



30th
Annual Report 2011-2012

Lifeline Drugs & Pharma Limited



LIFELINE DRUGS & PHARMA LIMITED

BOARD OF DIRECTORS

Nikunj Kirti Kanakia - Chairman
 Alok Kr. Behera- Managing Director
 Perar Krishna N Kamath - Independent Director
 Prakash Ravishankar Raval - Independent Director
 Narayan Anantrao Bhandarkar - Independent Director
 Ranjit Modi - Independent Director
 Anil Kumar Sankhlecha - Independent Director

COMPLIANCE OFFICER

Mr. Sanjay Naresh Kathe

AUDITORS

K. U. Kothari & Co.
 Chartered Accountant

BANKERS

ICICI Bank Ltd

REGISTERED OFFICE

Office No. 17, 3rd Floor, Zaveri Bhavan,
 85/87, Old Hanuman Lane,
 Kalbadevi Rd, Mumbai-400 002
 Tele-fax : +91 22 2200 6627,
 Email : lifelinedrug@yahoo.com

REGISTRAR & SHARE TRANSFER AGENT

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

ANNUAL GENERAL MEETING

Date : 21st September, 2012
 Time : 2.30 P.M.
 Venue : 17, 3rd Floor, Zaveri Bhavan,
 85/87, Old Hanuman Lane,
 Kalbadevi Rd, Mumbai-400 002

30th Annual Report 2011 - 2012

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

NOTICE

Notice is hereby given that the 30th Annual General Meeting of the members of **LIFELINE DRUGS & PHARMA LIMITED** will be held on Friday, 21st September, 2012 at 2.30 P.M. at 17, 3rd Floor, Zaveri Bhavan, 85/87, Old Hanuman Lane, Kalbadevi Rd, Mumbai-400 002 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 31st March 2012.
2. To consider and thought fit, to pass, with or without modification(s), the following Resolution, in respect of the vacancy caused by the retirement of Mr. Prakash Ravishankar Raval, retires by rotation and has expressed his inability for re-appointment, which is not proposed to be filled-up, as an Ordinary Resolution:
"RESOLVED THAT Mr. Prakash Ravishankar Raval, who retires by rotation and has expressed his inability for re-appointment, be not re-appointed and that the vacancy caused thereby be not filled up."
3. To consider and thought fit, to pass, with or without modification(s), the following Resolution, in respect of the vacancy caused by the retirement of Mr. Narayan Anantrao Bhandarkar, retires by rotation and has expressed his inability for re-appointment, which is not proposed to be filled-up, as an Ordinary Resolution:
"RESOLVED THAT Mr. Narayan Anantrao Bhandarkar, who retires by rotation and has expressed his inability for re-appointment, be not re-appointed and that the vacancy caused thereby be not filled up."
4. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :
"RESOLVED THAT Pursuant to the provisions of Section 260 and all other applicable provisions of the Companies Act, 1956 (the Act) and in terms of Article 87 of the Articles of Association of the Company, Mr. Alok Behera, who was appointed as a Wholetime Executive Director of the Company at the Board meeting held on 29th May 2012 and who holds the office up to the date of this Annual General Meeting in terms of provision of section 260 of the Act, and in whose respect the Company has received a notice from a member under Section 257 of the Act, together with necessary deposit as mentioned in the said section, proposing the candidature of Mr. Alok Behera for the office of Director of the Company be and is hereby appointed as Director of the Company."
6. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :
"RESOLVED THAT Pursuant to the provisions of Section 260 and all other applicable provisions of the Companies Act, 1956 (the Act) and in terms of Article 87 of the Articles of Association of the Company, Mr. Ranjit Kumar Modi, who was appointed as an Additional Director of the Company at the Board meeting held on 12th April 2012 and who holds the office up to the date

of this Annual General Meeting in terms of provision of section 260 of the Act, and in whose respect the Company has received a notice from a member under Section 257 of the Act, together with necessary deposit as mentioned in the said section, proposing the candidature of Mr. Ranjit Kumar Modi for the office of Director of the Company be and is hereby appointed as Director of the Company."

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

"**RESOLVED THAT** Pursuant to the provisions of Section 260 and all other applicable provisions of the Companies Act, 1956 (the Act) and in terms of Article 87 of the Articles of Association of the Company, Mr. Anil Kumar Sanklecha, who was appointed as an Additional Director of the Company at the Board meeting held on 12th April 2012 and who holds the office up to the date of this Annual General Meeting in terms of provision of section 260 of the Act, and in whose respect the Company has received a notice from a member under Section 257 of the Act, together with necessary deposit as mentioned in the said section, proposing the candidature of Mr. Anil Kumar Sanklecha for the office of Director of the Company be and is hereby appointed as Director of the Company."

Notes :

1. 1. A member entitled to attend and Vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
3. The Register of Member and the Share Transfer Books of the Company will remain closed from 14th September 2012 to 21st September 2012 (both days inclusive).
4. A detail of Director seeking re-appointment in this Annual General Meeting is attached separately to the notice.
5. Shareholders/Investors are advised to send their queries/complaints through the dedicated e-mail Id lifelinedrug@yahoo.com for quick and prompt redressal of their grievances.
6. The Company is yet to establish connectivity with both NSDL & CDSL and hence the Shares of the Company are available for trading in physical form by all investors.
7. 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.
8. 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.
9. 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.
10. 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.

11. Members, who are 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.
12. Members are requested to bring copies of Annual Report to the Annual General Meeting.
13. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
14. Members are requested to quote Folio Number in their correspondence.
15. The Equity shares of the Company are listed on BSE Ltd. and Listing Fees for the financial year 2012-2013 have been paid to BSE Ltd.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No. 5**

The Board of Directors of your Company appointed Mr. Alok Kr. Behera as an Executive, Wholetime Director of your Company at the Board meeting held on 29th May 2012 to look after the business of the Company for the time being.

Mr. Alok Kr. Behera, Age 44, B.Com, has due knowledge and rich experience in Pharma Sector as well as having knowledge of Financial and Capital market activities. It will be advantageous for the Company to avail his valuable services and rich experience. Your Company has received notices from members pursuant to section 257 of the Act, 1956 together with necessary deposit proposing the candidature of Mr. Alok Kr. Behera for the office of Director of the Company.

Mr. Alok Kr. Behera does not hold any shares in his own name or in the name of his relatives.

Mr. Alok Kr. Behera is not having Directorship and Committee Chairmanship in any of the Listed and Public Limited Cos.

Except Mr. Alok Kr. Behera in his respective appointment, no other Director is concerned or interested in his appointment as Directors of the Company.

Item No. 6

The Board of Directors of your Company appointed Mr. Ranjit Kr. Modi as an Additional Director of your Company at the Board meeting held on 12th April 2012 to broad base the Board.

Mr. Ranjit Kr. Modi, Age 40, B.Com, FCA is having vast knowledge and rich experience in Accounting and Taxation matters. It will be advantageous for the Company to avail his valuable services and rich experience. Your Company has received notices from members pursuant to section 257 of the Act, 1956 together with necessary deposit proposing the candidature of Mr. Ranjit Kr. Modi for the office of Director of the Company.

Mr. Ranjit Kr. Modi does not hold any shares in his own name or in the name of his relatives.

Mr. Ranjit Kr. Modi is not having Directorship and Committee Chairmanship in any of the Listed and Public Limited Cos.

Except Mr. Ranjit Kr. Modi in his respective appointment, no other Director is concerned or interested in his appointment as Directors of the Company.

Item No. 7

The Board of Directors of your Company appointed Mr. Anil Kumar Sanklecha as an Additional Director of your Company at the Board meeting held on 12th April 2012 to broad base the Board.

Mr. Anil Kumar Sanklecha, Age 40, B.Com, FCA is having vast knowledge and rich experience in Accounting and Taxation matters as well as having due knowledge of Capital and Money Market activities. It will be advantageous for the Company to avail his valuable services and rich experience. Your Company has received notices from members pursuant to section 257 of the Act, 1956 together with necessary deposit proposing the candidature of Mr. Anil Kumar Sanklecha for the office of Director of the Company.

Mr. Anil Kumar Sanklecha does not hold any shares in his own name or in the name of his relatives.

Mr. Anil Kumar Sanklecha is having Directorship in M/s. Asia Pack Limited whereas he is not holding any Committee Chairmanship and/or Committee Membership in any of the Listed and/or Public Limited Cos.

Except Mr. Anil Kumar Sanklecha in his respective appointment, no other Director is concerned or interested in his appointment as Directors of the Company.

Details of Director seeking re-appointment in the 30th Annual General Meeting on 21st September 2012 (in term of Clause 49 of the Listing Agreement)

<p>Alok Kr. Behera</p> <p>Fathers' Name Date of Birth Date of Appointment Expertise in specific functional areas</p> <p>Years of Experience Qualifications List of outside Directorship held Member of Committee on the Board Member/Chairman of Committee in other Companies No. of Shares held in own name or in the name of Relatives</p>	<p>Pitambar Jagbandhu Behera 10th June 1979 29th May 2012 Having knowledge of Pharma Industry, Accounts & Audit & Capital & Money Matters 13 Years B.Com. Not Any Not Any Not Any Nil</p>
<p>Ranjit Kr. Modi</p> <p>Fathers' Name Date of Birth Date of Appointment Expertise in specific functional areas</p> <p>Years of Experience Qualifications List of outside Directorship held Member of Committee on the Board Member/Chairman of Committee in other Companies No. of Shares held in own name or in the name of Relatives</p>	<p>Shankar Prasad Modi 5th January 19772 12th April 2012 In depth knowledge of Accounts, Audit & Taxation Matters 18 Years B.Com., FCA Not Any Not Any Not Any Nil</p>

Anil Kumar Sanklecha	
Fathers' Name	Prakash Chand Sanklecha
Date of Birth	1st November 1974
Date of Appointment	12th April 2012
Expertise in specific functional areas	In depth knowledge of Company Law, Accounts, Audit & Taxation Matters and also in Capital & Money Market
Years of Experience	15 Years
Qualifications	B.Com., FCA
List of outside Directorship held	M/s. Asia Pack Limited
Member of Committee on the Board	Not Any
Member/Chairman of Committee in other Companies	Not Any
No. of Shares held in own name or in the name of Relatives	Nil

Mumbai, August 10, 2012

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

Registered Office :

Office No. 17, 3rd Floor, Zaveri Bhavan,
85/87, Old Hanuman Lane,
Kalbadevi Rd, Mumbai-400 002

Alok Kr. Behera
Managing Director

DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in presenting the 30th Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2012.

(₹ in Lacs)

Financial Results	Year Ended 31.03.2012	Year Ended 31.03.2011
Income	13.46	15.27
Profit before Tax & extraordinary item	4.87	-0.34
Less : Provision for Taxation	1.64	0.00
Profit after Tax	3.22	-0.34
Add : Profit brought forward from Previous Year	87.78	88.12
Balance carried forward	91.00	87.78

BUSINESS OPERATIONS

The Business environment remains extremely challenging and the recessionary economic conditions leading to slowdown in demand and inflation pushed scale up of input costs left its adverse imprint on overall performance for 2011-2012. Directors are pleased to inform that in spite of difficult times, your Company has broadly maintained its performance. Gross income from operations remained at ₹ 13.46 Lac during the year.

The Company was virtually in no business during the year under review due to sell of its Factory at Tarapur as Machinery were very old and were not performing as per standard equipments of pharma Industry. The Company was not willing to go for modernization of its Machinery due to high cost of Machinery as well as cost of Installation Charges because of non-availability of appropriate fund for the same. Whatever income was there during the period was on account of Commission and Trading of Pharma Products rather than profit from its own Productions.

FUTURE PLANS

The Company is willing to do the trading activities in Pharma sector for the time being and is planning to look for strategic investors who can invest in the Company to do trading in Pharma products in big way. The Company is also looking to diversify its business some other sector and is still analyzing risk and opportunities in different sectors.

DIVIDEND

Due to lackluster performance during the year and because of non-availability of sufficient cash fund as well as conserve resources for future, your Directors do not recommends any Dividend for the year under review.

SUBSIDIARY COMPANY

The Company does not have any material non-listed Indian subsidiary whose turnover or net worth (i.e.

paid-up capital and free reserves exceeding 20% of the consolidated turnover or networth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

MANAGEMENT DISCUSSION & ANALYSIS

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

MANAGEMENT

The Company has appointed Mr. Alok Behera as Chairman of the Company who, for the time being, will look after the business of Company and along with its Managing Director Mr. Kanakia. However, there is no Change in Management of the Company during the year under review.

DIRECTORS

Mr. Alok Behera, Mr. Ranjit Modi and Mr. Anil Kumar Saklecha have been appointed as Additional Directors of the Company and are liable to retire in Annual General Meeting.

Further, Mr. Bharat Kiran Kumar Shah, Mr. Arvind Surendra Chaturvedi and Mr. Pratik Girish Goradia have been resigned from the Board for their pre-occupation.

Further, in accordance with the provisions of Act and Articles of Association of your Company, Prakash Ravishankar Raval and Mr. Narayan Anantrao Bhandarkar, Directors of your Company, who retires by rotation, are not willing to offer themselves for re-appointment due to their pre-occupation.

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

DIRECTORS RESPONSIBILITY STATEMENT

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

1. In the preparation of the annuals accounts, for the year ended 31st March 2012, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed;
2. The Directors had adopted such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the annual accounts on a going concern basis.

STATUTORY INFORMATION

The Company being basically in the business of Pharma products trading as well as doing the business of Commission Agent, requirement, regarding and disclosures of Particulars of conservation of energy and technology absorption prescribed by the rule is not applicable to us.

INFORMATION TECHNOLOGY

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

RESEARCH & DEVELOPMENT

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

AUDITORS

The Auditors M/s K. U. Kothari & Co., Chartered Accountants, Mumbai holds the office until the conclusion of ensuing Annual General Meeting. Your Company has received certificate from the Auditors U/S 224(1B) of the Companies Act, 1956 to the effect that their reappointment if made, will be within the limit prescribed. The shareholders are requested to appoint Auditors and fix their remuneration.

COMMENTS ON AUDITOR'S REPORT :

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

PARTICULARS OF EMPLOYEES

There were no employees in Company during the year under review.

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

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

The Company is having no business other than the business of trading of Pharma Products as well as doing the work of Commission Agents during the year under review and hence the information regarding conservation of energy, Technology Absorption, Adoption and innovation, the information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, is reported to be NIL.

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

PUBLIC DEPOSITS

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

REPORT ON CORPORATE GOVERNANCE

The Company conforms to the norms of Corporate Governance as envisaged in the Companies Act,

1956 and the Listing Agreement with the Bombay Stock Exchange Limited. Pursuant to Clause 49 of the Listing

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

APPRECIATION

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

Mumbai, August 10, 2012

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

Registered Office :

Office No. 17, 3rd Floor, Zaveri Bhavan,
85/87, Old Hanuman Lane,
Kalbadevi Rd, Mumbai-400 002

Alok Kr. Behera
Managing Director

MANAGEMENT DISCUSSION & ANALYSIS

The growth in global economy during 2011-2012 was affected due to impact of high oil prices and certain other commodity prices, the spillover from the Japanese natural disasters and monetary tightening in the Emerging Market Economies (EMEs) to contain inflationary pressures. The global market was also disturbed by perceptions of inadequate solutions to the Euro zone sovereign debt problem, exposure of banks to Euro zone and renewed fears of recession. However, during the last quarter of 2011, the immediate financial market pressures in the Euro zone have been alleviated to some extent, by the European Central Bank (ECB) injecting liquidity of more than one trillion Euros through the two long term refinancing operations. Growth in the Euro zone, however, was negative in quarter IV. The Emerging and Developing Economies (EDEs) are showing signs of slowdown in growth. As a result, the global growth for 2012 and 2013 is expected to be lower than anticipated earlier.

In US, apart from fiscal concerns, high unemployment and weak housing markets continued to weigh on consumer confidence and private consumption. The recent macroeconomic data for the US economy show some positive signs. In particular, the labour market conditions have improved.

Indian Economy has witnessed a disturbing turn of events. During the year under review, the Indian Economy recorded a growth of 6.9 percent as compared to 8.4 percent in previous year. Both foreign and domestic investors became jittery in the last few months owing to persistent inflation, fiscal deficits, and lack of meaningful reforms in the Indian economy and continued global uncertainty that lead to lower capital inflows. This has also resulted in sharp depreciation of rupee against US dollar from a level of INR 43.94 per USD on 27th July, 2011 to an all-time low of INR 54.23 per USD on 15th December, 2011.

Rupee depreciation has also resulted in an increase in fuel prices as well as commodity prices. High volatility in Forex Market prompted RBI to take several measures for augmenting foreign exchange reserves and for curbing the speculation in foreign exchange.

Reserve Bank of India made adjustments 13 times in policy rates since March 2010 to control inflation and this lead to an increase in lending rate for commercial borrowings and thus resulting in lower growth in the Indian Economy.

However in March 2012, Reserve Bank of India reduced the CRR from 5.5 percent to 4.75 percent to take care of structural liquidity deficit. Further on 17th April, 2012 Reserve Bank of India cut the repo rate by 50 bps to 8 percent with immediate effect, reverse repo rate, with a spread of 100 bps below repo rate adjusted to 7 percent. This decision to cut the rate was due to growth decelerating significantly to 6.1 percent in the 3rd quarter of the last year and also due to WPI inflation moderating to below 7 percent by March 2012.

REVIEW OF OPERATIONS

The operational performance for the current year is not strictly comparable with that of 2011 due to the fact that the Company was doing manufacturing business of Pharma products in previous year whereas in current year, it was doing the business of trading of these products as well as doing the work of Commission Agent.

The Company registered a gross income of ₹ 13.46 Lac. PBIT Margin during the year remains ₹ 4.87 Lac in comparison to last years' Loss figure of ₹ 0.34 Lac whereas Net Profit remains the same at ₹ 3.22 Lac in comparison to last years' figure of loss of ₹ 0.34 Lac.

BUSINESS SEGMENT

Virtually there was no business segment during the year under review as the Company was doing the trading business of Pharma products as well as of the work of Commission Agent in Pharma sector.

OPPORTUNITIES

The Indian market offers unique advantages. India is one of the biggest democratic country for last 63 years in this globe. It has an educated workforce and English is the language of business in addition to Hindi, the basic national Language. It has a strong legal framework and strong financial markets. Professional services are easily available. There is already an established industry and international trade. It has a good network of educational institutions and world-class strengths in information technology.

Indian participant players in the pharmaceutical industry in the future may continue to face the future with confidence. There are enormous opportunities for pharmaceutical players both nationally and globally, but the possibilities are challenges to be overcome to achieve sustainable growth in the future. The future is very promising with a lot of progress in the way the Indian pharmaceutical industry perceives.

The Indian Pharma Industry is entering an era in which the components of the value chain are reevaluated and redesigned to achieve the optimum value. While the cost of doing business is increasing, customers are demanding more innovative pharmaceutical products at more competitive prices. The change of patent regime has also become an announced change in the dynamics of the sector. On the one hand, patents on blockbuster drugs expire and, secondly, there are enough drugs in the pipeline. The dynamic evolution of industry at both national and international pharmaceutical industry has forced players to rethink their traditional business strategies.

THREATS & CONCERNS

India may actually end up seeing off an opportunity as a threat. This would largely be driven by the country's weak ability to carry out plans in time due to its political and bureaucratic quality, which is increasingly being accepted as corrupt and inefficient.

Why we say that it would pass off the opportunity as a threat is because this may happen despite India having a top class think tank alive to possible solutions and various scenarios that may emerge.

The current recession does not appear as a purely economic one, and nor will the fallouts be restricted to economics alone. While factors that lead me to conclude this are many, one can quickly look at the maddening fluctuation in oil prices and try convincing them that this is truly economic demand and supply at work. I stand unconvinced.

This recession is a test of political leadership across the world and of the belief in a global economic order. Unfortunately, performance on both these counts by India's politicians has been far from impressive. One can see it in the state of infrastructure, the delay in taking crucial action and the immediate raising of protective barriers when a global meltdown commenced.

Pharmaceuticals segments operate in a highly competitive market scenario, making it necessary that they differentiate themselves from competition by offering better quality products at lower prices thus adding value to the customers.

With the high amount of imports of raw materials like granules and exports of finished goods transacted in foreign currencies the foreign exchange fluctuations have an impact on the working of the Company. By way of hedging of foreign exchange transactions wherever found prudent, the Company minimizes the impact of foreign exchange loss. Due to the broad customer base in Pharmaceuticals segment, the Company is exposed to a low credit risk in its sales markets.

RISK MANAGEMENT

We follow Enterprise Risk Management (ERM) tool designed to clarify the risk levels and encourage behavior throughout the Group. The process considers opportunities and threats to short and medium term objectives as defined. ERM ensures the coordination and development of risk management activities throughout all decision making levels and communicates all significant risks to the top level of management.

The tool is designed to provide the risk score measures for each of the potential risk as well as its financial, reputational and operational impact by way of quarterly report. The report provides for categorization of risk into threat or opportunity and provides brief statement on its cause, impact, treatment, control measures, level of confidence in the controls, acceptability of identified risks, potential improvements, risk improvement plans critical success factors and target dates to control the risk. The risk assessment is done annually with quarterly updates. The process has been designed to deliver timely results.

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

The Company's business critical software is operated on a server with regular maintenance and back-up of data and is connected to centralized computer center with two physically separated server parks operated by the Company. The system's parallel architecture overcomes failures and breakdowns. Reliable and permanently updated tools guard against virus attacks. The global communication network is managed centrally and is equipped to deal with failures and breakdowns. Updated tools are regularly loaded to ensure a virus free environment.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

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

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

HUMAN RESOURCES

The Company recognizes that its success is deeply embedded in the success of its human capital. During 2011-12, the Company continued to strengthen its HR processes in line with its objective of creating an inspired workforce. The employee engagement initiatives included placing greater emphasis on learning and development, launching leadership development programme, introducing internal communication, providing opportunities to staff to seek inspirational roles through internal job postings, streamlining the Performance Management System, making the compensation structure more competitive and streamlining the performance-link rewards and incentives.

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

CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY

The Company constantly strives to meet and exceed expectations in terms of the quality of its business and services. The Company commits itself to ethical and sustainable operation and development of all business activities according to responsible care and its own code of conduct. Corporate Social Responsibility

is an integral part of the Company's philosophy and participates in activities in the area of education and health.

CAUTIONARY STATEMENT

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

COMPLIANCE

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

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

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

Mumbai, August 10, 2012

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

Registered Office :

Office No. 17, 3rd Floor, Zaveri Bhavan,
85/87, Old Hanuman Lane,
Kalbadevi Rd, Mumbai-400 002.

Alok Kr. Behera
Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is the set of systems and practices to ensure that the affairs of the Company are being managed in a way that ensures accountability, transparency and fairness in all its transactions and meet its stakeholders' aspirations and societal expectations.

LIFELINE DRUGS & PHARMA LIMITED (LDPL) is committed to international compliance standards, to ensure checks and balances between the board and management as well as a sustainable approach to value creation. In defining the management structure, organisation and processes of the Company, the corporate governance principles aim to provide stakeholders value and transparency to promote sustainable long-term success. This is demonstrated in shareholders returns, high credit ratings, governance processes and customer focused work environment. The Company believes that adherence to business ethics and commitment to corporate governance will help the Company to achieve its goal of maximizing value for all its stakeholders and endeavors to not only match international standards but also strives to set a benchmark for corporate governance initiatives.

BOARD OF DIRECTORS

Composition of Directors

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

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

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

The Board of Directors met 4 times on 12th August, 2nd September and 15th November in year 2011 and on 14th February in the year 2012 during the financial year 2011-2012.

The composition and category of the Board of Directors as at March 31, 2012, the number of other Directorships/Committee memberships held by them and also the attendance of the Directors at the Board meetings of the Company are as under:

Name	Designation	Board Meetings Attended	Whether Attended AGM	Committee Membership	Committee Chairmanship	No. of Directorship in other Public Ltd. Co.
Nikunj Kirti Kanakia*	Managing Director	4	Yes	3	Nil	Nil
Perar Krishna N. Kamath	Whole time Director	4	Yes	Nil	Nil	Nil
Prakash R. Rawal	Whole time Director	4	Yes	Nil	Nil	Nil
Narayan A. Bhandarkar	Independent Director	4	Yes	Nil	Nil	Nil
Bharat K. Shah	Independent Director	4	Yes	Nil	Nil	Nil
Arvind S. Chaturvedi	Independent Director	4	Yes	1	2	Nil
Pratik G.	Independent Director	4	Yes	2	1	Nil

*Chairman of the Board

AUDIT COMMITTEE

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

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

Authority and Responsibilities

The Audit Committee reviews the Company's financial reporting process, disclosure of accounting treatment, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter, Compliance with listing and other legal requirements relating to financial statements, disclosure norms, internal control systems, risk management policies, accounting policies and practices, ensuring the quality and appropriateness of the Company's accounting and financial disclosures as well as quarterly/half yearly financial statements. It recommends appointment of Statutory Auditors fixes audit fees and reviews internal control systems, Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern, scope for observations of the auditors and adequacy of the internal audit function, discussion with

internal auditors any significant findings and follow up there on, To review the functioning of the Whistle Blower mechanism, Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate etc.

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

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

As required under Section 292A of the Companies Act, 1956 and Clause 49 of Listing Agreement, the new "Terms of Reference" of the Audit Committee were approved by the Board of Directors at its meeting held on 14th February 2012.

The members of Audit Committee met four times on 12th August, 2nd September and 15th November in year 2011 and on 14th February in the year 2012.

Name	Number of Meetings Held	Meetings Attended
Mr. Nikunj Kirti Kanakia	4	4
Mr. Arvind S. Chaturvedi*	4	4
Mr. Pratik G. Goradia	4	4

*Chairman of Committee

REMUNERATION COMMITTEE

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

Details of Remuneration paid to Directors

No Fees has been paid to any of other Directors of the Company for attending Board & Committee Meetings during the year under review.

No Stock option has been allotted to any of the Directors during the financial year 2011-2012.

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

SHARE TRANSFER COMMITTEE

The Board of Directors has constituted Share Transfer Committee under the Chairmanship of Mr. Pratik G. Goradia; Independent Director with two other Directors namely Mr. Arvind S. Chaturvedi & Mr. Nikunj Kirti Kanakia.

The members of Share Transfer Committee met 4 times on 12th August, 2nd September and 15th November in year 2011 and on 14th February in the year 2012.

Name	Number of Meetings Held	Meetings Attended
Mr. Pratik G. Goradia *	4	4
Mr. Arvind S. Chaturvedi	4	4
Mr. Nikunj Kirti Kanakia	4	4

*Chairman of Committee

INVESTOR GRIEVANCE COMMITTEE

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

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

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

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

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

COMPLIANCE OFFICER

The Company has appointed Mr. Sanjay Naresh Kathe as a Compliance Officer within the meaning of Listing Agreement.

COMPOSITION OF COMMITTEE AND MEETINGS ATTENDED

During the year, twelve meetings of the Committee of Directors were held on April 4, May 2, June 1, July 1, August 2, September 1, October 3, November 2, and December 1st in year 2011 and on January 3, February 1 and March 2 in year 2012.

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

Name	Position	Category	Meetings Attended
Mr. Arvind S. Chaturvedi*	Chairman	Independent, Non-Executive	12
Mr. Pratik G. Goradia	Member	Independent, Non-Executive	12
Mr. Nikunj Kirti Kanakia	Member	Executive - Wholetime	12

*Chairman of Committee

DETAILS OF SHAREHOLDERS' COMPLAINTS DURING THE YEAR

During the year the Company did not receive any complaint from any of its Members and there were Nil Complaints at the end of Financial Year ending on 31st March 2012.

GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings :

Annual General Meeting	Date & Time	Venue
29th Annual General Meeting	29th September 2011, 2.00 PM	A-401, 4th Floor, Mastermind III, Royal Palms Estates, Aarey Milk Colony, Goregaon (E), Mumbai-400 065
28th Annual General Meeting	30th September 2010, 2.00 PM	A-401, 4th Floor, Mastermind III, Royal Palms Estates, Aarey Milk Colony, Goregaon (E), Mumbai-400 065
27th Annual General Meeting	30th September 2009, 2.00 PM	A-401, 4th Floor, Mastermind III, Royal Palms Estates, Aarey Milk Colony, Goregaon (E), Mumbai-400 065

LOCATION AND TIME OF LAST TWO EXTRA-ORDINARY GENERAL MEETINGS :

No Extra-Ordinary General Meeting (EOGM) was held by the Company during last two financial years.

POSTAL BALLOT

No Resolution has been passed during last three financial years through Postal Ballot Rules 2011.

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

SPECIAL RESOLUTION PASSED IN LAST THREE ANNUAL GENERAL MEETINGS:

Special Resolution was passed in 28th Annual General Meeting held on 30th September 2010 for shareholders' approval for appointment of Mr. Prakash Ravishankar Rawal as Directors of the Company. The resolutions were passed unanimously and no voting was required to pass these resolutions.

Further, Special Resolution was passed in 27th Annual General Meeting held on 30th September 2009 for shareholders' approval for appointment of Mr. Narayan Anantrao Bhandarkar as Director of the Company. The resolutions were passed unanimously and no voting was required to pass these resolutions.

No Special Resolutions have been passed during last financial year ended on 31st March 2011.

BOARD DISCLOSURES**Risk Management**

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

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

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

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

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

INSIDER TRADING

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

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

SUBSIDIARY COMPANY

The Company does not have any Subsidiary Company.

DISCLOSURES

- (a) There were no transactions with related parties i.e. with Promoters, Directors, Management, Subsidiaries or Relatives that may have potential conflict of interest with the Company at large. The details of the related Party transactions are disclosed under the notes on accounts, as required under the Accounting Standard 18 issued by the Institute of Chartered Accountants of India.
- (b) There has been no instance of non-compliance by the Company on any matter related to Capital Markets and hence the question of penalties or strictures being imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority does not arise.
- (c) In Compliance with the Securities & Exchange Board of India (Prohibition of Insider Trading Regulations, 1992) as amended till date, on Prohibition of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly adhered to by its management, staff

and relevant business associates. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences of non-compliance thereof.

- (d) Reconciliation of Share Capital : A qualified Practicing Company Secretary carried out Reconciliation of Share Capital on quarterly basis to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The "Reconciliation of Share Capital Audit Report" confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

DISCLOSURES ON NON-MANDATORY REQUIREMENTS

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

- a) None of the Independent Directors on the Board of the Company has served for the tenure of exceeding nine years. The Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which in the opinion of the Company would enable him to contribute effectively to the Company in his capacity as an Independent Director.
- b) The Company has not setup Compensation and Remuneration Committee.
- c) There was no case of Non-Compliance during financial year 2011-12 in term of provisions of Listing Agreement entered into with BSE by the Company. Further, no penalties have been levied or actions have been taken by BSE or SEBI during last three years.
- d) The Company has complied with mandatory provisions of listing agreement.
- e) The financial statements of the Company are unqualified.
- f) The Board of Directors of the Company at its meeting held on 17th March 2010 have adopted the Whistle Blower Policy and appointed an ombudsperson. Employees can report to the Management concerned unethical behavior, act or suspected fraud or violation of the Company's Code of Conduct Policy. No Employee has been denied access to the Audit Committee.

MEANS OF COMMUNICATIONS

- ❖ The Company regularly provides information to the Stock Exchanges as per the requirements of the listing Agreement.
- ❖ The Quarterly/Half Yearly/Nine Months & Annual Results have been submitted to Bombay Stock Exchange Ltd. and published in the leading English Newspapers and in vernacular language Newspaper.
- ❖ Company posts its Quarterly Results/Half Yearly/Nine Months & Annual Results on its website www.lifeline drugs and pharma ltd.com.
- ❖ Official News releases have been posted on its web portal www.lifeline drugs and pharma ltd.com.
- ❖ No formal representations were made to Institutional Investors or Analysts during the year under review.
- ❖ Management Discussion and Analysis forms part of the Annual Report will be posted to the shareholders of the Company.

GENERAL SHAREHOLDER INFORMATION

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

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

The information regarding 30th Annual General Meeting for the financial year ended on 31st March 2012 is as follows :-

Day & Date : Friday, 21st September 2012

Time : 2.30 P.M.

Venue : 17, 3rd Floor, Zaveri Bhavan, 85/87, Old Hanuman Lane, Kalbadevi Rd, Mumbai-400 002

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

c. Future Calendar :

Subject Matter	Date
Financial Reporting of 1st Quarter ended on 30th June 2012	14th August, 2012
Financial Reporting of 2nd Quarter ended on 30th September 2012	15th November, 2012
Financial Reporting of 3rd Quarter ended on 31st December 2012	15th February 2013
Financial Reporting of 4th Quarter ended on 31st March 2013	30th May 2013
Date of Annual General Meeting	During September 2013

d. Date of Book Closure : September 14 to September 21, 2012. (Both days inclusive)

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

f. Listing of Shares : Bombay Stock Exchange Ltd. (BSE)

g. Listing Fees : Company has paid Annual listing Fees to BSE

h. Stock Code & ISIN : Scrip Code 506113.
ISIN : Yet to be Applied

i. Market Price Data :

Month	Price on BSE (₹) & Volume			BSE Sensitive Index	
	High	Low	Volume	High	Low
March 2012	40.70	40.70	50	18040.69	16920.61

Note : There was no trade during the period from April 2011 to Feb 2012 and hence no data have been provided for that period.

j. Registrar & Share Transfer Agent.

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

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

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

Tel : 022-23016761, Website : www.purvashare.com

k. Share Transfer Systems

The Share transfer is processed by the Registrar & Share Transfer Agent, Purva Sharegistry (India) Pvt. Ltd. and approved by Share Transfer Committee, if the documents are complete in all respects, within 21 days from the date of lodgment.

l. Distribution of Shareholding as on 31st March 2012

No. of Equity Shares	No. of Share Holders	% of Share Holders	Total No. of Shares Held	% of Share Holding
1-5000	126	75.90	34110	14.21
5001-10000	15	9.04	12070	5.03
10001-20000	7	4.22	13200	5.50
20001-30000	4	2.41	8700	3.63
30001-40000	1	0.60	3550	1.48
40001-50000	3	1.81	12660	5.28
50001-100000	7	4.22	44450	18.52
100001 and Above	3	1.81	111260	46.36
Total....	166	100.00	240000	100.00

m. Shareholding Pattern as on 31st March 2012

Categories	No. of Shares	% of Shareholding
Promoters, Directors, Relatives & Person acting in concert	101210	42.17
Indian Bank	0	0.00
Others (NRI)	0	0.00
Hindu Undivided Family (HUF)	0	0.00
Private Corporate Bodies	51410	21.42
Indian Public	87380	36.41
Clearing Member	0	0.00
Total	240000	100.00

n. Categories of Shareholders as on 31st March 2012

Category	No. of Share holders	% of Share holders	No. of Shares Held	% of Share Holding
Resident Individuals	154	92.77	87380	36.41
Promoters	2	1.20	98910	41.21
Corporate under Promoter Group	1	0.60	2300	0.96
Body Corporate	9	5.42	51410	21.42
Total	166	100.00	240000	100.00

o. Dematerialization of Equity Shares & Liquidity

The Company's Equity Shares are in Physical trading segment and the Company is yet to establish connectivity with both NSDL & CDSL by signing the necessary agreements.

p. Nomination

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

q. Requirement of PAN Card for Transfer of Shares in Physical Form

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

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

No fund has been raised by Company during last three years.

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

Not Applicable.

t. Investors' Correspondence

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

Mr. Sanjay Naresh Kathe - lifelinedrug@yahoo.com

u. Code of Conduct

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

v. Address for Correspondence

LIFELINE DRUGS & PHARMA LIMITED
Office No. 17, 3rd Floor, Zaveri Bhavan, 85/87, Old Hanuman Lane,
Kalbadevi Rd, Mumbai-400 002
Tele-fax : +91 22 2200 6627, Email : lifelinedrug@yahoo.com
URL : www.lifelinedrugsandpharmaltd.com

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

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

To

The Members of

LIFELINE DRUGS & PHARMA LIMITED

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

Alok Kr. Behera
Managing Director

SECRETARIAL COMPLIANCE REPORT

The Board of Directors,

M/s. LIFELINE DRUGS & PHARMA LIMITED

We have examined the registers, records and papers of M/s. LIFELINE DRUGS & PHARMA LIMITED as required to be maintained under the Companies Act, 1956, (hereinafter referred to as "The Act"), the rules made thereunder and also the provisions contained in the Memorandum of Association and Articles of Association of the Company for the year ended 31st March 2012.

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

1. The Company has kept and maintained all registers and records as per the provisions of the Companies Act 1956 (the Act) and the rules made there under and all entries therein have been duly recorded during the year.
2. The Company has filed the forms and return with the Registrar of Companies or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company has given proper notice along with the agenda for convening of Board Meeting, Committee Meetings and Annual General Meetings during the year.
4. The proceedings of the Meetings were properly recorded in the Minutes Books during the year.
5. The Board of Directors of the Company is duly constituted during the year.
6. The Company has obtained all the necessary approvals from the Board and Shareholders as required by the Act during the year.
7. The Company has not accepted any Deposit in terms of Section 58A of the Act read with Companies (Acceptance of Deposit) Rules, 1975 during the year.
8. The Company has complied with the provisions of section 154 of the Act during the year.
9. The Company has declared dividend and paid to the eligible shareholders in compliance with the provisions of section 205 of the Act during the year.
10. The Company has not paid any remuneration to the Managing Director and sitting fees to the Directors of the Company during the year in terms of section 198, 269, 309 read with Schedule XIII of the Act.
11. The Company has not appointed any sole selling agent in terms of section 294 of the Act during the year.
12. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under section 295 of the Act during the year.
13. The Company has not entered into any transactions, which falls under section 297 of the Act during the year.

14. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions section 299 of the Act.
 15. The Company has not appointed any person as a place of profit in terms of section 314 of the Act during the year.
 16. The Company has not issued any duplicate share certificate during the financial year.
 17. The Company has complied with the provisions of section 372A of the Act.
 18. The Company :
 - a) has delivered all the Share Certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - b) has deposited amount in a separate Bank Account as against declaration of Dividend during the year.
 - c) has posted warrants to members of the Company within the required time frame as against payment of Dividend to Members.
 - d) Was not required to transfer any amount to Investor Education and Protection Fund.
 - e) Was duly complied with the requirement of section 217.
 19. The Board of Directors of the Company is duly constituted and there were appointments / resignation of Additional Director/s alternate Director/s and Directors to fill the casual vacancy during the financial year.
 20. The Company was not required to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act.
 21. The Company has not issued any Shares, Debentures or other Securities during the financial year.
 22. The Company has not bought back any share during the financial year.
 23. There was no redemption of preference shares or debentures during the financial year.
 24. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 25. As per the information and explanation given, the Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 15A during the financial year.
 26. The Company has not borrowed fund from its Directors, members, public, financial institutions, banks and others during the financial year ending on 31st March 2012.
 27. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny
 28. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
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29. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
30. The Company has not altered its Memorandum of Association and Articles of Association with respect to the Share Capital of the Company.
31. There was no prosecution initiated against the Company, or Show Cause Notices received by the Company, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year 2011-12.

For P. D. Pandya & Associates
Company Secretaries

Place : Mumbai
Date : August 10, 2012

Paresh D. Pandya
Proprietor
C. P. No. 4869

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of LIFELINE DRUGS & PHARMA LIMITED

We have examined the compliance of the conditions of Corporate Governance by LIFELINE DRUGS & PHARMA Ltd. (The Company) for the year ended 31st March 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Ltd.

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

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

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievances Committee.

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

For **K. U. Kothari & Co.**
Chartered Accountants

Place : Mumbai
Date : August 10, 2012

Prakash Chechani
Partner
Membership No. 104203

AUDITORS' REPORT

To the Members of LIFELINE DRUGS & PHARMA LIMITED

We have audited the attached Balance Sheet of LIFELINE DRUGS & PHARMA LIMITED as at 31st March 2012 and also the Profit & Loss Account for the year ended on that day annexed hereto. 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.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards required 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 included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- a. As required by the Companies (Auditors' Report) Order, 2003 issued by the Department of Company Affairs in terms of Section 227 (4A) of the Companies Act 1956, we enclose in the Annexure, a statement on the matter specified in the said Order to the extent applicable;
- b. Further to our comments in the annexure referred to in paragraph 1 above -
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our 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, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts'
 - iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement together with notes of accounts 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, we 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 our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act 1956, and give a true and fair view in conformity with the accounting principles generally accepted in India :-
 1. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012;
 2. in the case of the Profit and Loss Account, of the Profit for the year ended on that date;
 3. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **K. U. Kothari & Co.**
Chartered Accountants

Place : Mumbai
Date : August 10, 2012

Prakash Chechani
Partner
Membership No. 104203

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 of our report of even date)

1. (a) There are no fixed assets, hence no question arises of maintaining proper records showing full particulars, including quantitative details and the situation of the fixed assets;
- (b) There are no fixed assets, hence the clause of physical verification by the management of the fixed assets is not applicable;
- (c) There are no fixed assets, hence the clause of substantial part of fixed assets being disposed of during the period is not applicable;
2. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

3. (a) According to the information and explanation given to us and on the basis of records furnished before us, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) In view of above, Clause 4(iii)(a),(b),(c) and (d) of Companies (Auditors' Report) Order, 2003 are not applicable.
- (c) According to the information and explanation given to us and on the basis of records furnished before us for the verification, the Company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (d) In view of above, clause 4(iii)(e), (f) and (g) of Companies (Auditors' Report) Order, 2003 are not applicable.
4. In our opinion and according the information & explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and nature of business for the purchase of fixed assets and for the sale of services. During the course of our Audit, no major weakness has been noticed in the internal control system in respect of these areas.
5. (a) In our opinion and according the information & explanations provided by the management, the particulars of contract or arrangements that were required to be entered in the register maintained under Section 301 of the Companies Act 1956 have been so entered in the said register.

- (b) In our opinion and according the information & explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of ₹ five lac have been entered into during the financial year at prices which are prima-facie reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public hence Clause 4(vi) of Companies (Auditors' Report) Order 2003 is not applicable.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. We are informed that the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act 1956 in respect of products dealt with by the Company.
9. (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including Provident Fund, Investors' Education & Protection Fund, Employees State Insurance Scheme, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, CESS and any other statutory dues have been regularly deposited in time during the year with appropriate authorities and there are no undisputed statutory dues payable for a period of six months from the date they became payable as at 31st March 2012.
- (b) According to the information and explanation given to us there are no disputes pending before the authorities in respect of Sales Tax, Income Tax, Custom Duty and CESS.
10. The Company does not have accumulated losses as at the end of financial year and has not incurred cash losses in the current financial year and in the immediate preceding financial year.
11. According to the records made available to us and information and explanation given to us by the management, the Company has not defaulted in repayment of any dues to financial institutions or banks.
12. According to the information and explanations given to us, the Company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not chit fund, nidhi, mutual fund and societies and accordingly clause 4(xiii) of Companies (Auditors' Report) Order, 2003 is not applicable.
14. The Company has not dealt or traded in shares, securities, debentures & other investments during the year.
15. In our opinion and according to the information and explanations given to us, the Company has not given guarantees for loans taken by others from Banks & Financial Institutions. Accordingly Clause 4(xv) of Companies (Auditors' Report) Order, 2003 is not applicable.
16. In our opinion and according to the information and explanations given to us, the Company has not obtained any Term Loan. Accordingly Clause 4(xvi) of Companies (Auditors' Report) Order, 2003 is not applicable.
-

17. According to the information and explanations given to us and on the basis of and overall examination of the Balance Sheet of the Company, no funds raised on short term basis have been utilized for long term investment and vice versa.
18. The company has not made preferential allotment of shares to parties and/or to the companies covered in the register maintained under section 301 of the Companies Act 1956. Therefore, the provisions of clause 4(xviii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
19. During the period, the Company has not issued unsecured debentures on private placement basis and therefore, the provisions of clause 4(xix) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
20. The Company has not raised any money through public issue during the year and therefore, the provisions of clause 4(xx) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
21. During the course of examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the period nor we have been informed of such instances by the management.

For K. U. Kothari & Co.
Chartered Accountants

Place : Mumbai
Date : August 10, 2012

Prakash Chechani
Partner
Membership No. 104203

BALANCE SHEET AS AT 31ST MARCH, 2012

	Note No.	31.3.2012 ₹	31.3.2011 ₹
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2.1	2,400,000	2,400,000
Reserves and Surplus	2.2	11,318,540	10,996,147
		13,718,540	13,396,147
CURRENT LIABILITIES			
Trade Payables		29,781	29,781
Other Current Liabilities	2.3	683,428	784,638
Short-Term Provision	2.4	1,461,205	1,274,163
		2,174,414	2,088,582
TOTAL		15,892,954	15,484,729
ASSETS			
CURRENT ASSETS			
Current Investment		-	-
Inventories		43,960	43,960
Cash and Bank Balances	2.5	364,909	576,419
Trade Receivables	2.6	14,137,650	14,437,650
Other Current Assets		1,346,435	426,700
TOTAL		15,892,954	15,484,729
Significant Accounting Policies and Notes on Financial Statements	1 & 2.11		

As per our report of even date
For K. U. KOTHARI & CO.
Chartered Accountants
FIRM REG. NO : 105310W

For & on behalf of Board

PRAKASH CHECHANI
Partner
Membership. No : 104203

Director

Director

Place : Mumbai
Date : 10th August 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Note No.	31.3.2012 ₹	31.3.2011 ₹
INCOME			
Sales / Revenue from operations	2.7	-	162,597,500
Other Operational Revenue		1,346,435	-
TOTAL INCOME		1,346,435	162,597,500
EXPENSES			
Purchase Cost		-	151,692,750
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	9,988,000
Financial Cost			7,451
Employee Cost	2.8	229,920	465,007
Other expenses	2.9	629,552	478,679
TOTAL EXPENSES		859,472	162,631,887
PROFIT BEFORE TAXATION		486,963	-34,387
Tax Expense:	2.10		
Current tax		164,570	-
NET PROFIT FOR THE YEAR		322,393	-34,387
Earnings per Equity Share			
Basic and Diluted (Face Value of ₹ 10/- each, Previous Year ₹ 10/- each)		1.34	-0.14
Significant Accounting Policies and Notes on Financial Statements	1 & 2.11		

As per our report of even date
For K. U. KOTHARI & CO.
Chartered Accountants
FIRM REG. NO : 105310W

For & on behalf of Board

PRAKASH CHECHANI
Partner
Membership. No : 104203

Director

Director

Place : Mumbai
Date : 10th August 2012

STATEMENT OF CASH FLOW ANNEXED TO THE BALANCE SHEET AS AT 31ST MARCH, 2012

	Amount in ₹	
	31.03.2012	31.03.2011
A. Cash Flow from Operating Activities		
<i>Net Profit before tax and extraordinary Items</i>	486,963	(34,387)
<i>Adjustments for</i>		
Share Issue\Deferred revenue expenditure w/off	-	-
Interest Received	-	-
<i>Operating profit before working capital changes</i>	486,963	(34,387)
<i>Adjustments for Capital Changes</i>		
Decrease/(Increase) in Inventories	-	9,988,000
Decrease/(Increase) in Trade Receivables	300,000	(3,310,226)
Decrease/(Increase) in Trade Payables	-	(11,763,188)
Decrease/(Increase) in Loans & Advances	(919,735)	(9,744,956)
Other Liabilities	85,832	394,834
<i>Cash Generated from operations</i>	(533,903)	(14,435,536)
Income Tax Liability For The Year	(164,570)	-
Extraordinary Items	-	-
<i>Net Cash From Operating Activites</i>	(211,510)	(14,469,923)
B. Cash Flow From Investing Activities		
Sale of Fixed Assets	-	14,531,134
Share Issue\Deferred revenue expenditure w/off	-	-
Interest Received	-	-
<i>Net Cash from Investing Activities</i>	-	14,531,134
C. Cash Flow From Financing Activities		
Miscellaneous expenditure	-	-
Extraordinary Items	-	-
<i>Net Increase in Cash & Cash Equivalents</i>	(211,510)	61,212
<i>Opening Balance of Cash & Cash Equivalents</i>	576,419	515,207
<i>Closing Balance of Cash & Cash Equivalents</i>	364,909	576,419

For and on behalf of the Board

Mumbai, August 10, 2012

Director

We have verified the attached Cash Flow Statement of M/s. Lifeline Drugs & Pharma Limited, derived from Audited Financial Statements and the books and records maintained by the Company for the year ended on 31st March 2012 and found the same in agreement therewith.

For **K. U. Kothari & Co.**
Chartered Accountants

Mumbai, August 10, 2012

Prakash Chechani
Partner
M. No : 104203

1. SIGNIFICANT ACCOUNTING POLICIES**a) Basis of Accounting**

The financial statements are prepared on accrual basis following the historical cost convention in accordance with Indian Generally Accepted Accounting Principles (GAAP). GAAP comprises the mandatory Accounting standards (as applicable to small and Medium Sized Enterprises) referred to in Section 211 (3C) and other requirements of the companies Act, 1956.

b) Use of Estimates

The preparation of financial statements in conformity with I-GAAP requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period.

c) Revenue recognitions

All incomes are recognized on accrual basis. Sales are recognized up to the transfer of significant risk and reward of ownership to the customers.

d) Expenditure

Expenses are accounted on accrual basis and provisions are made for all known losses and liabilities.

e) Inventories

The inventories are valued at cost and FIFO basis and realizable value whichever is lower.

f) Depreciation / Amortization

The Company is not having any Fixed Assets during the year under review.

g) Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961. Deferred tax is recognised, on timing differences, being the difference between taxable income.

Notes on Financial Statements for the year ended March 31, 2012

2.1 SHARE CAPITAL

Particulars	31.03.2012		31.03.2011	
	Number	₹	Number	₹
Authorised				
Equity Shares of ₹ 10/- each (Previous Year ₹ 10/-)	5,000,000	50,000,000	5,000,000	50,000,000
Issued, Subscribed & Paid Up:				
Equity Shares of ₹ 10/- each (Previous Year ₹ 10/-)	240,000	2,400,000	240,000	2,400,000
Total	240,000	2,400,000	240,000	2,400,000

Reconciliation of number of shares.

Particulars	31.03.2012		31.03.2011	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	240,000	2,400,000	240,000	2,400,000
Add : Shares issued on Preferential basis	-	-	-	-
Shares outstanding at the end of the year	240,000	2,400,000	240,000	2,400,000

Rights, preference and restrictions attached to Equity Shares

The Company has one class of Equity shares having a par value of ₹ 10/- each. Each shareholder is eligible to one vote per share held.

Particulars	31.03.2012		31.03.2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Nikunj Kanakia	49,610	20.67	49,610	20.67
Kirti Kanakia	49,300	20.54	49,300	20.54
Total	98,910	41.21	98,910	41.21

Notes on Financial Statements for the year ended March 31, 2012

2.2 RESERVES AND SURPLUS

Particulars	31.03.2012 ₹	31.03.2011 ₹
General Reserve- Opening Balance	2,218,624	2,218,624
Add: Transferred From Statement of P/L	-	-
	2,218,624	2,218,624
Surplus in Profit & Loss Statement		
Opening balance	8,777,523	8,811,910
Add: Net Profit for the year	322,393	(34,387)
Less: Transfer To General Reserve	-	-
Amount available for Appropriations	9,099,916	8,777,523
Total	11,318,540	10,996,147

2.3 OTHER CURRENT LIABILITIES

Particulars	31.03.2012 ₹	31.03.2011 ₹
Other Liabilities	544,508	544,508
Unpaid Dividend	138,920	240,130
Total	683,428	784,638

2.4 SHORT TERM PROVISIONS

Particulars	31.03.2012 ₹	31.03.2011 ₹
Provision for Income Tax (Net of Tax paid)	1,397,945	1,233,375
Audit Fees Payable	22,472	-
Tax on Proposed Dividend	40,788	40,788
Total	1,461,205	1,274,163

2.5 DEFERRED TAX ASSETS

Particulars	31.03.2012 ₹	31.03.2011 ₹
Cash and Cash Equivalents		
Balances with banks		
In current accounts	-	156,019
Cash in hand	364,909	420,400
Total	364,909	576,419

2.6 NON CURRENT INVESTMENTS

Particulars	31.03.2012 ₹	31.03.2011 ₹
Sundry Debtors		
More than Six Months	14,137,650	-
Others	-	14,437,650
Total	14,137,650	14,437,650

Notes on Financial Statements for the year ended March 31, 2012

2.7 REVENUE FORM OPERATION

Particulars	31.03.2012 ₹	31.03.2011 ₹
Sale Proceeds	-	162,597,500
Total	-	162,597,500

2.8 EMPLOYEE COST

Particulars	31.03.2012 ₹	31.03.2011 ₹
Salaries & Bonus	202,000	461,682
Staff Welfare Expenses	27,920	3,325
Total	229,920	465,007

2.9 OTHER EXPENSES

Particulars	31.03.2012 ₹	31.03.2011 ₹
Auditors Remuneration		
Audit Fees	20,000	20,000
Taxation Matters	-	5,000
Certification Charges	-	2,000
Service Tax	2,472	2,781
Office Expenses	90,895	-
Office Rent	120,000	-
Registration & Legal Fees	25,000	28,466
Printing & stationery	75,705	1,120
Travelling & Conveyance	100,285	2,980
Postage & Courier	53,125	1,210
Telephone Expenses	88,005	-
Electricity Expenses	54,065	-
Professional Fees Paid	-	77,210
Advertisement Expenses	-	38,376
Sundry Debit Balance Written Off	-	299,536
Total	629,552	478,679

2.10 TAX EXPENSES

Particulars	31.03.2012 ₹	31.03.2011 ₹
Income Tax	152,700	-
Total	152,700	-

Notes on Financial Statements for the year ended March 31, 2012

2.11 ADDITIONAL INFORMATION

- a) Previous year figures are regrouped wherever necessary.
- b) There is no foreign exchange earning or expenditure.
- c) Contignet liability : NIL
- d) Loans and advances , deposits, Sundry Debtors and Creditors are subject to confirmation.
- e) In accordance with the requirement of Accounting Standard 17, Segmental Reporting, the company has only one Segment during the previous year, hence it is not required to give report on the same.

f) **Related Party Disclosure**

As per accounting standard-18, issued by Institute of Chartered Accountant of India, the disclosures of transactions with related parties and define in the Accounting Standard are given below.

Related Parties

- a) Prominent Tours & Travels Pvt. Ltd.
- b) Nikunj Kankia - Director
- c) Pratick Garodia - Director

Transaction with Related Parties : NIL

- g) 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 :-

Particulars	Current Year	Previous Year
Profit Available for equity shareholders	322,393	(34,387)
Weighted average no. of equity shares	240,000	240,000
Basic earning per share	1.34	(0.14)
Diluted earning per share	1.34	(0.14)
Nominal value of share	10	10

- h) 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.
- i) The open offer submitted by merchant banker to acquire 48000 equity shares by Ivory Consultants Pvt. Ltd on 30/09/2010 is still pending.
- J) Additional information pursuant to the provision of para3, 4C and 4D of part II of the Schedule VI to the Companies Act, 1956.
 - (a) Company is a trading company hence the clause regarding capacities,
 - (b) Details of Quantitative trading of Shares & Securites.

Notes on Financial Statements for the year ended March 31, 2012

Particulars	Current Year		Previous Year	
	Qty	Value	Qty	Value
Opening Stock	5,000	43,960	5,000	43,960
Purchases	-	-	-	-
Sales	-	-	-	-
Closing Stock	5,000	43,960	5,000	43,960

(c) Quantitative details of Trading Materials

Particulars	Current Year		Previous Year	
	Qty	Value	Qty	Value
Opening Stock				
4-8 Chloro-5,6 Dihydro-1, 1H	Nil	Nil	800	9,988,000
Purchase				
4-8 Chloro-5, 6Dihydro-1, 1H	Nil	Nil	12,150	151,692,750
Sales				
4-8 Chloro-5,6 Dihydro-1, 1H	Nil	Nil	12,950	162,597,500
Closing Stock				
4-8 Chloro-5,6 Dihydro-1, 1H	Nil	Nil	Nil	Nil

(d) Closing stock As At 31.03.2012
Amount

(i) Shares :		
1000 Equity Shares of 10/- each fully Paid up of Growel Times of Ltd.		16,000
4000 Equity Shares of 10/- each fully paid up of Kanoria Fluers & Naturals Ltd.		27,960
Total		43,960

- k) The financial statements for the year ended March 31, 2011 were prepared as per the applicable, pre-revised Schedule-VI to the Companies Act, 1956. The financial statements for the year ended March 31,2012 have been prepared as per Schedule VI. Accordingly ,the previous year figures have been reclassified to confirm to current year's classification.

As per our report of even date
For K. U. KOTHARI & CO.
Chartered Accountants
FIRM REG. NO : 105310W

For & on behalf of Board

PRAKASH CHECHANI
Partner
Membership. No : 104203

Director

Director

Place : Mumbai
Date : 10th August 2012

LIFELINE DRUGS & PHARMA LIMITED

Office No. 17, 3rd Floor, Zaveri Bhavan, 85/87, Old Hanuman Lane,
Kalbadevi Rd, Mumbai-400 002, Tele-Fax : +91 22 2200 6627, Email : lifelinedrug@yahoo.com

PROXY FORM

I/We _____ resident of _____ in the district of _____ being member/members of the above named Company, hereby appoint _____ resident of _____ in the district of _____ or failing him _____ resident of _____ in the district of _____ as my /our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 30th Annual General Meeting of the Company to be held on Friday, the 21st day of September 2012 at 2.30 P.M., at Office No. 17, 3rd Floor, Zaveri Bhavan, 85/87, Old Hanuman Lane, Kalbadevi Rd, Mumbai-400 002 and any adjournment thereof.

Registered Folio No. _____ No. of Shares held _____

Signed on this _____ day of _____ 2012.

Signed by the said _____

Signature of Proxy _____

Attested by Shareholder _____

Affix Revenue Stamp



LIFELINE DRUGS & PHARMA LIMITED

Office No. 17, 3rd Floor, Zaveri Bhavan, 85/87, Old Hanuman Lane,
Kalbadevi Rd, Mumbai-400 002, Tele-Fax : +91 22 2200 6627, Email : lifelinedrug@yahoo.com

ATTENDANCE SLIP

I hereby record my presence at the 30th Annual General Meeting of the Company held on Friday, the 21st day of September 2012 at 2.30 P.M., at Registered Office of the Company at Office No. 17, 3rd Floor, Zaveri Bhavan, 85/87, Old Hanuman Lane, Kalbadevi Rd, Mumbai-400 002.

Name of Shareholder/s _____

Father/Husband's Name _____

Name of Proxy or Company Representative _____

Registered Folio No. _____ No. of Shares held _____

Signature of the Shareholder(s) or Proxy or Company Representative _____

BOOK-POST

If undelivered, please return to :

Lifeline Drugs & Pharma Limited

Office No. 17, 3rd Floor, Zaveri Bhavan, 85/87, Old Hanuman Lane, Kalbadevi Rd, Mumbai-400 002