



A-401, 4<sup>th</sup> FLOOR, MASTERMIND III, ROYAL PALMS ESTATE, AAREY MILK COLONY, GOREGAON (EAST), MUMBAI-400 065.  
Tel. : +91 22 2871 0505 Fax : +91 22 2871 7500 Url : [www.lifelinepharma.in](http://www.lifelinepharma.in)

## 28<sup>TH</sup> ANNUAL AUDIT REPORT

ASSESSMENT YEAR :- 2010-2011

FINANCIAL YEAR :- 2009-2010



A-401, 4TH FLOOR, MASTERMIND III, ROYAL PALMS ESTATE, AAREY MILK COLONY, GOREGAON (EAST), MUMBAI - 400 065.  
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## **NOTICE**

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of the members of **LIFELINE DRUGS & PHARMA LIMITED** will be held on Thursday, 30<sup>th</sup> September, 2010 at 2.00 P.M. at A-Wing, 401, Mastermind III, Royal Palm, Aarey Milk Colony Goregaon (E), Mumbai-400 065 to transact following business as:

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2010.
2. To appoint Director in place of Mr. Perar Krishna N Kamath, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Director in place of Mr. Prakash Ravishankar Raval, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting and to fix their remuneration.

### **Notes :**

1. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. The Register of Member and the Share Transfer Books of the Company will remain closed from 22<sup>nd</sup> September 2010 to 29<sup>th</sup> September 2010 (both days inclusive).
3. A copy of all the documents referred to in the accompanying explanatory statement are open to inspection at the Registered Office of the Company on all working days except holidays up to the date of AGM and at AGM .
4. Members desirous of getting any information about the accounts of the Company, are requested to send their queries so as to reach at-least ten days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.
5. Members are requested to intimate change in their address immediately to M/s Purva Sharegistry (India) Pvt. Ltd., the Company's Registrar and Share Transfer Agents, at their office at 9, Shiv Shakti Ind. Estate, Ground Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011.

6. Members holding shares in physical form in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant Share Certificates to M/s Purva Sharegistry (India) Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above.
7. Pursuant to SEBI Circular, the Shareholders holding shares in physical form are requested to submit self attested copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.
8. Members holding shares in physical form and wishing to avail of the nomination facility, are requested to send the duly filled in nomination in the prescribed form (form 2B) to M/s Purva Sharegistry (India) Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above or to the Compliance Officer at the Registered Office of the Company.
9. Members are requested to bring copies of Annual Report to the Annual General Meeting.
10. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
11. Members are requested to quote Folio Number in their correspondence.
12. The Equity shares of the Company are listed on Bombay Stock Exchange Ltd. and Listing Fees for the financial year 2010-2011 have been paid to Bombay Stock Exchange Ltd.

Mumbai, May 29, 2010

By order of the Board  
**For LIFELINE DRUGS & PHARMA LIMITED**

**MANAGING DIRECTOR**

## DIRECTOR'S REPORT

To,

The members of LIFELINE DRUGS & PHARMA LIMITED

Your Director have pleasure in presenting the Annual Report along with the audited statement of account for the year ended on 31<sup>st</sup> March, 2010.

### FINANCIAL PERFORMANCE:

The Financial results of the company are summarized as under:-

<u>Particulars</u>	<u>31.03.2010</u>	<u>31.03.2009</u>
Total Revenue	62,61,90,500	626787500
Total Expenditure	(62,21,91,748)	(621513496)
Profit Before Tax	39,98,752	5274004
Provision for Income Tax	13,40,000	1750985
Profit after Tax	26,58,752	3523019
Balance Carried forward to Balance Sheet	19,77,964	2840701
Equity Share Capital	24,00,000	24,00,000
Reserves	1,10,30,534	86,52,570
Shareholders Fund	1,34,30,534	11052570
EPS	11.08	14.68

### DIVIDEND:

Yours Directors declare Dividend @ 10% for the current financial year.

### DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed;

- (i) That in the preparation of the accounts for the period ended 31<sup>st</sup> March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures ;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and profit of the Company for the year under review;

- (iii) That the Directors have taken proper and sufficient care 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) That the Directors have prepared the accounts for the period ended on 31<sup>st</sup> March, 2010 on a 'going concern' basis.

**AUDITORS:**

N.S. Shetty & Company, Chartered Accountants, Statutory Auditor of the Company retires and being eligible for reappointment. The company has obtained certificate from Auditors to the effect that their reappointment, if made would be within the prescribed limit under section 224 (1) of the Companies Act. The members are requested to appoint auditors and fix their remuneration.

**COMPLIANCE CERTIFICATE:**

Compliance Certificate received in accordance with Section 383A (1) read with the Companies (Compliance Certificate) Rules, 2001 is annexed to Directors Report.

**ADDITIONAL INFORMATION REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS UNDER THE BOARD OF DIRECTORS) RULES, 1988.**

**A) CONSERVATION OF ENERGY:**

The activities of the company do not involve any consumption of the energy hence particulars relating to conservation of energy are not given.

**B) TECHNOLOGY ABSORPTION:**

The activities of the company do not involve any technology absorption of expenditure on research and development.

**C) FOREIGN EXCHANGE EARNING AND OUTGO:**

The activities of the company do not involve any Foreign Exchange earning and outgo.

**FOR AND ON BEHALF OF BOARD**

Sd/-                      Sd/-  
(Nikunj Kanakia) (Prakash Rawal)

Place: - Mumbai  
Dated: - 29.05.2010

# N. S. SHETTY & CO.

## CHARTERED ACCOUNTANTS

Phone : 2623 1716, 2623 7669 Fax : 26245364  
E-mail : nsshetty\_co@yahoo.com

"Arjun", Plot No. 6A, V.P. Road,  
Andheri (W), Mumbai - 400 058.

### AUDITORS' REPORT


1. We have audited the attached Balance Sheet of "LIFELINE DRUG & PHARMA LIMITED" as at 31<sup>st</sup> March 2010, the Profit and Loss Account and Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we 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 the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comment in the annexure referred to above, we report that:
  - a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes of our Audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appear from our examination of those books;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and 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;
  - e) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2010 and taken on record by the Boards of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of the Section 274 of the Companies Act, 1956;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon



give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2010.
- 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 of the company for the period ended on that date.

For N. S. Shetty & Co.  
Chartered Accountants

  
Divakar Shetty  
Partner  
M. No. 100306



Place : Mumbai

Date : 29<sup>th</sup> May, 2010

## ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 3 of the Auditors' Report of even date to the Members of **LIFELINE DRUG & PHARMA LIMITED** on the Financial Statements for the year ended 31<sup>st</sup> March 2010

- (i) In respect of its Fixed Asset: As the Company does not have any Fixed Assets, question of reporting under this para does not arise.
- (ii) In respect of its inventories
  - a. The Management has physically verified the stock of inventories during the year. In our opinion and according to explanations given to us, the frequency of verification is reasonable.
  - b. The procedures followed for physical verification of inventories by the management are reasonable and adequate in relation to the size of the company and nature of its business.
  - c. In our opinion and according to explanations given to us the company has maintained adequate records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) In respect of loans, secured or unsecured, granted or taken by the company to or from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act 1956, according to the information and explanations given to us:
  - a. The company has taken unsecured loans from parties, listed in the register maintained u/s. 301 of the Companies Act, 1956.
  - b. The company has not granted unsecured loans to one company listed in the registered maintained u/s. 301 of the Companies Act, 1956.
  - c. The rate of interest and other terms and conditions on which loans have been taken are not prima facie prejudicial to the interest of the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores and merchandise, equipment's and other assets.
- (v) In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956:
  - a. In our opinion and according to the information and explanation given to us, the transactions that need to be entered into the register maintained under Section 301 of Act, have been so entered.
  - b. In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contacts or arrangements entered in the register maintained under Section





301 of the Act, and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to the market prices prevailing at the relevant time.

- (vi) The Company has not accepted any deposits from within the meaning of Section 58A & 58AA of the Companies Act, 1956, read with the rules framed there under.
- (vii) In our opinion, the company has adequate internal audit system commensurate with the nature and size of the business.
- (viii) As per the explanation given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956.
- (ix) According to the information and explanations given to us in respect of statutory and other dues:
  - a. The Company is generally regular in depositing undisputed amounts payable, in respect of Income Tax, Sales Tax, Excise Duty, Cess, Provident Fund, Employees State Insurance and other statutory dues, and no such amounts is outstanding as at the last day of the financial year, due for more than six months from the date they became payable.
  - b. There are no pending disputes of any Duties, Taxes & Cesses.
- (x) The Company has positive reserves and has not incurred any cash loss either in the current year or in the immediately preceding year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company is not in default in repayment of dues to financial institution or banks.
- (xii) The Company has not made any loans & advances made on basis of security or by way of pledge of shares, debentures and other securities.
- (xiii) Special statutes in respect of Nidhi, Mutual Benefit funds or societies and Chit Funds are not applicable to the Company.
- (xiv) In our opinion, the company has maintained records of transactions and contracts in respect of trading in shares and timely entries have been made therein of the shares held by the company.
- (xv) The Company has not given any guarantee for loans taken by others from banks or financial institution.
- (xvi) As company has not taken any term loans, question of reporting under this para does not arise.



(xvii) As company has not taken any short term or long term loans, question of reporting utilization of loan under this para does not arise.

(xviii) The Company has not made any preferential allotment of shares to parties & companies covered in the Register maintained under Section 301 of the Companies Act 1956 during the year.

(xix) The Company has not issued any Debentures.

(xx) The Company has not raised any money by public issue during the year.

(xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For N. S. Shetty & Co.  
Chartered Accountants



Divakar Shetty  
Partner  
M. No. 100306



Mumbai: 29<sup>th</sup> May 2010

Balance Sheet at 31st March, 2010

Schedule	As At 31st March, 2010 Rs	As At 31st March, 2009 Rs
<b>Sources of Funds</b>		
<b>Shareholders' Funds</b>		
Share Capital	2,400,000	2,400,000
Reserves & Surplus	11,030,534	8,652,570
Unsecured Loan	10,057,655	10,057,655
<b>Total</b>	<b>23,488,189</b>	<b>21,110,225</b>
<b>Application of Funds</b>		
<b>Fixed Assets</b>		
	14,531,134	14,307,333
<b>Current Assets, Loans &amp; Advances</b>		
Inventories	10,031,960	6,281,460
Sundry Debtors	11,127,424	9,858,180
Cash & Bank Balances	515,207	456,010
Loans & Advances	739,400	728,400
	<b>22,413,991</b>	<b>17,324,050</b>
<b>Less: Current Liabilities &amp; Provisions</b>		
Current Liabilities	11,942,773	8,569,385
Provisions	1,514,163	1,951,773
	<b>13,456,936</b>	<b>10,521,158</b>
<b>Net Current Assets</b>	<b>8,957,055</b>	<b>6,802,892</b>
<b>Total</b>	<b>23,488,189</b>	<b>21,110,225</b>

Significant Accounting Policies and Notes on Accounts

"P"

As per our attached report of even date.  
For N. S. Shetty & Co.  
Chartered Accountants

For and on behalf of Board



Divakar Shetty  
Partner

Place :

Mumbai

Date :

29th May, 2010




( Director )



( Director )

Profit & Loss Account for the year ended 31st March, 2010.

	Schedule	As At 31st March, 2010 Rs.	As At 31st March, 2009 Rs.
<b>INCOME</b>			
Sales	"K"	622,440,000	620,550,000
Increase / (Decrease) in Stock	"L"	3,750,500	6,237,500
<b>TOTAL</b>		<b>626,190,500</b>	<b>626,787,500</b>
<b>EXPENDITURE</b>			
Purchases		620,504,500	619,431,250
Employees Remuneration & Benefits	"M"	295,481	525,165
Interest	"N"	19,047	123,523
Administrative & Office Expenses	"O"	1,372,720	1,433,558
<b>TOTAL</b>		<b>622,191,748</b>	<b>621,513,496</b>
Profit before Taxation		3,998,752	5,274,004
Provision for Taxation :			
Current Taxes		1,340,000	1,750,000
Fringe Benefit Tax		-	985
<b>Profit after Taxation</b>		<b>2,658,752</b>	<b>3,523,019</b>
Excess/Short Provision for Tax of earlier year		-	1,530
<b>Profit Available for Appropriation</b>		<b>2,658,752</b>	<b>3,521,489</b>
Appropriations :			
Transfer to General Reserve		400,000	400,000
Proposed Dividend		240,000	240,000
Tax on Dividend		40,788	40,788
<b>Balance Carried to Balance sheet</b>		<b>1,977,964</b>	<b>2,840,701</b>
Profit Per Share (Basic) - EPS		11.08	14.67

Significant Accounting Policies and Notes on Accounts

"P"

As per our attached report of even date.  
for N. S. Shetty & Co.  
Chartered Accountants

For and on behalf of Board



Shivakar Shetty  
Partner

Place :

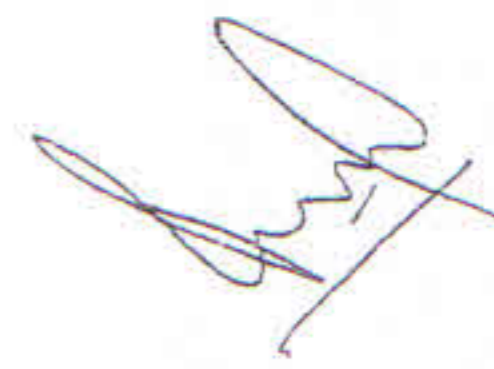
Date :

Mumbai

29th May, 2010




( Director )



( Director )

LIFELINE DRUGS & PHARMA LIMITED

Schedule Annexed to and forming part of Balance Sheet at 31st March, 2010.

	As At 31st March, 2010 Rs.	As At 31st March, 2009 Rs.
<b>SCHEDULE "A"</b>		
<b>SHARE CAPITAL</b>		
Authorised 500000 Equity Shares of Rs.10/- each	50,000,000	50,000,000
<b>Total</b>	<u>50,000,000</u>	<u>50,000,000</u>
Issued, Subscribed & Paid Up 240000 Equity Shares of Rs.10/- each Fully Paid up	2,400,000	2,400,000
<b>Total</b>	<u>2,400,000</u>	<u>2,400,000</u>
<b>SCHEDULE "B"</b>		
<b>RESERVES &amp; SURPLUS</b>		
General Reserve As per last balance sheet	2,218,624	1,818,624
Profit & Loss Account		
Opening Balance	6,833,946	3,993,245
Profits for the year	1,977,964	2,840,701
<b>Total</b>	<u>8,811,910</u>	<u>6,833,946</u>
<b>Total</b>	<u>11,030,534</u>	<u>8,652,570</u>
<b>SCHEDULE "C"</b>		
<b>UNSECURED LOAN</b>		
From Directors	10,057,655	10,057,655
<b>Total</b>	<u>10,057,655</u>	<u>10,057,655</u>
<b>SCHEDULE "D"</b>		
<b>Fixed Assets</b>		
Factory Land At MIDC Tarapur	7,872,590	7,872,590
Capital Work In Progress	6,658,544	6,434,743
<b>Total</b>	<u>14,531,134</u>	<u>14,307,333</u>
<b>SCHEDULE "E"</b>		
<b>INVENTORIES</b>		
( Valued at cost or market value whichever is less)		
Trading Materials	9,988,000	6,237,500
Shares & Securities	43,960	43,960
<b>Total</b>	<u>10,031,960</u>	<u>6,281,460</u>



As At 31st March, 2010 Rs.	As At 31st March, 2009 Rs.
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**SCHEDULE "F"**

**SUNDRY DEBTORS**

( Unsecured & Considered good )

- More than six months
- Other Debts

11,127,424	9,858,180
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<u>11,127,424</u>	<u>9,858,180</u>
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**SCHEDULE "G"**

**CASH & BANK BALANCES**

Cash on Hand

376,144	364,550
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Balance with Scheduled Banks

In Current Account

139,063	91,460
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<u>515,207</u>	<u>456,010</u>
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**SCHEDULE "H"**

**LOANS & ADVANCES**

( Unsecured & Considered good )

Advances recoverable in cash or kind or  
for value to be received

739,400	728,400
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<u>739,400</u>	<u>728,400</u>
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**SCHEDULE "I"**

**CURRENT LIABILITIES**

Sundry Creditors

11,792,969	8,485,867
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Other Liabilities

149,674	83,388
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Unclaimed Dividend

130	130
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<u>11,942,773</u>	<u>8,569,385</u>
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**SCHEDULE "J"**

**PROVISIONS**

Provision for Income Tax ( Net of Advance Tax )

1,233,375	1,670,000
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Provision for Fringe Benefit Tax (Net of Adv.FBT)

-	985
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Proposed Dividend

240,000	240,000
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Tax on Proposed Dividend

40,788	40,788
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<u>1,514,163</u>	<u>1,951,773</u>
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LIFELINE DRUGS & PHARMA LIMITED

Schedule Annexed and forming part of Profit & loss Account For the year ended 31 March 2010.

	As At 31st March, 2010 Rs.	As At 31st March, 2009 Rs.
<b>SCHEDULE "K"</b>		
<b>SALES</b>		
Sale of Goods ( Intermediates )	622,440,000	620,550,000
	<u>622,440,000</u>	<u>620,550,000</u>
<b>SCHEDULE "L"</b>		
<b>INCREASE/ (DECREASE) IN STOCKS</b>		
Opening Stock	6,281,460	43,960
Closing Stock	10,031,960	6,281,460
	<u>3,750,500</u>	<u>6,237,500</u>
<b>SCHEDULE "M"</b>		
<b>EMPLOYEES REMUNERATION &amp; BENEFITS</b>		
Salaries, Bonus & allowances	280,181	513,285
Staff Welfare Expenses	15,300	11,880
	<u>295,481</u>	<u>525,165</u>
<b>SCHEDULE "N"</b>		
<b>INTEREST</b>		
Interest and Bank Charges	19,047	123,523
	<u>19,047</u>	<u>123,523</u>
<b>SCHEDULE "O"</b>		
<b>ADMINISTRATION &amp; OTHER EXPENSES</b>		
Professional Fees	233,948	380,853
Contribution to Auditors:-		
Audit Fees	55,150	38,605
Taxation Matters	16,545	16,545
Certification	38,605	13,236
Printing & Stationery	5,870	2,235
Travelling Expenses	19,875	1,267
Postage, Telegram & Telephone	18,628	4,800
Advertisement Expenses	52,416	40,004
Rates & Taxes	5,000	391
Director Remuneration	900,000	900,000
Registration & Transfer Fees	26,683	35,622
	<u>1,372,720</u>	<u>1,433,558</u>



# LIFELINE DRUGS & PHARMA LIMITED

## SCHEDULE - "P"

### SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

#### A. SIGNIFICANT ACCOUNTING POLICIES

##### 1. BASIS OF PREPARATION OF FINANCIAL STATEMENT.

The accompanying financial statements have been prepared under historical cost convention on an accrual basis in accordance with generally accepted accounting principals and provisions of the company act 1956 and the applicable accounting standards issued by Institute of Chartered Accountants of India. The accounting policies are consistent with those used in previous year.

##### 2. USE OF ESTIMATES

The preparation of financial statements, in conformity with generally accepted accounting principals, requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting year. Difference between actual results and estimates are recognized in the year in which result are known / materialize.

##### 3. FIXED ASSETS

Fixed assets are recorded at cost of acquisition or construction including incidental expenses. They are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any.

##### 4. INVESTMENTS

Long term investments are stated at cost and provision of dimuntion is made if the decline of value is other than temporary in nature.

##### 5. INVENTORIES

Inventories are valued at cost and FIFO basis.

##### 6. TAXATION

Provision is made for Income Tax liability estimated to arise on the results for the year at the current rate of tax in accordance with Income Tax Act 1961.

Deferred Income Tax is provided, using the liability method, on all temporary differences at the Balance Sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose.

Deferred tax assets recognized only to the extent that there is a reasonable certainty that sufficient future taxable profits will be available against which such deferred tax assets can be realized.

Deferred Tax Assets and Liabilities are measured using the tax rates and the law that have been enacted or subsequently enacted at the Balance Sheet date.

##### 7. FOREIGN CURRENCY TRANSACTION

Transactions in foreign currency are recorded at original rate of exchange in force at the time transactions are effected. Exchange differences arising on settlement of monetary item or on reporting companies' monetary item at rate different from those at which they were initially recorded during the year or reported in previous financial statement are recognized as income or as expenses in the year which they arise.

##### 8. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement of recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statement.

##### 9. BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying assets is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.





10. **IMPAIRMENT OF ASSETS**

An Assets is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss recognised in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

B. **NOTES ON ACCOUNTS**

1. Contingent Liability Not Provided For	(In Rupees) Current Year	(In Rupees) Previous Year
Contingent liability	Nil	Nil

2. **Related Party Transactions**

As per Accounting Standard - 18, Issued by Institute of Chartered Accountant of India, the disclosures of transaction with related Parties and define in the Accounting Standard are given below.

a) List of the related parties with whom company had transaction etc.

i) Associates

Prominent Tours & Travels Pvt Ltd

ii) Key Management Personnel

a) Shri Kirti M. Kanakia

b) Shri Nikunj K. Kanakia

c) Shri Pratik Goradia

b) Transaction during the year with related parties

Sr No.	Nature Of Transaction	Enterprises owned or significantly influenced by key management personnel their relatives.		Key Management Persons & Relatives	
		Current Year	Previous Year	Current Year	Previous Year
1	Loan / Advance Taken	Nil	Nil	100,57,655/-	100,57,655/-
2	Staff Welfare	15,300/-	11,880/-	Nil	Nil
3	Traveling exp	17,120/-	Nil	Nil	Nil
4	Directors Remuneration	Nil	Nil	9,00,000/-	9,00,000/-
5	Printing & Stationery	5,870/-	Nil	Nil	Nil
6	Conveyance	2,755/-	Nil	Nil	Nil
7	Postage	2,860/-	Nil	Nil	Nil

3. **Payment to statutory Auditors**

	(In Rupees) Current Year	(In Rupees) Previous Year
a Audit Fees	55,150	38,605
b Taxation Matters Fees	16,545	16,545
c Certification Fees	38,605	13,236



4. As required by Accounting Standard 20 issued by The Institute of Chartered Accountant of India, the reporting in respect of Earning per Share (EPS) is as follows

	Current Year	Previous Year
Profit available for equity shareholders	2,658,752	3,521,489
Weighted average no. of equity shares	240,000	240,000
Basic earning per share	11.08	14.67
Diluted earning per share	11.08	14.67
Nominal value of shares	10	10

5. There are no reportable amount of dues on account of principal and interest or any such payments during the year as required by Micro, Small and Medium Enterprises Development Act, 2006, in respect of Micro Enterprises and Small Enterprises as defined in the Act. This is based on information made available to the company by such Enterprises.

6. ADDITIONAL INFORMATION PURSUANT TO THE PROVISION OF PARAGRAPH 3, 4C, AND 4D OF PART II OF SCHEDULE VI TO THE COMPANY ACT, 1956.

a) Company is a trading company hence the clause regarding capacities, production, raw material consumed is not applicable.

b) Details of Quantitative trading of Shares & Securities

(Value in Rupees)

	Current Year		Previous Year	
	Qty	Value	Qty	Value
Opening Stock	5000	43960	5000	43960
Purchases	-	-	-	-
Sales	-	-	-	-
Closing Stock	5000	43960	5000	43960



c) Quantitative details of Trading Materials

(Value in Rupees)

	Current Year		Previous Year	
	Qty	Value	Qty	Value
<b>Opening Stock</b>				
5 Bromo Indol	Nil	Nil	Nil	Nil
4-8 Chloro-5,6 Dihydro -1, 1H	500	62,37,500	Nil	Nil
<b>Purchases</b>				
5 Bromo Indol	Nil	Nil	Nil	Nil
4-8 Chloro-5,6 Dihydro -1, 1H	49,700	62,05,04,500	49,750	61,94,31,250
<b>Sales</b>				
5 Bromo Indol	Nil	Nil	Nil	Nil
4-8 Chloro-5,6 Dihydro -1, 1H	49,400	62,24,40,000	49,250	62,05,50,000
<b>Closing Stock</b>				
5 Bromo Indol	Nil	Nil	Nil	Nil
4-8 Chloro-5,6 Dihydro -1, 1H	800	99,88,000	500	62,37,500

d) Closing Stock

As At 31.03.2010  
AMOUNT Rs.

i) Shares :

1000 Equity shares of Rs 10/- each fully  
Paid up of Growel Timesof Ltd

16,000

4000 Equity shares of Rs 10/- each fully  
Paid up of Kanoria Fluers & naturals Ltd

27,960

43,960

ii) Materials

99,88,000

Total

1,00,31,960

(In Rupees)  
Current Year

(In Rupees)  
Previous Year

e) Expenditure in Foreign Currency

Nil

Nil

f) Earnings in Foreign Currency

Nil

Nil

g) C.I.F. Value of Import

Nil

Nil

Previous year figures have been regrouped, wherever necessary to corresponding with the figures of the current year.

As per our Report of Even Date  
For N. S. Shetty & Co



Divakar Shetty  
Partner

Place : Mumbai.

Date : 29<sup>th</sup> May, 2010



For and on Behalf of Board

  
Director

  
Director

**N. S. SHETTY & CO.**  
**CHARTERED ACCOUNTANTS**


Phone : 2623 1716, 2623 7669 Fax : 26245364  
E-mail : nsshetty\_co@yahoo.com

"Arjun", Plot No. 6A, V.P. Road,  
Andheri (W), Mumbai - 400 058.

**AUDITOR'S CERTIFICATE**

We have verified the above cash flow statement of Lifeline Drugs & Pharma Ltd. formerly known as Sidhi Holdings And Traders Pvt. Ltd. derived from the audited financial statements for the year ended 31st March 2009 & 31st March 2010 and found the same to be drawn in accordance therewith and with the requirements of Clause 32 of the listing agreement with the Stock Exchange.

For N. S. Shetty & Co.  
Chartered Accountants

  
Divakar Shetty  
Partner  
M.No. 100306



Place : Mumbai  
Date : 29th May, 2010

**LIFELINE DRUGS & PHARMA LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR**  
**ENDED 31ST MARCH, 2010**

	31 March 2010.	31 March 2009.
<b>A) <u>Cash Flow from Operational Activities</u></b>		
Net profit before tax & extraordinary items	3,998,752	5,274,004
<u>Adjustments for</u>		
Preliminary Expenses W/Off	-	-
Operating Profit before working capital changes	3,998,752	5,274,004
Adjustments for :		
Sundry Debtors	(1,269,244)	(7,678,980)
Inventories	(3,750,500)	(6,237,500)
Loans & Advances	(11,000)	11,242
Sundry Creditors	3,307,101	3,718,214
Other Liability	66,286	(246,033)
Cash From Operations	2,341,395	(5,159,053)
Direct Taxes Paid ( FBT P.Y.)	(1,776,625)	(2,595)
Net Cash from operating activities	564,770	(5,161,648)
<b>B) <u>Cash Flow for Investing Activities</u></b>		
Purchase of Fixed Assets	(223,801)	(3,894,563)
Net cash used in the Investment Activities	(223,801)	(3,894,563)
<b>C) <u>Cash Flow from Financing Activities</u></b>		
Dividend Paid	(240,985)	(239,870)
Dividend Tax Paid	(40,788)	(40,788)
Unsecured Loans	-	9,515,724
Net Cash from Financing Activities	(281,773)	9,235,066
Decrease)/ Increase in Cash & Cash Equivelants	59,196	178,855
Cash & Cash Equivelent At the beginning of the year	456,010	277,155
Cash & Cash Equivelent At end of the year	515,207	456,010

For N. S. Shetty & Co.  
Chartered Accountants

Divakar Shetty  
Partner



Place : Mumbai  
Date : 29th May, 2010

For and on behalf of Board

(Director)

**ADDITIONAL INFORMATION PURSUANT TO PART IV TO THE COMPANIES ACT, 1956  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :**

**I) Registration Details**

Registration No. 28972  
State Code : 11  
Balance Sheet Date : 31.03.2010

**II) Capital Raised During the year**

Public Issue Nil  
Right Issue Nil  
Bonus Issue Nil  
Private Placement Nil

**III) Position of mobilisation and development of funds.**

Total Liability 234.88  
Total Assets 234.88  
Sources of funds  
Paidup Capital 24.00  
Reserves & Surplus 110.31  
Secured loans -  
Unsecured Loans 100.58  
Application of funds  
Net Fixed Assets 145.31  
Investments Nil  
Net Current Assets 89.57  
Deferred Tax Assets Nil  
Miscellaneous Exp. Nil

**IV) Performance of Company**

Total Turnover 6,261.91  
Total Expenditure 6,221.92  
Profit(+)/ Loss(-) before Tax 39.99  
Profit(+)/ Loss(-) after Tax 26.59  
Earning Per Share(Rs.) 11.08  
Dividend % 10%

**V) Generic Names of Three Principal Products/Service of Company  
( As per Monetary Terms)**

Item Code( ITC Code) N. A.  
Products Description N. A.

As per our Report of Even Date  
For N. S. Shetty & Co  
Chartered Accountants

Divakar Shetty  
Partner.



For and on behalf of Board

*[Signature]*  
Director

*[Signature]*  
Director

Place : Mumbai  
Date : 29th May, 2010