

BOARD OF DIRECTORS

Chairman- Promoter Non Executive
Mr. ARUN KUMAR BHANGADIA

Managing Director
Mr. ARVIND KUMAR BHANGADIA

Independent Director
Mr. MURLIDHAR MUTGI

Independent Director
Mr. RAMSWAROOP AGARWAL

Independent Director
Mr. ARUN KUMAR SARDA

Independent Director
Mr. VIJAY KUMAR TAORI

STOCK EXCHANGE (Listed/Traded)

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

The Ahmedabad Stock Exchange Ltd.

The Madras Stock Exchange Ltd.,

18th ANNUAL GENERAL MEETING

Day : Friday

Date : 24th August, 2012

Time : at 11.00 a.m.

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

BANKERS

Axis Bank Ltd.,

ING Vysya Bank

HDFC Bank Ltd.,

AUDITORS

M/s. K. Venkateswara Rao & Associates

Chartered Accountants

Flat No. 105, 1st Floor, Pooja Manor,
Himayathnagar, Hyderabad - 500 029.

REGISTRAR & SHARE TRANSFER AGENT

Venture Capital & Corporate Investments
Private Limited

12-10-167, Bharat Nagar, Hyderabad-18
Ph.No: (040) 23818475 / 23818476

DEMAT

Central Depository Services (India) Ltd.,

National Securities Depository Limited

REGISTERED OFFICE

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

Phone No. : 040-24757370

Email: info@trimurthidrugs.com

Web site: www.trimurthidrugs.com

NOTICE

Notice is hereby given that the 18th Annual General Meeting of the Members of the Company will be held on Friday the 24th Day of August, 2012 at 11.00 A.M. at RGA Hall, Snatak Bhavan, 5-4-790/1, Ashirvad Complex, 1st Floor, Abids, Hyderabad-500 001, to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend for the financial year ended 31st March, 2012.
3. To appoint Mr. Murlidhar Mutgi, Director who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Mr. Arun Kumar Sarda, Director who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint M/s K. Venkateswara Rao & Associates, Chartered Accountants as Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions of the Companies Act, 1956 and Rules framed there under, the existing Articles of Association of the Company be and is hereby amended as under :

- i) After Sub-Article (2) of Article 61 of the Articles of Association of the Company, the following new sub article (3) shall be inserted:

61(3): The Board may provide video conference facility and/or other permissible electronic mode of communication to the shareholders of the Company for participating in General Meetings of the Company. Such participation by the shareholders at General Meetings

of the Company through video conference facility and/or other permissible electronic mode of communication shall be governed by the Rules and Regulations as applicable to the Company for the time being in force.

- ii) After Sub-Article (b) of Article 99 of the Articles of Association of the Company, the following new sub article (c) shall be inserted:

99(c): Directors may participate in Meetings of the Board and/or Committees thereof, through video conference facility and/or other permissible electronic mode of communication. Such participation by the Directors at Meetings of the Board and/or Committees thereof, through video conference facility and/or other permissible electronic mode of communication shall be governed by the Rules and Regulations as applicable to the Company for the time being in force.”

“FURTHER RESOLVED THAT the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee or any person which the Board may nominate/constitute to exercise its powers, including the powers by this Resolution) be and is hereby authorized to carry out the above mentioned amendments in the existing Articles of Association of the Company and that the Board may take all such steps as may be necessary to give effect to this Resolution.”

7. To consider the issue of convertible warrants on preferential basis to the Non-Promoters:

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

“**RESOLVED THAT** in terms of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Memorandum and Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchanges where the Company’s shares are listed, and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as may be applicable to the preferential issue of Equity Shares/warrants and other applicable regulations/guidelines of SEBI/RBI, if any, and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the Company (hereinafter referred to as “the Board” which expression shall include any committees thereof for the time being to which all or any of the powers hereby conferred on the Board by this resolution, have been delegated) and subject to such consents and approvals of SEBI, Stock Exchanges, RBI, Government of India or such other bodies or authorities as may be required by law and

as may be necessary and subject to such conditions and modifications as may be imposed upon and accepted by the Board while granting such consents and approvals, and which may be agreed to by or any other authority as may be necessary for that purpose, the consent of the members of the Company be and is hereby accorded to the Board to offer, issue and allot in one or more tranches up to 13,50,000 warrants to the non-promoters, convertible into equal number of equity shares within a period of not exceeding 18 months from the date of allotment, as mentioned in the explanatory statement, at an issue price to be determined in accordance with the preferential issue guidelines given in chapter VII of SEBI (ICDR) Regulations 2009 and subsequent amendments thereto:

“RESOLVED FURTHER THAT the pricing of the equity shares to be allotted shall be calculated in accordance with the SEBI’s Preferential Issue Guidelines with reference to the ‘Relevant Date.’”

The "relevant date" for the purpose of pricing of the resultant share is **25.07.2012** i.e. thirty days prior to the date on which this General Meeting is held in terms of Section 81(1A) of the Companies Act, 1956. (AGM will be held on 24.08.2012).

"RESOLVED THAT the equity shares issued on conversion of warrants shall rank pari-passu with the existing equity shares of the Company in all respects and that the equity shares so allotted during the financial year shall be entitled to the dividend, if any, declared including other corporate benefits, if any, for which the book closure or the Record Date falls subsequent to the allotment of Equity Shares.”

"RESOLVED FURTHER THAT the aforesaid warrants shall be in accordance with the following terms and conditions:

- A warrant by itself shall not give to a warrant holder thereof, any rights of the share holder of the company.
- In the event, the equity shares of the company are either sub-divided or consolidated before the conversion of the warrants into equity shares of the company, then the face value, the number of equity shares to be acquired on conversion of the warrants and the warrant issue price shall automatically stand adjusted in the same proportion, as the present value of the equity shares of the company bears, to the newly sub-divided /consolidated equity shares without affection any right or obligation of the said warrant holders: and
- In the event the company’s equity capital is affected or changed due to any other corporate actions such as a merger, demerger, consolidation of business, or other reorganization of the company, tender offer for equity shares of sale of undertaking, necessary adjustments with respect to the terms of the aforesaid warrants shall be made by the company and such other action as may be deemed necessary or appropriate

by the Board shall be taken to reflect such corporate actions, including but without limitation, suitable adjustment of the warrant issue price, subject to necessary approvals.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to modify and decide the price, terms and conditions of the Issue of the convertible warrants, if necessary, keeping in view the provisions of various Acts and Guidelines in force from time to time. However, the issue price shall in no case be less than the price determined as per the Preferential Issue Regulations as provided in Chapter VII of (ICDR) Regulations, 2009."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such condition(s), modification(s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to such modification(s) and to resolve and settle all questions, difficulties or doubts that may arise in this regard to implementation of this resolution, issue and allotment of equity shares/ convertible warrants and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Company do apply for listing of the new equity shares."

"RESOLVED FURTHER THAT the Company do make an application to the Depositories for admission of the new equity shares."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any other officer or officers of the Company to give effect to the aforesaid resolutions."

NOTES:

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in relation to the Special Business of the Meeting is annexed hereto and forms part of this Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. The Register of Members and Share Transfer Books of the Company will remain closed from **21-08-2012** to **24-08-2012** (both days inclusive).

4. The Dividend recommended by the board, if approved at the Annual General Meeting, will be paid on or before 23rd September, 2012 to the shareholders whose names appear in the register of members of the company as on 24-08-2012 (Date of AGM). In respect of shares held in dematerialized form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the depositories as on that date.
5. 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 they 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.
6. Members are requested to produce the Attendance Slip duly signed as per the Specimen Signature recorded with the Company/Depository Participant for admission to the meeting hall.
7. Members are requested to notify immediately any change in their address to the Share Transfer Agents and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participants.
8. 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.
9. 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.
10. Members, who hold shares in de-materialized form, are requested to bring their Client ID and DP IDs for easier identification of attendance at the meeting.

11. 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 transaction involving transfer of shares in physical form of listed companies.
12. As part of Green Initiative in Corporate Governance the Ministry of Corporate Affairs (MCA), Government of India vide its Circular has allowed paperless compliances by Companies inter-alia stating that if the Company sends official documents to their shareholders electronically, it will be in compliance with the provisions of Section 53 of the Companies Act, 1956. Keeping in view shareholders are requested to update their E-Mail ID with their DP.
13. Details of Directors seeking appointment at the Annual General Meeting.

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

| Particulars | Mr Muralidhar Mutgi | Mr. Arun Kumar Sarda |
|---|--|-----------------------------|
| Date of Birth | 02-01-1942 | 16-05-1961 |
| Date of Appointment | 17-03-2003 | 25-07-2009 |
| Qualifications | B.SC Graduate | Chartered Accountant |
| Expertise in specific functional Areas | Vast experience in the Pharma Industry & had served the IDPL for more than 35 years. | Audit and Finance |
| Directorships held in other Public Companies | Nil | Nil |
| Memberships/Chairmanships of committees of other public companies | Nil | Nil |
| No. of Shares held in the company | 15000 Shares | Nil |

By Order of the Board

Place : Hyderabad,
Dated : 21st July, 2012.

ARUN KUMAR BHANGADIA,
Chairman.

EXPLANATORY STATEMENT**(Pursuant to Section 173(2) of The Companies Act, 1956 and SEBI(ICDR) Regulations 2009)****Item: 6**

The Ministry of Corporate Affairs (MCA), Government of India, New Delhi vide General Circulars No.27/2011 and 28/2011 dated May 20, 2011 and Circular No. 35/2011 dated June 06, 2012 have permitted the companies to hold Board Meetings and Shareholders' Meetings through video conference facility, as part of the Green Initiatives under Corporate Governance.

Further, MCA vide Circular No. 72/2011 dated December 27, 2011 made the video conference facility at the Shareholders' Meetings optional to the Company. In order to provide video conference facility to its Directors and Shareholders, your Company has been advised to carry out necessary amendments in the existing Articles of Association of the Company by inserting enabling provisions. In terms of Section 31 of the Companies Act, 1956, approval of the Members by way of a Special Resolution is required to amend the Articles of Association of the Company.

The Articles of Association with alterations proposed therein as referred to in the Notice shall be available for inspection by the Members at the Registered Office of the Company 4-4-231/1/2/ABC, Inderbagh, Sultan Bazar, Hyderabad - 500 095. Andhra Pradesh any working day except holidays observed by the Company during usual business hours up to the date of the Meeting and will also be available at this Annual General Meeting.

Accordingly, your Board recommends passing of the Resolution No. 6 as a Special Resolution.

None of the Directors is interested or concerned in this Resolution.

Item: 7

The special resolution as mentioned above proposes to authorize the Board of directors to issue and allot up to 13,50,000 convertible warrants to the non-promoters category for raising of further funds.

Information pertaining to the proposed preferential allotment in terms of the Chapter VII of SEBI (ICDR) Regulations, 2009 and subsequent amendments there to is stated below:

(1) Objects of the issue through preferential offer:

The purpose of the issue of convertible warrants is to aid the Company to raise the funds to meet ever increasing working capital requirements as a part of scaling up operations, acquisition of companies to achieve inorganic growth in the business and other general corporate purposes.

(2) Pricing of the issue and Relevant Date:

The "relevant date" for the purpose of pricing of the resultant share is 25.07.2012 i.e. thirty days prior to the date on which this General Meeting is held in terms of Section 81(1A) of the Companies Act, 1956. (AGM will be held on 24.08.2012).

The above said warrants on conversion shall rank pari-passu in all respects with, and carry the same rights including dividend as the existing equity shares.

The issue price of convertible warrants will be calculated and fixed in the manner specified for pricing of shares, as per the SEBI's (ICDR)/Preferential Issue Guidelines. For this purpose, the price quotations on Bombay Stock Exchange will be considered.

(3) The proposal of the promoters, directors or key managerial personnel of the issuer to subscribe to the offer:

The proposed allottees for 13,50,000 convertible warrants belong to non-promoters category.

The said proposed allottees propose to subscribe for the above said convertible warrants. The Company is interested in expanding the business activities including acquisitions. Hence the requirement of securities on preferential basis is necessitated.

(4) Identity of the proposed allottee and percentage of pre and post preferential issue capital that may be held by them:

List of proposed allottees (issue of convertible warrants) are furnished

| | Name of the proposed allottee | Category | Pre issue holding | | Warrants proposed to be issued | *Post issue holding | |
|----|-------------------------------|--------------|-------------------|-------------|--------------------------------|---------------------|-------------|
| | | | Shares | % of shares | | Shares | % of shares |
| 1. | Mahaveer Infoway Limited | Non promoter | - | - | 7,50,000 | 7,50,000 | 9.26 |
| 2. | SM Avenues Private Limited | Non promoter | - | - | 3,00,000 | 3,00,000 | 3.70 |
| 3. | H.K. Avenues Private Limited | Non promoter | - | - | 3,00,000 | 3,00,000 | 3.70 |
| | Total | | | | 13,50,000 | | |

* Assuming that 13,50,000 convertible warrants will be converted into 13,50,000 equity shares.

(5) Shareholding pattern before and after preferential issue of the capital would be as follows:

| Sl. | CATEGORY | Pre issue holding details | | Post issue holding details* | |
|----------|------------------------|---------------------------|-------------|-----------------------------|-------------|
| | | No. of shares | % of shares | No. of shares | % of Shares |
| A | Promoter Share Holding | | | | |
| 1 | Indian Promoters | 47,33,800 | 70.13 | 47,33,800 | 58.44 |
| 2 | Foreign Promoters | - | - | - | - |
| | Sub-Total (A) | 47,33,800 | 70.13 | 47,33,800 | 58.44 |
| B | Public Share holding | | | | |
| 1 | Institutions | - | - | - | - |
| 2 | Non-Institutions | | | | |
| A | Bodies Corporate | 8,48,482 | 12.57 | 21,98,482 | 27.14 |
| B | Individuals | 10,41,616 | 15.44 | 10,41,616 | 12.86 |
| C | Any Others: | | | | |
| | i) NRI's | 240 | - | 240 | - |
| | ii) Clearing Members | 1,25,862 | 1.86 | 1,25,862 | 1.56 |
| | Sub-Total (B) | 20,16,200 | 29.87 | 33,66,200 | 41.56 |
| | Grand Total (A+B) | 67,50,000 | 100.00 | 81,00,000 | 100.00 |

*Assuming that 13,50,000 convertible warrants will be converted into 13,50,000 equity shares.

(6) Proposed time within which the allotment shall be completed:

The allotment of convertible warrants shall be completed within a period of 15 days from the date of passing of the resolution by the shareholders provided, that where the allotment is pending on account of pendency of any approvals from any regulatory authority or the Central Government, the allotment shall be completed by the company within a period of 15 days from the date of all such approvals.

An amount, as may be decided by the Board of Directors, not being less than 25% of the issue price shall be payable on allotment of the warrants. The warrants would be allotted on the following terms:

- a. The holder of warrants will have an option to apply for and be allotted 1 (one) Equity Share of the Company per warrant, any time after the date of allotment but on or before the expiry of 18 months from the date of allotment in one or more tranches.

- b. Upon receipt of the payment as above, the Board shall allot one Equity Share per Warrant by appropriating Rs.10/- towards Equity Share Capital and the balance amount paid against each Warrant, towards the Securities Premium.
- c. If the entitlement against the warrants to apply for the Equity Share is not exercised within the period specified, the entitlement of the Warrant holder to apply for Equity Shares of the Company along with the rights attached thereto shall expire and any amount paid on such warrants shall stand forfeited.
- d. The warrant holder shall also be entitled to any future bonus/rights issue(s) of equity shares or other securities convertible into Equity Shares by the Company, in the same proportion and manner as any other Members of the Company for the time being.
- e. The warrants by itself do not give to the holder thereof any rights of the Members of the Company.

(7) Approvals:

The Company will take necessary steps to obtain the required approvals from the Stock Exchange, SEBI, FIPB, RBI or any other regulatory agency as may be applicable, for the proposed preferential issue of warrants/equity shares.

(8) SEBI Takeover code:

In the present case neither the proposed allottee nor the promoters group will attract SEBI Takeover Code and therefore are not under obligation to give open offer to the public.

(9) Holding of shares in demat form, non disposal of shares by the proposed allottee and lock-in period of shares:

The entire shareholding of the proposed allottee in the company, if any, is held by them in dematerialized form. The entire pre preferential allotment shareholding of such allottees shall be under lock-in from the relevant date up to a period of six months from the date of preferential allotment of equity shares. The shareholder who has sold their shares during the six months period prior to the relevant date shall not be eligible for allotment of equity shares on preferential basis.

(10) Lock-in Period

The equity shares allotted to the proposed allottee on conversion of warrants shall be subject to 'lock-in' for one year from the date of their allotment as per Clause 78 of the SEBI (ICDR) Regulations, 2009.

(11) Auditor's Certificate

Statutory Auditors will give the Certificate confirming that the proposed issue of convertible warrants is in accordance with the SEBI (ICDR) Regulations, 2009 and will be made available for inspection up to the date of annual general meeting at the Registered Office of the Company on any working day and also at the place of the meeting on the meeting day.

(12) Control:

As a result of the proposed preferential allotment of convertible warrants, there will be no change in the composition of the Board of Directors and control of the Company.

(13) Undertakings:

In terms of SEBI (ICDR) Regulations, 2009 issuer hereby undertakes that:

- a) It shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.
- b) If the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continued to be locked in till the time such amount is paid by the allottees.

(14) Compliances:

The company has complied with the requirements of listing agreement including clause 40A i.e., maintaining a minimum of 25% of the paid up capital in the hands of public.

(15) Approval under the Companies Act, 1956:

Section 81(1A) of the Companies Act, 1956 provides, inter alia, that whenever it is proposed to increase the subscribed capital of a Company by a further issue and allotment of shares/warrants, such shares/warrants shall be first offered to the existing shareholders of the Company in the manner laid down in the said section, unless the shareholders decide otherwise in general meeting/postal ballot by way of special resolution.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of section 81(1A) and all other applicable provisions of the Companies Act, 1956, SEBI Guidelines or regulations and the provisions of the Listing Agreement with the Stock Exchanges for authorizing the Board to offer, issue and allot convertible warrants as stated in the resolution, which would result in a further issuance of securities of the Company to the promoters on a preferential allotment basis, in such form, manner and upon such terms and conditions as the Board may in its absolute discretion deem fit.

The Board of Directors recommend the passing of the above said resolution as a Special Resolution as set out in the Notice.

None of the directors are in any way, concerned or interested in this resolution.

By Order of the Board

Place : Hyderabad,
Dated: 21st July, 2012.

ARUN KUMAR BHANGADIA,
Chairman.

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the 18th Annual Report on the business and operations of the Company together with the audited statements of accounts for the financial year ended 31st March, 2012.

FINANCIAL HIGHLIGHTS:

The Financial results for the year ended 31st March, 2012 are summarized as under:

(Rs. in Lakhs)

| Particulars | 2011-2012 | 2010-2011 |
|--|-----------|-----------|
| Income from Operations | 1109.71 | 1651.92 |
| Other Income | 73.89 | 62.09 |
| Total Expenditure | 1123.09 | 1644.51 |
| Profit/Loss before Interest and Depreciation | 87.57 | 96.97 |
| Interest | 0.85 | 1.34 |
| Depreciation | 26.21 | 26.13 |
| Profit/Loss after Interest and Depreciation | 60.51 | 69.50 |
| Provision for Taxation | | |
| - Current Tax | 15.76 | 24.92 |
| - Deferred Tax | (1.65) | (2.62) |
| Profit after taxation | 46.41 | 47.22 |
| Appropriations | | |
| - Proposed Dividend | 20.25 | 20.25 |
| - Provision for Tax on Dividend | 3.28 | 3.28 |
| - Transfer to General Reserve | 4.64 | 4.72 |
| Balance Brought Forward from previous year | 92.95 | 73.99 |
| Balance carried to Balance Sheet | 111.18 | 92.95 |
| Earnings Per share | 0.69 | 0.70 |

REVIEW OF OPERATIONS:

The Ministry of Corporate Affairs (MCA) vide notification no. S.O. 447(E) dated 28th February, 2011 amended the existing Schedule VI to the Companies Act, 1956. The Revised Schedule VI is applicable from financial year commencing from 1st April, 2011. The financial statements

of your Company for the year ended 31st March, 2012 have been prepared in accordance with the Revised Schedule VI and accordingly, the previous year's figures have been reclassified/regrouped to conform to this year's classification.

The Company has recorded a turnover of Rs.1183.60 Lakhs and the profit of Rs. 46.41 Lakhs in the current year against the turnover of Rs. 1714.01 lakhs and profit of Rs. 47.22 Lakhs in the previous financial year ending 31.03.2011.

The Company has been continuously working on quality upgradation and austerity measures for achieving efficient running of the organization.

DIVIDEND:

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

AUDITORS:

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

DIRECTORS:

Mr. Muralidhar Mutgi and Mr. Arun Kumar Sarda, in accordance with provisions of the Companies Act, 1956 and the Articles of Association of the Company retire by rotation at the 18th Annual General Meeting and being eligible, offers themselves for re-appointment. The board recommends their reappointment as director of your company.

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

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

SUBSIDIARY COMPANY:

The Company does not have subsidiary company.

MANAGEMENT DISCUSSION AND ANALYSIS:

A detailed review of operations, performance and future outlook of your Company and its businesses is given in the Management Discussion and Analysis, which forms part of this Report.

INSURANCE:

The company's assets have been adequately insured against major risks.

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 required information as per Sec.217 (1) (e) of the Companies Act 1956 is provided hereunder:

A. Conservation of Energy:

Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

B. Technology Absorption:

| | | |
|---|---|-----|
| 1. Research and Development (R&D) | : | NIL |
| 2. Technology absorption, adoption and innovation | : | NIL |

C. Foreign Exchange Earnings and Out Go:

| | | |
|---------------------------|---|-----|
| Foreign Exchange Earnings | : | NIL |
| Foreign Exchange Outgo | : | NIL |

LISTING OF SECURITIES:

The Equity Shares of your Company are traded at Bombay Stock Exchange Limited

(BSE Indo Next Model) and listed at Ahmedabad Stock Exchange Limited and Madras Stock Ltd., Exchange. The requisite Annual Listing Fees of the Ahmedabad Stock Exchange Ltd., and Madras Stock exchange Ltd., had been paid as on the date of this report.

FIXED DEPOSITS:

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

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, 2012 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:

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.

CODE OF CONDUCT:

The Code of conduct 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.

CORPORATE SOCIAL RESPONSIBILITY:

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

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 MANAGING DIRECTOR OF AFFIRMATION BY DIRECTORS AND SENIOR MANAGEMENT PERSONNEL 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: 21st July, 2012.

ARUN KUMAR BHANGADIA,
Chairman.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company has earned profit of Rs. 46.41 Lakhs after Tax and after making provision for Dividends and Dividend Tax a sum of Rs. 4.64 Lakhs has been transferred to Reserves & Surplus.

Industries structure and developments:

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

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

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

Outlook:

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

Risk and concerns:

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

Internal audit System:

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

Cautionary Statement:

Statements in this Management Discussion and Analysis Report may be "forward looking statement's 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

I. 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.

II. BOARD OF DIRECTORS

- a.) The Board of Directors consists of 6 Members of whom 4 are Non-Executive Independent Directors. The Composition of the Board is in conformity with the listing requirements.
- b.) The details of the Directors being appointed/ re-appointed on retirement by rotation at the ensuing Annual General Meeting, as required pursuant to Clause 49(IV) (G) of the Listing Agreement, are mentioned in the Notice to the Annual General Meeting, forming part of the Report.
- c.) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other companies is given below. Other Directorships do not include alternate directorships, directorships of private limited companies, section 25 companies and of companies incorporated outside India. Chairmanship/Membership of Board Committees include only Audit and shareholders/ investor Grievance Committees.
- d.) Pecuniary relationship or transaction of the Non – executive Directors vis-à-vis the company. None of the Non-executive Directors has any pecuniary relationship or transactions with the company.
- e.) The Board of Directors met 5 times during the year on 19.04.2011, 29.07.2011, 19.08.2011, 31.10.2011 and 28.01.2012 and the maximum gap between any two meetings was less than four months, as stipulated under Clause 49.

The details of Composition of Board of Directors, directors' attendance at Board Meetings, AGM and details of other directorships, committee chairmanships/memberships held by the Directors during the year are as follows:

| Sl. No | Name of the Directors | Category | Attendance Particulars | | | No. of other Directorships and Committee Memberships/Chairmanships | | |
|--------|----------------------------|---------------------------|--|----------|----------|--|-----------------------|-------------------------|
| | | | No. of Board meetings held during the tenure of the director | | Last AGM | * Other Directorships | Committee Memberships | Committee Chairmanships |
| | | | Held | Attended | | | | |
| 1. | Mr. Arvind Kumar Bhangadia | Promoter Executive | 5 | 5 | Yes | 3 | NIL | 1 |
| 2. | Mr. Murlidhar Mutgi | Promoter Non-Executive | 5 | 5 | Yes | NIL | 2 | NIL |
| 3. | Mr. Ramswaroop Agarwal | Independent Non-Executive | 5 | 5 | Yes | 3 | 1 | NIL |
| 4. | Mr. Arun Kumar Bhangadia | Independent Non-Executive | 5 | 5 | Yes | 4 | 1 | NIL |
| 5. | Mr. Arun Kumar Sarda | Independent Non-Executive | 5 | 5 | Yes | 2 | 1 | 1 |
| 6. | Mr. Vijay Kumar Taori | Independent Non-Executive | 5 | 2 | Yes | 8 | 1 | NIL |

* Above Directorships are including the directorships held in Private Limited Companies.

Board's Procedure:

Agenda papers along with explanatory statements were circulated to the directors in advance for each of these meetings. All relevant information as per Clause 49 of the Listing Agreement was placed before the Board from time to time.

Committees of the Board:

Currently, there are three (3) Committees of the Board, namely: Audit Committee, Remuneration Committee, Shareholders/ Investors Grievance Committee and Share Transfer Committee. The Board decides the terms of reference for these Committees. The minutes of the meetings of the Committees are placed before the Board for information. The details as to the composition, terms of reference, number of meetings and related attendance, etc., of these Committees are provided hereunder:

III. AUDIT COMMITTEE

- a) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.
- b) The terms of reference of the Audit Committee include a review of;
- Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
 - Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
 - Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
 - Reviewing with management the annual financial statements before submission to the Board, focusing on:
 1. Any changes in accounting policies and practices;
 2. Qualification in draft audit report;
 3. Significant adjustments arising out of audit;
 4. The going concern concept;
 5. Compliance with accounting standards;
 6. Compliance with stock exchange and legal requirements concerning financial statements;
 7. Any related party transactions
 - Reviewing the company's financial and risk management's policies.
 - Disclosure of contingent liabilities.
 - Reviewing with management, external and internal auditors, the adequacy of internal control systems.
 - Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
 - Discussion with internal auditors of any significant findings and follow-up thereon.
 - Reviewing the findings of any internal investigations by the internal auditors into the 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.

- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 - Reviewing compliances as regards the Company's Whistle Blower Policy.
- c) The previous Annual General Meeting of the Company was held on 30th September 2011 and Mr. Ramswaroop Agrawal, Chairman of the Audit Committee, attended previous AGM.
- d) The composition of the Audit Committee and the attendance of each member of the Audit Committee are given below:

The Company has complied with all the requirements of Clause 49 (II) (A) of the Listing Agreement relating to the composition of the Audit Committee. During the financial year 2011-2012, (4) four meetings of the Audit Committee were held on the 19.04.2011, 29.07.2011, 31.10.2011 and 28.01.2012

The details of the composition of the Committee and attendance of the members at the meetings are given below:

| Name | Designation | Category | No. of meetings attended |
|--------------------------|-------------|----------|--------------------------|
| Mr. Arun Kumar Sarada | Chairman | NED (I) | 4 |
| Mr. Murlidhar Mutgi | Member | NED (I) | 4 |
| Mr. Arun Kumar Bhangadia | Member | NED (P) | 4 |
| Mr. Vijay Kumar Taori | Member | NED (I) | 2 |

NED (I) : Non Executive Independent Director

NED (P): Non Executive Director Promoter

The necessary quorum was present at all the meetings.

IV. REMUNERATION COMMITTEE

The details of composition of the Committee are given below:

| Name | Designation | Category |
|--------------------------|-------------|----------|
| Mr. Murlidhar Mutgi | Chairman | NED (I) |
| Mr. Ramswaroop Agarwal | Member | NED (I) |
| Mr. Arun Kumar Sarada | Member | NED (I) |
| Mr. Arun Kumar Bhangadia | Member | NED (P) |
| Mr. Vijay Kumar Taori | Member | NED (I) |

Terms of reference:

The main term of reference of the Committee is to approve the fixation/revision of remuneration of the Managing Director/Whole Time Director or other key employees of the Company and while approving:

- To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
- To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.

Remuneration Policy:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered, individual performance etc.

The details of remuneration paid to the Executive Directors for the financial year 2011-12 are given below:

| Name of the Director | Designation | Salary (Rs in Lakhs) | Commission (Rs in Lakhs) | Perquisites (Rs in Lakhs) | Retirement Benefits (Rs in Lakhs) |
|----------------------------|-------------------|-------------------------|-----------------------------|------------------------------|---|
| Mr. Arvind Kumar Bhangadia | Managing Director | 4.20 | Nil | Nil | Nil |

V. SHAREHOLDERS / INVESTOR GRIEVANCE AND SHARE TRANSFER COMMITTEE
A.) Composition, meetings and the attendance during the year:

The Details of composition of the Committee and attendance of the members at the meetings are given below:

| Name | Designation | Category |
|----------------------------|-------------|----------|
| Mr. Arvind Kumar Bhangadia | Chairman | NED (P) |
| Mr. Murlidhar Mutgi | Member | NED (I) |
| Mr. Arun Kumar Sarada | Member | NED (I) |
| Mr. Ramswaroop Agarwal | Member | NED (I) |

B.) Powers:

The committee has been delegated with the following powers:

- To redress shareholders and investor complaints relating to transfer of shares, dematerialization of shares, non-receipt of balance sheet, non-receipt of declared dividend etc.
- To approve, transfer, transmission, and issue of duplicate/ fresh share certificate(s).
- Consolidate and sub-division of share certificate etc.
- To redress, approve and dispose off any, other complaints, transactions and requests etc. received from any shareholder of the company and investor in general.

The Board has delegated the power to process the transfer and transmission of shares to the Registrar and share Transfer Agents, who process share transfers within a week of lodgment in the case of shares held in physical form.

The Board has designated Mr. Arvind Kumar Bhangadia as the Compliance Officer.

The Company has designated an exclusive e-mail ID info@trimurthidrugs.com for redressal of shareholders' complaints/grievances.

Complaints received and redressed by the Company during the financial year:

During the year no complaints were received.

| S.No | Particulars | Remarks |
|------|------------------------------|---------|
| 1. | At the beginning of the year | NIL |
| 2. | Received during the year | NIL |
| 3. | At the end of the year | NIL |

VI. General Body Meetings :

| Financial Year | Date | Time | Venue | Special Resolution |
|----------------|------------|-----------|---|--|
| 2010-2011 | 30.09.2011 | 11.00 A.M | RGA Hall, Snatak Bhavan, 5-4-790/1, Ashirvad Complex, 1st Floor, Abids, Hyderabad – 500 001 | NIL |
| 2009-2010 | 30.08.2010 | 11.30A.M. | RGA Hall, Snatak Bhavan, 5-4-790/1, Ashirvad Complex, 1st Floor, Abids, Hyderabad – 500 001 | 1) Increase in Remuneration of Managing Director. 2) Consolidation of Share Capital of the Company 3) Increase of Authorized Capital of the company 4) Amendment of Articles of Association 5) Amendment of Other Objects 6) Authorization for Fund Raising 7) Authorization to get shares listed with Madras Stock Exchange |
| 2008-2009 | 07.09.2009 | 04.30P.M. | RGA Hall, Snatak Bhavan, 5-4-790/1, Ashirvad Complex, 1st Floor, Abids, Hyderabad – 500 001 | Sub-division of Share Capital of the company |

No Postal Ballot was conducted during the year 2011-2012

VII. OTHER DISCLOSURES

- (a) There were no significant related party transactions that may have potential conflict with the interests of the Company at large.
- (b) In the preparation of financial statements, no treatment materially different from that prescribed in Accounting Standards had been followed.
- (c) There were no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets at any time during the last 3 years.
- (d) **Whistle Blower policy:** The Company has established a mechanism for employees to report concerns about unethical behavior, fraud or violation of code of conduct of the company. The mechanism provided direct access to the Managing Director/Chairman of the Audit Committee for exceptional cases. All employees can also directly meet the Audit Committee members of the company.
- (e) The Company has complied with the non-mandatory requirements to relating to remuneration committee and Whistle Blower policy.
- (f) Managing Director of the Company has furnished the requisite Certificates to the Board of Directors under Clause 49 of the Listing Agreement.

VIII. MEANS OF COMMUNICATION

The quarterly, half yearly and yearly financial results will be sent to the stock Exchanges immediately after the Board approves the same and these results will also be published in one English newspaper and in one vernacular newspaper.

IX. GENERAL SHAREHOLDERS INFORMATION

a) 12th Annual General Meeting:

| | |
|---------------|---|
| Date and Time | Friday, the 24th August, 2012 at 11.00 AM |
| Venue | RGA Hall, Snatak Bhavan, 5-4-790/1, Ashirvad Complex, 1st Floor, Abids, Hyderabad – 500 001 |

b) Book Closure Date : **21.08.2012 to 24.08.2012 (Both days inclusive)**

c) Financial Year and Calendar (Tentative) 2012-13:

The Company follows April to March as its Financial Year. The results of every quarter beginning from April are declared in the first month following each quarter as follows:

| | |
|---|--------------------------------|
| Financial reporting for the quarter ending June 2012 | On or before August 14, 2012 |
| Financial reporting for the quarter ending September 2012 | On or before November 14, 2012 |
| Financial reporting for the quarter ending December 2012 | On or before February 14, 2013 |
| Financial reporting for the quarter ending March 2013 | On or before May 14, 2013 |

d) Listing on Stock Exchanges:

- 1) Ahmedabad Stock Exchange Limited
- 2) Bombay Stock Exchange Limited (trading under IndoNext Segment)
- 3) Madras Stock Exchange

e) Listing Fees : Listing fee for the year 2012-13 has been paid

f) Stock Code : For equity shares:- ASE: 61448, BSE: 590093

g) ISIN No. : For equity shares: - INE314I01036

h) Stock Price Data : The monthly high / low prices of shares of the Company from April, 2011 to March, 2012 at Bombay Stock Exchange .The Company's shares are not traded on Ahmedabad Stock Exchange and Madras Stock Exchange.

| Month | High (Rs.) | Low (Rs.) |
|-----------------|------------|-----------|
| April, 2011 | 31.90 | 21.25 |
| May, 2011 | 34.00 | 22.80 |
| June, 2011 | 25.70 | 17.85 |
| July, 2011 | 29.00 | 19.25 |
| August, 2011 | 27.50 | 17.85 |
| September, 2011 | 32.70 | 21.80 |
| October, 2011 | 28.00 | 23.70 |
| November, 2011 | 26.85 | 21.80 |
| December, 2011 | 26.90 | 15.50 |
| January, 2012 | 19.50 | 13.35 |
| February, 2012 | 19.90 | 17.20 |
| March, 2012 | 20.50 | 17.00 |

i) Registrar & Share Transfer Agents (for shares held in both physical and demat mode):

Venture Capital and Corporate Investments Private Limited
 12-10-167, Bharat Nagar, Hyderabad-500018
 Ph: 040-23818475, 23818476, 23868023 Fax: 040-23868024
 Email: info@vccilindia.com **Website: www.vccilindia.com**

j) Share Transfer System:

The Physical shares transfers are processed and the share certificates are returned to the shareholders within a maximum period of one month from the date of receipt, subject to the document being valid and complete in all respects.

Any transferee who wishes to demat the shares may approach a Depository Participant along with a duly filled Demat Request Form, who shall, on the basis of the Share Certificate, generate a demat request and send the same to the Registrar and Share Transfer Agents (RTA). On receipt, the Depository Registrar confirms the request.

All the requests for Dematerialization of shares are processed and the confirmation is given to the respective Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 21 days on receipt.

k) Shareholding Pattern as on 31st March, 2012:

| Particulars | Category | No. of shares held | Percentage of shareholding |
|-------------|---|--------------------|----------------------------|
| A | Shareholding of Promoter and promoter group | | |
| 1. | Promoters & Persons acting in concert | 4733800 | 70.13 |
| | Sub- Total A | 4733800 | 70.13 |
| B | Public Shareholding | | |
| 1. | Institutions | NIL | NIL |
| 2. | Non- Institutions | | |
| a) | Bodies Corporate | 629691 | 9.33 |
| b) | Indian public and others | 1085415 | 16.08 |
| c) | Any others | | |
| | i) NRI's | 740 | 0.01 |
| | ii) Clearing Members | 300354 | 4.45 |
| | Sub Total B | 2016200 | 29.87 |
| | Grand Total (A+B) | 6750000 | 100.00 |

l) Distribution of shareholding of the Company by number of shares held as on 31st March, 2012 is as follows:

| Particulars | Shareholders | | Shareholding | |
|---------------|--------------|--------|--------------|--------|
| | Number | % | Number | % |
| UPTO - 500 | 2487 | 89.30 | 441286 | 06.54 |
| 501-1000 | 121 | 04.34 | 100550 | 01.49 |
| 1001-2000 | 78 | 02.80 | 121480 | 01.80 |
| 2001-3000 | 27 | 00.97 | 69944 | 01.04 |
| 3001-4000 | 10 | 00.36 | 35981 | 00.53 |
| 4001-5000 | 10 | 00.36 | 48600 | 00.72 |
| 5001-10000 | 19 | 00.68 | 128429 | 01.90 |
| 10001 & ABOVE | 33 | 01.18 | 5803730 | 85.98 |
| Total | 2785 | 100.00 | 6750000 | 100.00 |

m) Dematerialization of Shares:

The Company's shares are dematerialized on National Securities Depositories limited (NSDL) and Central Depository Services (India) Limited. The Company's ISIN is INE314I01036. As on 31st March, 2012, 61,16,380 equity shares are dematerialized which is 90.61% of the paid up capital of the company and out of which 53,66,800 shares are in CDSL and 7,49,580 shares are in NDSL and the balance are in physical form.

n) Address for Investors Correspondence:

The Shareholders may correspond with the Company for the redressal of their grievances, if any to the registered office of the company.

4-4-231/1/2/ABC, Inderbagh,

Sultan Bazar, Hyderabad - 500 095.

Phone No. (040) 24757370

Email: info@trimurthidrugs.com Web site: www.trimurthidrugs.com

o) CEO/MD Certification:

As required by the clause 49 (V) of the Listing Agreement, the certificate from CEO is attached elsewhere in the annual report.

p) Compliance Certificate of the Auditors:

The Statutory Auditor has certified that the company has complied with the conditions of the Corporate Governance as stipulated in clause 49 of the listing agreement and the same forms part of the Annual Report. The Certificate from the statutory auditor will be sent to the stock exchange along with the Annual Report of the Company

Dear Shareholder,
Please find below the Managing Director and CEO certificate as per Clause 49(V) of the Listing Agreement:

CERTIFICATE

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

For TRIMURTHI DRUGS & PHARMACEUTICALS LTD.,

ARVIND KUMAR BHANGADIA,
Managing Director.

ARUN KUMAR BHANGADIA,
Chairman.

Place: Hyderabad,
Dated: 21st July, 2012.

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 31.03.2012

ARVIND KUMAR BHANGADIA,
Managing Director.

Place: Hyderabad.
Dated: 21st July, 2012

ARUN KUMAR BHANGADIA,
Chairman.

**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, 2012 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 Accountants.

Place: Hyderabad,
Date: 21-07-2012.

(K.Venkateswara Rao),
Proprietor.

AUDITOR'S REPORT

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

1. I have audited the attached balance sheet of M/s TRIMURTHI DRUGS & PHARMACEUTICALS LIMITED as at 31st March, 2012, and also the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.
2. I have conducted my audit in accordance with the accounting standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, 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 Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to my comments in the Annexure referred to above, I report that:
 - (i) I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purposes of my audit;
 - (ii) In my opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
 - (iii) The balance sheet, the profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
 - (iv) In my opinion, the balance sheet, the profit and loss account and the cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

- (v) On the basis of written representations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, I report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause(g) of sub-section(1) of section 274 of the Companies Act, 1956.
- (vi) In my opinion and to the best of my information and according to the explanations given to me, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the balance sheet, of the state of affairs of the company as at 31st March, 2012.
- (b) in the case of the profit and loss account, of the Profit for the year ended on that date.
- (c) In the case of cash flow statement, of the cash flows for the year ended on that date.

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

SD/-
(K.VENKATESWARA RAO),
Proprietor.
M.No. 027305

Place : Hyderabad,
Date : 21st July 2012.

ANNEXURE

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

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

of that transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.

- b) In my opinion and according to the information and explanations given to me, the transactions made in pursuance of contracts of arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the values of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In my opinion and according to the information and explanations given to me, the company has not accepted any deposits from the public during the year under reference.
- (vii) In my opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) As per the information given to me, the Central government has not prescribed maintenance of Cost records under Section 209(1) (d) of the Companies Act, 1956.
- (ix)a) The company is regular in depositing with appropriate authorities undisputed statutory dues. As explained to me the company has not established any Provident Fund Scheme to its employees as the same is not applicable to the company and the company has not established Employees State insurance Act for its employees.
 - b) According to the information and explanations given to me, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2012 for a period of more than six months from the date they became payable.
 - c) According to the information and explanations given to me, there are no dues of income tax, sales tax, wealth tax, excise duty and cess, which have not been deposited on account of any dispute.
- (x) The company is not having any accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and also for the immediately preceding financial year.
- (xi) In my opinion and according to the information and explanations given to me, the company has not defaulted in repayment of dues to bank.
- (xii) In my opinion the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In my opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor;s Report) Order, 2003 are not applicable to the Company.

- (xiv) In my opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) In my opinion and according to the explanations given to me, the company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) In my opinion, the company has not availed any term loans except availing of car loans.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the funds raised on short-term basis have not been used for long term investment. And no long term funds have been raised by the company.
- (xviii) According to the information and explanations given to me, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to me, during the period covered by my audit report, the company has not issued any debentures.
- (xx) The company, during the year has not raised money by public issues.
- (xxi) According to the information and explanations given to me, no fraud on or by the company has been noticed or reported during the courses of my audit.

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

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

Place : Hyderabad,
Date : 21st July 2012.

BALANCE SHEET AS on 31st March, 2012

Amount in Rs.

| Particulars | Note Number | As on 31.03.2012 | | As on 31.03.2011 | |
|---|-------------|------------------|-------------------|------------------|-----------------|
| EQUITY AND LIABILITIES | | | | | |
| A. SHARE HOLDERS FUNDS | | | | | |
| a) Share Capital | 2.1 | 67500000 | | 67500000 | |
| b) Reserves & Surplus | 2.2 | 13402424 | | 11115219 | |
| | | | 80,902,424 | | 78615219 |
| B. Share Application Money Pending Allotment | | | -Nil- | | -Nil- |
| C. Non Current Liabilities | | | | | |
| (a) Long Term Borrowings | 2.3 | -Nil- | | 753624 | |
| (b) Deferred Tax Liabilities (Net) | 2.4 | 1629376 | | 1794457 | |
| (c) Other Long Term Liabilities | | -Nil- | | -Nil- | |
| (d) Long Term Provisions | | -Nil- | | -Nil- | |
| | | | 1629376 | | 2548081 |
| D. Current Liabilities | | | | | |
| (a) Short Term Borrowings | | -Nil- | | -Nil- | |
| (b) Trade Payables | | 16377503 | | 760979 | |
| (c) Other Current Liabilities | 2.5 | 30303063 | | 1540913 | |
| (d) Short Term Provisions | 2.6 | 3929397 | | 4846015 | |
| | | | 50609603 | | 7147907 |
| | | | 133141763 | | 88311207 |
| ASSETS: | | | | | |
| A. Non Current Assets | | | | | |
| (a) Fixed Assets: | 2.7 | | | | |
| (i) Tangible Assets | | 5517382 | | 6111728 | |
| (ii) Intangible Assets | | 8019156 | | 10039071 | |
| (iii) Capital Work In Progress | | -Nil- | | -Nil- | |
| (iv) Intangible Assets under development | | -Nil- | | -Nil- | |
| | | 13536538 | | 16150799 | |
| (b) Non Current Investments | 2.8 | 5054000 | | 5189000 | |
| (c) Long Term Loans & Advances | 2.9 | 2251549 | | 2251549 | |
| (d) Other Non Current Assets | 2.10 | 1123797 | | 870182 | |
| | | | 21965885 | | 24461530 |
| B. Current Assets | | | | | |
| (i) Current Investments | | -Nil- | | -Nil- | |
| (ii) Inventories-Traded Finished Goods | | 6047103 | | 10016440 | |
| (iii) Trade Receivables | 2.11 | 53298656 | | 9521215 | |
| (iv) Cash & Cash Equivalents | 2.12 | 3551464 | | 3349736 | |
| (v) Short Term Loans & Advances | 2.13 | 46511628 | | 38387440 | |
| (vi) Other Current Assets | 2.14 | 1767027 | | 2574846 | |
| | | | 111175878 | | 63849677 |
| Total: | | | 133141763 | | 88311207 |
| Significant Accounting Policies and Notes to Accounts | 1 & 2 | | | | |

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

For and on behalf of the Board

K.Venkateswara Rao,
 Proprietor.
 M. No. 027305
 Firm Regn. No. 0063745

Arvind Kumar Bhangadia,
 Managing Director.

Arun Kumar Bhangadia,
 Chairman.

 Place : Hyderabad
 Date : 21st July 2012

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2012

Amount in Rs.

| Particulars | Note Number | As on 31.03.2012 | | As on 31.03.2011 | |
|---|-------------|------------------|------------------|------------------|------------------|
| | | | | | |
| I. Revenue from Operations | 2.15 | | 110971016 | | 165192156 |
| II. Other Income | 2.16 | | 7389446 | | 6209270 |
| III. Total Revenue (I + II) | | | 118360463 | | 171401426 |
| IV. Expenses: | | | | | |
| Purchases | 2.17 | | 99745534 | | 156880168 |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 2.18 | | 3969337 | | (1996631) |
| Employee Benefits Expense | 2.19 | | 2321478 | | 2537253 |
| Depreciation and amortization expense | 2.7 | | 2621461 | | 2613468 |
| Other Expenses | 2.20 | | 3651130 | | 4416929 |
| Total Expenses | | | 112308941 | | 164451187 |
| V. Profit Before Exceptional Items and Tax (III-IV) | | | 6051522 | | 6950239 |
| VI. Exceptional Items | | | | | |
| Excess Income Tax Provision made in AY 2010-11 | | | -Nil- | | 2080 |
| VII. Profit Before Tax (V-VI) | | | 6051522 | | 6952319 |
| VIII. Tax Expense: | | | | | |
| (1) Current Tax | | 1575891 | | 2492509 | |
| (2) Deferred Tax | | (165080) | | (261661) | |
| IX. Profit for the period | | | 1410811 | | 2230848 |
| X. Earning Per Share | | | 4640711 | | 4721471 |
| Basic | | | 0.69 | | 0.70 |
| Diluted | | | 0.69 | | 0.70 |
| XI. Number of Shares used for EPS working | | | | | |
| Basic | | | 6750000 | | 6750000 |
| Diluted | | | 6750000 | | 6750000 |
| Significant Accounting Policies and Notes to Accounts | 1 & 2 | | | | |

 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 : 21st July 2012

For and on behalf of the Board

Arvind Kumar Bhangadia,
 Managing Director.

Arun Kumar Bhangadia,
 Chairman.

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.
- (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.

2. NOTES ON ACCOUNTS

2.1 SHARE CAPITAL

| Particulars | As on 31.03.2012 | As on 31.03.2011 |
|---|----------------------|------------------|
| A. Authorised Capital : | | |
| 2,00,00,000 Equity Shares of Rs. 10/- each | 2,00,00,00,00 | 2,00,00,00,00 |
| B. Issued Subscribed & Paid up Capital : | | |
| 67,50,000 Equity Shares of Rs. 10/- each Fully paid | 67,50,0000 | 67,50,0000 |

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

| Particulars | As on 31.03.2012 | | As on 31.03.2011 | |
|--|------------------|-----------------|------------------|--------------|
| | Number | Amount (Rs.) | Number | Amount (Rs.) |
| Shares outstanding at the beginning of the year | 6750000 | 67500000 | 6750000 | 67500000 |
| <i>Add:</i> Shares Issued during the year | -Nil- | -Nil- | -Nil- | -Nil- |
| | 6750000 | 67500000 | 6750000 | 67500000 |
| <i>Less:</i> Shares bought back during the year | -Nil- | -Nil- | -Nil- | -Nil- |
| Shares outstanding at the end of the year | 6750000 | 67500000 | 6750000 | 67500000 |

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 2012 | | As on 31st March 2011 | |
|----------------------------------|-----------------------|--------------|-----------------------|--------------|
| | No. of Shares Held | % of Holding | No. of Shares Held | % of Holding |
| Arun Kumar Bhangadia | 1331200 | 19.72 | 1331200 | 19.72 |
| Smt. Kiran Bhangadia | 982900 | 14.56 | 982900 | 14.56 |
| Arun Kumar Bhangadia (HUF) | 387000 | 5.73 | 387000 | 5.73 |
| TDPL Health Care (India) Limited | 1430000 | 21.19 | 1430000 | 21.19 |
| | 4131100 | 61.20 | 4131100 | 61.20 |

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 31.03.2012 | As on 31.03.2011 |
|---|------------------|------------------|
| (A) General Reserve: | | |
| Opening Balance | 1819931 | 1347784 |
| <i>Add:</i> Transfers during the year | 464071 | 472147 |
| | 2284002 | 1819931 |
| (B) Profit & Loss Account: | | |
| Opening Balance | 9295288 | 7399470 |
| <i>Add:</i> Net Profit for the Current Year | 4640711 | 4721471 |
| <i>Less:</i> Proposed Dividend | 2025000 | 2025000 |
| Dividend Distribution Tax | 328506 | 328506 |
| Transferred to General Reserve | 464071 | 472147 |
| | 11118422 | 9295288 |
| Total (A) + (B) | 13402424 | 11115219 |

**2.3 LONG TERM BORROWINGS:
Secured Term Loans From Banks:**

| Particulars | As on 31.03.2012 | As on 31.03.2011 |
|---|------------------|------------------|
| ICICI Bank Car Loan Account under Finance Lease | -Nil- | 753624 |
| (a) Secured against the Hypothecation of Car | | |
| (b) Repayable in 35 instalments | | |
| | -Nil- | 753624 |

2.4 DEFERRED TAX LIABILITIES:

| Particulars | As on 31.03.2012 | As on 31.03.2011 |
|--|------------------|------------------|
| Opening Deferred Tax Liability | 1794457 | 2056118 |
| <i>Add/(Less):</i> Timing Differences on account of: | | |
| (a) Differences in Depreciation rates | (217301) | (52777) |
| (b) Amortisation of Expenses under IT Act | 52220 | (208884) |
| Net Deferred Tax Liability | 1629376 | 1794457 |

2.5 OTHER CURRENT LIABILITIES

| Particulars | As on 31.03.2012 | As on 31.03.2011 |
|---|------------------|------------------|
| (a) Current Maturities of Finance Lease Obligations | 753624 | 775088 |
| (b) Income Received in Advance | 2500000 | 500000 |
| (c) Trade Deposits | -Nil- | 50000 |
| (d) Unpaid Dividends | 422800 | Nil |
| (e) Other Payables | | |
| (i) Advance from Debtors | 26439864 | -Nil- |
| (ii) Outstanding Expenses | 165754 | 193481 |
| (iii) TDS Payable | 21021 | 22344 |
| | 30303063 | 1540913 |

2.6 SHORT TERM PROVISIONS

| Particulars | As on 31.03.2012 | As on 31.03.2011 |
|---|------------------|------------------|
| (a) Provison for Employee Benefits | -Nil- | -Nil- |
| (b) Others: | | |
| (i) Provision for Income Tax | 1575891 | 2492509 |
| (ii) Proposed Dividend | 2025000 | 2025000 |
| (iii) Provision for Dividend Distribution Tax | 328506 | 328506 |
| | 3929397 | 4846015 |

2.8 NON CURRENT INVESTMENTS:

| Particulars | As on 31.03.2012 | As on 31.03.2011 |
|---|------------------|------------------|
| (a) Investment Property Flats at Khajaguda, Hyderabad. | 5054000 | 5054000 |
| (b) Investment in Equity Instruments Mahaveer Infoway Ltd (<i>Quoted</i>) (44100 Shares, Market Value Rs.8,82,000) | -Nil- | 135000 |
| | 5054000 | 5189000 |

2.9 LONG TERM LOANS & ADVANCES:

| Particulars | As on 31.03.2012 | As on 31.03.2011 |
|--|------------------|------------------|
| (a) Security Deposits: Unsecured and Considered Good | 2251549 | 2251549 |
| (b) Others | -Nil- | -Nil- |
| | 2251549 | 2251549 |

2.10 OTHER NON CURRENT ASSETS:

| Particulars | As on 31.03.2012 | As on 31.03.2011 |
|---|------------------|------------------|
| Debtors outstanding for a period exceeding 12 months Unsecured Considered Good | 1123797 | 870182 |
| Considered Doubtful | -Nil- | 814198 |
| | 1123797 | 1684380 |
| <i>Less:</i> Provision for Doubtful Debts | -Nil- | 814198 |
| | 1123797 | 870182 |

2.11 TRADE RECEIVABLES:

| Particulars | As on 31.03.2012 | As on 31.03.2011 |
|--|------------------|------------------|
| (i) Debtors outstanding for a period exceeding 6 months Unsecured Considered Good | 2353325 | 1308887 |
| (ii) Other Debtors Unsecured Considered Good | 50945331 | 8212327 |
| | 53298656 | 9521215 |

2.12 CASH & CASH EQUIVELENTS:

| Particulars | As on 31.03.2012 | As on 31.03.2011 |
|--------------------------------|------------------|------------------|
| (a) Bank Balances in | | |
| (i) Current Accounts | 2648640 | 2620965 |
| (ii) Fixed Deposits with | | |
| Less than 12 months maturity | -Nil- | 606510 |
| More than 12 months maturity | 25558 | -Nil- |
| (iii) Unpaid Dividend Accounts | 422800 | Nil |
| | 3096998 | 3227475 |
| (b) Cash on Hand | 454466 | 122261 |
| | 3551464 | 3349736 |

2.13 SHORT TERM LOANS & ADVANCES:

| Particulars | As on 31.03.2012 | As on 31.03.2011 |
|--|------------------|------------------|
| (a) Loans to Unrelated Parties Unsecured and considered good | 41016611 | 32849169 |
| (b) Other Advances: | | |
| (i) Advances to Suppliers | 1370017 | 1413271 |
| (ii) Advances for Property | 4125000 | 412500 |
| | 46511628 | 38387440 |

2.14 OTHER CURRENT ASSETS:

| Particulars | As on 31.03.2012 | As on 31.03.2011 |
|-----------------------|------------------|------------------|
| (a) Advance Tax & TDS | 1501575 | 1963433 |
| (b) IT Refund | 109249 | 412649 |
| (c) Advance to Staff | 75344 | 109087 |
| (d) Prepaid Insurance | 80859 | 89677 |
| | 1767027 | 2574846 |

2.15 REVENUE FROM OPERATIONS

| Particulars | As on 31.03.2012 | As on 31.03.2011 |
|------------------|------------------|------------------|
| Sale of Products | 110971016 | 165192156 |
| | 110971016 | 165192156 |

2.16 OTHER INCOME

| Particulars | As on 31.03.2012 | As on 31.03.2011 |
|---|------------------|------------------|
| (1) Interest | 5964920 | 5141889 |
| (2) Dividend | 22250 | -Nil- |
| (3) Profit on Sale of Investments | 663155 | 5019 |
| (4) Other Income / Chit Dividend / Commission | 667122 | 990362 |
| (5) Rental Income Received from Flats | 72000 | 72000 |
| | 7389446 | 6209270 |

2.17 PURCHASES

| Particulars | As on 31.03.2012 | As on 31.03.2011 |
|-------------|------------------|------------------|
| Purchases | 99745534 | 156880168 |
| | 99745534 | 156880168 |

2.18 CHANGES IN INVENTORY

| Particulars | As on 31.03.2012 | As on 31.03.2011 |
|-----------------------|------------------|------------------|
| Finished Goods | | |
| Opening Stock | 10016440 | 8019809 |
| Less: Closing Stock | 6047103 | 10016440 |
| | 3969337 | (1996631) |

2.19 EMPLOYEE BENEFITS EXPENSE

| Particulars | As on 31.03.2012 | As on 31.03.2011 |
|-------------|------------------|------------------|
| Salaries | 2321478 | 2537253 |
| | 2321478 | 2537253 |

2.20 OTHER EXPENSES

| Particulars | As on 31.03.2012 | As on 31.03.2011 |
|-------------------------------|-------------------------|-------------------------|
| Audit Fees | 99270 | 88240 |
| Bank Charges | 26587 | 34520 |
| Boarding & Lodging Expenses | 71964 | 83727 |
| Donations | -Nil- | 5601 |
| Directors Remuneration | 420000 | 345000 |
| Electricity Charges | 45844 | 42960 |
| General Expenses | 127377 | 55707 |
| Insurance Charges | 137957 | 66963 |
| Interest on Car Loan | 85408 | 133570 |
| Listing Fee | 59339 | 47981 |
| License & Fees | 27300 | 908323 |
| Postage & Telegrams | 64424 | 62484 |
| Printing & Stationery | 115882 | 96445 |
| Professional Charges | 291107 | 429300 |
| Rates & Taxes | 63618 | 52035 |
| Rent | 708000 | 702000 |
| Repairs & Maintenance | 368441 | 211763 |
| Subscriptions & Periodicals | -Nil- | 4164 |
| Telephone & Internet Expenses | 54198 | 45118 |
| Travelling Expenses | 159846 | 140886 |
| Discount | 123672 | 429662 |
| Carriage Outward Expenses | 299835 | 309534 |
| Advertisement Expenses | 136801 | 46889 |
| Credit Card Commission | 10893 | -Nil- |
| Packing Materials | 33919 | 28802 |
| Business Promotion Expenses | 119450 | 45256 |
| | 3651130 | 4416929 |

2.21 DISCLOSURE REMUNERATION TO AUDITORS:

| Particulars | 2011-12 Amount (Rs.) | 2010-11 Amount (Rs.) |
|----------------------|---------------------------------|---------------------------------|
| Statutory Audit Fees | 73,034 | 66,180 |
| Tax Audit Fee | 26,236 | 22,060 |
| Total | 99,270 | 88,240 |

2.22 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 |
| Jyothi Bhangadia | Director's Relative | 1,08,000 | 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. | 2,07,75,666 | Purchase of Products |

- (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 Limited is a C&F Agent of M/s Alpha 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.

2.23 Earning Per Share:

| | |
|--|-----------------|
| Basic EPS before extraordinary items | Rs. 0.69 |
| Diluted EPS before extraordinary items | Rs. 0.69 |

2.24 Segment Reporting:

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

(Rupees in Lakhs)

| Particulars | 31.3.2012 Amount (Rs.) | 31.3.2011 Amount (Rs.) |
|--------------------------|---------------------------|---------------------------|
| Revenue | | |
| i) Pharma Business | 1117.10 | 1661.83 |
| ii) Financial Activity | 59.65 | 52.14 |
| iii) Investment Activity | 6.85 | 0.05 |
| iv) Trading in Shares | 0.00 | 0.00 |
| Total: | 1183.60 | 1714.01 |
| Results | | |
| i) Pharma Business | 1.40 | 25.37 |
| ii) Financial Activity | 52.27 | 44.08 |
| iii) Investment Activity | 6.85 | 0.05 |
| iv) Trading in Shares | 0.00 | 0.00 |
| Total: | 60.52 | 69.50 |
| Capital Employed | | |
| i) Pharma Business | 268.32 | 321.06 |
| ii) Financial Activity | 410.17 | 328.49 |
| iii) Investment Activity | 50.54 | 51.89 |
| Total: | 729.02 | 701.44 |

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

2.25 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.

- 2.26** Unpaid Dividend of earlier years has not been incorporated in Books of accounts in the earlier years (FY 2008-09 and 2009-10) amounting to Rs.2,76,578/-, which is now incorporated in the current financial year. However, this has no effect on the profit and loss account for any of the respective financial years.
- 2.27** 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.
- 2.28** Balances of Sundry Debtors, Loans and Advances are subject to confirmation.
- 2.29** 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.
- 2.30** Previous year figures have been regrouped and rearranged wherever found necessary, to be in confirmative with current year classification.
- 2.31** Paises are rounded off to the nearest rupee.

As per our report of even date,
For K.VENKATESWARA RAO & ASSOCIATES,
Chartered Accountants.

for and on behalf of the Board,

CA. K. VENKATESWARA RAO,
Proprietor.
M.No. 027305
Firm Regn. No. 006374S

Managing Director.

Director.

Place : Hyderabad,
Date : 21st July, 2012.

2.7 STATEMENT OF FIXED ASSETS & DEPRECIATION

| Sl. No. | Particulars | Gross Block | | | Accumulated Depreciation | | | Net Block | | |
|-------------------------------|--------------------------------------|--------------------------|------------------------|--------------------------|--------------------------|----------------|--------------|--------------------------|--------------------------|--------------------------|
| | | Balance as at 01-04-2011 | Additions/ (Disposals) | Balance as at 31-03-2012 | Balance as at 01-04-2011 | For the Year | Adj. | Balance as at 31-03-2012 | Balance as at 31-03-2012 | Balance as at 31-03-2011 |
| (A) Tangible Assets | | | | | | | | | | |
| 1 | Building & Civil Works | 715853 | -Nil- | 715853 | 22748 | 11668 | -Nil- | 34416 | 681437 | 693105 |
| 2 | Plant and Machinery | 456562 | -Nil- | 456562 | 12990 | 21686 | -Nil- | 34676 | 421886 | 443572 |
| 3 | Furniture & Fittings | 493930 | -Nil- | 493930 | 282888 | 31266 | -Nil- | 314154 | 179776 | 211042 |
| 4 | Office Equipment | 721526 | -Nil- | 721526 | 313880 | 44816 | -Nil- | 358696 | 362830 | 407646 |
| 5 | Vehicles * | 5440946 | -Nil- | 5440946 | 1216421 | 464395 | -Nil- | 1680816 | 3760130 | 4224525 |
| 6 | Computer and Printer | 588929 | 7200 | 596129 | 457091 | 27715 | -Nil- | 484806 | 111323 | 131838 |
| | | 8417746 | 7200 | 8424946 | 2306018 | 601546 | -Nil- | 2907564 | 5517382 | 6111728 |
| (B) Intangible Assets: | | | | | | | | | | |
| 7 | Others (Merger Expenses) | 20000000 | -Nil- | 20000000 | 10000000 | 2000000 | -Nil- | 12000000 | 8000000 | 10000000 |
| 8 | Website | 59750 | -Nil- | 59750 | 20679 | 19915 | -Nil- | 40594 | 19156 | 39071 |
| | | 20059750 | -Nil- | 20059750 | 10020679 | 2019915 | -Nil- | 12040594 | 8019156 | 10039071 |
| | | | | | | | | | | |
| | TOTAL: | 28477496 | 7200 | 28484696 | 12326697 | 2621461 | -Nil- | 14948158 | 13536538 | 16150799 |
| | *Vehicles under Finance Lease | 2726549 | -Nil- | 2726549 | 259770 | 259022 | -Nil- | 518792 | 2207757 | 2466779 |

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2012

(Rs. In Lakhs)

| Particulars | As at 31.3.2012 | As at 31.3.2011 |
|---|-----------------|-----------------|
| A. Cash Flow from Operating Activities: | | |
| Net Profit before Tax and Extraordinary Items | 60.52 | 69.52 |
| Adjustments for: | | |
| Depreciation | 26.21 | 26.13 |
| Interest & Other Income | (66.50) | (62.09) |
| Operating profit before Working Capital Changes | 20.23 | 33.57 |
| Adjustments for: | | |
| Trade and Other receivables (Increase) | (510.94) | (24.88) |
| Inventories (Increase) | 39.69 | (19.97) |
| Trade payables | 434.62 | 0.77 |
| Cash generated from Operations | (36.62) | (44.08) |
| Cash flow before Extraordinary Items | (16.40) | (10.51) |
| Extraordinary Items and Tax | (39.29) | (48.46) |
| Net Cash used for Operating activities | (55.69) | (58.97) |
| B. Cash Flow from Investing Activities: | | |
| Purchase of Fixed Assets | (0.07) | (5.49) |
| Sale of Fixed Assets | -Nil- | -Nil- |
| Sale of Investments | 1.35 | 28.65 |
| Decrease in Deposits | (2.54) | (2.50) |
| Interest & Other Income | 66.50 | 62.09 |
| Net Cash flow from Investing activities | 65.25 | 82.75 |
| C. Cash Flow from Financing Activities: | | |
| Increase in Share Capital | -Nil- | -Nil- |
| Proceeds from Short Term Borrowings | (7.54) | (7.27) |
| Share Issue and Preliminary Expenses | -Nil- | -Nil- |
| Net Cash flow from Financing activities | (7.54) | (7.27) |
| Net Increase in Cash and Cash Equivalents | 2.02 | 16.50 |
| Cash and Cash Equivalents as at (Opening Balance) | 33.50 | 16.99 |
| Cash and Cash Equivalents as at (Closing Balance) | 35.51 | 33.50 |

We have verified the above CashFlow Statement of TRIMURTHI DRUGS & PHARMACEUTICALS LIMITED, for the year ended on 31st March, 2012, 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 our report of even date,
for K. VENKATESWARA RAO & ASSOCIATES,
 Chartered Accountants,

CA. K. VENKATESWARA RAO,
 Proprietor.
 M.No. 027305
 Firm Regn. No.006374S

Place : Hyderabad,
 Date : 21st July, 2012.

for and on behalf of the Board,

Managing Director.

Director.



TRIMURTHI DRUGS & PHARMACEUTICALS LIMITED

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

ATTENDANCE SLIP

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

I hereby record my presence at the 18th ANNUAL GENERAL MEETING of the Company at RGA Hall, Snatak Bhavan, 5-4-790/1, Ashirvad Complex, 1st Floor, Abids, Hyderabad – 500 001 on Friday the 24th August, 2012 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.

TRIMURTHI DRUGS & PHARMACEUTICALS LIMITED
 Regd. Office : 4-4-231/1/2/ABC, Inderbagh, Sultan Bazar, Hyderabad-500 095.

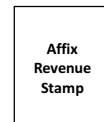
PROXY

I/We.....of.....(address) being a Member/Members of Trimurthi Drugs & Pharmaceuticals Limited, do hereby appoint Mr./Ms.....of.....(address) as my/our proxy to attend and vote for me/us behalf at the Annual General Meeting of the Company, to be held on Friday the 24th August, 2012 at 11.00 a.m. and at any adjournment thereof.

Signed this.....day of2012

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

Number of Shares.....



Signature

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