Stock Exchange and Bombay Stock Exchange Limited had been paid as on the date of this report.

Your Board of directors has pleasure to inform you that shares of Your Company are now listed on Bombay Stock Exchange Limited from 14-10-2013.

**INSURANCE :**

The Company has made necessary arrangements for adequately insuring its insurable interests.

**FIXED DEPOSITS:**

The Company has not accepted any deposits U/s 73 of the Companies Act, 2013 and as such no amount of principle or interest was outstanding as on the date of Balance Sheet.

**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 31st March, 2014 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.

**CORPORATE GOVERNANCE:**

Your Company follows the principles of effective corporate governance and committed to maintain high standard of corporate governance by adhering to the corporate governance requirements set out by SEBI. The Company has complied with all the mandatory provisions of corporate governance as prescribed in the Clause 49 of the listing agreement with the Stock Exchange.

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.

**GREEN INITIATIVE:**

Last year, we started a Green Initiative with the aim of being green and minimizing our impact on the environment. This year too we are proposing to send the Annual Report to the registered e-mail addresses of the shareholders.

**CODE OF CONDUCT:**

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Managing Director is given in Annexure.

**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.

**DECLARATION BY DIRECTOR OF AFFIRMATION BY DIRECTORS AND SENIOR MANAGEMENT  
PERSONAL OF COMPLIANCE WITH THE CODE OF CONDUCT:**

The shareholders,

I, Arvind Kumar Bhangadia, Managing Director of the Company do hereby declare that the directors and senior management of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the code of conduct as prescribed by the company and have adhered to the provisions of the same.

For and on behalf of the Board

Place: Hyderabad.

Dated: 04-09-2014

ARUN KUMAR BHANGADIA  
Chairman  
(DIN: 00021024)

ARVIND KUMAR BHANGADIA  
Managing Director  
(DIN: 00015838)

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY OVERVIEW:

India is among the top five emerging pharma markets and has grown at an estimated compound annual growth rate (CAGR) of 13 per cent during the period FY 2009–2013. The Indian pharmaceutical market is poised to grow to US\$ 55 billion by 2020 from the 2009 levels of US\$ 12.6 billion, according to the report titled 'India Pharma 2020' by McKinsey & Co. An increase in insurance coverage, an ageing population, rising income, greater awareness of personal health and hygiene, easy access to high-quality healthcare facilities and favourable government initiatives are some of the important factors expected to drive the pharma industry in India. Pharmaceutical sales in India are expected to grow by 14.4 per cent to US\$ 27 billion in 2016 from US\$ 22.6 billion in 2012, according to a report by Deloitte called '2014 Global Life Sciences Outlook'. Further, the Government of India has also put in place mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to address the issue of affordability and availability of medicines. The Andhra Pradesh government has announced a new life sciences policy for the state at the 11th edition of BioAsia 2014 in Hyderabad. According to the new policy, the state will provide subsidies in power, water and provide land for setting up of new life science industries in the state. The state government is planning to attract an investment of Rs. 20,000 crore (US\$ 3.33 billion) by encouraging more industries in the segment.

### OUTLOOK:

The new report, Pharmacy Retail Market in India 2013, elaborates the changing role of pharmacy outlets and the gradual progression it is seeing towards building an organized format. The market is sustainable and is projected towards significant growth due to the already existing varied disease profile as well as the emerging new diseases and the growing population size being affected by such diseases.

The pharmacy sector forms the second largest share in the Indian healthcare sector. The sector sources its products through institutional and non institutional sales. The institutional sales is the sale of pharmaceuticals to hospitals, nursing homes and other such health institutions that purchase bulk drugs at discounted prices that results in partial decline in profit margin of manufacturers. Whereas, non institutional sales takes place through retail stores that happen to be the only form of sales channel that reaches directly to consumers and is a major source of revenue earning for the sector.

The pharmacy sector in India is highly regulated, yet the sector suffers from circulation of sub standard and counterfeit drugs which hampers the retail segment of the business. Measures are being taken by the pharmacy regulatory bodies of the country to control the menace as it hampers the revenue earning drastically. The government is also taking major initiatives to provide medicines at subsidized rates as well as engage in tele consultation services and distribution of medicines in the rural belt.

The pharmacy retail industry in India operates predominantly in the unorganized format and is currently having approximately 12 major players operating in organized format.

However, most organized players are operative regionally and are far from having a pan India presence. A variety of value added services are being incorporated by the organized players to attract a larger market share and initiatives are being taken to engage customers in brand loyalty.

To sum up, the pharmacy retail is a stable market that has strong growth potential even in the future years. In addition, the retail business of the Company has been transferred to its subsidiary "Trimurthi Pharmaceutical (India) Private Limited".

Moreover, the Company is striving and making efforts towards being appointed as the 'C&F AGENTS' of Multinational Pharmaceutical Companies (MNC's) having operations in India.

**RISK AND CONCERNS:**

An effective risk management framework enhances the organization's ability to proactively address its risks and opportunities by determining a risk mitigation strategy and monitoring its progress on continuous basis.

Our risk management framework is intended to ensure that risks are identified in a timely manner. We have implemented an integrated risk management framework to identify, assess, prioritize, manage/mitigate, monitor and communicate the risk across the county.

Senior management personnel meet at regular intervals to identify various risks, assess, and prioritize the risks. After due deliberations, appropriate strategies are made for managing/mitigating the risks. The company takes the help of independent professional firms to review the risk management structure and implementation of risk management policies. Audit Committee on a quarterly basis, review the adequacy and effectiveness of the risk management strategies, implementation of risk management/mitigation policies, It advises the board on matters of significant concerns for redressal.

**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

- As on date the Company has 5 directors with a Non-Executive Chairman on its Board. Out of these 1 is Executive Director and 4 are Non- Executive Directors (of which 3 are Independent Directors), who are having vast experience in their fields. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered with the BSE, ASE & MSE.
- None of the directors on the Board is a member of more than 10 Committee or chairman of more than 5 Committees across all the companies in which he is a director. Necessary disclosure regarding their directorship/ Membership in other companies has been made by each and every director.
- Chairmanship/membership reflects only Audit and shareholders & Investor Grievances committees of other Public Companies.

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 four months between any two meetings.

During the year the meeting(s) of the Board of Directors held 7 times viz. as per the below table.

Particulars	Date
First Meeting	26-04-2013
Second Meeting	26-07-2013
Third Meeting	03-09-2013
Fourth Meeting	01-10-2013
Fifth Meeting	26-10-2013
Sixth Meeting	30-01-2014
Seventh Meeting	24.03.2014

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 Board Meeting	Attendance Last AGM	No. of Other Directorship in Public Companies	Committee Membership Please Check the highlighted part and make the changes accordingly
Shri Arvind Kumar Bhangadia	7	Y	2	2
Shri Murlidhar Mutgi (Resigned on 12-08-2014)	7	Y	Nil	3
Shri Ramswaroop Agarwal	7	Y	2	3
Shri Arun Kumar Bhangadia	7	Y	4	1
Shri Arun Kumar Sarda (Resigned on 12-08-2014)	7	Y	3	3
Shri Devender Kumar Rathi (Appointed on 04-09-2014)	--	--	Nil	1
Smt. Priyanka Barve (Appointed on 04-09-2014)	--	--	Nil	2

**AUDIT COMMITTEE:**

The Audit committee consists of the following directors:

Name of the Director	Designation	Category	No. of Meetings attended	No. of Meetings Held
Shri Ramswaroop Agarwal	- Chairman	- Independent Executive Director	4	4
Shri Arun Kumar Bhangadia	- Member	- Promoter Non-Executive Director	4	4
Smt. Priyanka Barve (appointed on 04-09-2014)	- Member	Independent Non Executive Director	--	--

During the year under review, Four Audit Committee meetings were held on: 25-04-2013, 26-07-2013, 25-10-2013 & 29-01-2014.

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.

**NOMINATION & REMUNERATION COMMITTEE:**

The remuneration committee consists of the following Directors:

<b>Shri Devender Kumar Rathi</b>	- Chairman	- Independent Non-Executive Director (appointed on 04-09-2014)
<b>Shri Ramswaroop Agarwal</b>	- Member	- Independent Non-Executive Director
<b>Shri Arun Kumar Bhangadia</b>	- Member	- Promoter Non-Executive Director

The Remuneration committee meeting was held on 01st September, 2013 during the year under review.

The details of the remuneration to the managerial personnel of the company for the financial year 2013-2014 as under.

The Company had paid an amount of Rs. 4,20,000/- To Shri Arvind Kumar Bhangadia, Managing Director of the Company as Salary to the Director.

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The investors' grievance committee consists of the following directors.

<b>Shri Ramswaroop Agarwal</b>	- Chairman	- Independent Non-Executive Director
<b>Smt. Priyanka Barve</b>	- Member	- Independent Non-Executive Director (Appointed on 04-09-2014)
<b>Shri Arvind Kumar Bhangadia</b>	- Member	- Promoter

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	Special Resolutions Passed
2012-2013	AGM	30.09.2013	Vaishnaoi Hotel # 3-2-848/1 Station Road, Kachiguda Hyderabad-500 027	11.00 A.M.	No Special resolution passed
2011-2012	AGM	24.08.2012	RGA Hall, Snatak Bhavan, 5-4-790/1, Ashirvad Complex, 1st Floor, Abids, Hyderabad – 500 001,	11.00 A.M.	Amendment to Articles of Association. Issue of Convertible warrants.
2010-2011	AGM	30.09.2011	RGA Hall, Snatak Bhavan, 5-4-790/1, Ashirvad Complex, 1st Floor, Abids, Hyderabad – 500 001,	11.00 A.M.	No Special resolution passed

**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	4,20,000	Salary Paid
Arun Kumar Bhangadia	Director	3,00,000	Rent Paid
Kiran Bhangadia	Directors' Relative	3,00,000	Rent Paid
TDPL Health Care (India) Ltd.	Company in Which Shri Arun Kumar Bhangadia and Shri Arvind Kumar Bhangadia, are Directors.	2,09,18,983	Purchase of Products
Trimurthi Pharmaceuticals (India) Private Limited	Subsidiary Company	29,50,000	Investment in Equity Shares at par

- i) The Management of the Company feels that the rent paid to above related parties was reasonable when compared to prevailing market prices in the similar areas.
- ii) 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.

**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.

**FINANCIAL CALENDAR 2014-2015 (TENTATIVE SCHEDULE):**

Financial reporting for the quarter ending June 2014	By end of July, 2014
Financial reporting for the quarter ending September 2014	By the end of October 2014
Financial reporting for the quarter ending December 2014	By the end of January 2015
Financial reporting for the quarter ending March 2015	By the end of April 2015

**GENERAL SHAREHOLDER INFORMATION:**

- a) Annual General Meeting : 29th September, 2014
- b) Financial Year : 1st April, to 31st March
- c) Book Closure Date : 27th to 29th September 2014

**LISTING:**

Presently, the Company's securities are Listed at Bombay Stock Exchange Limited (BSE), The Ahmedabad Stock Exchange Ltd (ASE) & Madras stock Exchange (MSE).

**MARKET INFORMATION:**

The Performance of the stock in Bombay Stock Exchange Limited for the period from 01st April, 2013 to 31st March, 2014 was as follows:

Month	Bombay Stock Exchange Limited (BSE)		
	High	Low	Volume
April-13	19.90	14.10	2,81,370
May- 13	20.10	15.00	5,92,804
June- 13	19.50	15.50	1,73,777
July- 13	18.85	12.70	2,20,817
August- 13	13.15	9.70	1,93,283
September- 13	13.15	9.50	2,34,770
October- 13	14.00	9.80	1,13,573
November- 13	16.25	9.75	3,41,884
December- 13	14.88	10.00	2,83,699
January- 14	16.75	6.50	19,61,649
February- 14	7.94	4.44	13,06,131
March- 14	7.40	6.16	1,70,477

**DEMATERIALIZATION OF SHARES:**

Particulars	No. of Shares	% of Total Issued Capital
Issued Capital	81,00,000	100.00
Held in Dematerialized form in CDSL	6678453	82.45
Held in Dematerialized form in NSDL	827627	10.22
Held in Physical	593920	7.33
Total Number of Shares	81,00,000	100.00

The ISIN is Active in NSDL and CDSL and ISIN Number 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 Private Ltd., and approved by the Share Transfer Committee of the Company.

**REGISTRAR AND TRANSFER AGENTS:**

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

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

**DISTRIBUTION OF SHARE HOLDING AS ON 31.03.2014**

Range of Ordinary Shares	No of Holders	% to Holders	No of Shares	% of Capital
Up to 500	2548	86.61	453935	5.60
501 to 1000	160	5.44	135609	1.67
1001 to 2000	98	3.33	148490	1.83
2001 to 3000	37	1.26	93940	1.16
3001 to 4000	21	0.71	75024	0.93
4001 to 5000	17	0.58	80688	1
5001 to 10000	29	0.99	201736	2.49
10000 above	32	1.09	6910578	85.32
<b>Total</b>	<b>2942</b>	<b>100</b>	<b>8100000</b>	<b>100.00</b>

**SHARE HOLDING PATTERN AS ON 31.03.2014**

Promoters Holdings	No of Shares	Percentage of Shareholding (%)
Promoters		
- Indian Promoters	48,83,800	60.29
Persons acting in concert	--	--
<b>Sub-total:</b>	<b>48,83,800</b>	<b>60.29</b>
Non-Promoters Holding		
- Private Corporate Bodies	18,42,821	22.75
- Indian Public	13,73,379	16.96
<b>Sub-total:</b>	<b>32,16,200</b>	<b>39.71</b>
<b>GRAND TOTAL</b>	<b>81,00,000</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.

TRIMURTHI DRUGS & PHARMACEUTICALS LTD.,

ARUN KUMAR BHANGADIA  
Chairman  
(DIN: 00021024)

Place: Hyderabad.  
Dated: 04-09-2014

ARVIND KUMAR BHANGADIA  
Managing Director  
(DIN: 00015838)

**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 31.03.2014

ARUN KUMAR BHANGADIA  
Chairman  
(DIN: 00021024)

Place: Hyderabad.  
Dated: 04-09-2014

ARVIND KUMAR BHANGADIA  
Managing Director  
(DIN: 00015838)

**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, 2014 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

Place: Hyderabad.  
Date: 24-05-2014

(K.Venkateswara Rao)  
Proprietor  
(M.No. 027305)

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

1. I have audited the accompanying financial statements of M/s TRIMURTHI DRUGS & PHARMACEUTICALS LIMITED (the "company") which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date and a summary of the significant accounting policies and other explanatory information.

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

2. 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 Section 211(3C) of the Companies Act, 1956(the "Act") and in accordance with the accounting principles generally accepted in India. 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.

**Auditor's Responsibility**

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered accounts of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error, in making those risk assessments, the auditor considers internal 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, but not for the purpose of expressing an opinion on

the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the 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.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

6. In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2014.
- (b) in the case of the Statement of Profit and Loss account, of the Profit 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**

7. As required by 'the Companies (Auditor's Report) Order, 2003(the "Order")' as amended by 'the Companies (Auditor's Report)(Amendment) Order, 2004' issued by the Central Government of India in terms of sub-section(4A) of section 227 of the Act(hereinafter referred to as the 'Order'), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to me, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, I report that:
- (a) 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.
  - (b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.

- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In my opinion, the Balance Sheet, the Statement of Profit and loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
- (e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For K.VENKATESWARA RAO & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN 006374S

K.VENKATESWARA RAO  
PROPRIETOR  
M.NO.027305

PLACE : HYDERABAD  
DATE : 24.05.2014

## ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 7 under 'Report on Other Legal and Regulatory Requirements' section 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, 2014 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  
FRN 006374S

(K.VENKATESWARA RAO)  
(PROPRIETOR)  
M.No. 027305

PLACE : HYDERABAD  
DATE : 24.05.2014

## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of Trimurthi Drugs & Pharmaceuticals Limited

We have audited the accompanying consolidated financial statements of Trimurthi Drugs & Pharmaceuticals Limited (the Company)) and its subsidiary, which comprise the consolidated Balance Sheet as at 31 March, 2014, the consolidated Statement of Profit and Loss and consolidated Cash Flows Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view 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 management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31 March, 2014;
- (ii) in the case of the consolidated Statement of Profit and Loss Account, of the profit for the year ended on that date; and
- (iii) in the case of consolidated Cash Flow Statement, of the consolidated Cash Flow for the year ended on that date.

**Other Matter**

We did not audit the financial statements of the subsidiary and the subsidiary's financial statements and other financial information have been audited by the other auditors whose report have been furnished to us, and our opinion, in so far as it related to the amounts and disclosures included in respect of this subsidiary is based solely on the reporting of the other auditor.

for K.Venkateswara Rao & Associates  
Chartered Accountants  
FRN : 006374S

Place : Hyderabad  
Date : 24.05.2014

K.Venkateswara Rao  
(Proprietor)  
M.No.027305

**STAND ALONE BALANCE SHEET AS on 31st MARCH, 2014**

Amount in Rs.

Particulars	Note Number	Figures as at the end of current reporting period 31.03.2014		Figures as at the end of Previous reporting period 31.03.2013	
<b>EQUITY AND LIABILITIES</b>					
<b>A. Share Holders' Funds:</b>					
(a) Share Capital	2.1	81000000		81000000	
(b) Reserves & Surplus	2.2	33484173		29326027	
			<b>114484173</b>		110326027
<b>B. Share Application Money Pending Allotment</b>			<b>-Nil-</b>		<b>-Nil-</b>
<b>C. Non Current Liabilities</b>					
(a) Long Term Borrowings	2.3	135915		437892	
(b) Deferred Tax Liabilities (Net)	2.4	1159568		1370025	
			<b>1295483</b>		1807917
<b>D. Current Liabilities</b>					
(a) Short Term Borrowings		-Nil-		-Nil-	
(b) Trade Payables		451919		219673	
(c) Other Current Liabilities	2.5	1069725		1108043	
(d) Short Term Provisions	2.6	2146076		1957895	
			<b>3667720</b>		3285612
			<b>119447376</b>		<b>115419556</b>
<b>ASSETS:</b>					
<b>A. Non Current Assets</b>					
<b>(a) Fixed Assets:</b>					
(i) Tangible Assets	2.7	7374281		6181718	
(ii) Intangible Assets		4341167		6000100	
		<b>11715448</b>		12181818	
(b) Non Current Investments	2.8	3150000		200000	
(c) Long Term Loans & Advances	2.9	2051549		2178279	
(d) Other Non Current Assets	2.10	-Nil-		1220849	
			<b>16916997</b>		15780946
<b>B. Current Assets</b>					
(i) Current Investments		-Nil-		-Nil-	
(ii) Inventories-Traded Finished Goods	2.11	3220859		3327741	
(iii) Trade Receivables	2.12	8471742		8163594	
(iv) Cash & Cash Equivalents	2.13	8695140		3690164	
(v) Short Term Loans & Advances	2.14	80609315		82273683	
(vi) Other Current Assets	2.15	1533322		2183429	
			<b>102530378</b>		99638611
			<b>119447376</b>		<b>115419556</b>
<b>Total:</b>					
Significant Accounting Policies and Notes to Accounts	1 & 2				

As per Report of Even Date,

For and on behalf of the Board

**For K.Venkateswara Rao & Associates,**  
 Chartered Accountants.

**K.Venkateswara Rao,**  
 Proprietor.  
 M. No. 027305  
 Firm Regn. No. 006374S  
 Place : Hyderabad  
 Date : 24-05-2014

 Managing Director.  
 Arvind Kumar Bhangadia  
 (DIN No. : 00015838)

 Director  
 Arun Kumar Bhangadia  
 (DIN No. : 00021024)

**STAND ALONE STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

Amount in Rs.

Particulars	Note Number	Figures as at the end of current reporting period 31.03.2014		Figures as at the end of Previous reporting period 31.03.2013	
I. Revenue from Operations	2.16		<b>57422626</b>		59560575
II. Other Income	2.17		<b>165249</b>		54686
<b>III. Total Revenue (I + II)</b>			<b>57587874</b>		<b>59615261</b>
<b>IV. Expenses:</b>					
Purchases	2.18		<b>42294902</b>		42795940
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.19		<b>106882</b>		2719362
Employee Benefits Expense	2.20		<b>3312637</b>		2592844
Finance Cost	2.21		<b>64561</b>		70355
Depreciation and amortization expense	2.7		<b>2853112</b>		2663386
Other Expenses	2.22		<b>2862016</b>		3301227
<b>Total Expenses</b>			<b>51494109</b>		<b>54143114</b>
<b>V. Profit Before Tax (V-VI)</b>			<b>6093765</b>		5472147
<b>VI. Tax Expense:</b>					
(1) Current Tax		<b>2146076</b>		1957895	
(2) Deferred Tax		<b>(210457)</b>		(259351)	
			<b>1935619</b>		1698544
<b>VII. Profit for the period</b>			<b>4158146</b>		3773603
<b>VIII. Earning Per Share</b>					
Basic			<b>0.51</b>		0.55
Diluted			<b>0.51</b>		<b>0.55</b>
<b>IX. Number of Shares used for EPS working</b>					
Basic			<b>8100000</b>		<b>8100000</b>
Diluted			<b>8100000</b>		<b>8100000</b>
Significant Accounting Policies and Notes to Accounts	1 & 2				

As per Report of Even Date,

For and on behalf of the Board

**For K.Venkateswara Rao & Associates,**  
 Chartered Accountants.

**K.Venkateswara Rao,**  
 Proprietor.  
 M. No. 027305  
 Firm Regn. No. 006374S  
 Place : Hyderabad  
 Date : 24-05-2014

 Managing Director.  
 Arvind Kumar Bhangadia  
 (DIN No. : 00015838)

 Director  
 Arun Kumar Bhangadia  
 (DIN No. : 00021024)

**STAND ALONE CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2014**

Particulars	As on 31.03.2014	As on 31.03.2013
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit before Tax and Extraordinary Items	60.94	54.72
Adjustments for:		
Depreciation	28.53	26.63
Interest & Other Income	(89.49)	(71.04)
Loss on Sale of Assets	-Nil-	0.87
Profit on Sale of Investments	-Nil-	(0.26)
Operating profit before Working Capital Changes	<b>(0.02)</b>	<b>10.92</b>
Adjustments for:		
Trade and Other receivables (Increase)	20.06	89.57
Inventories (Decrease)	1.07	27.19
Trade payables	3.82	(452.99)
Cash generated from Operations	<b>24.95</b>	<b>(336.23)</b>
Cash flow before Extraordinary Items	24.93	(325.31)
Extraordinary Items and Tax	(21.46)	(19.58)
<b>Net Cash used for Operating activities</b>	<b>3.47</b>	<b>(344.89)</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Fixed Assets	(23.87)	(15.95)
Sale of Fixed Assets	-Nil-	2.00
Purchase of Investments	(29.50)	(2.00)
Sale of Investments	-Nil-	50.80
Increase / (Decrease) in Deposits	13.48	(0.24)
Interest & Other Income	89.49	71.04
<b>Net Cash flow from Investing activities</b>	<b>49.60</b>	<b>105.65</b>
<b>C. Cash Flow from Financing Activities:</b>		
Increase in Share Capital	-Nil-	135.00
Increase in Share Premium	-Nil-	121.50
Increase / Decrease in Long Term Borrowings	(3.02)	4.38
Share Issue and Preliminary Expenses	-Nil-	-Nil-
Dividends Paid	-Nil-	(20.25)
<b>Net Cash flow from Financing activities</b>	<b>(3.02)</b>	<b>240.63</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>50.05</b>	<b>1.39</b>
Cash and Cash Equivalents as at (Opening Balance)	36.90	35.51
Cash and Cash Equivalents as at (Closing Balance)	86.95	36.90

We have verified the above Cash Flow Statement of TRIMURTHI DRUGS & PHARMACEUTICALS LIMITED, for the year ended on 31st March, 2014, 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.

As per Report of Even Date,

For and on behalf of the Board

**For K.Venkateswara Rao & Associates,**  
Chartered Accountants.

**K.Venkateswara Rao,**  
Proprietor.  
M. No. 027305  
Firm Regn. No. 006374S  
Place : Hyderabad  
Date : 24-05-2014

Managing Director.  
Arvind Kumar Bhangadia  
(DIN No. : 00015838)

Director  
Arun Kumar Bhangadia  
(DIN No. : 00021024)

**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS****(1 & 2)****1. SIGNIFICANT ACCOUNTING POLICIES:****1.1 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.

**1.2 Basis of Accounting:**

All Income and Expenditure items are recognised on accrual basis. However, Dividend Income is accounted for on Receipt Basis.

**1.3 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. Intangible assets represents consideration paid for acquisition of such assets and also includes amortised cost of merger expenses.
- (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 prorata basis.

**1.4 Inventories:**

Closing Stock had been valued at Cost or Market Value whichever is lower.

**1.5 Retirement Benefits:**

Employees post retirement benefits such as Gratuity, Pension and leave Encashment will be accounted as and when it arises.

**1.6 Impairment of Assets:**

No asset was identified as impaired during the year.

**1.7 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.

**1.8 Foreign Exchange Transactions:**

There were no foreign exchange transactions during the year.

**1.9 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.

**1.10 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.

**1.11 Investments:**

Investments have been recorded at Cost of acquisition. Temporary diminution in the value of the Investments has been ignored in accordance with the Accounting Standard.



**2. NOTES ON ACCOUNTS**
**2.1 SHARE CAPITAL**

Particulars	As on 31.03.2014	As on 31.03.2013
<b>A. Authorised Capital :</b>		
2,00,00,000 Equity Shares of Rs. 10/- each	<b>20,00,00,000</b>	20,00,00,000
<b>B. Issued Subscribed &amp; Paid up Capital :</b>		
81,00,000 Equity Shares of Rs. 10/- each Fully paid	<b>8,10,00,000</b>	8,10,00,000

**C. Reconciliation of Number of Shares Outstanding at the beginning and end of Reporting Period:**

Particulars	As on 31.03.2014		As on 31.03.2013	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Shares outstanding at the beginning of the year	8100000	81000000	6750000	67500000
<i>Add:</i> Shares Issued during the year	-Nil-	-Nil-	1350000	13500000
	8100000	81000000	8100000	81000000
<i>Less:</i> Shares bought back during the year	-Nil-	-Nil-	-Nil-	-Nil-
<b>Shares outstanding at the end of the year</b>	<b>8100000</b>	<b>81000000</b>	<b>8100000</b>	<b>81000000</b>

**D. Names of Persons who are holding more than 5% Shares in the Paid up Capital:**

Name of The Share Holder	As on 31st March 2014		As on 31st March 2013	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Mr. Arun Kumar Bhangadia	1542200	19.00%	1331200	16.43%
Mrs. Kiran Bhangadia	1032900	13.00%	982900	12.13%
Mahaveer Infoway Limited	750000	09.00%	Nil	Nil
Mr. Arun Kumar Bhangadia (HUF)	387000	05.00%	387000	4.78%
TDPL Health Care (India) Limited	1430000	18.00%	1430000	17.65%
	<b>5142100</b>	<b>64.00%</b>	<b>4131100</b>	<b>51.00%</b>

**E. Other information required to be disclosed under 6(A)(h), (i), (j), (k), (l) is Nil.**

**2.2 RESERVES AND SURPLUS:**

Particulars	As on 31.03.2014	As on 31.03.2013
<b>(A) General Reserve:</b>		
Opening Balance	2661362	2284002
Add: Transfers during the year	415815	377360
	<b>3077177</b>	<b>2661362</b>
<b>(B) Securities Premium :</b>		
On issue of Shares at premium of Rs. 9/- per share	12150000	12150000
	<b>12150000</b>	<b>12150000</b>
<b>(C) Profit &amp; Loss Account:</b>		
Opening Balance	14514665	11118422
Add: Net Profit for the Current Year	4158146	3773603
	<b>18672811</b>	<b>14892025</b>
Less: Transferred to General Reserve	415815	377360
	<b>18256996</b>	<b>14514665</b>
<b>Total (A) + (B) + (C)</b>	<b>33484173</b>	<b>29326027</b>

**2.3 LONG TERM BORROWINGS:**

Particulars	As on 31.03.2014	As on 31.03.2013
<b>Secured Loans :</b>		
HDFC Car Loan (Secured by Hypothecation of Renault Duster Car) (Repayable in 36 instalments of Rs. 27395 @, Interest @ 11%)	135915	437892
	<b>135915</b>	<b>437892</b>

**2.4 DEFERRED TAX LIABILITIES:**

Particulars	As on 31.03.2014	As on 31.03.2013
Opening Deferred Tax Liability	1370025	1629376
Add/(Less): Timing Differences on account of:		
(a) Differences in Depreciation rates	(262678)	(284809)
(b) Amortisation of Expenses under IT Act	52221	52221
(c) Loss on sale of Asset	Nil	(26763)
<b>Net Deferred Tax Liability</b>	<b>1159568</b>	<b>1370025</b>

**2.5 OTHER CURRENT LIABILITIES**

Particulars	As on 31.03.2014	As on 31.03.2013
(a) Current Maturities of Finance Lease Obligations	301977	262853
(b) Unpaid Dividends	518382	536506
(c) Other Payables		
(i) Outstanding Expenses	221714	288063
(ii) TDS Payable	27651	20621
	<b>1069725</b>	<b>1108043</b>

**2.6 SHORT TERM PROVISIONS**

Particulars	As on 31.03.2014	As on 31.03.2013
Provision for Income Tax	2146076	1957895
	<b>2146076</b>	<b>1957895</b>

**2.8 NON CURRENT INVESTMENTS:**

Particulars	As on 31.03.2014	As on 31.03.2013
<b>Investment in Shares</b>		
Investment in 20,000 Shares of Kaushalya Global Limited (Face Value of Rs. 10/- each, Unquoted and Valued at Cost)	200000	200000
Investment in 2,95,000 Shares of Trimurthy Pharmaceutical India Pvt. Ltd., (Face Value of Rs. 10/- each, Unquoted and Valued at Cost)	2950000	Nil
	<b>3150000</b>	<b>200000</b>

**2.9 LONG TERM LOANS & ADVANCES:**

Particulars	As on 31.03.2014	As on 31.03.2013
<b>Security Deposits:</b>		
Unsecured and Considered Good	2051549	2178279
	<b>2051549</b>	<b>2178279</b>

**2.10 OTHER NON CURRENT ASSETS:**

Particulars	As on 31.03.2014	As on 31.03.2013
Debtors outstanding for a period exceeding 12 months		
Unsecured Considered Good	Nil	1220849
Considered Doubtful	Nil	Nil
	<b>Nil</b>	<b>1220849</b>
Less : Provision for Doubtful Debts	Nil	Nil
	<b>Nil</b>	<b>1220849</b>

**2.7 STAND ALONE STATEMENT OF FIXED ASSETS & DEPRECIATION**

Sl. No.	Particulars	Gross Block		Accumulated Depreciation			Net Block	
		Balance as at 01-04-2013	Additions/ (Disposals) 31-03-2014	Balance as at 01-04-2013	For the Year	Adj.	Balance as at 31-03-2014	Balance as at 31-03-2013
<b>(A) Tangible Assets</b>								
1	Property at Kothur	- Nil-	1020605	- Nil-	- Nil-	- Nil-	1020605	- Nil-
2	Building & Civil Works	715853	- Nil-	46084	11668	- Nil-	658101	669769
3	Plant and Machinery	456562	- Nil-	56362	21686	- Nil-	378514	400200
4	Furniture & Fittings	878558	178550	357182	60420	- Nil-	639506	521376
5	Office Equipment	742876	52490	406985	49668	- Nil-	338713	335891
6	Vehicles *	5732478	97013	1688722	498339	- Nil-	3642430	4043755
7	Computer and Printer	724429	623870	513702	138185	- Nil-	696412	210727
		<b>9250756</b>	<b>1972528</b>	<b>3069037</b>	<b>779966</b>	<b>- Nil-</b>	<b>7374281</b>	<b>6181718</b>
<b>(B) Intangible Assets:</b>								
8	Others (Merger Expenses)	20000000	- Nil-	14000000	2000000	- Nil-	4000000	6000000
9	Website	59750	- Nil-	59650	- Nil-	- Nil-	100	100
10	Computer Software	- Nil-	414214	- Nil-	73146	- Nil-	341068	- Nil-
		20059750	414214	14059650	2073146	- Nil-	4341168	6000100
	<b>TOTAL:</b>	29310506	2386742	17128687	2853112	- Nil-	11715449	12181818
	Previous Year	28484696	825810	14948158	2663386	(482857)	12181818	13536538

**2.11 INVESTORIES:**

Particulars	As on 31.03.2014	As on 31.03.2013
Finished Goods	<b>3220859</b>	3327741
	<b>3220859</b>	3327741

**2.12 TRADE RECEIVABLES:**

Particulars	As on 31.03.2014	As on 31.03.2013
(i) Debtors outstanding for a period exceeding 6 months Unsecured Considered Good	<b>772731</b>	Nil
(ii) Other Debtors Unsecured Considered Good	<b>7699012</b>	8163594
	<b>8471742</b>	<b>8163594</b>

**2.13 CASH & CASH EQUIVELENTS:**

Particulars	As on 31.03.2014	As on 31.03.2013
(a) Bank Balances in		
(i) Current Accounts	<b>5014723</b>	2579042
(ii) Fixed Deposits with		
Less than 12 months maturity	<b>3033555</b>	445456
More than 12 months maturity	<b>Nil</b>	Nil
(iii) Unpaid Dividend Accounts	<b>518382</b>	536506
	<b>8566660</b>	3561005
(b) Cash on Hand	<b>128480</b>	129159
	<b>8695140</b>	<b>3690164</b>

**2.14 SHORT TERM LOANS & ADVANCES:**

Particulars	As on 31.03.2014	As on 31.03.2013
(a) <b>Loans to Unrelated Parties</b> Unsecured and considered good	<b>68181820</b>	66487801
(b) <b>Other Advances:</b>		
(i) Advances to Suppliers (unsecured)	<b>3197001</b>	1053255
(ii) Advances for Property (unsecured)	<b>8875000</b>	14600000
(ii) Advances for Property (unsecured)	<b>355494</b>	132627
	<b>80609315</b>	<b>82273683</b>

**2.15 OTHER CURRENT ASSETS:**

Particulars	As on 31.03.2014	As on 31.03.2013
(a) Advance Tax & TDS	<b>1424073</b>	1323130
(b) TDS (2008-2009)	<b>109249</b>	109249
(c) Investment in Chits	<b>Nil</b>	751050
	<b>1533322</b>	<b>2183429</b>

**2.16 REVENUE FROM OPERATIONS**

Particulars	As on 31.03.2014	As on 31.03.2013
(a) From Sale of Products	<b>47606313</b>	51682302
(b) From Services	<b>868740</b>	802839
(c) Investment Income Received	<b>8947573</b>	7075434
	<b>57422626</b>	59560575

**2.17 OTHER INCOME**

Particulars	As on 31.03.2014	As on 31.03.2013
(1) Dividend	<b>1200</b>	3050
(2) Profit on Sale of Investments (Property)	<b>Nil</b>	26000
(3) Other Income / Chit Dividend / Commission	<b>164049</b>	25636
	<b>165249</b>	<b>54686</b>

**2.18 PURCHASES**

Particulars	As on 31.03.2014	As on 31.03.2013
Purchase of Trading Goods	<b>42294902</b>	42795940
	<b>42294902</b>	<b>42795940</b>

**2.19 CHANGES IN INVENTORY**

Particulars	As on 31.03.2014	As on 31.03.2013
<b>Finished Goods</b>		
Opening Stock	<b>3327741</b>	6047103
<u>Less: Closing Stock</u>	<b>3220859</b>	3327741
	<b>106882</b>	<b>2719362</b>

**2.20 EMPLOYEE BENEFITS EXPENSE**

Particulars	As on 31.03.2014	As on 31.03.2013
Salaries	<b>2892637</b>	2172844
Directors Remuneration	<b>420000</b>	420000
	<b>3312637</b>	<b>2592844</b>

**2.21 FINANCE COSTS**

Particulars	As on 31.03.2014	As on 31.03.2013
Interest on Car Loan	<b>64561</b>	70355
	<b>64561</b>	<b>70355</b>

**2.22 OTHER EXPENSES**

Particulars	As on 31.03.2014	As on 31.03.2013
Audit Fees	112360	119832
Bank Charges	12526	16844
Boarding & Lodging Expenses	19535	17923
Electricity Charges	64750	48037
General Expenses	64118	72850
Insurance Charges	131472	193764
Listing Fee	163062	51854
License & Fees	90557	63713
Postage & Courier Charges	50775	53766
Printing & Stationery	41203	109085
Membership & Subscriptions	2809	23760
Professional Charges	273258	680758
Rates & Taxes	119729	112071
Rent	600000	699000
Other Repairs & Maintenance	193881	138917
Vehicle Fuel Expenses	202791	145973
Telephone & Internet Expenses	78394	63077
Travelling Expenses	203561	281585
Discount	30901	68240
Carriage Outward Expenses	118062	160998
Advertisement Expenses	54996	50746
Packing Materials	23564	32631
Business Promotion Expenses	2262	9193
Loss on Sale of Car	-Nil-	86611
Special Course Fee	140450	-Nil-
Donation	67000	-Nil-
	<b>2862016</b>	<b>3301227</b>

**2. Notes to Accounts:**
**2.23 Disclosure of Remuneration to Auditors:**

Particulars	2013-14 Amount (Rs.)	2012-13 Amount (Rs.)
Statutory Audit Fees	70,000	70,000
Tax Audit Fee	20,000	20,000
Certification Fee	10,000	16,650
Reimbursement of Service Tax	12,360	13,182
<b>Total</b>	<b>1,12,360</b>	<b>1,19,832</b>

**2.24 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 discussed below:

Name of the Person	Relationship	Amount (Rs.)	Nature of Transaction
Arvind Kumar Bhangadia	Executive Director	4,20,000	Remuneration
Arun Kumar Bhangadia	Director	3,00,000	Rent
Kiran Bhangadia	Director's Relative	3,00,000	Rent
TDPL Health Care (India)Ltd.	Company in which Mr. Arun Kumar Bhangadia and Mr. Arvind Kumar Bhangadia, are Directors.	2,09,18,983	Purchase of Products
Trimurthi Pharmaceuticals (India) Private Limited	Subsidiary Company	29,50,000	Investment in Equity Shares at par

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



**2.25 Earning Per Share:**

Basic EPS before extraordinary items	Rs. 0.51
Diluted EPS before extraordinary items	Rs. 0.51

**2.26 Segment Reporting:**

As per the Accounting Standard -17 Segment Reporting is furnished hereunder:

(Rupees in Lakhs)

Particulars	Amount (Rs.) 31.03.2014	Amount (Rs.) 31.03.2013
<b>Revenue</b>		
i) Pharma Business	486.39	525.25
ii) Financial Activity	89.48	70.75
iii) Investment Activity	0.01	50.80
iv) Trading in Shares	0.00	0.00
<b>Total:</b>	<b>575.88</b>	<b>646.80</b>
<b>Results</b>		
i) Pharma Business	(19.51)	(9.50)
ii) Financial Activity	80.44	63.93
iii) Investment Activity	0.01	0.29
iv) Trading in Shares	0.00	0.00
<b>Total:</b>	<b>60.94</b>	<b>54.72</b>
<b>Capital Employed</b>		
i) Pharma Business	413.38	372.00
ii) Financial Activity	681.82	664.88
iii) Investment Activity	31.50	2.00
<b>Total:</b>	<b>1126.70</b>	<b>1038.88</b>

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

**2.27 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.

An amount of Rs.2,88,000/- has identified as a Contingent Liability on account of dispute in title of a Motor Car purchased by the Company. The Company has filed a case in the Hon'ble High Court of Andhra Pradesh which is pending for disposal.

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

**2.28 Taxes on Income:**

Current Year Income Tax amounting to Rs. 21,46,076/- has been recognized as per the Tax rates applicable for the year. Deferred Tax (Asset) amounting to Rs. 2,10,457/- has been recognized due to the differences arising on account of Depreciation, Amortisation of Expenses and Losses on Sale of Assets.

**2.29** 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 ordinary course of the Business.

**2.30** Balances of Sundry Debtors, Loans and Advances are subject to confirmation.

**2.31** 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.

**2.32** Previous year figures have been regrouped and rearranged wherever found necessary, to be in confirmative with current year classification.

**2.33** Paises are rounded off to the nearest rupee.

As per Report of Even Date,

For and on behalf of the Board

**For K.Venkateswara Rao & Associates,**  
Chartered Accountants.

**K.Venkateswara Rao,**  
Proprietor.  
M. No. 027305  
Firm Regn. No. 006374S  
Place : Hyderabad  
Date : 24-05-2014

Managing Director.  
Arvind Kumar Bhangadia  
(DIN No. : 00015838)

Director  
Arun Kumar Bhangadia  
(DIN No. : 00021024)

**CONSOLIDATED BALANCE SHEET AS ON 31st MARCH, 2014**

Amount in Rs.

Particulars	Note Number	Figures as at the end of current reporting period 31.03.2014		Figures as at the end of Previous reporting period 31.03.2013	
<b>EQUITY AND LIABILITIES</b>					
<b>A. Share Holders' Funds:</b>					
(a) Share Capital	2.1	81000000		81000000	
(b) Reserves & Surplus	2.2	33484173	114484173	29326027	110326027
<b>B. Share Application Money Pending Allotment</b>			-Nil-		-Nil-
<b>C. Minority Interest</b>			2050000		-Nil-
<b>D. Non Current Liabilities</b>					
(a) Long Term Borrowings	2.3	135915		437892	
(b) Deferred Tax Liabilities (Net)	2.4	1159568	1295483	1370025	1807917
<b>E. Current Liabilities</b>					
(a) Short Term Borrowings		-Nil-		-Nil-	
(b) Trade Payables		451919		219673	
(c) Other Current Liabilities	2.5	1231579		1108043	
(d) Short Term Provisions	2.6	2228746	3912244	1957895	
			121741900		3285612
					115419556
<b>ASSETS:</b>					
<b>A. Non Current Assets</b>					
(a) Fixed Assets:	2.7				
(i) Tangible Assets		7374281		6181718	
(ii) Intangible Assets		4341167		6000100	
		11715448		12181818	
(b) Non Current Investments	2.8	500000		200000	
(c) Long Term Loans & Advances	2.9	2051549		2178279	
(d) Other Non Current Assets	2.10	269634	14536631	1220849	15780946
<b>B. Current Assets</b>					
(i) Current Investments		-Nil-		-Nil-	
(ii) Inventories-Traded Finished Goods	2.11	3220859		3327741	
(iii) Trade Receivables	2.12	8471742		8163594	
(iv) Cash & Cash Equivalents	2.13	13284099		3690164	
(v) Short Term Loans & Advances	2.14	80668517		82273683	
(vi) Other Current Assets	2.15	1560051	107205268	2183429	99638611
<b>Total:</b>			121741900		115419556
Significant Accounting Policies and Notes to Accounts	1 & 2				

As per Report of Even Date,

For and on behalf of the Board

**For K.Venkateswara Rao & Associates,**  
 Chartered Accountants.

**K.Venkateswara Rao,**  
 Proprietor.  
 M. No. 027305  
 Firm Regn. No. 006374S

 Place : Hyderabad  
 Date : 24-05-2014

 Managing Director.  
 Arvind Kumar Bhangadia  
 (DIN No. : 00015838)

 Director  
 Arun Kumar Bhangadia  
 (DIN No. : 00021024)

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

Amount in Rs.

Particulars	Note Number	Figures as at the end of current reporting period 31.03.2014	Figures as at the end of Previous reporting period 31.03.2013
I. Revenue from Operations	2.16	<b>57422626</b>	59560575
II. Other Income	2.17	<b>165249</b>	54686
<b>III. Total Revenue (I + II)</b>		<b>57587874</b>	<b>59615261</b>
<b>IV. Expenses:</b>			
Purchases	2.18	<b>42294902</b>	42795940
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.19	<b>106882</b>	2719362
Employee Benefits Expense	2.20	<b>3312637</b>	2592844
Finance Cost	2.21	<b>64561</b>	70355
Depreciation and amortization expense	2.7	<b>2853112</b>	2663386
Other Expenses	2.22	<b>2862016</b>	3301227
<b>Total Expenses</b>		<b>51494109</b>	<b>54143114</b>
<b>V. Profit Before Tax (V-VI)</b>		<b>6093765</b>	5472147
<b>VI. Tax Expense:</b>			
(1) Current Tax		<b>2146076</b>	1957895
(2) Deferred Tax		<b>(210457)</b>	(259351)
<b>VII. Profit for the year before Minority Interest</b>		<b>1935619</b>	1698544
<b>VIII. Minority Interest</b>		<b>4158146</b>	3773603
<b>IX. Profit for the year</b>		<b>Nil</b>	Nil
<b>X. Earning Per Share</b>			
Basic		<b>4158146</b>	3773603
Diluted		<b>Nil</b>	Nil
<b>Xi. Number of Shares used for EPS working</b>		<b>4158146</b>	<b>3773603</b>
Basic		<b>0.51</b>	0.55
Diluted		<b>0.51</b>	<b>0.55</b>
<b>Significant Accounting Policies and Notes to Accounts</b>	1 & 2	<b>8100000</b>	<b>8100000</b>
		<b>8100000</b>	<b>8100000</b>

As per Report of Even Date,

For and on behalf of the Board

**For K.Venkateswara Rao & Associates,**  
Chartered Accountants.

**K.Venkateswara Rao,**  
Proprietor.  
M. No. 027305  
Firm Regn. No. 006374S  
Place : Hyderabad  
Date : 24-05-2014

 Managing Director.  
Arvind Kumar Bhangadia  
(DIN No. : 00015838)

 Director  
Arun Kumar Bhangadia  
(DIN No. : 00021024)

**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH 2014**

Particulars	As on 31.03.2014	As on 31.03.2013
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit before Tax and Extraordinary Items	60.94	54.72
Adjustments for:		
Depreciation	28.53	26.63
Interest & Other Income	(89.49)	(71.04)
Loss on Sale of Assets	-Nil-	0.87
Profit on Sale of Investments	-Nil-	(0.26)
Operating profit before Working Capital Changes	(0.02)	10.92
Adjustments for:		
Trade and Other receivables (Increase)	19.20	89.57
Inventories (Decrease)	1.07	27.19
Trade payables	6.27	(452.99)
Cash generated from Operations	26.54	(336.23)
Cash flow before Extraordinary Items	26.52	(325.31)
Extraordinary Items and Tax	(21.46)	(19.58)
<b>Net Cash used for Operating activities</b>	<b>5.06</b>	<b>(344.89)</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Fixed Assets	(23.87)	(15.95)
Sale of Fixed Assets	-Nil-	2.00
Purchase of Investments	(3.00)	(2.00)
Sale of Investments	-Nil-	50.80
Increase / (Decrease) in Deposits	10.78	(0.24)
Interest & Other Income	89.49	71.04
Net Cash flow from Investing activities	73.40	105.65
<b>C. Cash Flow from Financing Activities:</b>		
Increase in Share Capital	20.50	135.00
Increase in Share Premium	-Nil-	121.50
Increase / Decrease in Long Term Borrowings	(3.02)	4.38
Share Issue and Preliminary Expenses	-Nil-	-Nil-
Dividends Paid	-Nil-	(20.25)
Net Cash flow from Financing activities	17.48	240.63
<b>Net Increase in Cash and Cash Equivalents</b>	<b>95.94</b>	<b>1.39</b>
Cash and Cash Equivalents as at (Opening Balance)	36.90	35.51
Cash and Cash Equivalents as at (Closing Balance)	<b>132.84</b>	<b>36.90</b>

We have verified the above Cash Flow Statement of TRIMURTHI DRUGS & PHARMACEUTICALS LIMITED, for the year ended on 31st March, 2014, 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.

As per Report of Even Date,  
**For K.Venkateswara Rao & Associates,**  
 Chartered Accountants.

**K.Venkateswara Rao,**  
 Proprietor.  
 M. No. 027305  
 Firm Regn. No. 006374S  
 Place : Hyderabad  
 Date : 24-05-2014

Managing Director.  
 Arvind Kumar Bhangadia  
 (DIN No. : 00015838)

For and on behalf of the Board

Director  
 Arun Kumar Bhangadia  
 (DIN No. : 00021024)

**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS****(1 & 2)****1. SIGNIFICANT ACCOUNTING POLICIES:****1.1 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.

**1.2 Basis of Accounting:**

All Income and Expenditure items are recognised on accrual basis. However, Dividend Income is accounted for on Receipt Basis.

**1.3 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. Intangible assets represents consideration paid for acquisition of such assets and also includes amortised cost of merger expenses.
- (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 prorata basis.

**1.4 Inventories:**

Closing Stock had been valued at Cost or Market Value whichever is lower.

**1.5 Retirement Benefits:**

Employees post retirement benefits such as Gratuity, Pension and leave Encashment will be accounted as and when it arises.

**1.6 Impairment of Assets:**

No asset was identified as impaired during the year.

**1.7 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.

**1.8 Foreign Exchange Transactions:**

There were no foreign exchange transactions during the year.

**1.9 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.

**1.10 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.

**1.11 Investments:**

Investments have been recorded at Cost of acquisition. Temporary diminution in the value of the Investments has been ignored in accordance with the Accounting Standard.

**2. NOTES TO CONSOLIDATED ON ACCOUNTS**
**2.1 SHARE CAPITAL**

Particulars	As on 31.03.2014	As on 31.03.2013
<b>A. Authorised Capital :</b>		
2,00,00,000 Equity Shares of Rs. 10/- each	<b>20,00,00,000</b>	20,00,00,000
<b>B. Issued Subscribed &amp; Paid up Capital :</b>		
81,00,000 Equity Shares of Rs. 10/- each Fully paid	<b>81,00,00,000</b>	81,00,00,000

**C. Reconciliation of Number of Shares Outstanding at the beginning and end of Reporting Period:**

Particulars	As on 31.03.2014		As on 31.03.2013	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Shares outstanding at the beginning of the year	8100000	81000000	6750000	67500000
<i>Add:</i> Shares Issued during the year	-Nil-	-Nil-	1350000	13500000
	8100000	81000000	8100000	81000000
<i>Less:</i> Shares bought back during the year	-Nil-	-Nil-	-Nil-	-Nil-
<b>Shares outstanding at the end of the year</b>	<b>8100000</b>	<b>81000000</b>	<b>8100000</b>	<b>81000000</b>

**D. Names of Persons who are holding more than 5% Shares in the Paid up Capital:**

Name of The Share Holder	As on 31st March 2014		As on 31st March 2013	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Arun Kumar Bhangadia	1542200	19.00%	1331200	16.43%
Smt. Kiran Bhangadia	1032900	13.00%	982900	12.13%
Mahaveer Infoway Limited	750000	09.00%	Nil	Nil
Arun Kumar Bhangadia (HUF)	387000	05.00%	387000	4.78%
TDPL Health Care (India) Limited	1430000	18.00%	1430000	17.65%
	<b>5142100</b>	<b>64.00%</b>	<b>4131100</b>	<b>51.00%</b>

**E. Other information required to be disclosed under 6(A)(h), (i), (j), (k), (l) is Nil.**



**2.2 RESERVES AND SURPLUS:**

Particulars	As on 31.03.2014	As on 31.03.2013
<b>(A) General Reserve:</b>		
Opening Balance	2661362	2284002
Add: Transfers during the year	415815	377360
	<b>3077177</b>	<b>2661362</b>
<b>(B) Securities Premium :</b>		
On issue of Shares at premium of Rs. 9/- per share	12150000	12150000
	<b>12150000</b>	<b>12150000</b>
<b>(C) Profit &amp; Loss Account:</b>		
Opening Balance	14514665	11118422
Add: Net Profit for the Current Year	4158146	3773603
	<b>18672811</b>	<b>14892025</b>
Less: Transferred to General Reserve	415815	377360
	<b>18256996</b>	<b>14514665</b>
<b>Total (A) + (B) + (C)</b>	<b>33484173</b>	<b>29326027</b>

**2.3 LONG TERM BORROWINGS:**

Particulars	As on 31.03.2014	As on 31.03.2013
<b>Secured Loans :</b>		
HDFC Car Loan (Secured by Hypothecation of Renault Duster Car) (Repayable in 36 instalments of Rs. 27395 @, Interest @ 11%)	135915	437892
	<b>135915</b>	<b>437892</b>

**2.4 DEFERRED TAX LIABILITIES:**

Particulars	As on 31.03.2014	As on 31.03.2013
Opening Deferred Tax Liability	1370025	1629376
Add/(Less): Timing Differences on account of:		
(a) Differences in Depreciation rates	(262678)	(284809)
(b) Amortisation of Expenses under IT Act	52221	52221
(c) Loss on sale of Asset	Nil	(26763)
<b>Net Deferred Tax Liability</b>	<b>1159568</b>	<b>1370025</b>

**2.5 OTHER CURRENT LIABILITIES**

Particulars	As on 31.03.2014	As on 31.03.2013
(a) Current Maturities of Finance Lease Obligations	301977	262853
(b) Unpaid Dividends	518382	536506
(c) Other Payables		
(i) Outstanding Expenses	383568	288063
(ii) TDS Payable	27651	20621
	<b>1231579</b>	<b>1108043</b>

**2.6 SHORT TERM PROVISIONS**

Particulars	As on 31.03.2014	As on 31.03.2013
Provision for Income Tax	2228746	1957895
	<b>2228746</b>	<b>1957895</b>

**2.8 NON CURRENT INVESTMENTS:**

Particulars	As on 31.03.2014	As on 31.03.2013
<b>Investment in Shares</b>		
Investment in 50,000 Shares of Kaushalya Global Limited (Face Value of Rs. 10/- each and valued at cost)	500000	200000
	<b>500000</b>	<b>200000</b>

**2.9 LONG TERM LOANS & ADVANCES:**

Particulars	As on 31.03.2014	As on 31.03.2013
<b>Security Deposits:</b>		
Unsecured and Considered Good	2051549	2178279
	<b>2051549</b>	<b>2178279</b>

**2.10 OTHER NON CURRENT ASSETS:**

Particulars	As on 31.03.2014	As on 31.03.2013
A. Debtors outstanding for a period exceeding 6 months		
Unsecured Considered Good	Nil	1220849
Considered Doubtful	Nil	Nil
	Nil	1220849
Less : Provision for Doubtful Debts	Nil	Nil
	Nil	1220849
B. Preliminary & Preoperative Expenditure (net)	269634	Nil
	<b>269634</b>	<b>1220849</b>

**2.7 CONSOLIDATED STATEMENT OF FIXED ASSETS & DEPRECIATION**

Sl. No.	Particulars	Rate	Gross Block		Accumulated Depreciation			Net Block		
			Balance as at 01-04-2013	Additions/ (Disposals) 31-03-2014	Balance as at 01-04-2013	For the Year	Adj.	Balance as at 31-03-2014	Balance as at 31-03-2014	Balance as at 31-03-2013
<b>(A) Tangible Assets</b>										
1	Property at Kothur		- Nil-	1020605	- Nil-	- Nil-	- Nil-		1020605	- Nil-
2	Building & Civil Works	1.63%	715853	- Nil-	46084	11668	- Nil-	57752	658101	669769
3	Plant and Machinery	4.75%	456562	- Nil-	56362	21686	- Nil-	78048	378514	400200
4	Furniture & Fittings	6.33%	878558	178550	357182	60420	- Nil-	417602	639506	521376
5	Office Equipment	6.33%	742876	52490	406985	49668	- Nil-	456653	338713	335891
6	Vehicles *	9.50%	5732478	97013	1688722	498339	- Nil-	2187061	3642430	4043755
7	Computer and Printer	16.21%	724429	623870	513702	138185	- Nil-	651887	696412	210727
			<b>9250756</b>	<b>1972528</b>	<b>3069037</b>	<b>779966</b>	<b>- Nil-</b>	<b>3849003</b>	<b>7374281</b>	<b>6181718</b>
<b>(B) Intangible Assets:</b>										
8	Others (Merger Expenses)	- Nil-	20000000	- Nil-	14000000	2000000	- Nil-	16000000	4000000	6000000
9	Website	33.33%	59750	- Nil-	59650	- Nil-	- Nil-	59650	100	100
10	Computer Software	33.33%	- Nil-	414214	- Nil-	73146	- Nil-	73146	341068	- Nil-
			20059750	414214	14059650	2073146	- Nil-	16132796	4341168	6000100
			29310506	2386742	17128687	2853112	- Nil-	19981799	11715449	12181818
	<b>TOTAL:</b>									
	Previous Year		28484696	825810	14948158	2663386	482857)	17128687	12181818	13536538

**2.11 INVESTORIES:**

Particulars	As on 31.03.2014	As on 31.03.2013
Finished Goods	<b>3220859</b>	3327741
	<b>3220859</b>	3327741

**2.12 TRADE RECEIVABLES:**

Particulars	As on 31.03.2014	As on 31.03.2013
(i) Debtors outstanding for a period exceeding 6 months Unsecured Considered Good	<b>772731</b>	Nil
(ii) Other Debtors Unsecured Considered Good	<b>7699012</b>	8163594
	<b>8471742</b>	<b>8163594</b>

**2.13 CASH & CASH EQUIVELENTS:**

Particulars	As on 31.03.2014	As on 31.03.2013
(a) Bank Balances in		
(i) Current Accounts	<b>9589154</b>	2579042
(ii) Fixed Deposits with		
Less than 12 months maturity	<b>3033555</b>	445456
More than 12 months maturity	<b>Nil</b>	Nil
(iii) Unpaid Dividend Accounts	<b>518382</b>	536506
	<b>13141092</b>	3561005
(b) Cash on Hand	<b>143007</b>	129159
	<b>13284099</b>	<b>3690164</b>

**2.14 SHORT TERM LOANS & ADVANCES:**

Particulars	As on 31.03.2014	As on 31.03.2013
(a) <b>Loans to Unrelated Parties</b> Unsecured and considered good	<b>68241022</b>	66487801
(b) <b>Other Advances:</b>		
(i) Advances to Suppliers (unsecured)	<b>3197001</b>	1053255
(ii) Advances for Property (unsecured)	<b>8875000</b>	14600000
(ii) Advances to Employees and Others (unsecured)	<b>355494</b>	132627
	<b>80668517</b>	<b>82273683</b>

**2.15 OTHER CURRENT ASSETS:**

Particulars	As on 31.03.2014	As on 31.03.2013
(a) Advance Tax & TDS	<b>1450802</b>	1323130
(b) TDS (2008-2009)	<b>109249</b>	109249
(c) Investment in Chits	<b>Nil</b>	751050
	<b>1560051</b>	<b>2183429</b>

**2.16 REVENUE FROM OPERATIONS**

Particulars	As on 31.03.2014	As on 31.03.2013
(a) From Sale of Products	<b>47606313</b>	51682302
(b) From Services	<b>868740</b>	802839
(c) Investment Income	<b>8947573</b>	7075434
	<b>57422626</b>	59560575

**2.17 OTHER INCOME**

Particulars	As on 31.03.2014	As on 31.03.2013
(1) Dividend	<b>1200</b>	3050
(2) Profit on Sale of Investments (Property)	<b>Nil</b>	26000
(3) Other Income / Chit Dividend / Commission	<b>164049</b>	25636
	<b>165249</b>	<b>54686</b>

**2.18 PURCHASES**

Particulars	As on 31.03.2014	As on 31.03.2013
Purchase of Trading Goods	<b>42294902</b>	42795940
	<b>42294902</b>	<b>42795940</b>

**2.19 CHANGES IN INVENTORY**

Particulars	As on 31.03.2014	As on 31.03.2013
<b>Finished Goods</b>		
Opening Stock	<b>3327741</b>	6047103
<u>Less: Closing Stock</u>	<b>3220859</b>	3327741
	<b>106882</b>	<b>2719362</b>

**2.20 EMPLOYEE BENEFITS EXPENSE**

Particulars	As on 31.03.2014	As on 31.03.2013
Salaries	<b>2892637</b>	2172844
Directors Remuneration	<b>420000</b>	420000
	<b>3312637</b>	<b>2592844</b>

**2.21 FINANCE COSTS**

Particulars	As on 31.03.2014	As on 31.03.2013
Interest on Car Loan	<b>64561</b>	70355
	<b>64561</b>	<b>70355</b>

**2.22 OTHER EXPENSES**

Particulars	As on 31.03.2014	As on 31.03.2013
Audit Fees	112360	119832
Bank Charges	12526	16844
Boarding & Lodging Expenses	19535	17923
Electricity Charges	64750	48037
General Expenses	64118	72850
Insurance Charges	131472	193764
Listing Fee	163062	51854
License & Fees	90557	63713
Postage & Courier Charges	50775	53766
Printing & Stationery	41203	109085
Membership & Subscriptions	2809	23760
Professional Charges	273258	680758
Rates & Taxes	119729	112071
Rent	600000	699000
Other Repairs & Maintenance	193881	138917
Vehicle Fuel Expenses	202791	145973
Telephone & Internet Expenses	78394	63077
Travelling Expenses	203561	281585
Discount	30901	68240
Carriage Outward Expenses	118062	160998
Advertisement Expenses	54996	50746
Packing Materials	23564	32631
Business Promotion Expenses	2262	9193
Loss on Sale of Car	-Nil-	86611
Special Course Fee	140450	-Nil-
Donation	67000	-Nil-
	<b>2862016</b>	<b>3301227</b>

**2. Notes to Accounts:**
**2.23 Disclosure of Remuneration to Auditors:**

Particulars	2013-14 Amount (Rs.)	2012-13 Amount (Rs.)
Statutory Audit Fees	70,000	70,000
Tax Audit Fee	20,000	20,000
Certification Fee	10,000	16,650
Reimbursement of Service Tax	12,360	13,182
<b>Total</b>	<b>1,12,360</b>	<b>1,19,832</b>

**2.24 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 discussed below:

Name of the Person	Relationship	Amount (Rs.)	Nature of Transaction
Arvind Kumar Bhangadia	Executive Director	4,20,000	Remuneration
Arun Kumar Bhangadia	Director	3,00,000	Rent
Kiran Bhangadia	Director's Relative	3,00,000	Rent
TDPL Health Care (India)Ltd.	Company in which Mr. Arun Kumar Bhangadia and Mr. Arvind Kumar Bhangadia, are Directors.	2,09,18,983	Purchase of Products
Trimurthi Pharmaceuticals (India) Private Limited	Subsidiary Company	29,50,000	Investment in Equity Shares at par

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

**2.25 Earning Per Share:**

Basic EPS before extraordinary items	Rs. 0.51
Diluted EPS before extraordinary items	Rs. 0.51

**2.26 Segment Reporting:**

As per the Accounting Standard -17 Segment Reporting is furnished hereunder:

(Rupees in Lakhs)

Particulars	Amount (Rs.) 31.03.2014	Amount (Rs.) 31.03.2013
<b>Revenue</b>		
i) Pharma Business	486.39	525.25
ii) Financial Activity	89.48	70.75
iii) Investment Activity	0.01	50.80
iv) Trading in Shares	0.00	0.00
<b>Total:</b>	<b>575.88</b>	<b>646.80</b>
<b>Results</b>		
i) Pharma Business	(19.51)	(9.50)
ii) Financial Activity	80.44	63.93
iii) Investment Activity	0.01	0.29
iv) Trading in Shares	0.00	0.00
<b>Total:</b>	<b>60.94</b>	<b>54.72</b>
<b>Capital Employed</b>		
i) Pharma Business	413.38	372.00
ii) Financial Activity	681.82	664.88
iii) Investment Activity	31.50	2.00
<b>Total:</b>	<b>1126.70</b>	<b>1038.88</b>

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

**2.27 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.

An amount of Rs.2,88,000/- has identified as a Contingent Liability on account of dispute in title of a Motor Car purchased by the Company. The Company has filed a case in the Hon'ble High Court of Andhra Pradesh which is pending for disposal.



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

**2.28 Taxes on Income:**

Current Year Income Tax amounting to Rs. 21,46,076/- has been recognized as per the Tax rates applicable for the year. Deferred Tax (Asset) amounting to Rs. 2,10,457/- has been recognized due to the differences arising on account of Depreciation, Amortisation of Expenses and Losses on Sale of Assets.

**2.29** 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 ordinary course of the Business.

**2.30** Balances of Sundry Debtors, Loans and Advances are subject to confirmation.

**2.31** 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.

**2.32** Previous year figures have been regrouped and rearranged wherever found necessary, to be in confirmative with current year classification.

**2.33** Paises are rounded off to the nearest rupee.

As per Report of Even Date,

For and on behalf of the Board

**For K.Venkateswara Rao & Associates,**  
Chartered Accountants.

**K.Venkateswara Rao,**  
Proprietor.  
M. No. 027305  
Firm Regn. No. 006374S  
Place : Hyderabad  
Date : 24-05-2014

Managing Director.  
Arvind Kumar Bhangadia  
(DIN No. : 00015838)

Director  
Arun Kumar Bhangadia  
(DIN No. : 00021024)



**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	:

\* Applicable for investors holding shares in electronic form

Name & Address of Shareholders :

I hereby record my presence at the 20th ANNUAL GENERAL MEETING of the Company at  
Vaishnai Hotel, 3-2-848/1, Station Road, Kachiguda, Hyderabad-500 027  
on 29th Day of September, 2014 at 11.00 A.M.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

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.



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.

### PROXY FORM

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

<b>TRIMURTHI DRUGS &amp; PHARMACEUTICALS LIMITED</b>	
CIN: L67120TG1994PLC018956	
Regd. Office: 4-4-231/1/2/ABC, Inderbagh, sultan Bazar, Hyderabad-500 095	
Name	:

Folio No./Client ID :

Number of Shares :

\* Applicable for investors holding shares in electronic form

I/We, being the member (s) of ..... shares of the above named company, hereby appoint:

1. \_\_\_\_\_ (Name) of \_\_\_\_\_ (Address) having E-mail Id \_\_\_\_\_ or failing him

2. \_\_\_\_\_ (Name) of \_\_\_\_\_ (Address) having E-mail Id \_\_\_\_\_ or failing him

3. \_\_\_\_\_ (Name) of \_\_\_\_\_ (Address) having E-mail Id \_\_\_\_\_

And whose signatures are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the company, to be held on the Monday the 29th day the September 2014 at 11.00 A.M. at Vaishnaoi Hotel # 3-2-848/1 station road, kachiguda, Hyderabad 500027 and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I wish my proxy to vote in the manner as indicated in the box below. Resolutions

	For	Against
1. Approval of financial statements for the year ended 31.03.2014		
2. <b>Re-appointment of Mr. Arvind Kumar Bhangadia as Director who retires by rotation</b>		
3. Appointment of statutory auditors and fixation of their remuneration		
4. Appointment of Mr. Ramswaroop Agarwal as Independent Director		
5. Appointment of Mr. Devender Kumar Rathi as Independent Director		
6. Appointment of Mrs. Priyanka Barve as Independent Director		
7. Borrowing powers U/s 180(1) (c)		
8. Creation of Charge on Company's Assets U/s 180(1)(a)		
9. Loans & Investments by Company U/s 186		
10. Amendments to Articles of Association		

Affix a  
15 paise  
Revenue  
Stamp

Signed this ..... day of..... 2014

Signature of shareholder

\_\_\_\_\_  
Signature of First Proxy holder(s)

\_\_\_\_\_  
Signature of Second Proxy holder(s)

\_\_\_\_\_  
Signature of Third Proxy holder(s)

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- \*\*4. This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the box. If you leave the "For" or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.