

31st Annual Report 2012 - 2013

**LIFELINE DRUGS &
PHARMA LIMITED**



LIFELINE DRUGS & PHARMA LIMITED

BOARD OF DIRECTORS

Alok Kr. Behera	-	Managing Director
Ranjit Modi	-	Independent Director
Anil Kumar Sanklecha	-	Independent Director

COMPLIANCE OFFICER

Mr. Sanjay Naresh Kathe

AUDITORS

M/s. Rishikesh Mishra & Associates
Chartered Accountants

BANKERS

ICICI Bank Ltd

REGISTERED OFFICE

Office No. 17, 3rd Floor, Zaveri Bhavan,
85/87, Old Hanuman Lane,
Kalbadevi Road, 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 : 27th September, 2013
Time : 2.30 P.M.
Venue : 17, 3rd Floor, Zaveri Bhavan,
85/87, Old Hanuman Lane
Kalbadevi Road, Mumbai-400 002

31st Annual Report 2012 - 2013

C O N T E N T S

- ❖ Notice
- ❖ Directors' Report
- ❖ Management Discussions & Analysis
- ❖ Report on Corporate Governance
- ❖ Auditors' Certificate on Corporate Governance
- ❖ Secretarial Compliance Report
- ❖ Auditors' Report
- ❖ Balance Sheet
- ❖ Statement of Profit & Loss Account
- ❖ Cash Flow Statement
- ❖ Notes on Financial Statements

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

NOTICE

Notice is hereby given that the 31st Annual General Meeting of the members of **LIFELINE DRUGS & PHARMA LIMITED** will be held on Friday, 27th September, 2013 at 2.30 P.M. at 17, 3rd Floor, Zaveri Bhavan, 85/87, Old Hanuman Lane, Kalbadevi Road, 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 2013.
2. To appoint Director in place of Anil Kr. Sanklecha, who retires by rotation and being eligible offers himself for re-appointment
3. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting and to fix their remuneration.

Notes :

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 20th September 2013 to 27th September 2013 (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 **lifelinedrugs@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.
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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 2013-2014 have been paid to BSE Ltd.

Details of Director seeking re-appointment in the 31st Annual General Meeting on 27th September 2013 (in term of Clause 49 of the Listing Agreement)

<p>Anil Kumar Sanklecha</p> <p>Fathers' Name Date of Birth Date of Appointment Expertise in specific functional areas 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>Prakash Chand Sanklecha 1st November 1974 12th April 2012 In depth knowledge of Company Law, Accounts, Audit & Taxation Matters and also in Capital & Money Market 15 Years B.Com., FCA M/s. Asia Pack Limited Not Any Not Any Nil</p>
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Mumbai, May 30, 2013

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 31st Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2013.

(` in Lacs)

Financial Results	Year Ended 31.03.2013	Year Ended 31.03.2012
Income	28.64	13.46
Profit before Tax & extraordinary item	20.38	4.87
Less : Provision for Taxation	6.30	1.64
Profit after Tax	14.08	3.22
Add : Profit brought forward from Previous Year	91.00	87.78
Add : Fund Transferred from General Reserves	5.00	0.00
Less : Capitalization of Fund for Issue of Bonus Equity Shares	-96.00	0.00
Balance carried forward	14.08	91.00

OVERVIEW OF ECONOMY

According to the latest estimates, Indian Economy grew by 5% in FY 2013, reflecting lower than expected growth in both industry and services sectors. Inflation also was at elevated levels. However with commodity and crude oil prices on the decline from the peak and with various policy initiatives coming through, the Economy is estimated to grow by around 6% in FY2014 with lower Inflation.

OVERALL PERFORMANCE & OUTLOOK

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 2012-2013.

In spite of sluggishness in economy and lack of demand by consumers, Gross income from operations remained at ` 28.64 Lac in comparison to last years' figure of ` 13.46 Lac. In term of Net Profit, the same was of ` 14.08 Lac in comparison to last years' net Profit of ` 3.22 Lac. The Growth in term of gross revenue was doubled whereas the Net Income was increased more than 3 fold during the year.

The Company has not carried any business in its core business segment i.e. drugs & pharma trading. Whatever revenue which was being generated during the year; was from Interest Income only.

The company is willing or almost decided to change the line of business considering too competitive Pharmaceutical market, continuous changes in Government Regulations as well as requirements of huge capital for marketing etc. Further, your Directors are exploring other options for undertaking new activities in the future.

DIVIDEND

Due to inadequate profit 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 subsidiary.

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

There was no change in Management of the Company during the year under review.

DIRECTORS

During the year, Mr. Nikunj Kirti Kanakia, Mr. Perar Krishna N Kamath, Mr. Prakash Ravishankar Raval and Mr. Narayan Anantrao Bhandarkar have resigned from the Board due to their personal commitments. Your Directors wish to place on record their appreciation for the guidance and inputs provided by all above Directors during their tenure as Directors of your Company..

In accordance with the requirements of the Companies Act, 1956 and as per the provisions of Articles of Association of the Company, Mr. Anil Sanklecha is liable to retire after conclusion of forthcoming Annual General Meeting and is eligible, offers themselves for re-appointments in the forthcoming Annual General Meeting.

Except Mr. Anil Sanklecha himself, none other Directors are interested in their respective re-appointments.

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 annual accounts, for the year ended 31st March 2013, 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; and
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 information and technology 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 Rishikesh Mishra & Associates, 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

People are the backbone of our operations. It is a matter of great satisfaction for our Company that our employees have been very supportive of the Company's plan. By far the employee's relations have been cordial throughout the year.

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, May 30, 2013

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

MACRO ECONOMIC ENVIRONMENT

The year 2012 had been a year of slow growth world over and as per IMF forecast Global Economy is likely to show a growth of 3.3% during 2013 as compared to growth of 3.2% during 2012. The Global Economies witnessed a subdued growth with diverging growth paths across major economies. US economy which has registered a modest recovery is again subject to the adverse impact of the budget sequestration which will gradually gain pace during 2013. Japan's economy has shown signs of improvement on account of monetary and fiscal stimulus undertaken. The sovereign debt crises and the danger of a banking system meltdown in peripheral euro zone countries coupled with contraction in its major economies like Germany has resulted in negative growth in Euro zone.

The growth in the Emerging Market Economies which are viewed as growth engines of the world economy world over have also slowed down with Brazil and South Africa registering accelerated growth where as Russia, China and India a lower growth.

According to the Central Statistics Office's advance estimate of GDP growth, Indian Economy is expected to grow at 5% during the year 2012-13 as compared to a growth of 6.21% registered during 2011-12. This has been mainly on account of weak industrial activity compounded by domestic supply bottlenecks and slackening of external demand. This has also slowdown the growth in the service sector which has been the main driver of the growth.

The Reserve Bank of India in order to strike a balance in growth- inflation dynamics have initiated various measures during 2012-2013 to provide greater liquidity to financial system. This has resulted in moderating the headline inflation within its acceptable level. The food inflation as measured by new combined (rural and urban) consumer price index (CPI) remains in double digit is a cause of concern. The measures initiated are expected to result in moderate growth in GDP in the second half of 2013-2014.

REVIEW OF OPERATIONS

The operational performance for the current year is not strictly comparable with that of 2012 due to the fact that the Company was doing trading business of Pharma products as Commission Agent in previous year whereas in current year, the Company has discontinued the same and has invested its surplus fund in Equities as well as provided financial assistance to the Corporate and HNI Clients.

The Company registered a gross income of ` 28.64 Lac in comparison to last years' income of ` 13.46 Lac. PBT Margin during the year remains at ` 20.38 Lac in comparison to last years' figure of ` 4.87 Lac whereas Net Profit after Tax remains the same at ` 14.08 Lac in comparison to last years' figure of ` 3.22 Lac.

BUSINESS SEGMENT

Due to lack of availability of requisite funds, there were no business activities or segments during the year under review as the Company was carrying only investment and financing activities to the extent of available fund with the Company.

OPPORTUNITIES

The Pharmaceutical industry in India is the world's third-largest in terms of volume and stands 14th in terms of value. Further, Indian pharmaceuticals industry is expected to grow by 19% in 2013. Indian is

now among the top five pharmaceuticals emerging markets. There will be new drug launches, new drug filings and Phase II clinical trials throughout the year. On the back of increasing sales of generic medicines, continued growth in chronic therapies and a greater penetration in rural markets, the domestic pharmaceutical market is expected to register a strong double digit growth of 13-14 percent in year 2013.

Moreover the increasing population of the higher-income group in the country will open a potential US\$ 8 billion market for multinational companies selling costly drugs by 2015. Besides the domestic pharma market is estimated to touch US\$ 20 billion by 2015 making India a lucrative destination of clinical trials for global giants.

Further estimates the healthcare market in India to reach US\$ 31.59 billion by 2020.

THREATS & CONCERNS

Over the past decade, pharmaceuticals companies have entered a difficult period where shareholders, the market and the regulators have created significant pressures for change within the industry. The core issues of most of the drug companies are declining productivity of in-house R&D, patent expiration of number of block buster drugs, increasing legal and regulatory concerns and pricing issues. As a result, larger pharmaceutical companies are shifting to new business model with greater outsourcing of discovery services, clinical research and manufacturing.

Current global financial conditions and the threat of broad recession accelerated the timetable for implementing transformational changes in global organizations, as the industry confronts lower corporate stock prices and increasingly cost-averse customer. A leader of the largest global pharmaceutical companies recognizes the needs for transformational changes in their organizations, but will need to move swiftly to ensure sustained growth.

Transformations in the business model of larger pharmaceutical industry spell more opportunity for Indian pharmaceutical companies. Pharmaceutical production costs are almost 50 percent lower in India than in western nations, while overall R&D costs are about one-eighth and clinical trial expenses around one-tenth of western levels.

RISK MANAGEMENT

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.

The Company's business critical software is operated on a server with regular maintenance and back-up of data and is connected to computer server operated by the Company. The system's parallel architecture overcomes failures and breakdowns. Reliable and permanently updated tools guard against virus attacks. 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 2012-2013, 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.

Mumbai, May 30, 2013

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 for the Company means achieving high level of accountability, efficiency, responsibility and fairness in all areas of operation. Our Employees are committed towards the protection of the interest of the Stakeholders viz. Shareholders, creditors, investors, clients etc. Our policies consistently undergo improvements keeping in mind our goal i.e. maximization of value of all the stakeholders.

The goal is achieved through -

- Infusion of best expertise in the Board;
- Consistent monitoring and improvement of the human and physical resources;
- Board/Committee meetings at regular intervals to keep the Board informed of the recent happenings.

BOARD OF DIRECTORS

Composition of Directors

The Board has three 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 15 times on 30th April, 8th May, 14th May, 29th May, 31st May, 6th July, 10th August, 13th August, 28th August, 5th October, 12th November and 21st December in year 2012 and on 5th February, 12th February and 18th March in the year 2013 during the financial year 2012-2013.

The composition and category of the Board of Directors as at March 31, 2013, 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 in other Listed Cos.	Committee Chairmanship in other Listed Cos.	No. of Directorship in other Listed Cos.
Alok Kr. Behera*	Chairman & Managing Director	14	Yes	Nil	Nil	Nil
Anil Sanklecha	Independent Director	14	Yes	Nil	Nil	1
Ranjit Kr. Modi	Independent Director	14	Yes	Nil	Nil	Nil

*Chairman of the Board

AUDIT COMMITTEE

The Audit Committee consists of two Independent Directors and 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.

Terms of Reference

The Audit Committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting System, internal control system, discussion on quarterly, half-yearly and annual financial results, interaction with Statutory & Internal Auditors, one-on-one meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory and fixing their remuneration, appointment and remuneration of Internal Auditors, Review of Business Risk Management Plan, Management Discussions & Analysis, Review of Internal Audit Reports, significant related party transactions. The Company has framed the Audit Committee Charter for the purpose of effective compliance of Clause 49 of the Listing Agreement. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

Additionally, the following terms of reference were issued to the Audit Committee by the Board of Directors:

- a) to consider and recommend to the Board the investment guidelines for Capital and Money Market operations;
- b) to review the Annual Budget;
- c) to take note of the significant decisions taken or important developments considered at the Management

- d) Committee/Working Board Meetings; and
- e) to carry out any other duties that may be delegated to the Audit Committee by the Board of Directors from time-to-time.

Authority and Responsibilities

The Audit Committee has power to investigate any activity within its terms of reference, call upon any of the Employees of the Company, to obtain outside legal or other professional advice as and when the same is being required and to secure attendance of outsiders with relevant expertise, if it considers necessary.

Following are the Role of Audit Committee -

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, 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.
7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up there on.

10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
11. 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.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism.
14. 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.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

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

The composition of Audit Committee was re-constituted in the Meeting of Board of Directors held on 29th May 2012.

The members of Audit Committee met five times on 14th May, 10th August, 13th August and 12th November in year 2012 and on 12th February in the year 2013.

Name	Number of Meetings Held	Meetings Attended
Mr. Anil Sanklecha*	5	5
Mr. Alok Kr. Behera#	4	4
Mr. Ranjit Kr. Modi	5	5
Mr. Nikunj Kirti Kanakia#	1	1

*Chairman of Committee

#Resigned and Appointed as Committee Member w.e.f. 29th May 2012.

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 2012-2013.

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

SHARE TRANSFER COMMITTEE

The Share Transfer Committee was re-constituted in the Meeting of Board of Directors held on 29th May 2012.

The Board of Directors has constituted Share Transfer Committee under the Chairmanship of Mr. Alok Kr. Behera; Executive Director with two other Independent Directors namely Mr. Anil Kr. Sanklecha & Mr. Ranjit Kr. Modi.

The members of Share Transfer Committee met 15 times on 14th April, 30th April, 2nd May, 15th May, 31st May, 15th June, 30th June, 14th July, 14th August, 31st August, 15th September and 31st December in year 2012 and on 23rd January, 31st January and on 15th February in the year 2013.

Name	Number of Meetings Held	Meetings Attended
Mr. Alok Kr. Behera *	11	11
Mr. Anil Kr. Sanklecha	15	15
Mr. Ranjit Kr. Modi	15	15
Mr. Nikunj Kirti Kanakia*	4	4

*Chairman of Committee / Resigned and Appointed as Committee Chairman w.e.f. 29th May 2012.

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

The composition of Investor Grievance Committee was re-constituted in the Meeting of Board of Directors held on 29th May 2012.

During the year, twelve meetings of the Committee of Directors were held on April 2, May 2, June 4, July 2, August 1, September 3, October 1, November 1 and December 3 in year 2012 and on January 2, February 1 and March 1 in year 2013.

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

Name	Position	Category	Meetings Attended
Mr. Anil Sanklecha*	Chairman	Independent, Non-Executive	12
Mr. Ranjit Kr. Modi	Member	Independent, Non-Executive	12
Mr. Alok Kr. Behera#	Member	Executive - Wholetime	10
Mr. Nikunj Kirti Kanakia#	Member	Executive - Wholetime	2

*Chairman of Committee

#Resigned and Appointed w.e.f. 29th May 2012

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 2013.

GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings :

Annual General Meeting	Date & Time	Venue
30th Annual General Meeting	21st September 2012, 2.30 PM	17, 3rd Floor, Zaveri Bhavan, 85/87, Old Hanuman Lane, Kalbadevi Road, Mumbai-400 002
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

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

Details of Extra-Ordinary General Meetings have been held during last three financial years are as under :-

During Current Financial Year, an Extra Ordinary General Meeting (EOGM) was held on 25th day of September 2012 at 12.30 PM at Registered Office of the Company for Issue and Allotment up to 11.36 Lac Equity Shares on preferential basis at a price of ` 60/- per Share to Non-Promoters Group to meet the Working Capital requirements of the Company.

Another Extra Ordinary General Meeting (EOGM) was held during the year, was on 18th day of January 2013 at 11.30 AM at Registered Office of the Company for Issue and Allotment up to 7.38 Lac Equity Shares on preferential basis at a price of ` 60/- per Share to Non-Promoters Group to meet the Working Capital requirements of the Company.

No Extra-Ordinary General Meeting (EOGM) was held by the Company during financial years 2011-2012.

POSTAL BALLOT

During the current financial year, Resolutions have been passed for issue of four Bonus Equity Shares for every one Equity Share held by Members as well as empowered Company to transfer ` 96.00 Lac from Reserves & Surplus to Equity Share Capital Account.

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:

No Special Resolutions have been passed during last three financial years.

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.

ISSUE OF BONUS EQUITY SHARES

During the current financial year, the Company has issued Bonus Equity Shares at the ratio of Issue of 4 Equity Shares for every one Equity Share held by Members.

DISCLOSURE OF ACCOUNTING TREATMENT

In the preparation of financial statements, the Company has followed the Accounting Standards referred to in Section 211(3)(c) of the Companies Act, 1956. The Significant Accounting Policies which are consistently applied are set out in the Notes to the Financial Statements.

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.

DISCLOSURES

- (a) There were no transactions with related party 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.

CODE OF BUSINESS CONDUCT & ETHICS

The Company has adopted Code of Business Conduct and Ethics ("the Code") which is applicable to the Board of Directors and Senior Management Team (one level below the Board of Directors) of the Company. The Board of Directors and the members of Senior Management Team are required to affirm semi-annual compliance of this Code. The Code requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company website.

CONFLICT OF INTEREST

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. Members of Board while discharging their duties, avoid conflict of interest in the decision making process. The members of Board restrict themselves from any discussions and voting in transactions that they have concern or interest.

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 2012-2013 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 29th May 2012 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.lifelinedrugsandpharmaltd.com.
- Official News releases have been posted on its web portal www.lifelinedrugsandpharmaltd.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 is available on its website www.lifelinedrugsandpharmaltd.com and also on BSE website www.bseindia.com. Further, if Investor is desirous of getting physical copy of Annual Report, Investor can send their request to M/s. Purva Sharegistry (India) Pvt. Ltd., Registrar & Share Transfer Agent, by sending request letter or by sending email to them.

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 31st Annual General Meeting for the financial year ended on 31st March 2013 is as follows :-

Day & Date : Friday, 27th September 2013
 Time : 2.30 P.M.
 Venue : 17, 3rd Floor, Zaveri Bhavan, 85/87, Old Hanuman Lane,
 Kalbadevi Road, 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 2013	Mid of August, 2013
Financial Reporting of 2nd Quarter ended on 30th September 2013	Mid of November, 2013
Financial Reporting of 3rd Quarter ended on 31st December 2013	Mid of February 2014
Financial Reporting of 4th Quarter ended on 31st March 2014	During May 2014
Date of Annual General Meeting	During September 2014

- d. Date of Book Closure** : September 20 to September 27, 2013. (Both days inclusive)
- e. Dividend Payment Date** : No Dividend has been recommended for the year under review.
- f. Listing of Shares** : BSE Limited (BSE)
- g. Listing Fees & Custody Fees** : Company has paid Annual listing Fees to BSE and Custodial Fees to both NSDL & CDSL for year 2013-2014.
- h. Stock Code & ISIN** : Scrip Code 506113 on BSE,
 ISIN : INE776N01010 on both NSDL & CDSL

i. Market Price Data :

Month	Price on BSE (₹) & Volume			BSE Sensitive Index	
	High	Low	Volume	High	Low
April 2012	-	-	-	17,664.10	17,010.16
May 2012	-	-	-	17,432.33	15,809.71
June 2012	-	-	-	17,448.48	15,748.98
July 2012	-	-	-	17,631.19	16,598.48
August 2012	-	-	-	17,972.54	17,026.97
September 2012	-	-	-	18,869.94	17,250.80
October 2012	-	-	-	19,137.29	18,393.42
November 2012	-	-	-	19,372.70	18,255.69
December 2012	-	-	-	19,612.18	19,149.03
January 2013	11.92	8.50	12	20,203.66	19,508.93
February 2013	20.30	12.51	15	19,966.69	18,793.97
March 2013	34.40	21.30	16	19,754.66	18,568.43

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, Email : purvashr@mtnl.net.in

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 15 days from the date of lodgment.

l. Distribution of Shareholding as on 31st March 2013

No. of Equity Shares	No. of Share Holders	% of Share Holders	Total No. of Shares Held	% of Share Holding
1-500	71	14.46	23863	0.78
501-1000	57	11.61	55543	1.81
1001-2000	82	16.70	135650	4.41
2001-3000	73	14.87	185173	6.02
3001-4000	24	4.89	88050	2.86
4001-5000	57	11.61	282625	9.19
5001-10000	24	4.89	194249	6.32
10001 and Above	103	20.98	2108847	68.60
Total....	491	100.00	3074000	100.00

m. Shareholding Pattern as on 31st March 2013

Categories	No. of Shares	% of Shareholding
Promoters, Directors, Relatives & Person acting in concert	2500	0.08
Indian Bank	0	0.00
Others (NRI)	20000	0.65
Hindu Undivided Family (HUF)	249999	8.13
Private Corporate Bodies	6060	0.20
Indian Public	2795441	90.94
Total	3074000	100.00

n. Categories of Shareholders as on 31st March 2013

Category	No. of Share holders	% of Share holders	No. of Shares Held	% of Share Holding
Resident Individuals	441	89.82	2795441	90.94
Promoters	1	0.20	2500	0.08
Non Resident Indians	1	0.20	20000	0.65
Hindu Un-divided Families	42	8.56	249999	8.13
Corporate Bodies	6	1.22	6060	0.20
Total	491	100.00	3074000	100.00

o. Dematerialization of Equity Shares & Liquidity

The Company's Equity Shares are in compulsory Rolling (Demat) Segment as the Company has established connectivity with both NSDL & CDSL by signing the necessary agreements.

Procedures for dematerialization / rematerialization of Equity Shares:-

Shareholders seeking demat / remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to Registrar and Share Transfer Agents of the Company. Upon receipt of the request and share certificates, the Registrar will verify the same. Upon verification, the Registrar will request NSDL and/or CDSL to confirm the demat request. The demat account of the respective share holder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

In case of remat, upon receipt of the request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The Registrar then requests NSDL and/or CDSL to confirm the same. Approval of the Company is being sought and equivalent numbers of shares are issued in physical form to the shareholder. The share certificates are dispatched within fifteen days from the date of issue of Shares.

As on 31st March 2013, 86.79% Equity Shares of the Company are in dematerialized form.

p. Unclaimed Dividend

Pursuant to Section 205C of the Companies Act, 1956, Dividends that are unpaid/unclaimed for a period of seven years from the date of they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government. At the end of year 2013, no unclaimed dividend is pending for payment to its investors.

q. 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.

r. Electronic Clearing Service

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Depositories for depositing dividends. Dividend will be credited to the Members' bank account through NECS wherever complete core banking details are available with the Company. In case where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. The Company complies with the SEBI requirement.

s. Service of Documents through Electronic Mode

As a part of Green Initiatives, the members who wish to receive the notice/documents through e-mail, may kindly intimate their e-mail address to the Company's Registrar and Share Transfer Agent, Purva Sharegistry (India) Pvt. Ltd. to their dedicated e-mail id i.e., purvashr@mtnl.net.in.

t. 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.

u. For the Attention of Shareholders holding shares in electronic form

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

v. Green initiatives in Corporate Governance to receive documents through email by registering your email address :

The Ministry of Corporate Affairs (MCA) has taken a "Green initiative in the Corporate Governance" by providing an opportunity to the shareholders to register their email address with Company and changes therein from time to time.

The Company will send notices/documents such as Annual Reports and notices by email to the shareholders registering their email address. To support this laudable move of the Government, the members who have not registered their email address, so far, are requested to do so at the earliest, in respect of demat holding through the respective Depository Participant (DP) and in respect of physical holding through the Registrar and Share Transfer Agent (RTA) M/s. Purva Sharegistry (India) Pvt. Ltd.

While every notice/document will be sent through email address registered with the Company, in case you desire to receive any notice/document in physical form, please intimate by email and the same shall be sent to your address registered with the Company/DP.

We solicit your patronage and support in joining hands with the Company to implement the e-governance initiative.

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

Short Term Loan & Advances	276.65
Investments in Shares & Securities	840.33
Trade Receivables	169.57
Total	1286.55

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

Not Applicable.

y. Investors' Correspondence

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

Mr. Sanjay Naresh Kathe - lifelinedrug@yahoo.com

z. 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.

aa. Address for Correspondence**LIFELINE DRUGS & PHARMA LIMITED**

Office No. 17, 3rd Floor, Zaveri Bhavan, 85/87, Old Hanuman Lane,
Kalbadevi Road, 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 our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal 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 we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

By order of the Board

For **LIFELINE DRUGS & PHARMA LIMITED**

Mumbai, May 30, 2013

S/d-

Alok Kr. Behera
Managing Director

**ANNUAL CERTIFICATE UNDER CLAUSE 49(I)(D) OF THE LISTING
AGREEMENT WITH THE STOCK EXCHANGES**

I, Alok Kr. Behera, Managing Director of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct during the year ended 31st March 2013.

By order of the Board

For **LIFELINE DRUGS & PHARMA LIMITED**

Mumbai, May 30, 2013

S/d-

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 2013.

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 Annexure "A" to this certificate, 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 as stated in Annexure "B" to this certificate, 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 not declared dividend and thus compliance with the provisions of section 205 of the Act is not applicable to the Company for the year.
9. 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.
10. The Company has not appointed any sole selling agent in terms of section 294 of the Act during the year.
11. 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.
12. The Company has not entered into any transactions, which falls under section 297 of the Act during the year.

13. The Directors have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions section 299 of the Act.
 14. The Company has not appointed any person as a place of profit in terms of section 314 of the Act during the year.
 15. The Company has not issued any duplicate share certificate during the financial year.
 16. The Company has complied with the provisions of section 372A of the Act.
 17. 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) Has duly complied with the requirement of section 217 of Companies Act, 1956.
 18. 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.
 19. 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.
 20. During current financial year, the Company has issued 20.24 Lac Equity Shares on Preferential basis to the Persons other than Promoters at a price of ` 60/- including Premium of ` 50/- per Equity Share.
 21. The Company has not bought back any share during the financial year.
 22. There was no redemption of preference shares or debentures during the financial year.
 23. 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.
 24. 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.
 25. The Company has not borrowed fund from its Directors, members, public, financial institutions, banks and others during the financial year ending on 31st March 2013.
 26. 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
-

27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered its Memorandum of Association and Articles of Association with respect to the Share Capital of the Company.
30. There was no prosecution initiated against the Company, or Show Cause Notices received by the Company, for offences under the Act.
31. The Company has not received any money as security from its employees during the financial year 2012-2013.

For **Amit R. Dadheech & Associates**
Company Secretaries

Place : Mumbai
Date : May 30, 2013

Amit R. Dadheech
Proprietor
C. P. No. 8952

Annexure "A"

Register as maintained by the Company :-

Statutory Registers :

1. Register of Members u/s 150
2. Register of Directors, Managing Director, Manager and Secretary u/s 303
3. Register of Disclosures of Interest by Directors u/s 301(3)
4. Minutes Book u/s 301
5. Register of Directors Shareholding u/s 307

Annexure "B"

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other Authorities during the financial year ending on 31st March 2013.

Sr. No.	Form N. / Return	Filed u/s	For	Whether filed within prescribed time Yes / No	If delay in filing whether requisite additional Fees paid Yes/No
1.	Form 23AC and ACA for the Financial Year ended on 31st March 2012	220	Annual Requirement	Yes	N.A.
2.	Form 20B for the Financial Year ended 31st March 2012	159	Annual Requirement	No	Yes
3.	Form 66	383A & Rule 3(2)	Annual Compliance Certificate	No	Yes
4.	Form 23	192	Registration of Resolution	No	Yes
5.	Form No. 2	75(1)	Return of Allotment	No	Yes
6.	Form 18	146	Change in situation of Registered Office	Yes	N.A.
6.	Form 32	303(2) and 264(2)	Resignation of Director	Yes	N.A.

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 LIMITED (The Company) for the year ended 31st March 2013 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 **Rishikesh Mishra & Associates**
Chartered Accountants

Place : Mumbai
Date : May 30, 2013

CA Rishikesh Mishra
Proprietor
Membership No. 130717
FRN: 135719W

AUDITORS' REPORT

To the Members of LIFELINE DRUGS & PHARMA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of M/s. Lifeline Drugs & Pharma Limited, which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) 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.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Rishikesh Mishra & Associates
Chartered Accountants

Place : Mumbai
Date : May 30, 2013

CA Rishikesh Mishra
Proprietor
Membership No. 130717
FRN: 135719W

ANNEXURE TO THE AUDITORS' REPORT

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

1. The Company is not having any Fixed Assets and hence para- 1(a), (b) and (c) is not applicable to the company;
2.
 - (a) As informed to us, the inventory in the possession of the company has been physically verified at reasonable intervals during the year by the management.
 - (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion the company is maintaining proper records of its inventories. According to the information given to us, no discrepancies were noticed on physical verification of inventories as compared to book records during the year.
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 hence, Clause 4(iii) (b), (c) and (d) of Companies (Auditors' Report) Order, 2003 are not applicable.
 - (b) 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 Companies Act, 1956, hence clause 4(iii) (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 are adequate internal control procedures commensurate with the size of the Company and nature of business with regard to purchase and sales. During the course of our Audit, we have not observed any continuing failure to correct major weakness of internal audit.
5. In our opinion and according the information & explanations given to us, there are no such transaction made in pursuance of contracts or arrangements that needed to be entered into in the register maintained under Section 301 of the Companies Act 1956, hence Clause 4(v) of Companies (Auditors' Report) Order 2003 is not applicable.
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 2013, except for the Dividend Distribution Tax of Rs. 40,788/-.
- (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. In our opinion and according to the information and explanations given to us, the Company has kept adequate records of its transactions and contracts in shares, securities, debentures and other investments and timely entries have been made therein. The Shares, Securities, Debentures and Other Investments are held in the name of the Company.
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. During the year the company has allotted equity shares on preferential basis. The issue of shares is at a price, which has been prescribed under Preferential Issue Guidelines issued by Securities and Exchange Board of India. In our opinion the same is not prejudicial to the Interest of Company.
19. During the period, the Company has not issued any debentures. Accordingly Clause 4(xix) of Companies (Auditors' Report) Order, 2003 is not applicable.
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 **Rishikesh Mishra & Associates**
Chartered Accountants

Place : Mumbai
Date : May 30, 2013

CA Rishikesh Mishra
Proprietor
Membership No. 130717
FRN: 135719W

BALANCE SHEET AS AT MARCH 31, 2013

	Note No.	31.03.2013	31.03.2012
A. EQUITIES & LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	1	30,740,000	2,400,000
(b) Reserves and Surplus	2	96,826,740	11,318,540
		127,566,740	13,718,540
2. Current Liabilities			
(a) Trade Payables	3	-	29,781
(b) Other Current Liabilities	4	-	683,428
(c) Short-Term Provisions	5	2,172,433	1,461,475
		2,172,433	2,174,684
TOTAL		129,739,173	15,893,224
B. ASSETS			
1. Non-Current Assets			
(a) Fixed Asset		-	-
(b) Non-Current Investments		-	-
(c) Deferred Tax Assets (Net)		-	-
(d) Long Term Loans & Advances		-	-
(e) Other Non- Current Assets		-	-
2. Current Assets			
(a) Current Investments		-	-
(b) Inventories		84,033,160	43,960
(c) Trade Receivables	6	16,957,000	14,137,650
(d) Cash and Bank Balances	7	1,083,775	364,909
(e) Short Term Loans & Advances	8	27,665,238	1,346,435
		129,739,173	15,892,954
TOTAL		129,739,173	15,892,954

Significant Accounting Policies and notes on Financial Statements 11

As per our report of even date

For & on behalf of Board

For Rishikesh Mishra & Associates
Chartered Accountants

CA Rishikesh Mishra
Proprietor
Membership. No : 130717
FRN: 135719W

Director

Director

Place : Mumbai
Date : 30th May 2013

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2013

	Note No.	31.03.2013 `	31.03.2012 `
INCOME			
Revenue from Business Operation		-	-
Other Income		2,863,734	1,346,435
Total Revenue		2,863,734	1,346,435
EXPENDITURE			
Employee Benefit Expenses	9	374,558	229,920
Finance Cost		-	-
Depreciation and amortisation expenses		-	-
Other Expenses	10	451,176	629,552
Total Expenses		825,734	859,472
Profit Before tax		2,038,000	486,963
Less : Tax Expenses:			
Current Tax		629,800	164,570
Deferred Tax Assets		-	-
Profit for the year		1,408,200	322,393
Earning per equity share of face value of `10/- each			
Basic (in `)		0.94	1.34
Diluted (in `)		0.94	1.34
Significant Accounting Policies and notes on Financial Statements 11			

As per our report of even date
For Rishikesh Mishra & Associates
Chartered Accountants

For & on behalf of Board

CA Rishikesh Mishra
Proprietor
Membership. No : 130717
FRN: 135719W

Director

Director

Place : Mumbai
Date : 30th May 2013

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2012-13

	in Thousand	
	31.03.2013	31.03.2012
A. Cash Flow from Operating Activities		
Net profit before Tax as per Profit & Loss Account	2,038.00	486.96
Adjusted for:		
Depreciation	-	-
Interest and Finance Charges	-	-
Interest Income	(44.38)	-
Profit from Sale of Investment	-	-
Operating Profit before Working Capital Changes	1,993.62	486.96
Adjusted for:		
Decrease / (Increase) in Trade & Other Receivables	(2,819.35)	300.00
Decrease / (Increase) in Inventories	(83,989.20)	-
Decrease / (Increase) in Trade Advances	(26,318.80)	(919.74)
Increase / (Decrease) in Trade Payables	(29.78)	-
Increase / (Decrease) in Other Current Liabilities	(683.43)	-
Increase / (Decrease) in Other Payables	710.96	85.83
Cash Generated from Operation	(113,129.60)	(46.94)
Less: Taxes	629.80	(164.57)
Cash Flow from Operating Activities (A)	(111,765.79)	(211.51)
B. Cash Flow from Investing Activities		
Interest Received	44.38	-
Profit from Sale of Investment	-	-
Purchase of Fixed Assets (Net)	-	-
Net Cash used in Investing Activities (B)	44.38	-
C. Cash Flow from Financing Activities		
Proceeds of Fresh Issue	112,440.00	-
Payment of Secured Loan	-	-
Interest Paid	-	-
Payment of Unsecured Loan	-	-
Net Cash used in Financing Activities (C)	112,440.00	-
Opening Balance of Cash and Cash Equivalents	364.91	576.42
Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	718.60	(211.51)
Closing Balance of Cash and Cash Equivalents	1,083.51	364.91

As per our report of even date

For & on behalf of Board

For Rishikesh Mishra & Associates
Chartered Accountants

CA Rishikesh Mishra
Proprietor
Membership. No : 130717
FRN: 135719W

Director

Director

Place : Mumbai
Date : 30th May 2013

Notes on Financial Statements for the Period ended 31st March-2013

Note 1 SHARE CAPITAL

Particulars	As at March 31, 2013	As at March 31, 2012
Authorised Share Capital		
50,00,000 (50,00,000) Equity Shares of ` 10/- each	50,000,000	50,000,000
	50,000,000	50,000,000
Issued, Subscribed and Paid-up		
30,74,000 (2,40,000) Equity shares of ` 10/- each fully paid- up	30,740,000	2,400,000
	30,740,000	2,400,000

Notes:

i. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

	As at March 31, 2013	As at March 31, 2012
Equity Shares of ` 10/- each		
Opening Balance	240,000	240,000
Add : Issue of Bonus Shares	96,000	-
Add : Shares issued during the year	2,738,000	-
Closing Balance	3,074,000	240,000

ii. The Company has only one class of shares referred to as equity shares having par value of ` 10/- each

iii. Details of shares held by each shareholder holding more than 5% shares:

Particulars	31.03.2013		31.03.2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Nikunj Kanakia	-	-	49,610	20.67
Kirti Kanakia	-	-	49,300	20.54

iv. Aggregate number of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Aggregate number of shares		
Particulars	As at March 31, 2013	As at March 31, 2012
Equity Shares of ` 10/- each		
Fully Paid up Equity Shares by way of Bonus	96,000	-
Total	96,000	-

Notes on Financial Statements for the Period ended 31st March-2013

Note 2 RESERVES AND SURPLUS

Particulars	As at March 31, 2013	As at March 31, 2012
i. Securities Premium Account		
Opening Balance	-	-
Add : Premium on shares issued during the year	93,700,000	-
Closing Balance	93,700,000	-
ii. General Reserve		
Opening Balance	2,218,624	2,218,624
Add : Transferred during the year	-	-
Less : Transferred during the year for Issue of Bonus Shares	500,084	-
Closing Balance	1,718,540	2,218,624
iii. Profit & Loss Account		
Opening balance	9,099,916	8,777,523
Less Bonus Shares Issued During The Year	(9,099,916)	-
Add: Profit for the year	1,408,200	322,393
Closing balance	1,408,200	9,099,916
TOTAL	96,826,740	11,318,540
Note 3 TRADE PAYABLE		
Sundry Creditors	-	29,781
	-	29,781
Note 4 OTHER CURRENT LIABILITIES		
Other Current Liabilities	-	544,508
Unpaid Dividend	-	138,920
	-	683,428
Note 5 SHORT TERM PROVISION		
Provision For Taxation (Net of Tax Paid)	1,862,745	1,397,945
Tax on Proposed Dividend	40,788	40,788
Provision for Audit Fees	20,000	22,742
Provison for Expenses	248,900	-
	2,172,433	1,461,475
Note 6 TRADE RECEIVABLE		
More than six months	14,137,650	14,137,650
Others	2,819,350	-
	16,957,000	14,137,650

Notes on Financial Statements for the Period ended 31st March-2013

Note 7 CASH & CASH EQUIVALENTS

Particulars	As at March 31, 2013	As at March 31, 2012
Cash-in-hand	751,245	364,909
With Scheduled Bank	332,530	-
	1,083,775	364,909

Note 8 SHORT TERM LOANS AND ADVANCES

Advances Recoverable in cash or for value to be received	27,665,238	-
	27,665,238	-

Note 9 PAYMENT & PROVISION TO EMPLOYEES

Salary Bonus & Allowances	361,300	202,000
Staff Welfare	13,258	27,920
	374,558	229,920

Note 10 OTHER EXPENSES

Advertisement Expenses	7,009	-
Audit Fees	20,000	22,472
Electricity Expenses	-	54,065
Legal & Professional Fees	63,687	25,000
Office Expenses / General Expenses	14,560	90,895
Office Rent	-	120,000
Postage & Courier	3,478	53,125
Printing & Stationery	18,375	75,705
ROC Fees	3,100	-
Stock Exchange & Other Regulatory Expenses	299,443	-
Telephone Expenses	7,569	88,005
Travelling & Conveyance	13,955	100,285
TOTAL	451,176	629,552

Note 10.1 AUDIT FEES

Audit Fees	20,000	20,000
Service Tax	-	2,472
	20,000	22,472

Notes on Financial Statements for the Period ended 31st March-2013

Note 11: Significant Accounting Policies**11.1 Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

11.2 Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised.

11.3 Inventories

Inventories are valued at the lower of cost (on FIFO basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary.

11.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

11.5 Cash Flow Statements

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

11.6 Revenue Recognition

All incomes and expenditure are recognised as per 'Accounting Standard-9' accounted on accrual basis except where stated otherwise.

Dividends on investments are accounted for when the right to receive the dividend is established.

11.7 Employee Benefits

- I. PF and E.S.I.C Scheme is not applicable to the company.
- II. Gratuity is accounted as and when it becomes due.

11.8 Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss

Notes on Financial Statements for the Period ended 31st March-2013

amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities"

11.9 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

Current investments are carried individually, at the lower of cost and fair value. Costs of investments include acquisition charges such as brokerage, fees and duties.

11.10 Borrowing Cost

Borrowing costs directly attributable to the acquisition and construction of qualifying fixed assets are capitalized as part of the cost of the assets, up to the date the asset is put to use. Other borrowing costs are charged to the Profit and Loss Account.

11.11 Taxes on Income

Current Tax is determined as the tax payable in respect of taxable income for the year, if any. Deferred tax for the year is recognised on timing difference; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets and Liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax Assets are recognised and carried forward only if there is a reasonable/virtual certainty of realisation.

Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

11.12 Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

11.13 Impairment of Assets

At the end of each year, the Company assesses whether any impairment loss may have occurred in respect of its Assets in accordance with Accounting Standard - 28 "Impairment of Assets" issued by the Institute of Chartered Accountants of India, and Impairment Losses if any are accounted for by the company in accordance with the Standard applicable.

Notes on Financial Statements for the Period ended 31st March-2013

Note 12: SEGMENT INFORMATION (AS-17)

During the year company has not carried out any business activity except for the trading of Shares and Securities and hence Accounting Standard 17 SEGMENT INFORMATION is not applicable.

Note 13: RELATED PARTY DISCLOSURE

Related party disclosures, as required by AS - 18, "Related Party Disclosures" are given below:

A) Directors

- **Alok Kumar Behra** - **Managing Director**
- **Ranjit Kumar Modi** - **Director**
- **Anil Kumar Sanklecha** - **Director**

A) Relationships**a) Related parties where common control exists**

Name of the Companies where the directors can exercise the control

- Prathama Trading Limited
- Jubilant Fintex Private Limited
- Arya Commodity & Derivatives Private Limited
- Jeeva Vanijya Pvt Ltd
- Eden Spring Trading Private Limited
- Blue Lagoon Vanijya Private Limited1
- Everything Trading Private Limited
- Swapanpuri Tradelink Private Limited
- Matarani Commotrade Private Limited

b) Key Management Personnel

- Mr. Alok Kumar Behra - Managing Director
- Mr. Ranjit Kumar Modi - Director
- Mr. Anil Kumar Sanklecha - Director

C) Transactions with Related Parties-

During the year under consideration no transactions with related party were entered into.

Note 14: EARNING PER SHARE

No Potential Equity Shares were outstanding as on 31.03.2013 and hence Basics and Diluted Earning Per Shares are Same.

Notes on Financial Statements for the Period ended 31st March-2013

Basic Earning Per Share/ Diluted Earning Per Share

(Amount in `)

	Particulars	2012-13	2011-12
A.	Weighted average number of equity shares of Rs.10/- each		
i.	Number of shares at the beginning of the year	2,40,000	2,40,000
ii.	Number of shares at the end of the year	30,74,000	2,40,000
iii.	Weighted average number of Equity shares outstanding during the year	15,03,173	2,40,000
B.	Net profit/(Loss) after tax available for equity shareholder	14,08,199	3,22,393
C.	Basics/ Diluted EPS (B/A)	0.94	1.34

Note 15: Balances of Sundry Debtors, Unsecured Loans, Sundry Creditors and Loans & Advances are subject to reconciliation, since confirmations have not been received from them. Necessary entries shall be passed on the receipt of the same if required.

Note 16: In the opinion of the management, the Current Assets, Loans & Advances are approximately of the value stated, if realized in the ordinary course of business. The provisions for all known liabilities are ascertained.

Note 17: The Company has issued 18,74,000 new Equity Shares. These shares have been allotted at a price of ` 60/- each which is in accordance with the Preferential Issue Guidelines issued by Securities and Exchange Board of India.

Note 18: The Company has not received the required information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been made.

Note 19: The Company has not provided for Gratuity and Leave Encashment to Employees on accrual basis, which is not in conformity with AS - 15 issued by ICAI. However, in the opinion of management the amount involved is negligible and has no impact on Profit & Loss Account.

Note 20: Previous year's figures have been grouped/ regrouped, arranged/rearranged wherever necessary to make them comparable.

As per our report of even date

For & on behalf of Board

For **Rishikesh Mishra & Associates**
Chartered Accountants

CA Rishikesh Mishra
Proprietor
Membership. No : 130717
FRN: 135719W

Director

Director

Place : Mumbai
Date : 30th May 2013

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 to attend and vote for me/us on my/our behalf at the 31st Annual General Meeting of the Company to be held on Friday, the 27th day of September 2013 at 2.30 P.M., at Office No. 17, 3rd Floor, Zaveri Bhavan, 85/87, Old Hanuman Lane, Kalbadevi Road, Mumbai-400 002 and any adjournment thereof.

Registered Folio No. _____ No. of Shares held _____

Signed on this _____ day of _____ 2013.

Signed by the said _____

Signature of Proxy _____

Attested by Shareholder _____

Affix Revenue Stamp

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LIFELINE DRUGS & PHARMA LIMITED

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ATTENDANCE SLIP

I hereby record my presence at the 31st Annual General Meeting of the Company held on Friday, the 27th day of September 2013 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 Road, 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