**RPG LIFE SCIENCES LIMITED**
Unit No. 208-213, B Wing, Bezzola Complex, Sion-Trombay Road, Chembur, Mumbai 400071, India
Tel: +91-22-25292152-55 ♦ Fax: +91-22-25297423

July 3, 2015

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No.C.1, G. Block
Bandra-Kurla Complex, Bandra (East)
Mumbai 400 051

Dear Sirs,

**Notice of 8th Annual General Meeting**

**(Scrip Code: RPGLIFE)**

We wish to inform you that the 8th Annual General Meeting of the Company will be held on Tuesday, July 28, 2015 at 3.00 p.m. at Ravindra Natya Mandir, P. L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai 400 025.

Pursuant to Clause 31(a) of the listing agreement, we enclose herewith six copies of the 8th Annual Report (2014-15), Notice of Annual General Meeting along with FORM A in the prescribed format. A soft copy of the said Annual Report in pdf format has been emailed to cmlist@nse.co.in.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For RPG Life Sciences Limited

RPG LIFE SCIENCES LIMITED MUMBAI 400 030

Rajesh Shirambekar
Head - Legal & Company Secretary

Encl: As above.

**FORM A**

| | | |
|---|---|---|
| 1. | Name of the Company | RPG Life Sciences Limited |
| 2. | Annual Financial Statements for the year ended | 31st March, 2015 |
| 3. | Type of Audit Observation | **Matter of Emphasis**<br><br>The emphasis of matter paragraph in the Independent Auditors' Report issued by the statutory auditors on the audited financial statements of the Company as at March 31, 2015:<br><br>We draw attention to Note 45(c) to the financial statements, regarding remuneration aggregating to Rs. 31 lakhs paid to the Managing Director of the Company for the financial year 2014-15, in excess of the limits prescribed under Section 197 of the Act, which is subject to the approval of the Central Government. The Company has taken necessary action in this regard and has made application to Central Government. Our opinion is not qualified in respect of this matter. |
| 4. | Frequency of Observation | First Time |
| 5. | To be signed by-<br>• CEO/Managing Director<br>• CFO<br>• Auditor of the Company<br>• Audit Committee Chairman | Refer below |

**Auditors of the Company**

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants

Sumit Sheth
Partner
Membership No. 105869

Place: Mumbai
Date: April 29, 2015

**For RPG Life Sciences Limited**

CT. Renganathan
Managing Director

C. L. Jain
Chairman of the Audit Committee

Sachin Raole
Chief Financial Officer

Place: Mumbai
Date: April 29, 2015

# ANNUAL REPORT 2014-15

RPG

RPG LIFE SCIENCES LIMITED

# RPG LIFE SCIENCES LIMITED

## BOARD OF DIRECTORS

Mr. H. V. Goenka — Chairman
Mr. C. L. Jain
Dr. Lalit S. Kanodia
Mr. Mahesh S. Gupta
Mr. Manoj K. Maheshwari
Mr. P. K. Mohapatra
Mr. Narendra Ambwani
Ms. Neera Saggi
Mr. Sachin Nandgaonkar
Mr. CT. Renganathan — Managing Director

## AUDIT COMMITTEE

Mr. C. L. Jain
Mr. Mahesh S. Gupta
Mr. P. K. Mohapatra
Mr. CT. Renganathan

## HEAD – LEGAL & COMPANY SECRETARY

Mr. Rajesh Shirambekar

## AUDITORS

Lovelock & Lewes
Chartered Accountants

## REGISTERED OFFICE

RPG House
463, Dr. Annie Besant Road
Worli
Mumbai 400 030.

## MANAGEMENT TEAM

Mr. CT. Renganathan
Managing Director
Mr. Rajindrra Patkar
Chief Executive – Global Formulations
Mr. Vimalendu K. Singh
Chief Executive – API, Biotech & Global Generics
Mr. Sachin Raole
CFO & Sr. Vice President – Corporate Services
Dr. Uday R. Bapat
Chief Scientific Officer
Mr. Rabindranath Nandi
Vice President - Corporate Quality
Ms. Suchitra Tiwari
Head – Regulatory & Project Management

## SOLICITORS

Crawford Bayley & Co.

## BANKERS

Union Bank of India
State Bank of India
IDBI Bank
Export-Import Bank of India

## REGISTRARS

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West)
Mumbai 400 078.

## CONTENTS


| | | | | | |
|---|---|---|---|---|---|
| • | Notice | 02 | • | Auditors' Report | 37 |
| • | Directors' Report | 06 | • | Balance Sheet | 40 |
| • | Management Discussion & Analysis Report | 25 | • | Profit & Loss Account | 41 |
| • | Corporate Governance Report | 27 | • | Cash Flow Statement | 65 |

# NOTICE

**NOTICE IS HEREBY GIVEN THAT THE EIGHTH ANNUAL GENERAL MEETING OF THE MEMBERS OF RPG LIFE SCIENCES LIMITED WILL BE HELD ON TUESDAY, JULY 28, 2015 AT 03.00 P.M. AT RAVINDRA NATYA MANDIR, P. L. DESHPANDE MAHARASHTRA KALA ACADEMY, SAYANI ROAD, PRABHADEVI, MUMBAI 400025 TO TRANSACT THE FOLLOWING BUSINESS:**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2015, the Statement of Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To declare dividend for the year ended on March 31, 2015.
3. To appoint a Director in place of Mr. H. V. Goenka (DIN:00026726), who retires by rotation, and being eligible, offers himself for re-appointment.
4. To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and rules framed thereunder, M/s. Lovelock & Lewes, Chartered Accountants registered with the Institute of Chartered Accountants of India vide Registration No. 301056E, who were appointed as Auditors of the Company at the Seventh Annual General Meeting of the Company to hold office till the conclusion of the Tenth Annual General Meeting of the Company on a remuneration as determined by the Board of Directors (which includes a Committee thereof) of the Company, plus reimbursement of out of pocket expenses incurred by them in connection with the audit, be and are hereby ratified and confirmed as Auditors of the Company till the conclusion of the next Annual General Meeting."

**SPECIAL BUSINESS:**

5. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Kirit Mehta & Co. (Registration No. 000353), Cost Accountants, appointed by the Board of Directors, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016, be paid the remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting.

   RESOLVED FURTHER THAT the Board of Directors and/ or the Company Secretary of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

**NOTES:**

1. **A SHAREHOLDER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/ HER BEHALF AND THE PROXY NEED NOT BE A SHAREHOLDER OF THE COMPANY.** Pursuant to provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty shareholders and holding in aggregate not more than ten percent of the total Share Capital of the Company. Shareholders holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other shareholder. The instrument of proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting.
2. Shareholders/ proxies should bring duly filled attendance slip send herewith to attend the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, July 22, 2015 to Tuesday, July 28, 2015 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the dividend for 2014-15. The book closure dates have been fixed in consultation with the Stock Exchanges.
5. The dividend for the financial year ended March 31, 2015, as recommended by the Board, if approved by the shareholders, will be paid on or after July 29, 2015, to those shareholders whose names stand registered on the Company's Register of Members:

   i. as Beneficial Owners as at the end of business hours on July 21, 2015 as per the list to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of shares held in dematerialized form.

   ii. as Members in the Register of Members of the Company after giving effect to valid share transfers lodged with the Company/Registrars and Share Transfer Agents, on or before July 21, 2015.
6. Shareholders holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the shareholders holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the shareholders.

7. Shareholders holding shares in physical form are requested to notify the change, if any, in their address and bank mandate details to the Registrar and Share Transfer Agent, Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078.
8. In case of joint holders attending the meeting, the shareholder whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
9. In compliance with Clause 5A.II of the Listing Agreements with the Stock Exchanges, the Company transferred 75,236 unclaimed shares held by 603 shareholders to an Unclaimed Suspense Account and dematerialized the same, details of which are as follows:

| Particulars | Number of Shareholders | Number of Shares |
|---|---|---|
| Aggregate number as at April 1, 2014 | 603 | 75,236 |
| Number of shares claimed and transferred from the Unclaimed Suspense Account during the year | 2 | 181 |
| Aggregate number as at March 31, 2015 | 601 | 75,055 |

10. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Director seeking re-appointment at the Annual General Meeting, forms integral part of the Notice. The Director has furnished the requisite declarations for his re-appointment.
11. The Notice of the AGM along with the Annual Report 2014-15 is being sent by electronic mode to those shareholders whose e-mail addresses are registered with the Company/ Depositories, unless any shareholder has requested for a physical copy of the same. For shareholders who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. For any communication, the shareholders may also send requests to the Company's investor email id: investorservices@rpgls.com.
12. Shareholders who have not encashed their dividend warrant for the previous years, may approach the Company or the Registrar & Share Transfer Agent and submit their claim for the said dividend. The amount of dividend remaining unclaimed for a period of seven (7) years shall be transferred to the Investor Education and Protection Fund as per the provisions of Section 205C of the Companies Act, 1956. It may also be noted that once the unclaimed dividend is transferred to the Fund, as above, no claim shall lie in respect thereof.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Shareholders holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Shareholders holding shares in physical form can submit their PAN details to the Company.
14. Shareholders are requested to bring their copy of the Annual Report to the Annual General Meeting.
15. Shareholders seeking any information on the Accounts are requested to write to the Company, which should reach the Company at least one week before the date of the Annual General Meeting so as to enable the Management to keep the information ready. Replies will be provided only at the Annual General Meeting.
16. **Voting through electronic means:**

    In Compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Company is pleased to provide its shareholders the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 8th Annual General Meeting (AGM). Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate remote e-voting.

    The facility of voting through polling paper shall also be made available at the venue of the 8th AGM. The shareholders attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The shareholders who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

    The process and instructions for remote e-voting are as under:

    (i) The remote e-voting period begins on Friday, July 24, 2015 (09.00 a.m. IST) and ends on Monday, July 27, 2015 (05.00 p.m. IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday, July 21, 2015, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

    (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

    (iii) The shareholders should log on to the e-voting website (www.evotingindia.com).

    (iv) Click on Shareholders.

    (v) Now Enter your User ID.

    a) For CDSL: 16 digits beneficiary ID,

b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

| For shareholders holding shares in Demat Form and Physical Form | |
|---|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the Attendance Slip indicated in the PAN field. |
| Dividend Bank Details<br>OR<br>Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN of "RPG Life Sciences Limited".

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

17. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company.

18. A copy of this Notice has been placed on the website of the Company and the website of CDSL.
19. Mr. P. N. Parikh or falling him Ms. Jigyasa Ved of M/s. Parikh Parekh & Associates, Practicing Company Secretaries, have been appointed as the Scrutinizers for conducting the remote e-voting, Ballot form and the voting process through polling paper at the AGM in a fair and transparent manner.
20. Shareholders who do not have access to e-voting may write to the Company for a Ballot Form. The Ballot Form can also be downloaded from the website of the Company under the investors section. The duly completed Ballot Form shall reach the scrutinizer not later than 5.00 p.m. on July 27, 2015. Ballot form(s) received after this date will be strictly treated as if the reply from the shareholder has not been received.
21. The results declared along with the Scrutinizer's Report shall be placed on the Company's website (www.rpglifesciences.com) and on the website of CDSL and shall also be communicated to the BSE Limited and National Stock Exchange of India Limited on Wednesday, July 29, 2015.

**By Order of the Board of Directors**

**Rajesh Shirambekar**
**Head – Legal & Company Secretary**

**Registered office:**
RPG House
463, Dr. Annie Besant Road,
Worli, Mumbai 400 030.

Place: Mumbai
Date: April 29, 2015

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 5:**

The Board on recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Kirit Mehta & Co., Cost Auditors, to conduct the audit of the cost records in respect of pharmaceutical activities of the Company for the financial year ending March 31, 2016, on a remuneration not exceeding ₹ 2,75,000/- p.a., exclusive of all taxes and out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the shareholders is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

**By Order of the Board of Directors**

**Rajesh Shirambekar**
**Head – Legal & Company Secretary**

**Registered office:**
RPG House
463, Dr. Annie Besant Road,
Worli, Mumbai 400 030.

Place: Mumbai
Date: April 29, 2015

## ANNEXURE TO NOTICE

**DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT.**

| | |
|---|---|
| **Mr. H. V. Goenka** | Mr. Harsh Vardhan Goenka is the Chairman of RPG Enterprises, one of the largest industrial groups in India. RPG Enterprises has interests in sectors like Tyres, Infrastructure, Information Technology and Speciality.<br>Mr. Goenka graduated in Economics before undergoing his MBA from IMD, Lausanne, Switzerland. He is past President of the Indian Merchant's Chamber (IMC), serves on the Executive Committee of the Federation of Indian Chambers of Commerce and Industry (FICCI) and is a Member of the Foundation Board of IMD.<br>Mr. Goenka is also the Chairman of the Board of KEC International Ltd., Zensar Technologies Ltd. and CEAT Ltd and a Director of Bajaj Electricals Ltd., Raychem-RPG Pvt. Ltd. and Spencer International Hotels Ltd.<br>Mr. H. V. Goenka holds 26,913 equity shares of the Company in his individual capacity and 7,32,115 equity shares in his capacity as a Trustee of Nucleus Life Trust. |

# DIRECTORS' REPORT

Your Directors have pleasure in presenting the annual report and audited statement of accounts of the Company for the year ended on March 31, 2015.

## 1. FINANCIAL RESULTS

The summary of financial performance of the Company for the year under review is given below:

(₹ in Crores)

| | 2014-15 | 2013-14 |
|---|---|---|
| Total Income | **243.18** | **237.91** |
| Profit before depreciation, interest and tax | **15.08** | **14.04** |
| Less: Interest | **2.72** | **2.60** |
| Less: Depreciation | **11.36** | **10.61** |
| Profit for the year before tax | **1.00** | **0.83** |
| Add: Exceptional Item | **-** | **64.14** |
| Profit before tax | **1.00** | **64.97** |
| Less: Provision for tax (including Deferred Tax) | **-** | **11.57** |
| Profit for the year after tax | **1.00** | **53.40** |
| Appropriations: | | |
| Proposed dividend | **1.32** | **3.31** |
| Tax on proposed dividend | **0.27** | **0.56** |
| Transfer to General Reserve | **-** | **5.34** |
| Balance carried forward to balance sheet | **68.82** | **69.41** |

## 2. DIVIDEND

The Diretors recommend a dividend of ₹ 0.80 (10%) per equity share of ₹ 8/- each for the financial year ended March 31, 2015.

## 3. OPERATIONS

The Company earned a total income of ₹ 243.18 crores for the year as compared to ₹ 237.91 crores during the previous year and a profit before tax of ₹ 1.00 crore as against ₹ 0.83 crore during the previous year. The profitability of the Company remained subdued because of lower orders of Azathioprine in the Generics business, continued competitive price pressure for Biotech, APIs in the domestic market, delay in launches of branded formulations because of increased regulatory requirements, price pressure on the products under price control in domestic formulations market and higher operating & maintenance expenditure to adhere to the stringent quality standards laid down by regulatory authorities.

As reported earlier, subsequent to the pre-approval inspection by the USFDA (US Food and Drug Administration) of the Company's API facility at Navi Mumbai and the formulation facility at Ankleshwar, the Company had received, in the year 2013-14, certain stipulations from the USFDA. The Company has undertook corrective measures to achieve complete adherence with the stipulations indicated by the USFDA, and it is expected that it would be completed over the next twelve months. As a result of this development, the plans of the Company to enter the US markets have been delayed.

The Company continues to hold EU GMP, WHO GMP and TGA, Australia certifications for the API facility at Navi Mumbai plant and UK MHRA certification for its formulation plant at Ankleshwar.

**Formulations Business:**

Performance

During the year under review, the Formulations business achieved a sales revenue of ₹ 157.16 crores, with a growth of 6% over the previous year. Prescription focused business grew at 10.40% in line with the industry growth. The productivity of sales force improved by 20% year-on-year.

The Company achieved a growth of 16.10% in the financial year ended March 2015, higher than the industry average of 12.90%. As per the data compiled by Pharmatrac, a market researcher, the Company has improved its rank by three positions in sales value terms over the previous year. The Company's Nephrocare Division continues to feature among the top 5 Indian Companies operating in the renal therapy segment.

The continued thrust on the Focus brand strategy in the Company's core therapies has generated a growth of 20% in this segment over the previous year. Some of the promising brands like Tricaine & Rabee in Gastro-Intestinal therapy, RPO & Alfalog in Dialysis Therapy and Frastim in Oncology have grown by over 15%. Minmin Tonic in the Nutritional Therapy crossed ₹ 4 crores mark in the first 2 years of launch, growing by over 81% in the fiercely competitive tonic market. Dialysis & Transplant Therapies grew by 24% & 13%, respectively. The super specialty Oncology business showed impressive growth as well. The Company's major brands such as Aldactone, Naprosyn, Serenace and Azoran showed healthy growth in the year under review.

In the exports market, the Branded Formulations business registered a positive growth.

Outlook

In the current year, the Company will continue its emphasis on Focus brands and leverage the strength of its key

brands to fuel growth. Dedicated efforts on strengthening Cardiology, Anti-Diabetic, Oncology and Nephrology therapies is expected to boost growth in the Chronic Specialty therapies segment while Gastrointestinal, Pain Management and Nutritionals will drive growth in the acute therapies segment. With focus on Dialysis and Transplant therapies, the Company will strive to consolidate its position in the Nephrocare space both in domestic as well as export markets.

Brand Extensions and new product launches in therapies where the Company's core competencies exist, in line with therapy gaps identified, are growth drivers. In addition, entry into new therapies will provide avenues for further growth. Training of field force will continue to remain the cornerstone for improving productivity by strengthening product knowledge and selling skills.

**Global Generics Business:**

Performance

The Global Generics business achieved sales revenue of ₹ 16.17 crores. The business witnessed a de-growth by 31% over the previous year owing to a dip in orders from one of its key customers which was carrying excess inventory from the previous year.

Outlook

The dip in the performance of Generics business is likely to be temporary, as it is expected that key customers will resume orders during the current financial year. The Company signed two new contracts for Sertraline and Azathioprine products and has also fared well in tenders in Germany, which are likely to drive growth in the next year. The Company's presence in the German tender market will become stronger as market penetration improves. Addition of new customers and new products will be the key growth drivers in the Generics business.

**Active Pharmaceutical Ingredients (API/Bulk Drugs) Business:**

Performance

The API business achieved sales revenue of ₹ 36.72 crores, a growth of 3% over the last year. The traditional markets of Latin America & Middle East in which the Company enjoys a fair market share continued to perform well. Products such as Quinfamide, Risperidone, Nicorandil & Azathioprine registered good growth.

Outlook

API business has a strategic importance in the overall growth of the Company. The Company has a backward integration for Di-phenoxylate and Azathioprine (products of the formulation business). One of the key objectives of the Company is to build a strong and sustainable product portfolio. It has a plan to introduce new APIs every year in various key segments. On the basis of EU GMP certification, the Company plans to penetrate EU markets with a new API towards the end of the current financial year. With the emergence of BRIC markets, apart from domestic markets, Brazil & China would be increasingly important markets for some niche APIs that the Company manufactures.

**Biotech Business:**

Performance

The Biotech business achieved sales of ₹ 23.14 crores, registering a growth of 8% over the previous year. The Company has managed to register reasonable growth in this division despite increasing competitive and pricing pressures in the domestic market. Growth was driven by strengthening existing client relationships and addition of new clients in Russia, Mexico and China. The Company received approvals for Doxorubicin and Epirubicin in Russia and Korea, respectively.

The Company continued to make several improvements and upgrades in its Biotech facility, to meet the requirements of various markets in emerging geographies. In line with its strategy to take products to regulated markets, the Company has received COS (Certificate of Suitability) for Doxorubicin from EDQM (European Directive Quality Medicines) in France and also plans to file for COS for Epirubicin in the current financial year.

Outlook

Doxorubicin and Epirubicin, used in treatment of cancer, which the Company manufactures, compete with the best in class in the category. These products will remain key for growth in this business segment for the Company. The Company is planning to get certain additional regulatory approvals for its plant to enter the regulated markets like Europe. COS for Doxorubicin and Epirubicin and plant approvals from regulatory authorities would not only help in expanding geographies but also margins as the price realizations are higher in exports markets as compared to the domestic market.

**4. EXTRACT OF ANNUAL RETURN**

As required under Section 92 of the Companies Act, 2013, details forming part of the extract of the Annual Return in form MGT-9, is annexed herewith as **Annexure A**.

**5. MEETINGS OF THE BOARD**

The details of Board Meetings held during the year are given in the Corporate Governance Report.

**6. DIRECTOR'S RESPONSIBILITY STATEMENT**

The Directors confirm that –

a) in the preparation of the annual accounts for the financial year ended March 31, 2015, the applicable accounting standards have been followed and there were no material departures;

b) the directors have selected and applied accounting policies in a consistent manner and have 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 as at March 31, 2015 and of the profit and loss of the Company for that period;

c) the directors have 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;

d) the directors have prepared the annual accounts on a going concern basis;

e) the directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;

f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

**7. STATEMENT ON DECLARATION OF INDEPENDENT DIRECTORS**

The Company has received declaration from each of the Independent Directors under Section 149(6) and (7) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

**8. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS AND DISCLOSURES ON THE REMUNERATION OF THE DIRECTORS**

All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company, along with criteria for such payments and disclosures on the remuneration of the Directors along with their shareholding are disclosed in Corporate Governance Report and Form MGT-9 which forms a part of this Report.

**9. NOMINATION AND REMUNERATION POLICY**

The Company's policy on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3) of the Companies Act, 2013, is annexed with this Report as **Annexure B.**

**10. EXPLANATION AND COMMENTS ON AUDITOR'S AND SECRETARIAL AUDIT REPORT**

There is no qualification, disclaimer, reservation or adverse remark made by the Statutory Auditors in Auditors' Report.

Further, there is no qualification, disclaimer, reservation or adverse remark made by the Company Secretary in practice in Secretarial Audit Report.

**11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Loans, Guarantees and Investments made by the Company are within the limits prescribed under the provisions of Section 186 of the Companies Act, 2013 and the details are given in the notes to the Financial Statements.

**12. RELATED PARTY TRANSACTIONS**

All Related Party Transactions are placed before the Audit Committee and the Board for approval, wherever necessary. The related party transactions entered during the financial year were on an arm's length basis and were in the ordinary course of business.

There were no contracts or arrangements or transactions entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 during the course of business which were not at arm's length basis.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website www.rpglifesciences.com.

**13. TRANSFER TO RESERVES**

The Company has not transferred any sum to General Reserve in view of low profits made during the financial year ended March 2015.

**14. MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There are no material changes and commitments affecting the financial position of the Company, which have occurred

between the end of the financial year on March 31, 2015 to which the financial statements relate and the date of this Report.

**15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014, are given in **Annexure C** to this Report.

**16. RISK MANAGEMENT**

The Company has constituted a Risk Management Committee (RMC). The details of Committee and its terms of reference are set out in the Corporate Governance Report. The Company has also adopted a Risk Management Policy in accordance with the provisions of the Act and Clause 49 of the Listing Agreement.

The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objectives and enhance the Company's competitive advantage.

The business risk framework defines the risk identification and its management approach across the enterprise at various levels including documentation and reporting. This framework helps in identifying trends, assessing business exposure and quantifying any potential impact on the Company's business.

**17. CORPORATE SOCIAL REPONSIBILITY**

The Company was out of the limits prescribed under Section 135 of the Companies Act, 2013 during the financial year 2014-15.

**18. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr. H. V. Goenka retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

Mr. R. A. Shah resigned from the Directorship of the Company with effect from September 30, 2014.

Mr. Ajit Singh Chouhan resigned as the Managing Director and as a Director of the Company with effect from September 30, 2014 and January 2, 2015, respectively.

At the Board Meeting held on October 20, 2014, Ms. Neera Saggi was appointed as an Additional Director and Mr. CT. Renganathan was appointed as Additional Director and Managing Director of the Company with effect from January 2, 2015.

The shareholders through resolutions passed by Postal Ballot have approved the appointment of Ms. Neera Saggi as an Independent Director for a term of five consecutive years with effect from March 19, 2015 to March 18, 2020 and also approved appointment of Mr. CT. Renganathan as a Managing Director of the Company for a term of 3 years from January 2, 2015 to January 1, 2018.

Mr. C. Vinayaraghavan resigned from the Directorship of the Company with effect from January 2, 2015. Mr. Sachin Nandgaonkar has been appointed as a Non-Executive Director of the Company with effect from January 23, 2015, in the casual vacancy caused due to the resignation of Mr. C. Vinayaraghavan.

The Board places on record its appreciation for the services rendered by Mr. R. A. Shah, Mr. Ajit Singh Chouhan and Mr. C. Vinayaraghavan during their tenure with the Company.

None of the aforesaid Directors are related to any other Director of the Company.

During the year under review, Mr. CT. Renganathan, Managing Director, Mr. Sachin Raole, CFO & Sr. V.P. – Corporate Services and Mr. Rajesh Shirambekar, Head – Legal & Company Secretary were designated as Key Managerial Personnel within the meaning of Section 203 of the Companies Act, 2013.

**19. SUBSIDIARY COMPANIES**

There were no Companies which have become or ceased to be Subsidiaries, joint ventures or associate companies during the year.

**20. FIXED DEPOSITS**

Your Company has not accepted any fixed deposit during the year under review under Chapter V of the Companies Act, 2013. As on March 31, 2015, no deposit was overdue and deposits aggregating to ₹5.40 lakhs were lying unclaimed with the Company.

**21. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS**

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in the future.

**22. CHANGE IN THE NATURE OF BUSINESS**

During the year under review, there was no change in the nature of business.

**23. INTERNAL FINANCIAL CONTROL**

Details in respect of adequacy of internal financial controls with reference to the Financial Statements are stated in Management Discussion and Analysis which forms part of this Annual Report.

**24. INFORMATION PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 AND RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL REMUNERATION) RULES, 2014**

<table>
<tr><td>1</td><td>The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;</td><td>Mr. H. V. Goenka (Chairman)-1:5<br>Mr. C. L. Jain-2:5<br>Dr. Lalit S. Kanodia-1:5<br>Mr. Mahesh S. Gupta-1:5<br>Mr. Manoj Maheshwari-0.3:5<br>Mr. P. K. Mohapatra-2:5<br>Mr. Narendra Ambwani-1:5<br>Ms. Neera Saggi-06:5<br>Mr. Sachin Nandgaonkar-0.3:5<br>Mr. CT. Renganathan (Managing Director)– 200:5</td></tr>
<tr><td>2</td><td>The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;</td><td>Mr. H.V. Goenka (Chairman) – 50%<br>Mr. C. L. Jain – 50%<br>Dr. Lalit S. Kanodia – 25%<br>Mr. Mahesh S. Gupta – 67%<br>Mr. Manoj Maheshwari – 50%<br>Mr. P. K. Mohapatra -50%<br>Mr. Narendra Ambwani *<br>Ms. Neera Saggi *<br>Mr. Sachin Nandgaonkar *<br>Mr. CT. Renganathan (Managing Director)*<br>Mr. Sachin Raole (Chief Financial Officer)–18%<br>Mr. Rajesh Shirambekar(Company Secretary) – 8.5 %</td></tr>
<tr><td>3</td><td>The percentage increase in the median remuneration of employees in the financial year;</td><td>11% **</td></tr>
<tr><td>4</td><td>The number of permanent employees on the rolls of Company;</td><td>1,184 employees as on March 31, 2015.</td></tr>
<tr><td>5</td><td>The explanation on the relationship between average increase in remuneration and Company performance;</td><td>Average increase in remuneration of all employees was 11% for the FY 2014-15 which was based partly on the results of the Company for the year ended March 31, 2014 and partly on the individual employee's performance. Total sales in the financial year 2013-14 increased by 6% over previous year.</td></tr>
<tr><td>6</td><td>Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;</td><td>Average increase in remuneration of Key Managerial Personnel was based partly on the results of the Company for the year ended March 31, 2014 and partly on the individual employee's performance.</td></tr>
<tr><td>7</td><td>Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies;</td><td>Variations in Market Capitalisation and PE Ratio is as below:
<table>
<tr><td>Particulars</td><td>31.03.2015</td><td>31.03.2014</td></tr>
<tr><td>Market Capitalisation (₹ in Lakhs)</td><td>27,350</td><td>9,938</td></tr>
<tr><td>PE Ratio</td><td>275.67</td><td>1.86</td></tr>
</table>
The Company was listed as a result of Scheme of Arrangement and has not come out with an IPO. Hence the details of the same are not applicable.</td></tr>
<tr><td>8</td><td>Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;</td><td>• Average Salary increase of non-managerial employees was around 12%.<br>• Average Salary increase of managerial employees was around 11%.<br>• There are no exceptional circumstances for increase in managerial remuneration.</td></tr>
<tr><td>9</td><td>Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company;</td><td>Average increase in remuneration of Key Managerial Personnel was based partly on the results of the Company for the year ended March 31, 2014 and partly on the individual employee's performance.</td></tr>
<tr><td>10</td><td>The key parameters for any variable component of remuneration availed by the Directors;</td><td>Only the Managing Director is entitled for performance bonus which is based on the individual's performance and Company's performance. Other components of remuneration are not variable during a particular year.</td></tr>
</table>

| | | |
|---|---|---|
| 11 | The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid director during the year; and | The Managing Director is the highest paid Director. No employee received remuneration higher than the Managing Director. |
| 12 | Affirmation that the remuneration is as per the remuneration policy of the Company. | Remuneration paid during the year ended March 31, 2015 is as per the Remuneration Policy of the Company. |

* Mr. Narendra Ambwani, Ms. Neera Saggi, Mr. Sachin Nandgaonkar and Mr. CT. Renganathan were appointed on the Board of Directors in the financial year 2014-15 and therefore comparable amount of remuneration was not available for determination of percentage increase in the remuneration.

** The percentage increase in the median remuneration of employees has been calculated after excluding Managing Director's remuneration.

**25. WHISTLE BLOWER POLICY**

The Audit Committee's terms of reference inter-alia include vigil mechanism which also incorporates a Whistle Blower Policy in terms of Section 177(10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Company has adopted a Whistle Blower Policy in the meeting of Board of Directors held on July 24, 2014. The Whistle Blower mechanism provides for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Governance and Ethics. The Whistle Blower Policy is uploaded on the Company's website www.rpglifesciences.com.

**26. FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS**

The Company has familiarisation programmes and the details of it have been uploaded on the website of the Company on the link below:

http://www.rpglifesciences.com/financial_policies.jsp.

**27. FORMAL ANNUAL EVALUATION OF BOARD AND ITS COMMITTEES**

Pursuant to provisions of Section 134 of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Nomination and Remuneration Committee laid down criteria for evaluating Board effectiveness by assessing performance of the Board as a whole, performance of individual Director and Committees of the Board namely Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The Board approved the criteria laid down by Nomination and Remuneration Committee for evaluating Board effectiveness and engaged a third party agency to conduct Board effectiveness survey during the year under review.

**28. AUDITORS**

Statutory Auditors:

The members of the Company at its Annual General Meeting (AGM) held on September 25, 2014 appointed M/s. Lovelock & Lewes as the Statutory Auditors for a period of three consecutive years from the conclusion of the seventh AGM to the conclusion of the tenth AGM. The auditors have confirmed that their appointment shall be in compliance with Section 139 and 141 of the Companies Act, 2013 subject to ratification at the ensuing AGM by the shareholders. The Board recommends ratification of appointment of M/s. Lovelock & Lewes as the Statutory Auditors for the financial year 2015-16.

Internal Auditors:

M/s. Aneja Associates, Chartered Accountants, are the Internal Auditors of the Company.

Secretarial Auditors:

M/s. Parikh Parekh & Associates, Practicing Company Secretaries, are the Secretarial Auditors of the Company. The Secretarial Audit Report required pursuant to sub-section (3) of Section 134 and Section 204 (1) of the Companies Act, 2013, is given in **Annexure D** to this Report.

Cost Auditors:

Pursuant to the provisions of Section 233B of the Companies Act, 1956, M/s. Kirit Mehta & Co. (Registration No. 000353), Cost Accountants, was appointed to conduct audit of cost records of Pharmaceutical Activities for the year ended March 31, 2015. Cost Audit reports would be submitted to the Central Government within the prescribed time. Pursuant to Rule 5 of the Companies (Cost Audit Report) Rules, 2011, cost audit reports for Pharmaceutical Activities for the year ended March 31, 2014 was filed with the Central Government on September 18, 2014.

**29. EMPLOYEES STOCK OPTION PLAN**

The Company has "2005 Employee Stock Option Plan" (ESOP 2005) for granting performance based stock option to employees. In the financial year 2014-15, 864 equity shares were allotted under ESOP 2005. The Disclosures in compliance with clause 12 of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 read with clause of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 in this respect are stated in **Annxure E** to this report.

Disclosures for the financial year ended March 31, 2015 regarding ESOP 2005 in terms of Companies (Share Capital and Debentures) Rules, 2014 are as below:

| Particulars | ESOP 2005 |
|---|---|
| Options Granted | Nil |
| Options vested | 10,878 |
| Options exercised | 864 |
| The total no of shares arising as a result of exercise of options | 864 |
| Options lapsed/cancelled during the year | Nil |
| The exercise price | ₹ 32.06 |
| Variation of terms of options | No variation in the terms of options during the year under review |
| Money realized by exercise of options | ₹ 27,700 |
| Total no of options in force | 10,014 |
| Employee wise details of options granted to: | |
| Key Managerial Personnel (KMP) during the year under review | No new options were granted to KMPs |
| Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year | Nil |
| Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant | Nil |

**30. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The particulars of the employees in compliance with the provisions of Section 134(3)(q) read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided to the shareholders upon request. The same shall also be available for inspection by the shareholders of the Company at the Registered Office of the Company during business hours on working days of the Company till the date of Annual General Meeting of the Company.

**31. MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORT**

In compliance with Clause 49 of the listing agreement, Management Discussion and Analysis and Corporate Governance Report, as approved by the Board of Directors, together with a certificate from a Practicing Company Secretary confirming the compliance with the requirements of Corporate Governance policies are set out in the Annexure forming part of this Annual Report.

**32. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT THE WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Internal Complaints Committee has been set up to redress complaints.

The Company has not received any complaint of sexual harassment during the financial year 2014-15.

**33. MATERIAL TRANSACTIONS WITH RELATED PARTIES**

The Company has not entered in to any transaction with related parties during the year under review which requires reporting in Form AOC-2 in terms of Companies Act, 2013 read with Companies (Accounts) Rules, 2014.

**34. SAFETY**

Safety inspections and audits were periodically carried out during the year across all factories. The Company also organised safety awareness programmes to impart safety training to its employees.

**35. AWARDS**

Your Company has won the prestigious Indian Drugs Manufacturers Association (IDMA) Quality Excellence award 2014 in the Gold Category for its API Plant at Navi Mumbai.

**36. APPRECIATION**

Your Directors record their appreciation for the valuable services rendered by all employees of the Company, their gratitude to the banks for their assistance and to the Company's shareholders, customers and suppliers for their continued support.

**For and on behalf of the Board of Directors**

**H.V. Goenka**
**Chairman**

Place: Mumbai
Date: April 29, 2015

## Annexure 'A' to the Directors' Report

**FORM MGT-9**
**EXTRACT OF ANNUAL RETURN**
As on the financial year ended on March 31, 2015
**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

### I. REGISTRATION AND OTHER DETAILS

| | | |
|---|---|---|
| i. | CIN | L24232MH2007PLC169354 |
| ii. | Registration Date | March 27, 2007 |
| iii. | Name of the Company | RPG Life Sciences Limited |
| iv. | Category/Sub-Category of the Company | Company limited by shares<br>Indian Non-Government Company |
| v. | Address of the Registered office and contact details | RPG House, 463, Dr. Annie Besant Road, Worli Mumbai-400 030.<br>Tel No: 91-22-24981650/66606375 \|Fax: +91-22-24970127<br>E-mail : info@rpglifesciences.com\|Web: www.rpglifesciences.com |
| vi. | Whether listed Company | Yes |
| vii. | Name Address and Contact details of Registrar and Transfer Agent, if any | Link Intime India Pvt. Ltd<br>C-13, Pannala Silk Mills Compound, L.B.S, Marg, Bhandup (w), Mumbai-400 078, Tel: +91-22- 2594 6970 \| Fax +91-22- 2594 6969 |

### II. PRINCIPAL BUSINESS ACTIVITES OF THE COMPANY

All the Business activities contributing 10% or more of the total turnover of the Company shall be stated:-

| Sr. No. | Name and Description of main products/services | NIC Code of the Product/ service | % to total turnover of the Company |
|---|---|---|---|
| 1 | Manufacturer of Pharmaceutical preparations | 21002 | 100% |

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No | Name and address of the Company | CIN/ GLN | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| | NIL | NA | NA | NA | NA |

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

### I. Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change During the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of total Shares | Demat | Physical | Total | % of total Shares | |
| **A. Promoters** | | | | | | | | | |
| **(1) Indian** | | | | | | | | | |
| a) Individual/HUF | 1 | - | 1 | - | 7,67,775 | - | 7,67,775 | 4.64 | 4.64 |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp | 1,01,54,789 | - | 1,01,54,789 | 61.41 | 1,01,77,195 | - | 1,01,77,195 | 61.55 | 0.14 |
| e) Banks/FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| **Sub- Total (A)(1)** | **1,01,54,790** | **-** | **1,01,54,790** | **61.41** | **1,09,44,970** | **-** | **1,09,44,970** | **66.19** | **4.78** |

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change During the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of total Shares | Demat | Physical | Total | % of total Shares | |
| **(2) Foreign** | | | | | | | | | |
| a. NRIs- Individuals | - | - | - | - | - | - | - | - | - |
| b. Other Individuals | - | - | - | - | - | - | - | - | - |
| c. Bodies Corp | - | - | - | - | - | - | - | - | - |
| d. Banks/FI | - | - | - | - | - | - | - | - | - |
| e. Any Other | - | - | - | - | - | - | - | - | - |
| **Sub Total (A)(2)** | - | - | - | - | - | - | - | - | - |
| **Total Shareholding of Promoter (A) = (A)(1) + (A)(2)** | **1,01,54,790** | **-** | **1,01,54,790** | **61.41** | **1,09,44,970** | **-** | **1,09,44,970** | **66.19** | **4.78** |
| **B. Public Shareholding** | | | | | | | | | |
| **1. Institutions** | | | | | | | | | |
| a. Mutual Funds | 50 | 1,050 | 1,100 | 0.01 | 50 | 1,050 | 1,100 | 0.01 | - |
| b. Banks/FI | 151 | 2,224 | 2,375 | 0.01 | 1,40,130 | 2,224 | 1,42,354 | 0.86 | 0.85 |
| c. Central Govt. | - | - | - | - | - | - | - | - | - |
| d. State Govts. | - | - | - | - | - | - | - | - | - |
| e. Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f. Insurance Companies | 2,89,979 | - | 2,89,979 | 1.75 | - | - | - | - | -1.75 |
| g. FIIs | 1,15,130 | 5,500 | 1,20,630 | 0.73 | 0 | 5,500 | 5,500 | 0.03 | -0.70 |
| h. Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i. Others (specify) | - | - | - | - | - | - | - | - | - |
| **Sub-total (B)(1)** | **4,05,310** | **8,774** | **4,14,084** | **2.50** | **1,40,180** | **8,774** | **1,48,954** | **0.90** | **-1.60** |
| **2. Non-Institutions** | | | | | | | | | |
| a. Bodies Corp | | | | | | | | | |
| i Indian | 10,55,840 | 3,444 | 10,59,284 | 6.41 | 9,51,035 | 3,444 | 9,54,479 | 5.77 | -0.64 |
| ii Overseas | - | - | - | - | - | - | - | - | - |
| b. Individuals | | | | | | | | | |
| i Individual shareholders holding nominal share capital upto ₹ 1 lakh | 27,39,195 | 4,41,993 | 31,81,188 | 19.24 | 28,26,074 | 4,21,559 | 32,47,633 | 19.64 | 0.40 |
| ii Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 14,69,507 | - | 14,69,507 | 8.89 | 8,11,826 | - | 8,11,826 | 4.91 | -3.98 |
| Qualified Foreign Investor | - | - | - | - | - | - | - | - | - |
| c. Others (Specify) | | | | | | | | | |
| i. Clearing Member | 1,75,771 | - | 1,75,771 | 1.06 | 1,46,069 | - | 1,46,069 | 0.88 | -0.18 |
| ii. NRI (Repatriable) | 62,964 | 360 | 63,324 | 0.38 | 1,87,584 | 360 | 1,87,944 | 1.14 | 0.76 |
| iii. NRI (Non-Repatriable) | 17,214 | - | 17,214 | 0.10 | 83,291 | - | 83,291 | 0.50 | 0.40 |
| iv. Trusts | 79 | - | 79 | - | 10,939, | - | 10,939 | 0.07 | 0.07 |
| **Sub-Total (B)(2)** | 55,20,570 | 4,45,797 | 59,66,367 | 36.08 | 50,16,818 | 4,22,263 | 54,42,181 | 32.91 | -3.17 |
| **Total Public Shareholding (B)=(B)(1) + (B)(2)** | **59,25,880** | **4,54,571** | **63,80,451** | **38.59** | **51,56,998** | **4,34,137** | **55,91,135** | **33.81** | **-4.78** |
| **C. Shares held by the Custodian for GDRs and ADRs** | - | - | - | - | - | - | - | - | - |
| **Grand Total (A+B+C)** | **1,60,80,670** | **4,54,571** | **1,65,35,241** | **100.00** | **1,61,01,968** | **4,34,137** | **1,65,36,105** | **100.00** | |

**II. Shareholding of promoters**

| Sr. No. | Shareholders Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % Change in share-holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | % of shares Pledged/ encumbered to total share holders | No. of Shares | % of total shares of the Company | % of shares Pledged/ encumbered to total shareholders | |
| 1 | Swallow Associates LLP | 50,17,522 | 30.34 | - | 50,21,638 | 30.37 | - | 0.03 |
| 2 | Instant Holdings Limited | 27,27,659 | 16.50 | - | 27,27,659 | 16.50 | - | - |
| 3 | Summit Securities Limited | 17,74,108 | 10.73 | - | 17,92,398 | 10.84 | - | 0.11 |
| 4 | STEL Holdings Limited | 5,02,550 | 3.04 | - | 5,02,550 | 3.04 | - | - |
| 5 | Chattarapati Investments Limited | 1,26,450 | 0.76 | - | 1,26,450 | 0.76 | - | - |
| 6 | Carniwal Investments Limited | 6,500 | 0.04 | - | 6,500 | 0.04 | - | - |
| 7 | Harsh Vardhan Goenka* | 1 | - | - | 7,32,115 | 4.43 | - | 4.43 |
| 8 | Harsh Vardhan Goenka | - | - | - | 26,913 | 0.16 | - | 0.16 |
| 9 | Mala Goenka | - | - | - | 8,747 | 0.05 | - | 0.05 |
| | **Total** | **1,01,54,790** | **61.41** | **-** | **1,09,44,970** | **66.19** | **-** | **4.78** |

* Trustee of Nucleus Life Trust

**III. Change in Promoters' Shareholding (please specify, if there is no change)**

| Sr. No. | | | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|---|---|---|---|---|---|---|
| | | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| | **At the beginning of the year** | | **1,01,54,790** | **61.41** | **1,01,54,790** | **61.41** |
| 1 | Summit Securities Limited | | | | | |
| | 20.06.2014 | Market Purchase | 2,211 | 0.01 | 1,01,57,001 | 61.42 |
| | 30.06.2014 | Market Purchase | 16,079 | 0.10 | 1,01,73,080 | 61.52 |
| 2 | Harsh Vardhan Goenka | | | | | |
| | 30.06.2014 | Market Purchase | 26,913 | 0.16 | 1,01,99,993 | 61.68 |
| 3 | Mala Goenka | | | | | |
| | 30.06.2014 | Market Purchase | 8,747 | 0.05 | 1,02,08,740 | 61.73 |
| 4 | Harsh Vardhan Goenka* | | | | | |
| | 30.06.2014 | Market Purchase | 5,000 | 0.03 | 1,02,13,740 | 61.76 |
| | 12.09.2014 | Market Purchase | 5,685 | 0.03 | 1,02,19,425 | 61.80 |
| | 16.01.2015 | Market Purchase | 2,03,585 | 1.23 | 1,04,23,010 | 63.03 |
| | 06.02.2015 | Market Purchase | 1,63,599 | 0.99 | 1,05,86,609 | 64.02 |
| | 20.03.2015 | Market Purchase | 44,357 | 0.27 | 1,06,30,966 | 64.29 |
| | 27.03.2015 | Market Purchase | 1,45,432 | 0.88 | 1,07,76,398 | 65.17 |
| | 30.03.2015 | Market Purchase | 1,02,436 | 0.62 | 1,08,78,834 | 65.79 |
| | 31.03.2015 | Market Purchase | 62,020 | 0.37 | 1,09,40,854 | 66,16 |
| 5 | Swallow Associates LLP | | | | | |
| | 03.09.2014 | Market Purchase | 4,116 | 0.03 | 1,09,44,970 | 66.19 |
| | **At the End of the year** | | **1,09,44,970** | **66.19** | **1,09,44,970** | **66.19** |

* Trustee of Nucleus Life Trust

**IV. Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

| Sr. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Shareholding at the end of the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | Mentor Capital Limited | 4,56,681 | 2.76 | 3,61,760 | 2.19 |
| 2 | Neville Jijibhoy Mistry | 1,52,000 | 0.92 | 1,52,000 | 0.92 |
| 3 | Life Insurance Corporation of India | 2,89,979 | 1.75 | 1,39,979 | 0.85 |
| 4 | Bhupinder Kaur | 30,915 | 0.18 | 1,10,057 | 0.67 |
| 5 | Paramjeet Singh | 21,526 | 0.13 | 1,09,721 | 0.66 |
| 6 | PAT Financial Consultants Pvt. Ltd. | - | - | 64,261 | 0.39 |
| 7 | Manoj J Bagadia | 79,928 | 0.48 | 58,500 | 0.35 |
| 8 | Euro Asia Equitech (India) Limited | 55,960 | 0.34 | 55,960 | 0.34 |
| 9 | Bharat Jayantilal Patel | 91,313 | 0.55 | 54,647 | 0.33 |
| 10 | Ambika Anil Raika | - | - | 50,000 | 0.30 |

**Notes:**

1. In case of joint holding the name of first holder has been considered.
2. The shares of the Company are traded on daily basis by the top ten shareholders and hence the date wise increase/decrease in the shareholding is on consolidated basis.
3. The shareholding details are given on the legal ownership and not beneficial ownership.

**V. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

| Sr. No. | For Each of the Directors and KMP | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|
| | | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| | **Shareholding of Directors :** | | | | | |
| | At the beginning of the year | | - | - | - | - |
| **1** | **H.V. Goenka, Chairman** | | | | | |
| | 30.06.2014 | Market Purchase | 26,913 | 0.16 | 26,913 | 0.16 |
| | At the End of the year | | 26,913 | 0.16 | 26,913 | 0.16 |
| | **Shareholding of KMP:** | | | | | |
| **1** | **Sachin Raole, Chief Financial Officer** | | 1 | 0.00 | 1 | 0.00 |
| **2** | **Rajesh Shirambekar, Company Secretary** | | 25 | 0.00 | 25 | 0.00 |
| | At the End of the year | | 26 | 0.00 | 26 | 0.00 |

**Notes:**

1. Apart from above no other Director and KMP holds any shares at the beginning and end of the financial year 2014-15 in the Company.
2. Further apart from above there was no increase/decrease in shareholding of any other Director and KMP.

**VI. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(₹ in lakhs)

| | Secured Loans excluding deposits | Unsecured loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the Financial year** | | | | |
| i. Principal Amount | 1,435 | 16 | - | 1,451 |
| ii. Interest due but not paid | - | - | - | - |
| iii. Interest accrued but not due | - | - | - | - |
| **Total (i+ii+iii)** | 1,435 | 16 | - | 1,451 |

(₹ in lakhs)

| | Secured Loans excluding deposits | Unsecured loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Change in Indebtedness during the Financial year** | | | | |
| • Addition | - | - | - | - |
| • Reduction | 1,854 | 21 | - | 1,875 |
| **Net Changes** | **-** | **-** | **-** | **-** |
| **Indebtedness at the end of the Financial year** | | | | |
| i. Principal Amount | 3,289 | 37 | - | 3,326 |
| ii. Interest due but not paid | - | - | - | - |
| iii. Interest accrued but not paid | - | - | - | - |
| **Total (i +ii +iii)** | **3,289** | **37** | **-** | **3,326** |

**VII. REMUNERATION OF DIRECTORS AND KEY MANEGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole- time Directors and/or Manager**

(Amount in ₹)

| Sr. No. | Particulars of Remuneration | Name of Managing Director: Mr. CT. Renganathan* | Total Amount |
|---|---|---|---|
| 1 | Gross Salary | | |
| | a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 54,49,253 | 54,49,253 |
| | b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 6,41,290 | 6,41,290 |
| | c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - |
| 2 | Stock Option | - | - |
| 3 | Sweat Equity | - | - |
| 4 | Commission | | |
| | • As % of profit | - | - |
| | • Others, specify | - | - |
| 5 | Other please specify | - | - |
| | **Total (A)** | **60,90,543** | **60,90,543** |
| | Ceiling as per the Act | 30,00,000 | 30,00,000 |

* Remuneration paid is from January 2, 2015 to March 31, 2015.

**B. Remuneration to other Directors**

| Sr. No. | Particulars of Remuneration | Name of Director | | | | | | | | | Total (₹) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | C. L. Jain | Dr. Lalit S. Kanodia | Mahesh Gupta | Manoj Maheshwari | P. K. Mohapatra | Naredra Ambwani | Neera Saggi | H. V. Goenka | Sachin Nandgaonkar | |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | |
| 1. | Independent Directors | | | | | | | | | | |
| | - Fee for attending board / committee meetings | 1,70,000 | 1,00,000 | 1,30,000 | 30,000 | 1,90,000 | 90,000 | 60,000 | - | - | 7,70,000 |
| | - Commission | - | - | - | - | - | - | - | - | - | - |
| | - Others | - | - | - | - | - | - | - | - | - | - |
| | **Total (1)** | **1,70,000** | **1,00,000** | **1,30,000** | **30,000** | **1,90,000** | **90,000** | **60,000** | **-** | **-** | **7,70,000** |
| 2. | Other Non-Executive Directors | | | | | | | | | | |
| | - Fee for attending board / committee meetings | - | - | - | - | - | - | - | - | 30,000 | 1,40,000 |
| | - Commission | - | - | - | - | - | - | - | - | - | - |
| | - Others | - | - | - | - | - | - | - | - | - | - |
| | **Total (2)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **1,10,000** | **30,000** | **1,40,000** |
| | **Total (B)= (1+2)** | **1,70,000** | **1,00,000** | **1,30,000** | **30,000** | **1,90,000** | **90,000** | **60,000** | **1,10,000** | **30,000** | **9,10,000** |
| | | | | | | | | | | **Total Managerial Remuneration** | **9,10,000** |
| | | | | | | | | | | **Overall Ceiling as per the Act ₹1 lakh per meeting** | |

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(Amount in ₹)

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---|---|---|---|---|
| | | CFO | Company Secretary | Total |
| 1 | Gross Salary | | | |
| | a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 64,98,747 | 28,28,561 | 93,27,308 |
| | b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 2,01,446 | 10,800 | 2,12,246 |
| | c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - |

(Amount in ₹)

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---|---|---|---|---|
| | | CFO | Company Secretary | Total |
| 2 | Stock Option | No new stock options were granted during the year under review | No new stock options were granted during the year under review | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | | | |
| | • As % of profit | - | - | - |
| | • Others, specify | - | - | - |
| 5 | Other please specify | - | - | - |
| | **Total (A)** | **67,00,193** | **28,39,361** | **95,39,554** |
| | Ceiling as per the Act | - | - | - |

**VIII.PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

| Type | Section of the companies Act | Brief Description | Details of penalty/ punishment/ Compounding fees imposed | Authority [RD/ NCLT/COURT] | Appeal made, if any(give Details) |
|---|---|---|---|---|---|
| A. | Company | | | | |
| B. | Directors | | | | |
| C. | Other officers in Default | | | | |
| Penalty/ Punishment/ Compounding | NIL | NIL | NIL | NIL | NIL |

## Annexure 'B' to the Directors' Report

### NOMINATION AND REMUNERATION POLICY

**1. Introduction:**

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and the Listing Agreement in order to pay equitable remuneration to Directors, Key Managerial Personnel and other employees of the Company.

**2. Objective:**

I. Formulate the criteria for determining qualifications, positive attributes and independence for appointment of a Director (Executive/Non-Executive) and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

II. To formulate the criteria for performance evaluation of all Directors.

III. Formulate Board diversity policy.

**3. Constitution of the Nomination and Remuneration Committee:**

The Board has constituted the Nomination and Remuneration Committee (NRC) on April 30, 2014 as per Companies Act, 2013.

**4. Definitions:**

"Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

"Board" means Board of Directors of the Company.

"Company" means RPG Life Sciences Limited

"Directors" means Directors of the Company.

"Independent Director" (ID) means a Director referred to in Section 149 (6) of the Companies Act, 2013 and Rules made thereunder.

**"Key Managerial Personnel" (KMP) means**

1) Chief Executive Officer or the Managing Director or the Manager; and in their absence, a Whole time Director;

2) Chief Financial Officer; and

3) Company Secretary

"Senior Management Personnel" (SMP) means the employees of the company who are directly reporting to the Managing Director/Chief Executive Officer.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

**5. Matters to be dealt with and recommended by NRC to the Board**

The following matters shall be dealt by the Committee:

**a) Directors**

Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, when circumstances warrants the appointment of a new Director, having regard to the variety of skills, experience and expertise on the Board and who will best complement the Board.

**b) Evaluation of performance**

Making recommendations to the Board on appropriate criteria for evaluation of Directors' performance. Identifying familiarization and training programs for the Board to ensure that Non- Executive Directors are provided adequate information regarding the operations of the business, the industry and their duties and legal responsibilities.

**c) Board diversity**

NRC is to assist the Board in ensuring Board nomination process with diversity of gender, thought, experience, knowledge and perspective in the Board in accordance with the Board diversity.

**d) Remuneration framework and policies**

NRC is responsible for reviewing and making recommending to the Board on the following:

i. The remuneration of MD/CEO and KMPs.

ii. Remuneration of Non-Executive Directors and Chairman.

iii. Remuneration Policy for all employees including KMPs and SMPs which requires to take note of need to:

a. Attract and motivate talent to accomplish Company's long term growth plans.

b. Demonstrate a clear link between executive compensation and performance.

**e) Company's stock option schemes.**

**6. Policy for appointment and retirement or removal of Director, KMP and SMP:**

**A. Appointment criteria and qualifications**

NRC shall identity person and criteria for the qualification, expertise and experience of the person for appointment as Director, KMP or SMP and recommend to the Board his/her appointment.

**B. Retirement**

The Director, KMP and SMP shall retire as per the provisions of the applicable Act, and the prevailing

policy of the Company. On the recommendation of the NRC, the Board if it considers it to be in the Company's interest, shall have the discretion to retain the Director, KMP and SMP even after attaining the retirement age.

**C. Removal**

In case any Director or KMP incurs any disqualification as provided under the Act or Rules made thereunder, or is in breach of Code of Governance and Ethics adopted by the Company, the NRC may recommend to the Board removal of such Director or KMP.

**7. Policy for remuneration to Directors, KMP, SMP**

**MD/CEO:**

Remuneration to the MD/CEO shall be proposed by the NRC and subsequently approved by the Board of Directors and the shareholders of the Company, whenever required.

**NEDs:**

i. NEDs shall be entitled to sitting fees as may be decided by the Board of Directors from time to time for attending the meeting of the Board and sub Committees of the Board.

ii. Commission as may be recommended by NRC and subsequently approved by the Board of Directors and shareholders whenever required.

iii. The NEDs shall be eligible for remuneration of such professional services rendered if in the opinion of the NRC, the NED possesses the requisite qualification for rendering such professional services.

**KMPs & SMPs:**

The remuneration to be paid to the KMPs and SMPs, shall be recommended by the NRC considering relevant qualification and experience of the individual as well as the prevailing market condition. The remuneration shall be combination of fixed and variable pay.

**8.** NRC may consider granting Stock Options to MD/CEO, KMPs, SMPs and other employees pursuant to any Stock Option Plan adopted by the Company.

**9. General:**

This policy is framed based on the provisions of the Companies Act, 2013 and Rules thereunder and the requirements of Clause 49 of the Listing Agreement with Stock Exchanges. In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other Regulations which makes any of the provisions in the policy inconsistent with the Act or Regulations, then the provisions of the Act or Regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

## Annexure 'C' to the Directors' Report

**Pursuant to the Rule 8(3) of the Companies (Accounts) Rules, 2014.**

**A. Conservation of Energy:**

**(a)(i) Energy Conservation measures taken during the year:**

Multiple energy conservation measures were taken across all manufacturing facilities such as strong vigilance, employee awareness and energy waste.

**The significant energy conversation measures taken during the year:**

I. Replacement of Heat exchangers by high efficiency graphite condensers in API plant.

II. Replacement of ML Light fittings by PL lights of schedule M area in API plant.

III. Installation of VFD's on Motors.

IV. Installation of Heat Exchanger on Vacuum pumps for water circulation tank.

V. Installation of Watmizer in HVAC System.

VI. Installation of LED in formulation plants.

VII. Cooling water supply to fermentation plant by 3 HP pump instead of 10 HP pump.

**(ii) Impact of measures mentioned above for energy conservation and consequent impact on cost of production of goods during the year:**

The energy conservation measures undertaken during the year contributed to reduction in the cost of production by approximately ₹ 24.45 lakhs.

**(b) Measures taken for utilizing alternate sources of energy:**

During the year, as a measure for utilizing alternate sources of energy, the Company made use of Piped Natural Gas (PNG) in place of Furnace Oil at plants.

**(c) Capital investment on energy conservation equipments:**

Various energy conservation equipments were added to the production facilities across all Plant locations with approximate cost of ₹15 lakhs.

**B. TECHNOLOGY ABSORPTION:**

**1. Efforts made towards technology absorption:**

Research and Development Department carries out research mainly in the following three areas:

a. Chemical Research and Development – Process development of Active Pharmaceutical Ingredients (APIs) and their intermediates using non-infringing synthetic routes. Process optimization to reduce costs and to meet current quality requirements.

b. Formulation Development – Development of solid dosage forms (tablets, capsules) for markets of India, EU and rest of the world. Process excellence projects aimed at meeting current quality requirements.

c. Fermentation Research and Development – Process optimization work for fermentation based APIs. Strain and titer improvement with focus on enhancement in yield and quality.

**2. Benefits derived like product improvement, cost reduction, product development or import substitution as a result of above:**

During the year pivotal bioequivalence study was successfully completed on an immunosuppressant drug product developed by the formulations department. The product can be launched in Rest of the World (RoW) countries, European, New Zealand, Australia and South Africa markets. Laboratory scale development work was completed for a drug product used in treatment of hyponatremia. A novel formulation was developed for a drug used for motion sickness.

The chemical R&D supports two businesses of the Company viz. Active Pharmaceutical Ingredient (API) and Global Generics. During the year, Technology for an antihypertensive drug was transferred to plant, a non- infringing process was developed for antihyperparathyroid drug and process improvement was done for anti-amoebic drug to meet current Pharmacopoeial requirements. One US patent was filed for novel process of manufacturing hyponatremia drug. In the area of fermentation research, a high yielding resistant strain for an anticancer drug was developed in the laboratory.

**3. In case of imported technology:**

No new technologies have been imported during the year 2014-2015.

**4. Expenditure incurred on Research & Development:**

| | Item | (₹ in Lakhs) |
|---|---|---|
| (a) | Capital | 96 |
| (b) | Recurring | 885 |
| (c) | Total | 981 |
| (d) | Total R & D expenditure as a percentage of total turnover | 4.05% |

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the year under review, Foreign Exchange earned in terms of actual inflows was ₹ 7,180 lakhs and the Foreign Exchange outgo in terms of actual outflow was ₹ 1,650 lakhs.

## Annexure 'D' to the Directors' Report

**FORM No. MR-3**

**Secretarial Audit Report**
**For the Financial Year ended 31St March, 2015**

**(Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)**

**To,**

**The Members,**

**RPG LIFE SCIENCES LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by RPG Life Sciences Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the RPG Life Sciences Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by RPG Life Sciences Limited for the financial year ended on 31st March, 2015 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(vi) Other laws as are applicable to the Company as per representations made by the Company.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with respect to general and board meetings of The Institute of Company Secretaries of India are yet to be specified under the Act by the Institute.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review and subject to the explanations and clarifications given to us and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the following observations:

a) The Form No. MR-1 for the appointment of CEO (KMP of the Company) with effect from 1st October, 2014 as required under Section 203 of the Act read with Rule 3 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 was filed by the Company on 9th April, 2015.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that as represented by the Company and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For Parikh Parekh & Associates
Company Secretaries

Place: Mumbai — Mitesh Dhabliwala
Date: 29.04.2015 — ACS:24539 CP:9511

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

## 'Annexure A to the Secretarial Audit Report'

**To,**

**The Members**

**RPG Life Sciences Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh Parekh & Associates
Company Secretaries

Place: Mumbai — Mitesh Dhabliwala
Date: 29.04.2015 — ACS:24539 CP:9511

## Annexure 'E' to the Directors' Report

**THE DISCLOSURES IN COMPLIANCE WITH CLAUSE 12 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (EMPLOYEES STOCK OPTION SCHEME AND EMPLOYEES STOCK PURCHASE SCHEME) GUIDELINES, 1999 READ WITH CLAUSE 14 SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014.**

| Sr. No | Description | |
|---|---|---|
| 1 | Name of the Scheme | 2005 Employees Stock Option Plan [ESOP 2005] |
| 2 | Total number of options to be granted under the plan | 2,50,000 |
| 3 | Options Granted during the year | Nil |
| 4 | Pricing formula | The Nomination and Remuneration Committee decides exercise price for the Stock Options based on the market price ie. the closing price on the Stock Exchange where trading volume is more on the previous day of the Compensation Committee Meeting held for granting of Stock Options. Compensation Committee may determine the Exercise Price at a premium or discount of a maximum of 20% on the market price. |
| 5 | Options vested as of 31st March 2015 | 10,878 |
| 6 | Options exercised during the year | 864 |
| 7 | Total number of shares arising as a result of exercise of options till 31st March 2015 | 864 |
| 8 | Options lapsed / cancelled during the year1 | Nil |
| 9 | Variation of terms of options | Nil |
| 10 | Money realized by exercise of options during the year. | ₹ 27,700 |
| 11 | Total number of options in force at the end of the year | 10,014 |
| 12 | Employee-wise details of Stock Options granted to Senior Managerial Personnel as on 31st March 2015. | Ajit Chouhan Singh - 6,240<br>Sachin Raole - 2,910<br>P. K. Chatopadhaya - 864 |
| 13 | Employees who were granted options amounting to 5% or more of the options granted during the year. | Nil |
| 14 | Employees who were granted options in any one year equal to or exceeding 1% of the issued capital of the Company at the time of grant. | Nil |
| 15 | Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS 20) | ₹ 0.60 |
| 16 | Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and EPS of the company shall also be disclosed. | The Company calculates the Employee Compensation Cost using the intrinsic value of the Stock Options. The difference between the Employee Compensation Cost computed as per Intrinsic Value method and Fair Value Method is Rs Nil for the year, Fair Value being higher than Intrinsic Value. The impact on Profits and EPS is Re. Nil and Re. Nil respectively. |
| 17 | Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock on the grant date | Weighted average exercise price of the options is ₹ 95.30 Weighted average fair value of the options is ₹ 41.34. |
| 18 | Description of the method and significant assumptions used during the year to estimate the fair values of options: | The Company has used the Black Scholes Model for estimating the Fair Value of the options. The Company has applied the following assumptions while computing the fair value:<br>1. Risk-free interest rate : 8.08%<br>2. Expected life : 8 years<br>3. Weighted average of expected volatility : 47.98%<br>4. Expected dividends : 3.50%<br>5. The weighted average price of the underlying share in market at the time of option grant: ₹ 90.28 |

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

**1) Industry structure and developments**

The Indian healthcare industry has evolved rapidly from being a product centric industry to a service driven sector, with delivery and medical insurance segments gaining prominence. India's pharmaceutical industry has been ranked 3rd in terms of volume and 10th in terms of value, globally.

Optimistic estimates predict India's pharmaceutical sector to touch US$ 55 billion in sales by 2020. The Indian pharmaceutical market is expected to grow at a Compounded Annual Growth Rate (CAGR) of 14%. India is now among the top five emerging pharmaceutical markets.

Driven by increasing sales of generic medicines, continued growth in chronic therapies and a greater penetration in rural markets, the domestic formulation market in India is expected to register a growth of about 10% to 11% next year. In FY 15, it clocked a growth of 12.90%.

In FY 15, 108 Cardiovascular & Anti-Diabetic Formulations were brought under Price Control in addition to the 652 formulations brought earlier in the year. New Drug Approval Committee's (NDAC) stringent control on combination drugs, delays in clinical trial approvals, uncertainties over the FDI policy, the new pharmaceutical pricing policy, a uniform code for sales and marketing practices, compulsory licensing for the domestic pharmaceutical market, regulatory challenges, etc. are some of the challenges which the Indian Formulation business is grappling with.

**2) Opportunities and Threats**

Indian pharmaceutical industry has seen gradual increase in government healthcare expenditure & expansion of the private hospital sector. Government initiatives such as allowing 100% foreign direct investment in health and medical services will benefit the industry. Indian government plans to increase health expenditure to 2.50% of gross domestic product by the end of the 12th Five-Year Plan (2012-17), which will give the sector a further boost.

Several socio-economic factors, including increasing sales of generic medicines, continued growth in chronic therapies and a greater penetration in rural markets will contribute majorly to the growth of the Indian pharmaceutical market. Other contributing factors for growth are heightened health awareness, increasing affluence, changing lifestyles resulting in higher incidence of lifestyle diseases and a nascent, yet fast growing health insurance industry. In addition, low cost of production and R&D boosts the efficiency of Indian pharmaceutical companies.

NLEM (National List of Essential Medicines) announced in 2014, resulted in 108 Cardiovascular System (CVS) & Anti-Diabetic Formulations coming under price control, while in 2013, 652 Formulations came under price control, thus slowing down growth in revenues. The NLEM medicines are subject to price control and this reduced average price realisations for major pharma players who were commanding a huge premium otherwise. At present, about 7% of the Indian market is under price control. Some well-established combinations which have been in the market for some time, got phased out due to NDAC's notification declaring some Food, Drug & Cosmetic (FDCs) as irrational combinations. Also, gestation period for new product launch have become longer due to increasingly stringent norms by regulators in the conduct of clinical trials and the data thereof.

The industry growth is largely driven by chronic disease segments viz. cardiovascular, diabetes, cancer and is largely influenced by changing lifestyles. Intense price pressure in semi-regulated markets, emergence of new local players affecting the branded generic prices, delay in approval of manufacturing facilities by regulated authorities and increased regulatory intervention in price fixation for domestic formulations are threats which the Company faces.

**3) Segment wise performance**

The Company is exclusively engaged in pharmaceutical business and operates across segments ranging from Global Formulations and Active Pharmaceutical Ingredients (API) to Global Generics and Biotech.

Global Formulation division business catering to domestic market and rest of the world (RoW) market achieved sales of ₹ 157.16 crores registering a growth of 6% year-on-year. The Company has strengthened its presence in the market by leveraging the existing brands to get newer products launched. The Company also took a host of other initiatives such as increasing the in-clinic effectiveness of the field force through extensive scientific training, emphasis on focus brands and innovative promotional strategies. These initiatives are expected to reap benefits in the current year too. In the RoW market, the revenues grew by 8%, where the emphasis has been export of immunosuppressant

products to African, Myanmar and SAARC markets. Focus in the current year will be to enter new geographies and strengthening the immunosuppressant basket of products.

The Bulk Drug business achieved net sales of ₹ 36.72 crores with a growth of 3% year-on-year. This growth was primarily driven by the Company entering new geographies. The Biotech business grew by 8% to reach a turnover of ₹ 23.14 crores in FY 15, while the Global Generics business achieved net sales of ₹ 16.17 crores by strengthening relationships with key clients. Your Company expects to increase the footprint of its flagship product Azathioprine Tablets in all strengths by launching in European countries.

**4) Outlook**

The growth estimate for the domestic Formulation Industry is pegged at 10%. In comparison to the Industry growth prediction, the Company has taken a growth target of 11% for products promoted through trade channels. In light of the initiatives detailed above, the outlook of the business looks positive.

**5) Risks and Concerns**

Some of the key brands of your Company are under DPCO. The regulatory environment across the globe is becoming more and more stringent, and this makes entry into new geographies more challenging.

**6) Internal Control Systems and their adequacy**

The Company has set up internal control procedures commensurate with its size and nature of the business. These business procedures ensure optimum use and protection of the resources and compliance with the policies, procedures and statutes. The internal control systems provide for well-defined policies, guidelines and authorizations and approval procedures. The prime objective of such audits is to test the adequacy and effectiveness of the internal controls laid down by management and to suggest improvements.

**7) Financial performance with respect to operational performance**

The total income during the year stood at ₹ 243.18 crores, while Profit After Tax (PAT) stood at ₹ 1 crore.

**8) Material developments in human resources/ industrial front**

Your Company has won the prestigious Indian Drugs Manufacturers Association (IDMA) "Quality Excellence" award 2014 in the Gold Category for its API Plant at Navi Mumbai. Your Company has received Korean FDA certification for Epirubicin. The Biotech plant of Ankleshwar has received WHO certification.

Your Company firmly believes that people are its most valued resource and their efficiency plays a key role in achieving defined goals and building a competitive work environment. In its pursuit to attract, retain and develop best available talents, several programmes are regularly conducted at various levels across the Company. Employee relations continued to be cordial and harmonious across all levels and all the units of the Company.

***Cautionary Statement***

*Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic developments within the country, demand and supply conditions in the industry, input prices, changes in Government regulations and tax laws.*

# CORPORATE GOVERNANCE REPORT

**1. Company's Philosophy**

The Company lays emphasis on the values of fairness, transparency and accountability for performance at all levels, thereby enhancing the shareholders' value and protecting the interest of the stakeholders. During the year, the Company continued its pursuit of achieving these objectives through adoption and monitoring of prudent business plans, monitoring of major risks to the Company's business and pursuing policies and procedures to satisfy its commercial, social, legal and ethical responsibilities. These practices endeavor to attain a balance between enhancement of stakeholder value, achievement of financial objective and corporate social responsibility.

**2. Board of Directors**

The responsibilities of the Board include formulation of policies, new initiatives, performance review and control. The Board has constituted Committees and delegated powers for different functional areas. The Board as well as its Committees meet at periodic intervals. The strength of the Board is ten directors. Mr. H. V. Goenka is a Non Executive Chairman of the Board. Mr. CT. Renganathan is the Managing Director. The composition of the Board meets the requirement of the listing agreement.

**3. Board / Committee meetings and proceedings**

**3.1 Scheduling and selection of agenda items**

All Board/ Committee members are given notice of the meetings in advance. The meetings are governed by a structured agenda. The agenda along with the explanatory notes are distributed well in advance.

**3.2 Availability of information to the Shareholders**

All items in the agenda are supported by detailed background information to enable the Shareholders to take informed decisions.

**3.3 Recording minutes of the proceedings**

Minutes of the proceedings of each Board/ Committee meetings are recorded. Draft minutes are circulated amongst all Directors for their comments. The minutes of the proceedings of the meetings are entered in the minutes book.

**3.4 Follow up mechanism**

The Company has an effective mechanism for post meeting follow-up, review and reporting process for the actions taken on decisions of the Board and Committees.

**3.5 Compliance**

The Board periodically reviews the compliance reports to ensure adherence to all applicable provisions of law, rules and guidelines.

**3.6 Board Meetings**

During the financial year, four meetings of the Board of Directors were held on April 30, 2014, July 24, 2014, October 20, 2014 and January 23, 2015.

**3.7** The composition, nature of directorship, number of meetings attended and their directorship in other public companies of the Board of Directors as on March 31, 2015 are as under:

| Name | Category | No. of Board meetings held | No. of Board meetings attended | Whether attended last AGM held on 25.09.2014 | No. of directorship in other public limited companies | Committee positions in other companies [1] | |
|---|---|---|---|---|---|---|---|
| | | | | | | Chairman | Member |
| Mr. H. V. Goenka Chairman | Non-Executive & Non - Independent | 4 | 4 | Yes | 6 | - | - |
| Mr. C.L. Jain | Non-Executive & Independent | 4 | 3 | Yes | 3 | 1 | 2 |
| Dr. Lalit S. Kanodia | Non-Executive & Independent | 4 | 3 | Yes | 6 | - | - |
| Mr. Mahesh S. Gupta | Non-Executive & Independent | 4 | 3 | Yes | 4 | 2 | 2 |
| Mr. Manoj Maheshwari | Non-Executive & Independent | 4 | 1 | Yes | 3 | 2 | 1 |
| Mr. P.K. Mohapatra | Non-Executive & Independent | 4 | 4 | Yes | 6 | 1 | 4 |
| Mr. R. A. Shah[2] Alternate Director | Non-Executive & Independent | 4 | 2 | No | N.A. | N.A. | N.A. |
| Mr. C. Vinayaraghavan[4] | Non-Executive | 4 | NIL[2] | No | N.A. | N.A. | N.A. |
| Mr. Ajit Singh Chouhan[3] | Non-Executive | 4 | 2 | Yes | N.A. | N.A. | N.A. |
| Mr. Narendra Ambwani[5] | Non-Executive & Independent | 4 | 3 | Yes | 4 | - | 2 |
| Ms. Neera Saggi[6] | Non-Executive & Independent | 4 | 2 | N.A. | 9 | - | 9 |
| Mr. CT. Renganathan[7] Managing Director | Executive | 4 | 1 | N.A. | - | - | - |
| Mr. Sachin Nandgaonkar[8] | Non-Executive & Non - Independent | 4 | 1 | N.A. | 2 | - | - |

1. Only Audit Committee and Stakeholder's Relationship Committee positions are considered.
2. Mr. R.A. Shah was an Alternate Director to Mr. C. Vinayaraghavan and resigned from the Directorship of the Company, w.e.f. September 30, 2014.
3. Mr. Ajit Singh Chouhan resigned as Managing Director w.e.f. September 30, 2014 and from the Directorship of the Company, w.e.f. January 2, 2015.
4. Mr. C. Vinayaraghavan resigned from the Directorship of the Company, w.e.f. January 2, 2015.
5. Mr. Narendra Ambwani has been appointed as an Independent Director on the Board of the Company w.e.f. July 24, 2014.
6. Ms. Neera Saggi has been appointed as an Independent Director on the Board of the Company w.e.f. October 20, 2014.
7. Mr. CT. Renganathan has been appointed as a Director and as a Managing Director on the Board of the Company w.e.f. January 2, 2015.
8. Mr. Sachin Nandgaonkar has been appointed as a Non- Executive Director on the Board of the Company w.e.f. January 23, 2015.

**3.8 Separate Meeting of Independent Directors**

In compliance with Clause 49 II(B) of Listing Agreement entered into with Stock Exchanges, a separate meeting of the Independent Directors of the Company was held on February 14, 2015 for reviewing the performance of Non-Independent Directors, Board as a whole, the Chairperson of the Company as well as for assessing the quality, quantity and timeliness of flow of information between the Company management and the Board. Majority of Independent Directors were present at the meeting.

**4. Audit Committee**

The Audit Committee consists of three Independent and Non-Executive Directors, namely, Mr. C. L. Jain, Mr. Mahesh S. Gupta and Mr. P. K. Mohapatra and the Managing Director, Mr. CT. Rengnathan. Mr. C. L. Jain is the Chairman of the Audit Committee.

The composition of the Audit Committee complies with the requirements laid down in Clause 49 of the listing agreement with the stock exchanges. The terms of reference and powers of the Audit Committee are those prescribed under Clause 49 of the listing agreement as well as Section 177 of the Companies Act, 2013.

The Chief Financial Officer, Statutory Auditors and Internal Auditors are invitees to the Audit Committee meetings. The Company Secretary acts as Secretary to the Audit Committee.

During the financial year, four meetings of the Audit Committee were held on April 30, 2014, July 23, 2014, October 20, 2014 and January 23, 2015.

Attendance of Directors at the Audit Committee Meetings held during the financial year is as under:

| Name of the Director | No. of meetings attended |
|---|---|
| Mr. C. L. Jain | 4 |
| Mr. Mahesh S. Gupta | 3 |
| Mr. P. K. Mohapatra | 4 |

**5. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee consists of three Independent and Non-Executive Directors, namely, Mr. C. L. Jain, Dr. Lalit S. Kanodia and Mr. P. K. Mohapatra and one Non-Executive Director, namely, Mr. Sachin Nandgaonakar. Mr. C. L. Jain is the Chairman of the Committee.

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors. The role includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on Board diversity; identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal; and to administer and superintend the ESOP Scheme of the Company.

The composition of the Committee complies with the requirements laid down in Clause 49 of the listing agreement with the stock exchanges. The terms of reference and powers of the Committee are those prescribed under Clause 49 of the listing agreement as well as Section 178 of the Companies Act, 2013.

During the financial year, three meetings of the Nomination and Remuneration Committee were held on July 23, 2014, October 20, 2014 and January 23, 2015.

Attendance of Directors at the Nomination and Remuneration Committee Meetings held during the financial year is as under:

| Name of the Director | No. of meetings attended |
|---|---|
| Mr. C. L. Jain | 3 |
| Dr. Lalit S. Kanodia | 2 |
| Mr. P. K. Mohapatra | 3 |

**6. Remuneration of Directors**

**(i) Non-Executive Directors**

The Non-Executive Directors at present are only paid sitting fees for attending meetings of the Board and Committee(s) thereof. Each Non-Executive Director is paid a sitting fee of ₹ 30,000/- per Board Meeting, ₹15,000/- per Audit Committee and ₹ 10,000/- per Nomination and Remuneration Committee Meeting. Keeping in view industry practices, the Board, unanimously decides the amount of sitting fees to be paid from time to time.

Details of remuneration of the Directors during the financial year 2014-15 are as under:

| Name of the Director | Sitting Fees (₹) |
|---|---|
| Mr. H. V. Goenka | 1,10,000 |
| Mr. C. L. Jain | 1,70,000 |
| Dr. Lalit S. Kanodia | 1,00,000 |
| Mr. Mahesh S. Gupta | 1,30,000 |
| Mr. Manoj Maheshwari | 30,000 |
| Mr. P. K. Mohapatra | 1,90,000 |
| Mr. R. A. Shah | 50,000 |
| Mr. Narendra Ambwani | 90,000 |
| Ms. Neera Saggi | 60,000 |
| Mr. Sachin Nandgaonkar | 30,000 |

Mr. H. V. Goenka holds 26,913 equity shares of the Company in his individual capacity and 7,32,115 equity shares as a Trustee of Nucleus Life Trust. None of the other Non-Executive Directors hold any equity shares in the Company.

**(ii) Executive Director**

Remuneration of Executive Directors is decided by the Board based on the recommendation of the Nomination and Remuneration Committee within the ceiling fixed by the Shareholders.

The elements of remuneration paid to Mr. Ajit Singh Chouhan, former Managing Director and Mr. CT. Renganathan, Managing Director during the financial year 2014-15 are as under:

(₹ in lakhs)

| Name of the Director | Salary | Perquisites | Retrial Benefits |
|---|---|---|---|
| Mr. Ajit Singh Chouhan (from 01.04.2014 to 30.09.2014) | 135.51 | 18.04 | 41.02 |
| Mr. CT. Renganathan (from 02.01.2015 to 31.03.2015) | 54.49 | 6.41 | 3.52 |

All components of the above remuneration are fixed in nature. The Managing Director is also entitled to performance incentive that will be considered for payment during the current year. The above remuneration does not include provision for future liability for retrial benefit made based on actuarial valuation, which is done on overall Company basis.

**7. Risk Management Committee**

During the year, the Company has constituted a Risk Management Committee (RMC) comprising of three Directors, namely, Mr. C. L. Jain, Mr. CT. Renganathan and Mr. Sachin Nandgaonkar. Mr. C. L. Jain is the Chairman of the RMC.

The roles and responsibilities of the RMC are as prescribed under Clause 49 of the Listing Agreement, as amended from time to time, and includes monitoring and review of risk management plan and reporting the same to the Board of Directors periodically as it may deem fit, in addition to any other terms as may be referred by the Board of Directors, from time to time.

**8. Stakeholders Relationship Committee**

The Stakeholders Relationship Committee consists of four Directors, namely, Mr. Mahesh S. Gupta, Mr. P. K. Mohapatra, Mr. Narendra Ambwani and Mr. CT. Renganathan. Mr. Mahesh S. Gupta is the Chairman of the Stakeholders Relationship Committee.

The functioning and terms of reference of the Committee are as prescribed and in due compliance with the listing agreement with the stock exchanges as well as Section 178 of the Companies Act, 2013 and include reviewing existing investor redressal system, redressing of Shareholder complaints like delay in transfer of shares, non-receipt of declared dividend, etc.

During the financial year, four meetings of the Stakeholders Relationship Committee were held on April 30, 2014, July 23, 2014, October 20, 2014 and January 23, 2015.

Attendance of Directors at the Stakeholders Relationship Committee Meetings held during the financial year is as under:

| Name of the Director | No. of meetings attended |
|---|---|
| Mr. Mahesh S. Gupta | 3 |
| Mr. P. K. Mohapatra | 4 |
| Mr. Narendra Ambwani | 1 |

The Company Secretary is the Compliance Officer in terms of clause 47 of the listing agreement.

The Company's shares are tradable only in demat form. As regards transfer of shares in physical form, the Board of Directors has delegated the power to the Company Secretary in order to expedite share transfers.

Statement of the various complaints received and resolved by the Company during the year ended March 31, 2015 are as under:

| Sr. No. | Type of complaints | Number of Complaints | | |
|---|---|---|---|---|
| | | Received | Resolved | Pending |
| 1. | Non-receipt of dividend warrant. | 26 | 26 | 0 |
| 2. | Non-receipt of Annual Report. | 2 | 2 | 0 |
| | **Total** | **28** | **28** | **0** |

**9. General Body Meeting**

**a) The details of the last three Annual General Meetings are as under:**

| AGM for the period/ year ended | Venue | Date | Time | Special Resolutions passed |
|---|---|---|---|---|
| 5th AGM<br>March 31, 2012 | Ravindra Natya Mandir<br>P.L. Deshpande Maharashtra Kala Academy,<br>Sayani Road, Prabhadevi, Mumbai 400 025. | August 9, 2012 | 3.30 p.m | 2* |

| AGM for the period/ year ended | Venue | Date | Time | Special Resolutions passed |
|---|---|---|---|---|
| 6th AGM<br>March 31, 2013 | Ravindra Natya Mandir<br>P.L. Deshpande Maharashtra Kala Academy,<br>Sayani Road, Prabhadevi, Mumbai 400 025. | July 26, 2013 | 11.00 a.m | 1** |
| 7th AGM<br>March 31, 2014 | Ravindra Natya Mandir<br>P.L. Deshpande Maharashtra Kala Academy,<br>Sayani Road, Prabhadevi, Mumbai 400 025. | September 25, 2014 | 11.00 a.m | 3*** |

* The details of Special Resolution passed at the 5th AGM are as under:

1. Resolution for Partial modification of the resolution passed at the 5th AGM of the Company held on July 28, 2011 relating to the remuneration payable to Mr. Ajit Singh Chouhan, Managing Director of the Company.
2. Resolution for Alteration of Article 165 of the Articles of Association of the Company relating to Common Seal of the Company, its custody, use and execution.

** The details of Special Resolution passed at the 6th AGM is as under:

1. Resolution pursuant to Section 198, 269, 309, 310 and 311 read with Schedule XIII of the Companies Act, 1956 for re-appointment of Mr. Ajit Singh Chouhan as Managing Director of the Company.

*** The details of Special Resolution passed at the 7th AGM is as under:

1. Resolution pursuant to Section 196, 197, 198, read with Schedule V of the Companies Act, 2013 for payment of remuneration to Mr. Ajit Singh Chouhan as Managing Director of the Company.
2. Resolution pursuant to Section 180 (1)(c) of the Companies Act, 2013 for authority to obtain loans/ borrowings for the Company.
3. Resolution pursuant to Section 180 (1)(a) of the Companies Act, 2013 for creation of mortgage and/or charge on all or any of the movable and/or immovable properties of the Company.

**b) Passing of Resolutions by Postal Ballot:**

During the year 2014-15, the Company has obtained approval of it's Shareholders by passing following resolutions through Postal Ballot in accordance with the procedure prescribed in terms of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014. Ms. Jigyasa Ved of M/s. Parikh Parekh & Associates, Practicing Company Secretaries, was appointed as a Scrutinizer by the Board.

Details of the resolutions passed under the Postal Ballot are as under:

| Date of passing the Resolution | Purpose | Type of Resolution | Result | |
|---|---|---|---|---|
| | | | In favour | Against |
| March 19, 2015 | Appointment of Ms. Neera Saggi as an Independent Director | Ordinary Resolution | 99.99% | 0.01% |
| | Appointment of Mr. CT. Renganathan as a Director. | Ordinary Resolution | 99.98% | 0.02% |
| | Appointment of and payment of remuneration to Mr. CT. Renganathan as the Managing Director of the Company. | Special Resolution | 99.98% | 0.02% |

None of the items transacted at the last Annual General Meeting held on September 25, 2014 were required to be passed by postal ballot nor any resolution requiring a postal ballot is being proposed at the ensuing Annual General Meeting.

**10. Disclosures**

(i) The Company has not entered into any materially significant related party transaction that may have potential conflict with the interest of the Company at large. The Company has received disclosures from the Senior Management Personnel confirming that they have not entered into any financial or commercial transaction, which may have potential conflict with the interest of the Company. The policy on dealing with Related Party Transactions is posted on the Company's website www.rpglifesciences.com.

(ii) To the best of the Company's knowledge, there has neither been any incidence of non-compliance with laws governing capital market nor has any penalty or stricture been imposed on the Company by the Stock Exchanges, SEBI or any statutory authority on any matter related to capital market.

(iii) The Board of Directors has laid down the Code of Conduct for Board Members and Senior Management, which they are bound to observe in the course of conduct of business of the Company. The Code of Conduct has also been posted on the website of the Company. Each Director and Senior Management Personnel including all functional heads, to which the code has been made applicable, have affirmed their compliance with the Code. A declaration by Mr. CT. Renganathan, Managing Director, to this effect forms part of this report.

(iv) The Managing Director and Chief Financial Officer of the Company have submitted the certificate as required under Clause 49 (IX) of the listing agreement, to the Board of Directors.

(v) The Company has adopted a Whistle Blower Policy and confirms that no personnel was denied access to the Audit Committee.

(vi) The Company is in compliance with all the mandatory requirements of Clause 49 of the listing agreement. The status on adoption of non-mandatory requirement is set out in this report.

**11. Means of Communication**

The quarterly, half-yearly and annual results are published in 'The Free Press Journal' and 'Nav Shakti' newspapers. The financial results and official news releases are also available on the Company's website www.rpglifesciences.com.

**12. General Shareholder Information**

| | | |
|---|---|---|
| **(i)** | **AGM: Date, time and venue** | 8th Annual General Meeting on Tuesday, July 28, 2015 at 3.00 p.m. at Ravindra Natya Mandir, P.L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai 400 025. |
| **(ii)** | **Financial Year** | April 1 - March 31 |
| **(iii)** | **Date of Book Closure** | July 22, 2015 to July 28, 2015 (both days inclusive). |
| **(iv)** | **Dividend Payment Date** | The dividend recommended by the Board, if declared at the ensuing Annual General Meeting will be paid within 30 days from the date of declaration. |
| **(v)** | **Listing on Stock Exchanges** | The equity shares of the Company are listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The listing fees have been paid to both the Stock Exchanges for the financial year 2015-16. |
| **(vi)** | **Stock Code** | BSE - 532983 |
| | | NSE – RPGLIFE |
| (vii) | **ISIN Code** | INE105J01010 |

**(viii) Market Price Data**

| Month | BSE | | NSE | | SENSEX | |
|---|---|---|---|---|---|---|
| | High | Low | High | Low | High | Low |
| April 2014 | 76.65 | 60.00 | 76.40 | 59.60 | 22,939.31 | 22,197.51 |
| May | 81.00 | 65.00 | 81.00 | 66.00 | 25,375.63 | 22,277.04 |
| June | 118.00 | 74.00 | 117.95 | 73.30 | 25,725.12 | 24,270.20 |
| July | 122.05 | 93.00 | 121.80 | 91.40 | 26,300.17 | 24,892.00 |
| August | 106.00 | 86.10 | 105.45 | 86.00 | 26,674.38 | 25,232.82 |
| September | 134.40 | 97.65 | 134.35 | 98.80 | 27,354.99 | 26,220.49 |
| October | 125.95 | 95.25 | 126.50 | 92.00 | 27,894.32 | 25,910.77 |
| November | 100.85 | 89.50 | 102.05 | 89.45 | 28,822.37 | 27,739.56 |
| December | 102.00 | 78.55 | 102.00 | 81.35 | 28,809.64 | 26,469.42 |
| January 2015 | 107.10 | 85.05 | 107.10 | 85.20 | 29,844.16 | 26,776.12 |
| February | 132.20 | 98.60 | 132.00 | 98.05 | 29,560.32 | 28,044.49 |
| March | 144.80 | 103.20 | 169.00 | 101.85 | 30,024.74 | 27,868.21 |

**(ix) Registrar and Transfer Agents**

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078.
Tel No. (022) 2594 6970 | Fax No. (022) 2594 6969 | E-mail: rnt.helpdesk@linkintime.co.in
Contact Person: Ms. Udaya Rao

**(x) Grievance Redressal**

The investors may register their grievance on investorservices@rpgls.com, an exclusive E-mail ID for registration of complaints by the investors.

**(xi) Share Transfer System**

In order to expedite the process of share transfer, the Board of Directors has delegated the power of transfer of shares to the Company Secretary who considers and approves transfers every fifteen days.

**(xii) Distribution of Shareholding**

- The distribution of shareholding as on March 31, 2015 was as under:

| Nominal Value of Shareholding | No. of Shareholders | % of Shareholders | Share Amount (₹) | % of Share Amount |
|---|---|---|---|---|
| Upto 5000 | 12,172 | 91.93 | 1,35,19,464 | 10.22 |
| 5001 to 10000 | 494 | 3.73 | 36,50,952 | 2.76 |
| 10001 to 20000 | 278 | 2.10 | 41,59,696 | 3.15 |
| 20001 to 30000 | 97 | 0.73 | 23,77,840 | 1.80 |
| 30001 to 40000 | 81 | 0.61 | 28,57,024 | 2.16 |
| 40001 to 50000 | 27 | 0.20 | 12,22,224 | 0.92 |
| 50001 to 100000 | 47 | 0.36 | 32,47,096 | 2.45 |
| 100001 and above | 45 | 0.34 | 10,12,54,544 | 76.54 |
| **Total** | **13,241** | **100.00** | **13,22,88,840** | **100.00** |

- Shareholding Pattern as on March 31, 2015

| Category | No. of Shares | % |
|---|---|---|
| Promoters | 1,09,44,970 | 66.19 |
| Insurance Companies | 0 | 0.00 |
| Foreign Intuitional Investors | 5,500 | 0.03 |
| Mutual Funds/Banks | 1,43,454 | 0.87 |
| Non Resident Indians | 2,71,235 | 1.64 |
| Public | 51,70,946 | 31.27 |
| **Total:** | **1,65,36,105** | **100.00** |

**(xii) Dematerialization of Shares and Liquidity**

| Category | No. of Shares | % of shares | No. of Shareholders | % of Shareholders |
|---|---|---|---|---|
| Electronic Form | 1,61,01,968 | 97.37 | 9,818 | 74.16 |
| Physical Form | 4,34,137 | 2.63 | 3,421 | 25.84 |
| **Total:** | **1,65,36,105** | **100.00** | **13,239** | **100.00** |

**(xiii) Outstanding GDR/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity**

The Company has not issued any GDRs/ADRs. As of March 31, 2015, the Company does not have any outstanding convertible instruments, which are likely to have an impact on the equity of the Company.

**(xiv) Plant Locations**

| Bulk Drugs (Biotech) | Bulk Drugs (Synthetic) | Pharma Formulation |
|---|---|---|
| Plot No.2702/A, G.I.D.C. Industrial Estate , Ankleshwar 393 002, Dist.Bharuch (Gujarat). | 25, M.I.D.C Land, Thane-Belapur Road, Navi Mumbai 400 703, Maharashtra. | Plot No.3102/A, G.I.D.C. Industrial Estate, Ankleshwar 393 002, Dist.Bharuch (Gujarat). |

**(xv) Address for Correspondence**

Mr. Rajesh Shirambekar
Head – Legal & Company Secretary
25, M.I.D.C. Land,
Thane–Belapur Road,
Navi Mumbai 400 703,
Maharashtra.
Tel No. (022) 6795 5400/ 6795 5555
Fax No. (022) 2763 3269
Email: investorservices@rpgls.com

**(xvi) Non-Mandatory Requirements**

1. **The Board**

   The Chairman has not sought any reimbursement of expenses incurred for maintenance of his office or performance of his duties. The tenure of all Independent Directors on the Board is less than nine years. The Board ensures before appointment of Independent Directors that they have the requisite qualifications and experience that would be of use to the Company and would enable them to contribute effectively to the Company in their capacity as Independent Directors.

2. **Shareholders' Rights**

   The quarterly, half-yearly and annual financial results are published in the newspapers and also displayed on Company's website (www.rpglifesciences.com). In view of this, the Company does not send the financial results to the shareholders separately.

3. **Audit Qualification**

   The financial statements for the year ended March 31, 2015 are unqualified.

4. **Separate Posts of Chairman and Managing Director**

   The Company has separate persons to the post of Chairman and Managing Director.

5. **Reporting of Internal Auditor**

   The Internal Auditors presents the Internal Audit Report at the meeting of the Audit Committee every quarter.

## Declaration

I hereby declare that all the Directors and Senior Management Personnel including all functional heads of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended March 31, 2015.

**CT. Rengnathan**
**Managing Director**

Place: Mumbai
Date: April 29, 2015

---

## Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the listing agreement

To the Shareholders of

RPG Life Sciences Limited

I have examined the compliance of conditions of Corporate Governance by RPG Life Sciences Limited for the year ended March 31, 2015, as stipulated in Clause 49 of the listing agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

**For Vikram P. Gandhi**
**Practicing Company Secretary**

**Vikram Gandhi**
**Proprietor**
Membership No.: 2074
C.P. No.: 651

Place: Mumbai
Date: April 29, 2015

# INDEPENDENT AUDITORS' REPORT

**To the Members of RPG Life Sciences Limited**

**Report on the Financial Statements**

1. We have audited the accompanying financial statements of RPG Life Sciences Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, 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**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

**Emphasis of Matter**

9. We draw attention to Note 45(c) to the financial statements, regarding remuneration aggregating to ₹ 31 lakhs paid to the Managing Director of the Company for the financial year 2014-15, in excess of the limits prescribed under Section 197 of the Act, which is subject to the approval of the Central Government. The Company has taken necessary action in this regard and has made application to Central Government. Our opinion is not qualified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

10. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143(3) of the Act, we report that:
    (a) We have sought and 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
    (d) In our opinion, the financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
    (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
    (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

i. The Company does not have any pending litigations as at March 31, 2015 which would impact its financial position.

ii. The Company has long-term contracts including derivative contracts as at March 31, 2015 for which there were no material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015.

For **Lovelock & Lewes**
Firm Registration No. 301056E
Chartered Accountants

**Sumit Seth**
**Partner**
Membership No. 105869

Mumbai, 29th April, 2015

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of RPG Life Sciences Limited on the financial statements as of and for the year ended 31st March, 2015]

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

   (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

2. (a) The inventory has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.

   (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) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

3. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.

4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. The Company's operations do not involve sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.

5. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

6. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

   (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, wealth tax, customs duty, value added tax and cess which have not been deposited on account of any

dispute. The particulars of dues of sales tax, service tax and excise duty as at March 31, 2015 which have not been deposited on account of a dispute, are as follows:

| Name of the statute | Nature of dues | Amount ₹ in lakhs* | Period to which the amount relates | Forum where the dispute is pending |
|---|---|---|---|---|
| Local Sales Tax Acts and Central Sales Tax Act | Sales/Purchase tax including interest and penalty as applicable | 118 | Several demands pertaining to the period 1994-1995 and 1997-1998 to 2000-2001 | Appellate Authority – up to Commissioner's level |
| The Finance Act, 1994 | Service tax including interest and penalty as applicable | 237 | Several demands pertaining to the period April 2006 to June 2010 | Appellate Authority – up to Commissioner's level |
| The Central Excise Act, 1944 | Excise duty including interest and penalty as applicable | 42 | Several demands pertaining to the period 1994 to 1996 | Appellate Authority – up to Commissioner's level |
| | | 11 | Several demands pertaining to the period 1990 to 1994 and 1996-1997 | Customs, Excise & Service Tax Appellate Tribunal |

*Net of amounts paid including under protest.

(c) There are no amounts required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.

8. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

9. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

10. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.

11. In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.

12. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For **Lovelock & Lewes**
Firm Registration No. 301056E
Chartered Accountants

**Sumit Seth**
Partner
Membership No. 105869

Mumbai, 29th April, 2015

## BALANCE SHEET AS AT 31ST MARCH, 2015

| | Note | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---|---|---|---|---|---|
| | | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs |
| **Equity and Liabilities** | | | | | |
| Shareholders' Funds | | | | | |
| Share Capital | 3 | 1,323 | | 1,323 | |
| Reserves and Surplus | 4 | 11,193 | | 11,253 | |
| | | | 12,516 | | 12,576 |
| Non-Current Liabilities | | | | | |
| Long-term Borrowings | 5 | 32 | | 36 | |
| Deferred Tax Liabilities (Net) | 6 | - | | 170 | |
| Other Long-Term Liabilities | 7 | 266 | | 306 | |
| Long-term Provisions | 8 | 158 | | 142 | |
| | | | 456 | | 654 |
| Current Liabilities | | | | | |
| Short-Term Borrowings | 9 | 3,246 | | 1,368 | |
| Trade Payables | 10 | 2,530 | | 3,702 | |
| Other Current Liabilities | 11 | 664 | | 519 | |
| Short-Term Provisions | 12 | 279 | | 788 | |
| | | | 6,719 | | 6,377 |
| **Total** | | | **19,691** | | **19,607** |
| **Assets** | | | | | |
| Non-Current Assets | | | | | |
| Fixed Assets | 13 | | | | |
| Tangible Assets | | 8,660 | | 8,709 | |
| Intangible Assets | | 1,792 | | 1,896 | |
| Capital Work-in-Progress | | 72 | | 84 | |
| | | 10,524 | | 10,689 | |
| Long-Term Loans and Advances | 14 | 557 | | 516 | |
| | | | 11,081 | | 11,205 |
| Current Assets | | | | | |
| Inventories | 15 | 3,448 | | 3,777 | |
| Trade Receivables | 16 | 4,061 | | 3,634 | |
| Cash and Bank Balances | 17 | 72 | | 70 | |
| Short-Term Loans and Advances | 18 | 1,029 | | 921 | |
| | | | 8,610 | | 8,402 |
| **Total** | | | **19,691** | | **19,607** |

The Notes are an integral part of the Financial Statements.

In terms of our report of even date

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants

**Sumit Seth**
Partner
Membership No. 105869

Mumbai, 29th April, 2015

For and on behalf of the Board

**H. V. Goenka**
Chairman

**CT. Renganathan**
Managing Director

**C. L. Jain**
Director

**Sachin Raole**
Chief Financial Officer

**Rajesh Shirambekar**
Company Secretary

Mumbai, 29th April, 2015

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

| | Note | Year ended 31st March, 2015 | | Year ended 31st March, 2014 | |
|---|---|---|---|---|---|
| | | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs |
| **Revenue** | | | | | |
| Revenue from Operations (Gross) | 22 | 25,169 | | 24,455 | |
| Less: Excise Duty | | 942 | | 900 | |
| Revenue from Operations (Net) | | 24,227 | | 23,555 | |
| Other Income | 23 | 91 | | 236 | |
| Total Revenue | | | 24,318 | | 23,791 |
| **Expenses** | | | | | |
| Cost of Materials Consumed | 24 | 5,920 | | 6,581 | |
| Purchases of Stock-in-Trade | | 2,378 | | 1,943 | |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 25 | 171 | | (849) | |
| Employee Benefits Expense | 26 | 6,866 | | 6,218 | |
| Finance Costs | 27 | 272 | | 260 | |
| Other Expenses | 28 | 7,798 | | 7,805 | |
| Depreciation and Amortisation Expense | | 1,136 | | 1,061 | |
| Provision for Doubtful Debts and Advances (Net) | 29 | (323) | | 689 | |
| Total Expenses | | | 24,218 | | 23,708 |
| Profit Before Exceptional Items and Tax | | | 100 | | 83 |
| Exceptional items | 32 | | - | | 6,414 |
| Profit Before Tax | | | 100 | | 6,497 |
| Tax Expense | | | | | |
| For the year | | | | | |
| Current Tax | | - | | 1,501 | |
| Less: Minimum Alternate Tax Credit Entitlement | | - | | 282 | |
| Net Current Tax | | - | | 1,219 | |
| Deferred Tax | | (170) | | (190) | |
| | | (170) | | 1,029 | |
| For earlier years | | | | | |
| Current Tax | | - | | (40) | |
| Provision for Minimum Alternate Tax Credit Entitlement | | 170 | | 102 | |
| Net Current Tax | | 170 | | 62 | |
| Deferred Tax | | - | | 66 | |
| | | 170 | | 128 | |
| | | | - | | 1,157 |
| Profit for the year | | | **100** | | **5,340** |
| Earnings per Share - ₹ per Equity Share of ₹ 8 each [Refer Note 47 ] | | | | | |
| Basic | | | 0.60 | | 32.29 |
| Diluted | | | 0.60 | | 32.29 |

The Notes are an integral part of the Financial Statements.

In terms of our report of even date

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants

**Sumit Seth**
Partner
Membership No. 105869

Mumbai, 29th April, 2015

For and on behalf of the Board

**H. V. Goenka**
Chairman

**CT. Renganathan**
Managing Director

**C. L. Jain**
Director

**Sachin Raole**
Chief Financial Officer

**Rajesh Shirambekar**
Company Secretary

Mumbai, 29th April, 2015

## Notes forming part of the Financial Statements as at and for the year ended 31st March, 2015

**1. Background**

RPG Life Sciences Limited (the 'Company') was incorporated on 29th March, 2007 as RPG Pharmaceuticals Limited. The name of the Company was subsequently changed to RPG Life Sciences Limited on 13th February, 2008.

Pursuant to a Scheme of Arrangement, the Company has acquired the pharmaceuticals business of Brabourne Enterprises Limited (formerly RPG Life Sciences Limited) with retrospective effect from the appointed date of 2nd April, 2007.

**2. Significant Accounting Policies**

(a) Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] of the Companies Act, 1956 and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

(b) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation/amortisation and impairment loss. Cost comprises of purchase/acquisition price, taxes (net of CENVAT availed), borrowing costs and any directly attributable cost for bringing the asset to its working condition for its intended use.

Depreciation is provided on a pro-rata basis on the straight line method over the estimated useful lives of the assets specified in Schedule II to the Companies Act, 2013 except for Vehicles and Servers which are depreciated at higher than the rates prescribed under the Schedule II to the Companies Act, 2013. Further the fixed assets acquired under the Scheme of Arrangement [Refer Note 1] are depreciated/amortised over estimated useful lives as per the Scheme of Arrangement. The estimated useful lives of the fixed assets acquired under the Scheme of Arrangement are as under:

| Description | Useful Life |
|---|---|
| Tangible Assets | |
| Buildings | 25 years |
| Plant and Equipment | 4 to 8 years |
| Furniture and Fixtures | 4 to 5 years |
| Vehicles | 5 years |
| Office Equipment | 4 to 8 years |
| Computers | 2 years |
| Intangible Assets | |
| Goodwill | 5 years |
| Computer Software | 5 years |
| Technical Knowhow | 20 years |

## Notes forming part of the Financial Statements as at and for the year ended 31st March, 2015

The estimated useful lives of Vehicles and Servers based on an internal technical assessment are as under:

| Description | Useful Life |
|---|---|
| Vehicles | 5 years |
| Servers | 3 years |

Leasehold Lands are amortised on Straight Line Method, pro-rata to the period of use, over the remaining lease terms.

Assets costing ₹ 5,000 or less are fully depreciated in the year of acquisition.

Fixed assets retired from active use and held for disposal are stated at the lower of net book value and net realisable value and are disclosed under Other Current Assets. Any expected loss is recognised immediately in the Statement of Profit and Loss.

Assessment is carried out at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. Impairment loss is provided to the extent the carrying amount of assets exceed their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and form its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

(c) Inventories

Inventories are valued at lower of cost and net realisable value. Raw and Packing Material cost is determined on weighted average basis. Cost of work-in-progress and finished goods includes labour and manufacturing overheads, where applicable.

(d) Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Gains and losses arising out of subsequent fluctuations are accounted for on actual payment or realisation. Monetary items denominated in foreign currency as at the Balance Sheet date are converted at the exchange rates prevailing on that date. Exchange differences are recognised in the Statement of Profit and Loss.

(e) Forward Contracts

Premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability is amortised as expense or income over the life of the contract. Exchange difference on forward contract is recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward contract is recognised as income or expense in the Statement of Profit and Loss.

(f) Revenue Recognition

Sales are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts, rebates, sales taxes and excise duties.

Income from Product development is recognised on the basis of contractual arrangements.

(g) Employee Benefits

(i) Defined Contribution Plans

The Company has Defined Contribution Plans for post employment benefits in the form of Superannuation Fund, Provident Fund, Employees' Pension Scheme and Employees State Insurance Scheme which are administered through Government of India and/or trustees. Superannuation Fund, Provident Fund, Employees' Pension Scheme and Employees' State Insurance Scheme are classified as Defined Contribution Plans as the Company has no further obligation beyond making the contributions. The Company's contributions to Defined Contribution Plans are charged to the Statement of Profit and Loss as incurred.

## Notes forming part of the Financial Statements as at and for the year ended 31st March, 2015

(ii) Defined Benefit Plan

The Company has Defined Benefit Plan for post employment benefits in the form of Gratuity. Gratuity scheme of the Company is administered through trustees. Liability for Defined Benefit Plan is provided on the basis of valuation, as at the Balance Sheet date, carried out by independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit method.

(iii) Other Long-Term Employee Benefits

(a) Accumulated Compensated Absences which are expected to be availed or encashed within 12 months from the end of the year are treated as short-term employee benefits. The obligation towards the same is measured at the expected cost of Accumulating Compensated Absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

(b) Accumulated Compensated Absences which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long-term employee benefits. Liability for such benefits is provided on the basis of valuation, as at the Balance Sheet date, carried out by independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit Method.

(iv) Termination benefits are recognised as an expense as and when incurred.

(v) Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss as income or expense.

(h) Expenditure on Research and Development

Revenue expenditure is recognised as expense in the year in which it is incurred and the expenditure on capital assets is depreciated over the useful lives of the assets.

(i) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as expense in the year in which they are incurred.

(j) Leases

Lease under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in the statement of profit and loss over the lease term.

(k) Provisions and Contingent Liabilities

The Company recognises a provision when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure is made.

(l) Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws.

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognised in case of unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such

## Notes forming part of the Financial Statements as at and for the year ended 31st March, 2015

deferred tax assets can be realised. 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. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit entitlement asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**3. Share Capital**

| | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---|---|
| | ₹ in lakhs | ₹ in lakhs |
| Authorised | | |
| 18,750,000 Equity Shares of ₹ 8 each | 1,500 | 1,500 |
| Issued, Subscribed and Paid-up | | |
| 16,536,105 (Previous year 16,535,241), Equity Shares of ₹ 8 each fully paid-up | **1,323** | **1,323** |

| | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---|---|---|---|---|
| | No. of Shares | ₹ in lakhs | No. of Shares | ₹ in lakhs |
| (a) Reconciliation of Number of Shares | | | | |
| Number of shares outstanding as at the beginning of the year | 16,535,241 | 1,323 | 16,535,241 | 1,323 |
| Add: Shares allotted under the Employee Stock Option Plan (ESOP) | 864 | * | - | - |
| Number of shares outstanding as at the end of the year | **16,536,105** | **1,323** | **16,535,241** | **1,323** |

*Amount is below the rounding off norm adopted by the Company.

(b) The Company has only one class of shares i.e. equity shares having a face value of ₹ 8 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(c) List of shareholders holding more than 5% shares as at the Balance Sheet date:

| Name of the Shareholder | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---|---|---|---|---|
| | No. of shares | % of holding | No. of shares | % of holding |
| Swallow Associates LLP | 5,021,638 | 30.37 | 5,017,522 | 30.34 |
| Instant Holdings Limited | 2,727,659 | 16.50 | 2,727,659 | 16.50 |
| Summit Securities Limited | 1,792,398 | 10.84 | 1,774,108 | 10.73 |

(d) Shares reserved for issue under options

Refer Note 30 for details of shares to be issued under the Employee Stock Option Plan.

## Notes forming part of the Financial Statements as at and for the year ended 31st March, 2015

| | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---|---|---|---|---|
| | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs |
| **4. Reserves and Surplus** | | | | |
| Capital Reserve | | 5 | | 5 |
| General Reserve | | | | |
| Balance as at the beginning of the year | 864 | | 330 | |
| Add: Transferred from Surplus in Statement of Profit and Loss during the year | - | | 534 | |
| Less: Book value of Fixed Assets with expired useful life as on 1st April, 2014# | 1 | | - | |
| Balance as at the end of the year | | 863 | | 864 |
| Securities Premium Account | | | | |
| Balance as at the beginning of the year | 3,443 | | 3,443 | |
| Add: Addition on account of ESOP [Refer Note 3(a)] | * | | - | |
| Balance as at the end of the year | | 3,443 | | 3,443 |
| Surplus | | | | |
| Balance as at the beginning of the year | 6,941 | | 2,522 | |
| Profit for the year as per Statement of Profit and Loss | 100 | | 5,340 | |
| | 7,041 | | 7,862 | |
| Less: Appropriations | | | | |
| Proposed Dividend | 132 | | 331 | |
| Tax on Proposed Dividend | 27 | | 56 | |
| Transfer to General Reserve | - | | 534 | |
| Balance as at the end of the year | | 6,882 | | 6,941 |
| | | **11,193** | | **11,253** |

# Refer clause 3 to note 13

* Amount is below the rounding off norm adopted by the Company

| | | | | |
|---|---|---|---|---|
| **5. Long-term Borrowings** | | | | |
| Secured | | | | |
| Term Loans | | | | |
| From a Bank | 17 | | 26 | |
| Finance Lease Obligations | - | | 4 | |
| | | 17 | | 30 |
| Unsecured | | | | |
| Finance Lease Obligations | | 15 | | 6 |
| | | **32** | | **36** |

## Notes forming part of the Financial Statements as at and for the year ended 31st March, 2015

(a) Nature of security and terms of repayment for secured borrowings

| | Nature of Security | Terms of Repayment |
|---|---|---|
| (i) | Term Loan from a Bank is secured by hypothecation of specific assets purchased under loan. | Repayable in 36 Equated Monthly Instalments beginning from the time loan is taken along with interest ranging from 10.25% to 10.75%. |
| (ii) | Finance Lease Obligations are secured by hypothecation of assets underlying the leases. | Monthly payment of Equated Monthly Instalments beginning from the month subsequent to taking the lease. |
| (b) | Terms of repayment for unsecured Finance Lease Obligations | Repayable in 12 Equated quarterly Installments beginning from the month of taking the lease along with interest at 14.09% to 14.36% per annum. |

| | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---|---|---|---|---|
| | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs |
| **6. Deferred Tax Liabilities (Net)** | | | | |
| Deferred Tax Liabilities | | | | |
| Depreciation/Amortisation | 841 | | 905 | |
| Others | 54 | | 75 | |
| | | 895 | | 980 |
| Less: Deferred Tax Assets | | | | |
| Unabsorbed Depreciation and Tax Losses | 726 | | 400 | |
| Disallowances under Section 40(a) of the Income-tax Act, 1961 | - | | 89 | |
| Statutory Liabilities | 82 | | 93 | |
| Provision for Doubtful Debts and Advances | 87 | | 228 | |
| | | 895 | | 810 |
| | | **-** | | **170** |
| Note: Deferred Tax Assets have been recognised to the extent of Deferred Tax Liabilities | | | | |
| **7. Other Long-term Liabilities** | | | | |
| Deposits from Dealers | | **266** | | **306** |
| **8. Long-term Provisions** | | | | |
| Provision for Employee Benefits - Provision for Leave Encashment and Compensated Absences [Refer Note 43(C)] | | **158** | | **142** |
| **9. Short-term Borrowings** | | | | |
| Secured Working Capital Loans Repayable on Demand | | | | |
| From Banks | | **3,246** | | **1,368** |

Working Capital Loans are secured by hypothecation of inventory and book debts and second charge on immoveable assets at Thane / Ankleshwar Factory.

## Notes forming part of the Financial Statements as at and for the year ended 31st March, 2015

| | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---|---|---|---|---|
| | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs |
| **10. Trade Payables** | | | | |
| Micro and Small Enterprises | | - | | - |
| Others | | 2,530 | | 3,702 |
| | | **2,530** | | **3,702** |

Note: There are no delayed payments to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 during the year. Further, there are no dues to such parties which are outstanding as at the Balance Sheet date. This information has been determined on the basis of information available with the Company regarding their status as Micro and Small Enterprises.

| | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---|---|---|---|---|
| | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs |
| **11. Other Current Liabilities** | | | | |
| Current Maturities of Long-term Borrowings [Refer Note 5] | | | | |
| Term Loans from a Bank | | 23 | | 33 |
| Current Maturities of Finance Lease Obligations [Refer Note 5] | | 22 | | 14 |
| Unpaid Dividends* | | 46 | | 41 |
| Unpaid Matured Fixed Deposits* | | 5 | | 15 |
| Employee Benefits Payable | | 295 | | 87 |
| Statutory Dues | | 201 | | 264 |
| Payable for Fixed Assets | | 5 | | 4 |
| Advances from customers | | 67 | | 61 |
| | | **664** | | **519** |

*There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

| | | | | |
|---|---|---|---|---|
| **12. Short-term Provisions** | | | | |
| Provision for Employee Benefits | | | | |
| Provision for Gratuity [Refer Note 43(B)] | 22 | | 13 | |
| Provision for Compensated Absences [Refer Note 43(C)] | 98 | | 92 | |
| | | 120 | | 105 |
| Provision for Current Taxation [Net of Payments of - Nil (Previous year - ₹ 1,274 lakhs)] | | - | | 296 |
| Proposed Dividend | | 132 | | 331 |
| Tax on Proposed Dividend | | 27 | | 56 |
| | | **279** | | **788** |

# Notes forming part of the Financial Statements as at and for the year ended 31st March, 2015

**13. Fixed Assets**

(₹ in lakhs)

| Description | Gross Block (at cost) | | | | | Depreciation/Amortisation | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1.4.2014 | Additions | Deductions | Adjustment | As at 31.03.2015 | As at 1.4.2014 | For the year | On Deductions | Adjustment | As at 31.03.2015 | As at 31.03.2015 | As at 31.03.2014 |
| Tangible Assets | | | | | | | | | | | | |
| Leasehold Lands | 2,450 | - | - | - | 2,450 | 279 | 40 | - | - | 319 | 2,131 | 2,171 |
| Buildings | 3,007 | 156 | 4 | 157 | 3,316 | 582 | 98 | 1 | 39 | 718 | 2,598 | 2,425 |
| Plant and Equipment | 6,867 | 679 | 129 | (131) | 7,286 | 3,225 | 730 | 120 | (33) | 3,802 | 3,484 | 3,642 |
| Furniture and Fixtures | 504 | 55 | 4 | (20) | 535 | 222 | 44 | 3 | (6) | 257 | 278 | 282 |
| Vehicles - Owned | 136 | 19 | - | - | 155 | 40 | 28 | - | - | 68 | 87 | 96 |
| Vehicles - Under Lease | 38 | - | - | - | 38 | 32 | 3 | - | - | 35 | 3 | 6 |
| Office Equipment | 229 | 23 | 1 | (6) | 245 | 142 | 25 | 1 | - | 166 | 79 | 87 |
| | 13,231 | 932 | 138 | - | 14,025 | 4,522 | 968 | 125 | - | 5,365 | 8,660 | 8,709 |
| Intangible Assets | | | | | | | | | | | | |
| Goodwill | 349 | - | - | - | 349 | 349 | - | - | - | 349 | - | - |
| Computer Software | 228 | 64 | - | - | 292 | 153 | 28 | - | - | 181 | 111 | 75 |
| Technical Knowhow | 2,885 | - | - | - | 2,885 | 1,064 | 140 | - | - | 1,204 | 1,681 | 1,821 |
| | 3,462 | 64 | - | - | 3,526 | 1,566 | 168 | - | - | 1,734 | 1,792 | 1,896 |
| Total | 16,693 | 996 | 138 | - | 17,551 | 6,088 | 1,136 | 125 | - | 7,099 | 10,452 | 10,605 |
| Previous year | 15,394 | 1,406 | 107 | - | 16,693 | 5,102 | 1,061 | 75 | - | 6,088 | | |
| Capital Work-in-Progress | | | | | | | | | | | 72 | 84 |
| | | | | | | | | | | | 10,524 | 10,689 |

Notes:

1. Intangible Assets are other than internally generated.
2. Additions to Building, Plant and Equipment, Furniture and Fixtures and Office Equipment include ₹ 5 lakhs (Previous year - ₹ 2 lakhs), ₹ 90 lakhs (Previous year ₹ 59 lakhs), ₹ 1 lakhs (Previous year ₹ 11 lakhs) and Nil (Previous year ₹ 5 lakhs) respectively pertaining to Research and Development activities.
3. Pursuant to the enactment of the Companies Act, 2013, effective 1st April, 2014, the management has evaluated and reassessed the useful life of its fixed assets. Consequent to such change, the charge on account of depreciation for the year is higher by ₹ 37 Lakhs. Further, fixed assets of ₹ 1 lakh having no residual life as at 1st April, 2014, have been recognised in the opening balance of General Reserve.
4. Depreciation expense for year includes prior period credit of ₹ 56 lakhs representing impact of rectification in the classification and estimated useful life of certain fixed assets.
5. Computer Software includes assets acquired under finance lease amounting to ₹ 21 lakhs and ₹ 4 lakhs under gross block and accumulated depreciation, respectively.
6. Vehicles - Under Lease represent assets acquired under finance lease.

## Notes forming part of the Financial Statements as at and for the year ended 31st March, 2015

| | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---|---|---|---|---|
| | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs |
| **14. Long-term Loans and Advances** | | | | |
| **(Unsecured, Considered Good unless otherwise stated)** | | | | |
| Capital Advances | | 90 | | - |
| Security Deposits | | 71 | | 57 |
| Loans to Employees | | 4 | | 6 |
| Balances with Government Authorities | | 56 | | 42 |
| Current Taxation [Net of Provision of ₹ 1,537 lakhs (Previous year - Nil )] | | 95 | | - |
| Minimum Alternate Tax Credit Entitlement | | 241 | | 411 |
| | | **557** | | **516** |
| **15. Inventories** | | | | |
| (At lower of cost and net realisable value) | | | | |
| Raw Materials | | 582 | | 685 |
| Work-in-Progress | | 595 | | 627 |
| Finished Goods | | 1,552 | | 1,700 |
| Stock-in-Trade | | 503 | | 494 |
| Stores and Spares | | 58 | | 78 |
| Packing Materials | | 158 | | 193 |
| | | **3,448** | | **3,777** |
| **16. Trade Receivables** | | | | |
| Outstanding for a period exceeding six months from the date they were due for payment | | | | |
| Secured, Considered Good | - | | 6 | |
| Unsecured, Considered Good | 46 | | 520 | |
| Unsecured, Considered Doubtful | 283 | | 856 | |
| | 329 | | 1,382 | |
| Less: Provision for Doubtful Debts [Refer not 29] | 283 | | 856 | |
| | | 46 | | 526 |
| Others | | | | |
| Secured, Considered Good | 24 | | 43 | |
| Unsecured, Considered Good | 3,991 | | 3,065 | |
| | | 4,015 | | 3,108 |
| | | **4,061** | | **3,634** |

## Notes forming part of the Financial Statements as at and for the year ended 31st March, 2015

| | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---|---|---|---|---|
| | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs |
| **17. Cash and Bank Balances** | | | | |
| Cash and Cash Equivalents | | | | |
| Balances with Banks on Current Accounts | 23 | | 27 | |
| Cash on Hand | 2 | | 2 | |
| | | 25 | | 29 |
| Other Bank Balances | | | | |
| Long-term Deposits with maturity more than 3 months but less than 12 months | 1 | | - | |
| Unpaid Dividend Accounts | 46 | | 41 | |
| | | 47 | | 41 |
| | | **72** | | **70** |
| **18. Short-term Loans and Advances** | | | | |
| (Unsecured, Considered Good unless otherwise stated) | | | | |
| Security Deposits | | | | |
| Considered Good | 32 | | 37 | |
| Considered Doubtful | 21 | | 15 | |
| | 53 | | 52 | |
| Less: Provision for Doubtful Security Deposits | 21 | | 15 | |
| | | 32 | | 37 |
| Loans and Advances recoverable in cash or in kind or for value to be received | | | | |
| Considered Good | 610 | | 391 | |
| Considered Doubtful | 37 | | 36 | |
| | 647 | | 427 | |
| Less: Provision for Doubtful Loans and Advances | 37 | | 36 | |
| | | 610 | | 391 |
| Balances with Government Authorities | | 387 | | 493 |
| | | **1,029** | | **921** |
| **19. Contingent Liabilities** | | | | |
| (a) Claims against the company not acknowledged as debts | | | | |
| (i) Sales tax matters | | - | | 118 |
| (ii) Excise matters | | - | | 53 |
| (iii) Service tax matters | | - | | 237 |
| (b) Guarantee given to Gujarat Industrial Development Corporation | | 15 | | 15 |
| (c) Bank guarantees given to third parties | | 293 | | 200 |

Notes:

(i) Future cash outflows including interest in respect of (a)(i) to (a) (iii) above are determinable only on receipt of judgments/ decisions pending with various authorities/forums and/or final outcome of the matters.

(ii) The management is of opinion that there will be no impact on future cash outflow of the Company in respect of (b) and (c) above.

## Notes forming part of the Financial Statements as at and for the year ended 31st March, 2015

**20. Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 740 lakhs [Previous year ₹ 168 lakhs].

| | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---|---|
| **21. Proposed Dividend** | | |
| Proposed Dividend (₹ in lakhs) | 132 | 331 |
| Number of shares outstanding as at the end of the year | 16,536,105 | 16,535,241 |
| Dividend per Share (₹ per Equity Share of ₹ 8 each) | 0.80 | 2.00 |

| | Year ended 31st March, 2015 | | Year ended 31st March, 2014 | |
|---|---|---|---|---|
| | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs |
| **22. Revenue from Operations** | | | | |
| Sale of Products | | 24,250 | | 23,838 |
| Other Operating Revenue | | | | |
| Income from Product Development | - | | 43 | |
| Export Incentives | 307 | | 338 | |
| Sales tax Refunds | 1 | | - | |
| Sale of Scrap | 114 | | 124 | |
| Liabilities no longer required written back | 453 | | 22 | |
| Miscellaneous Income | 44 | | 90 | |
| | | 919 | | 617 |
| Revenue from Operations (Gross) | | 25,169 | | 24,455 |
| Less: Excise Duty | | 942 | | 900 |
| Revenue from Operations (Net) | | **24,227** | | **23,555** |
| **23. Other Income** | | | | |
| Interest Income | | 16 | | 11 |
| Net Gain on Foreign Currency Transactions and Translation (other than considered as Finance Cost) | | 54 | | 208 |
| Insurance Claims | | 8 | | 17 |
| Profit on sale of Assets (Net) | | 13 | | - |
| | | **91** | | **236** |
| **24. Cost of Materials Consumed** | | | | |
| Raw Materials Consumed | | 5,168 | | 5,850 |
| Packing Materials Consumed | | 752 | | 731 |
| | | **5,920** | | **6,581** |

## Notes forming part of the Financial Statements as at and for the year ended 31st March, 2015

| | Year ended 31st March, 2015 | | Year ended 31st March, 2014 | |
|---|---|---|---|---|
| | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs |
| **25. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade** | | | | |
| Opening Stock | | | | |
| Work-in-Progress | 627 | | 543 | |
| Finished Goods | 1,700 | | 925 | |
| Stock-in-Trade | 494 | | 504 | |
| | | 2,821 | | 1,972 |
| Closing Stock | | | | |
| Work-in-Progress | 595 | | 627 | |
| Finished Goods | 1,552 | | 1,700 | |
| Stock-in-Trade | 503 | | 494 | |
| | | 2,650 | | 2,821 |
| | | **171** | | **(849)** |
| **26. Employee Benefits Expense** | | | | |
| Salaries, Wages and Bonus | | 5,810 | | 5,279 |
| Contribution to Provident and Other Funds [Refer Note 43(A)] | | 251 | | 246 |
| Gratuity [Refer Note 43(B)] | | 109 | | 62 |
| Compensated Absences | | 84 | | 67 |
| Staff Welfare Expenses | | 612 | | 564 |
| | | **6,866** | | **6,218** |
| **27. Finance Costs** | | | | |
| Interest on Borrowings | | 272 | | 256 |
| Interest on Income-tax | | - | | 28 |
| Other Borrowing Costs | | 2 | | - |
| Net (Gain) on Foreign Currency Transactions and Translation | | (2) | | (24) |
| | | **272** | | **260** |
| **28. Other Expenses** | | | | |
| Consumption of Stores and Spare Parts | | 672 | | 699 |
| Power and Fuel | | 1,076 | | 1,029 |
| Rent [Refer Note 46(II)] | | 103 | | 128 |
| Repairs and Maintenance | | | | |
| Buildings | 145 | | 173 | |
| Plant and Machinery | 152 | | 157 | |
| Others | 73 | | 71 | |
| | | 370 | | 401 |

## Notes forming part of the Financial Statements as at and for the year ended 31st March, 2015

| | Year ended 31st March, 2015 | | Year ended 31st March, 2014 | |
|---|---|---|---|---|
| | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs |
| Insurance | | 178 | | 175 |
| Rates and Taxes | | | | |
| Excise Duty | 44 | | 166 | |
| Others | 251 | | 348 | |
| | | 295 | | 514 |
| Processing Charges | | 195 | | 249 |
| Legal and Professional Charges | | 343 | | 232 |
| Travelling and Conveyance | | 918 | | 981 |
| License Fees | | 11 | | 13 |
| Directors' Fees | | 10 | | 6 |
| Printing and Stationery | | 75 | | 75 |
| Postage and Telephone | | 206 | | 203 |
| Freight and Distribution | | 488 | | 488 |
| Commission on Sales | | 477 | | 504 |
| Advertisement | | 5 | | 11 |
| Sales Promotion | | 172 | | 216 |
| Bad Debts and Advances written off | 243 | | 51 | |
| Less: Provision | (243) | | (51) | |
| | | - | | - |
| Loss on Sale/Disposal of Fixed Assets (Net) | | - | | 3 |
| Spoilages | | 372 | | 379 |
| Miscellaneous Expenses [Refer Note 31] | | 1,832 | | 1,499 |
| | | **7,798** | | **7,805** |

**29.** Provision for Doubtful Debts and Advances (Net) includes credit of an amount of ₹ 414 lakhs recovered from a party towards which provision was created in the previous year. Accordingly, the provision has been reversed by the amount received.

**30. 2005 Employee Stock Option Plan (ESOP 2005)**

Pursuant to a special resolution passed by the Shareholders at the Annual General Meeting held on 27th August, 2008, the Company adopted the Employee Stock Option Scheme titled '2005 Employee Stock Option Plan' (ESOP 2005) for employees and Directors of the Company including those employees and Directors who were to be granted options, pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court of Judicature at Bombay on 14th December, 2007, in lieu of options that were granted by Brabourne Enterprise Limited (the transferor Company) under its ESOP 2005. The total number of equity shares reserved under the said plan is 250,000 equity shares of ₹ 8 each. The details of such equity shares granted are as follows:

(A) The Remuneration/Compensation Committee at its meeting held on 6th August, 2010 -

(a) Granted and vested 30,119 equity stock options to employees, in lieu of options that were granted to them by Brabourne Enterprise Limited. The employee had an option to apply for one equity share of ₹ 8 each at an exercise price of ₹ 32.06.

Of these options, 29,255 equity stock options have been exercised as on 31st March, 2015 and 864 options remain outstanding as on 31st March, 2015.

## Notes forming part of the Financial Statements as at and for the year ended 31st March, 2015

(b) Granted 95,000 equity stock options to the eligible Director and employees of the Company, with an option for one equity share of ₹ 8 each at an exercise price of ₹ 100 being the price higher than the closing price quoted on the National Stock Exchange prior to the date of meeting of the Remuneration/Compensation Committee. These equity stock options shall vest, in case of employees of General Manager grade and above, equally but conditionally on linear scale based on performance, over five years beginning from one year after the date of grant. Barring certain eventualities, the exercise period to subscribe to the equity shares would be 10 years from the dates of vesting except otherwise mentioned in ESOP 2005.

Of these options, 6,240 equity stock options remain outstanding as on 31st March, 2015 and the remaining equity stock options have lapsed / forfeited.

(B) The Remuneration/Compensation Committee at its meeting held on 20th October, 2010 -

Granted 15,000 equity stock options to an eligible employee with an option for one equity share of ₹ 8 each at an exercise price of ₹ 104 being the price higher than the closing price quoted on the National Stock Exchange prior to the date of meeting of the Remuneration/Compensation Committee. These equity stock options shall vest, in case of employees of General Manager grade and above, equally but conditionally on linear scale based on performance, over five years beginning from one year after the date of grant. Barring certain eventualities, the exercise period to subscribe to the equity shares would be 10 years from the dates of vesting except otherwise mentioned in ESOP 2005.

Of these options, 2,910 equity stock options remain outstanding as on 31st March, 2015 and the remaining equity stock options have lapsed / forfeited.

The Company has adopted intrinsic value method as permitted by the SEBI Guidelines and the Guidance Note on Accounting for Employee Share Based Payment issued by the Institute of Chartered Accountants of India to account for the cost of stock options to employees and a Director of the Company. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option. In view of the exercise price being higher than the closing market price on the day prior to the date of grant, the intrinsic value of the option is Nil. Consequently, the accounting value of the option (compensation cost) is also Nil.

Movement in the Options under ESOP 2005:

| Particulars | Year ended 31st March, 2015 | | Year ended 31st March, 2014 | |
|---|---|---|---|---|
| | Number of Options | Weighted Average Exercise Price | Number of Options | Weighted Average Exercise Price |
| Outstanding at the beginning of the year | 10,878 | 90.28 | 10,878 | 90.28 |
| Granted during the year | Nil | Not Applicable | Nil | Not Applicable |
| Forfeited during the year | Nil | Not Applicable | Nil | Not Applicable |
| Exercised during the year | 864 | 32.06 | Nil | Not Applicable |
| Expired/lapsed during the year | Nil | Not Applicable | Nil | Not Applicable |
| Outstanding at the end of the year | 10,014 | 95.30 | 10,878 | 90.28 |
| Exercisable at the end of the year | 10,014 | 95.30 | 10,878 | 90.28 |

The weighted average fair value of each stock option on the date of its grant is ₹ 41.34, which has been vetted by an independent valuer. This fair value has been calculated using Black-Scholes Option Pricing Model. The inputs used for this calculation are (i) Average Share Price: ₹ 91.33 on the date of grant, (ii) Average Exercise Price: ₹ 90.70, (iii) Average Expected Volatility: 47.98%, (iv) Average Option Life: 8 years, (v) Average Expected Dividend Yield: 3.50% and (vi) Average Risk Free Interest Rate: 8.08%. The daily volatility of the Company's shares on the National Stock Exchange over a period of time prior to the date of grant, corresponding with the expected life of the options, has also been considered for determining the fair value.

## Notes forming part of the Financial Statements as at and for the year ended 31st March, 2015

Had compensation cost for the stock options granted under ESOP 2005 been determined based on the fair value method, the Company's Profit for the year and Earnings per Share would have been as per the pro forma amounts indicated below:

| | Year ended 31st March, 2015 | Year ended 31st March, 2014 |
|---|---|---|
| | ₹ in lakhs | ₹ in lakhs |
| Profit for the year (as reported) | 100 | 5,340 |
| Less: Stock based compensation expense determined under fair value method | * | - |
| Net Profit for the year (under fair value method) | 100 | 5,340 |
| Weighted average number of equity shares (Basic) | 16,535,835 | 16,535,241 |
| Weighted average number of equity shares (Diluted) | 16,536,818 | 16,536,089 |
| Pro-forma Earnings per Share (Basic) (₹) | 0.60 | 32.29 |
| Pro-forma Earnings per Share (Diluted) (₹) | 0.60 | 32.29 |

*Amount is below the rounding off norm adopted by the Company.

**31. Auditors' Remuneration#**

| | | |
|---|---|---|
| Audit Fees | 26 | 24 |
| Tax Audit Fees | 5 | 5 |
| Other Services | 10 | 10 |
| Reimbursement of Expenses | 1 | 1 |
| | **42** | **40** |

#Included in Miscellaneous Expenses in Note 28.

**32.** Exceptional Items for the previous year comprise of profit of ₹ 6,172 lakhs on sale of a portion of leasehold land and building thereon and the Company's share of interest income of ₹ 242 lakhs earned on the sale consideration of ₹ 7,025 lakhs (net of expenses) deposited by the buyer in an escrow account, jointly held in the name of the Company and the buyer, till the execution of the sale deed. The amount of sale consideration and the Company's share of interest income lying in the escrow account had been transferred to the Company on the date of execution of the sale deed.

| | Year ended 31st March, 2015 | Year ended 31st March, 2014 |
|---|---|---|
| | ₹ in lakhs | ₹ in lakhs |
| **33. Cost of Materials Consumed** | | |
| Furazodoline I. P. | 166 | 215 |
| Naproxen I. P. | 788 | 756 |
| 4 - Androstene - 3, 17-Dione (AD) | 117 | 310 |
| 4 - Chloro Phenyl 4hydroxy Piperidine (CPP) | 46 | 126 |
| Metformin | 2 | 29 |
| Gliclazide | 7 | 121 |
| Others | 4,042 | 4,293 |
| Packing Material | 752 | 731 |
| | **5,920** | **6,581** |

## Notes forming part of the Financial Statements as at and for the year ended 31st March, 2015

| | Year ended 31st March, 2015 | | Year ended 31st March, 2014 | |
|---|---|---|---|---|
| | % | ₹ in lakhs | % | ₹ in lakhs |
| Imported | 18.83 | 1,115 | 13.11 | 863 |
| Indigenous | 81.17 | 4,805 | 86.89 | 5,718 |
| | **100.00** | **5,920** | **100.00** | **6,581** |

Notes:

(a) Consumption of Materials includes consumption by third parties under contract with the Company and consumption in respect of physician samples.

(b) Components and spare parts referred to in paragraph VIII(c) of Additional Information under General Instructions for Preparation of Statement of Profit and Loss in Part II of Schedule III of the Companies Act, 2013 are assumed to be those forming part of the finished goods produced and not those used for maintenance of plant and machinery.

| | Year ended 31st March, 2015 | Year ended 31st March, 2014 |
|---|---|---|
| | ₹ in lakhs | ₹ in lakhs |
| **34. Opening Stock of Finished Goods and Stock-in-Trade** | | |
| Pharmaceutical Preparations | | |
| Tablets | 1,093 | 580 |
| Liquids | 166 | 111 |
| Injections - Ampoules | 191 | 220 |
| Capsules | 117 | 81 |
| Powder Pouches | 9 | 21 |
| Ointments | 12 | 17 |
| | 1,588 | 1,030 |
| Bulk Drugs and Chemicals | 606 | 399 |
| | **2,194** | **1,429** |
| **35. Sales** | | |
| Pharmaceutical Preparations | | |
| Tablets | 13,137 | 14,058 |
| Liquids | 2,080 | 1,601 |
| Injections - Ampoules | 1,794 | 1,328 |
| Capsules | 1,012 | 859 |
| Powder Pouches | 83 | 122 |
| Ointments | 93 | 76 |
| | 18,199 | 18,044 |
| Bulk Drugs and Chemicals | 6,051 | 5,794 |
| | **24,250** | **23,838** |

## Notes forming part of the Financial Statements as at and for the year ended 31st March, 2015

| | | Year ended 31st March, 2015 | Year ended 31st March, 2014 |
|---|---|---|---|
| | | ₹ in lakhs | ₹ in lakhs |
| **36.** | **Purchases of Stock-in-Trade** | | |
| | Pharmaceutical Preparations | | |
| | Tablets | 743 | 657 |
| | Liquids | 279 | 244 |
| | Injections - Ampoules | 1,242 | 862 |
| | Capsules | 70 | 89 |
| | Powder Pouches | 3 | 58 |
| | Ointments | 41 | 33 |
| | | 2,378 | 1,943 |
| | Bulk Drugs and Chemicals | - | - |
| | | **2,378** | **1,943** |
| **37.** | **Closing Stock of Finished Goods and Stock-in-Trade** | | |
| | Pharmaceutical Preparations | | |
| | Tablets | 1,119 | 1,093 |
| | Liquids | 157 | 166 |
| | Injections - Ampoules | 248 | 191 |
| | Capsules | 70 | 117 |
| | Powder Pouches | 3 | 9 |
| | Ointments | 14 | 12 |
| | | 1,611 | 1,588 |
| | Bulk Drugs and Chemicals | 444 | 606 |
| | | **2,055** | **2,194** |
| **38.** | **CIF Value of Imports** | | |
| | Raw Materials | 990 | 743 |
| | Components and Spare Parts | 20 | 39 |
| | Capital Goods | 123 | 146 |
| **39.** | **Expenditure in Foreign Currency** | | |
| | Travelling | 60 | 58 |
| | Professional and Consultation Fees | 152 | 13 |
| | Commission on Sales | 182 | 138 |
| | Interest | 1 | * |
| | Others | 122 | 273 |
| | *Amount is below the rounding off norm adopted by the Company. | | |
| **40.** | **Earnings in Foreign Exchange** | | |
| | FOB Value of Exports [Excluding FOB Value of Exports in Indian Rupees amounting to ₹ 252 Lakhs (Previous year ₹ 311 lakhs)] | 7,047 | 7,122 |
| | Freight and Insurance [Excluding Freight and Insurance on Exports in Indian Rupees amounting to ₹ 2 lakhs (Previous year ₹ 3 lakhs)] | 133 | 112 |
| | Income from Product Development | - | 43 |

## Notes forming part of the Financial Statements as at and for the year ended 31st March, 2015

| | Year ended 31st March, 2015 | Year ended 31st March, 2014 |
|---|---|---|
| | ₹ in lakhs | ₹ in lakhs |
| **41. Revenue Expenditure on Research and Development** | | |
| Salaries and Wages | 451 | 401 |
| Consumable Stores | 171 | 172 |
| Utilities | 48 | 45 |
| Others | 215 | 137 |
| | **885** | **755** |

**42. Forward Contracts and Unhedged Foreign Currency Outstanding Balances**

The Company uses forward contracts to hedge its risks of net exposure associated with foreign currency fluctuations. The Company does not enter into any forward contract which is intended for trading or speculative purposes.

(a) The details of forward contracts outstanding as at the Balance Sheet date are as follows:

| | As at 31st March, 2015 | | | As at 31st March, 2014 | | |
|---|---|---|---|---|---|---|
| Currency | Number of Contracts | Foreign Currency Amount | Rupees Equivalent | Number of Contracts | Foreign Currency Amount | Rupees Equivalent |
| | | in lakhs | in lakhs | | in lakhs | in lakhs |
| US Dollar | 5 | 15 | 939 | 2 | 8 | 451 |
| GBP | 1 | 3 | 231 | - | - | - |
| Euro | 1 | 1 | 34 | - | - | - |

(b) The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at the Balance Sheet date are as follows:

| | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---|---|---|---|---|
| Particulars | Amount in Foreign Currency | Amount in Rupees | Amount in Foreign Currency | Amount in Rupees |
| | in lakhs | in lakhs | in lakhs | in lakhs |
| Receivables | | | | |
| Trade Receivables | | | | |
| US Dollar | 20 | 1,230 | 12 | 708 |
| GBP | - | - | 4 | 359 |
| Euro | - | 8 | 8 | 639 |
| Payables | | | | |
| Foreign Currency Loans from Banks | | | | |
| US Dollar | 11 | 674 | 13 | 762 |
| Trade Payables | | | | |
| US Dollar | 1 | 64 | - | - |
| Euro | 1 | 78 | 3 | 222 |

## Notes forming part of the Financial Statements as at and for the year ended 31st March, 2015

**43. Employee Benefits**

(A) Defined Contribution Plans

The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

| | | Year ended 31st March, 2015 | Year ended 31st March, 2014 |
|---|---|---|---|
| | | ₹ in lakhs | ₹ in lakhs |
| (i) | Contribution to Provident Fund | 110 | 112 |
| (ii) | Contribution to Employee's Superannuation Fund | 27 | 29 |
| (iii) | Contribution to Employees' State Insurance Scheme | 30 | 40 |
| (iv) | Contribution to Employees' Pension Scheme | 84 | 65 |
| | | **251** | **246** |

(B) Defined Benefit Plan

Valuation in respect of Gratuity has been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

| | | Year ended 31st March, 2015 | Year ended 31st March, 2014 |
|---|---|---|---|
| (a) | Discount Rate (per annum) | 7.90% | 9.35% |
| (b) | Rate of increase in Compensation Levels | 5.50% | 5.50% |
| (c) | Rate of Return on Plan Assets | 7.90% | 8.70% |
| (d) | Expected Average remaining working lives of employees in number of years | 12 | 13 |

| | | | Year ended 31st March, 2015 | Year ended 31st March, 2014 |
|---|---|---|---|---|
| | | | Gratuity | Gratuity |
| | | | ₹ in lakhs | ₹ in lakhs |
| (i) | Changes in the Present Value of Obligation | | | |
| | (a) | Opening Present Value of Obligation | 384 | 340 |
| | (b) | Interest Cost | 36 | 27 |
| | (c) | Past Service Cost | - | - |
| | (d) | Current Service Cost | 46 | 46 |
| | (e) | Liability Transferred In | 22 | - |
| | (f) | Curtailment Cost/(Credit) | - | - |
| | (g) | Settlement Cost/(Credit) | - | - |
| | (h) | Benefits Paid direct by employer | (83) | (48) |
| | (i) | Actuarial (Gain)/Loss | 62 | 19 |
| | (j) | Closing Present Value of Obligation | 467 | 384 |
| (ii) | Changes in the Fair Value of Plan Assets | | | |
| | (a) | Opening Fair Value of Plan Assets | 371 | 340 |
| | (b) | Expected Return on Plan Assets | 32 | 29 |
| | (c) | Actuarial Gain/(Loss) | 2 | 1 |
| | (d) | Employers' Contributions | 18 | 49 |
| | (e) | Asset Transferred In | 22 | - |
| | (f) | Benefits Paid | - | (48) |
| | (g) | Closing Fair Value of Plan Assets | 445 | 371 |

## Notes forming part of the Financial Statements as at and for the year ended 31st March, 2015

| | Year ended 31st March, 2015 | Year ended 31st March, 2014 |
|---|---|---|
| | Gratuity | Gratuity |
| | ₹ in lakhs | ₹ in lakhs |
| (iii) Actual Return on Plan Assets | 35 | 31 |
| (iv) Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at the year end | | |
| (a) Government Securities and Corporate Bonds | 24% | 29% |
| (b) Administered by Life Insurance Corporation of India | 66% | 67% |
| (c) Others | 10% | 4% |

| | As at 31st March, | | | | |
|---|---|---|---|---|---|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| | Gratuity | Gratuity | Gratuity | Gratuity | Gratuity |
| | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs |
| (v) Amount recognised in the Balance Sheet | | | | | |
| (a) Present Value of Obligation as at the year end | 467 | 384 | 340 | 331 | 302 |
| (b) Fair Value of Plan Assets as at the year end | 445 | 371 | 340 | 331 | 302 |
| (c) (Asset)/Liability recognised in the Balance Sheet | 22 | 13 | - | - | - |
| (d) Experience adjustments Loss/ (Gain) in plan liabilities | 27 | 19 | 3 | (2) | (27) |
| (e) Experience adjustments Loss/ (Gain) in plan Assets | (2) | (1) | 2 | (1) | (1) |

| | Year ended 31st March, 2015 | Year ended 31st March, 2014 |
|---|---|---|
| | Gratuity | Gratuity |
| | ₹ in lakhs | ₹ in lakhs |
| (vi) Expenses recognised in the Statement of Profit and Loss | | |
| (a) Current Service Cost | 46 | 46 |
| (b) Past Service Cost | - | - |
| (c) Interest Cost | 36 | 27 |
| (d) Expected Return on Plan Assets | (32) | (29) |
| (e) Curtailment Cost/(Credit) | - | - |
| (f) Settlement Cost/(Credit) | - | - |
| (g) Net Actuarial (Gain)/Loss | 59 | 18 |

## Notes forming part of the Financial Statements as at and for the year ended 31st March, 2015

| | Year ended 31st March, 2015 | Year ended 31st March, 2014 |
|---|---|---|
| | Gratuity | Gratuity |
| | ₹ in lakhs | ₹ in lakhs |
| (h) Employees' Contribution | - | - |
| (i) Total Expenses recognised in the Statement of Profit and Loss | 109 | 62 |
| (vii) Expected Contribution to the Fund in the next year | 75 | 46 |

(C) Other Employee Benefits

Long-term and short-term liabilities for Compensated Absences as at the Balance Sheet date were ₹ 158 lakhs (Previous year ₹ 142 lakhs) and ₹ 98 lakhs (Previous year ₹ 92 lakhs), respectively.

| | Year ended 31st March, 2015 | Year ended 31st March, 2014 |
|---|---|---|
| | ₹ in lakhs | ₹ in lakhs |
| **44. Segment Information** | | |
| (A) Information in respect of Primary Segments | | |
| Refer Note (a) below | | |
| (B) Information in respect of Secondary Segments | | |
| (I) Segment Revenue | | |
| India | 16,884 | 16,200 |
| Other Countries | 7,434 | 7,591 |
| | **24,318** | **23,791** |
| (II) Carrying Amount of Segment Assets | | |
| India | 17,249 | 17,450 |
| Other Countries | 2,442 | 2,157 |
| | **19,691** | **19,607** |
| (III) Capital Expenditure | | |
| India | 984 | 1,364 |
| Other Countries | - | - |
| | **984** | **1,364** |

Notes:

(a) The primary reporting of the Company is based on the business segment. The Company has only one reportable business segment which is manufacturing and marketing of pharmaceutical products. Accordingly, the figures appearing in these financial statements relate to pharmaceutical products.

(b) Secondary segment reporting is based on the geographical location of customers. Revenue is segregated in to two segments namely India and Other Countries for the purpose of reporting geographical segments.

(c) The accounting policies adopted for segment reporting are in line with the accounting policies adopted for the preparation of financial statements as disclosed in Note 2.

## Notes forming part of the Financial Statements as at and for the year ended 31st March, 2015

**45. Related Party Disclosures**

(A) Enterprise where control exists — Swallow Associates LLP, India*

*No transactions during the year

(B) Related party with whom the Company had transactions during the year

Key Management Person — Ajit Singh Chouhan (upto 30th September, 2014)

CT. Renganathan (from 02nd January, 2015)

(C) Disclosure of transactions between the Company and related party

| | Year ended 31st March, 2015 | Year ended 31st March, 2014 |
|---|---|---|
| | ₹ in lakhs | ₹ in lakhs |
| Key Management Person - Remuneration | | |
| Ajit Singh Chouhan | 127 | 184 |
| CT. Renganathan * | 63 | - |
| | **190** | **184** |

*In view of Inadequacy of profit for the year 2014-15, remuneration aggregating to ₹ 31 lakhs paid to the Managing Director (MD) of the Company is in excess of the limit prescribed under Section 197 of the Act. Pending approval of the Central Government , the said amount is being held in trust by the MD.

**46. Leases**

(I) Disclosures for Finance Leases

The Company has acquired certain Vehicles and Computer Software under Finance Lease. The details of minimum lease payments outstanding as at the Balance Sheet date in respect of these assets are as under:

| | As at 31st March, 2015 | | | As at 31st March, 2014 | | |
|---|---|---|---|---|---|---|
| | Not later than one year | Later than one year and not later than five years | Later than five years | Not later than one year | Later than one year and not later than five years | Later than five years |
| | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs |
| Minimum Lease Payments outstanding as at the year end | 26 | 16 | - | 17 | 10 | - |
| Finance Charges to be recognised in subsequent years | 4 | 1 | - | 3 | - | - |
| Present Value of Minimum Lease Payments | 22 | 15 | - | 14 | 10 | - |

## Notes forming part of the Financial Statements as at and for the year ended 31st March, 2015

(II) Disclosures for Operating Leases

Disclosures in respect of Residential Premises, Office premises, Warehouses, Office Equipment, Server and Laptops taken on lease

| | Year ended 31st March, 2015 | Year ended 31st March, 2014 |
|---|---|---|
| | ₹ in lakhs | ₹ in lakhs |
| (a) Lease payments recognised in the Statement of Profit and Loss | 103 | 128 |
| (b) Significant leasing arrangements<br>The terms of lease include terms of renewals, increase in rent in future period, terms of cancellation, etc. | - | - |
| (c) Future minimum lease payments under non cancellable agreements | | |
| (i) Not later than one year | 41 | 47 |
| (ii) Later than one year and not later than five years | 38 | 79 |
| (iii) Later than five years | - | - |

**47. Earnings per Share**

Basic earnings per share has been calculated by dividing profit for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year. Diluted earnings per share has been calculated by dividing profit for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. Dilutive potential equity shares that have been converted in to equity shares during the year are included in the calculation of diluted earnings per share from the beginning of the year to the date of conversion and from the date of conversion, the resulting equity shares are included in computing both basic and diluted earnings per share. Earnings per Share has been computed as under:

| | Year ended 31st March, 2015 | Year ended 31st March, 2014 |
|---|---|---|
| Profit for the year (₹ in lakhs) | **100** | **5,340** |
| Weighted average number of Shares for Basic Earnings per Share | 16,535,835 | 16,535,241 |
| Add: Effect of Dilutive Potential Shares (Employee Stock Options) | 983 | 848 |
| Weighted average number of Shares for Diluted Earnings per Share | 16,536,818 | 16,536,089 |
| Earnings per Share (₹ per Equity Share of ₹ 8 each) | | |
| Basic | 0.60 | 32.29 |
| Diluted | 0.60 | 32.29 |

48. Previous year's figures have been regrouped / reclassified wherever necessary.

Signatures to Notes 1 to 48

In terms of our report of even date

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants

**Sumit Seth**
Partner
Membership No. 105869

Mumbai, 29th April, 2015

For and on behalf of the Board

**H. V. Goenka**
Chairman

**CT. Renganathan**
Managing Director

**C. L. Jain**
Director

**Sachin Raole**
Chief Financial Officer

**Rajesh Shirambekar**
Company Secretary

Mumbai, 29th April, 2015

## Notes forming part of the Financial Statements as at and for the year ended 31st March, 2015

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

| | Year ended 31st March, 2015 | | Year ended 31st March, 2014 | |
|---|---|---|---|---|
| | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs |
| **A. Cash flow from operating activities** | | | | |
| Net Profit before Tax | | 100 | | 6,497 |
| Adjustments for - | | | | |
| Depreciation and Amortisation Expense | 1,136 | | 1,061 | |
| Interest Income | (16) | | (11) | |
| Liabilities no longer required written back | (453) | | (22) | |
| Provision for Doubtful Debts and Advances (Net) | (323) | | 689 | |
| Exceptional Items | - | | (6,414) | |
| (Profit)/Loss on Sale/Disposal of Fixed Assets (Net) | (13) | | 3 | |
| Interest Expense | 274 | | 284 | |
| Unrealised Exchange (Gain)/Loss (Net) | 134 | | (167) | |
| | | 739 | | (4,577) |
| Operating profit before working capital changes | | 839 | | 1,920 |
| Adjustments for - | | | | |
| Trade and Other Receivables | (335) | | 739 | |
| Inventories | 329 | | (840) | |
| Trade and Other Payables | (641) | | (1,305) | |
| | | (647) | | (1,406) |
| Cash generated from operations | | 192 | | 514 |
| Direct Taxes paid (net of refund of taxes) | | (389) | | (1,070) |
| Net cash used in operating activities | | (197) | | (556) |
| **B. Cash flow from investing activities** | | | | |
| Purchases of Fixed Assets (including advances for capital expenditure) | (1,073) | | (1,365) | |
| Exceptional Items | | | | |
| Sale of Fixed Assets | - | | 7,025 | |
| Interest received | - | | 242 | |
| Sale of Fixed Assets | 26 | | 17 | |
| Interest received | 16 | | 11 | |
| Net cash from/(used in) investing activities | | (1,031) | | 5,930 |

| | Year ended 31st March, 2015 | | Year ended 31st March, 2014 | |
|---|---|---|---|---|
| | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs |
| **C. Cash flow from financing activities** | | | | |
| Proceeds from Long-term Borrowings | 54 | | 42 | |
| Repayment of Long-term Borrowings | (61) | | (2,534) | |
| (Repayment of)/Proceeds from Short-term Borrowings (Net) | 1,839 | | (2,314) | |
| Dividend paid | (326) | | (195) | |
| Tax paid on Dividend | (56) | | (34) | |
| Interest paid | (226) | | (330) | |
| Net cash from/(used in) financing activities | | 1,224 | | (5,365) |
| Net (decrease)/increase in cash and cash equivalents | | **(4)** | | **9** |
| Cash and Cash Equivalents - Opening Balance | | 29 | | 20 |
| Cash and Cash Equivalents - Closing Balance | | 25 | | 29 |

**Notes:**

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard – 3 on Cash Flow Statements, notified under sub-section (3C) of Section 211 of the Companies Act, 1956. [Refer Note 2(a)]
2. Previous year figures have been regrouped where necessary.

In terms of our report of even date

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants

**Sumit Seth**
Partner
Membership No. 105869

Mumbai, 29th April, 2015

For and on behalf of the Board

**H. V. Goenka**
Chairman

**CT. Renganathan**
Managing Director

**C. L. Jain**
Director

**Sachin Raole**
Chief Financial Officer

**Rajesh Shirambekar**
Company Secretary

Mumbai, 29th April, 2015

**RPG LIFE SCIENCES LIMITED**

**Regd. Office: RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai 400 030.**
**CIN:L24232MH2007PLC169354**
Tel: + 91-22-2498 1650 | Fax: + 91-22-2497 0127 | Email: info@rpglifesciences.com | Website: www.rpglifesciences.com

**FORM NO.MGT-11**

**PROXY FORM**

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

CIN: L24232MH2007PLC169354

Name of the Company: RPG Life Sciences Limited

Registered Office: RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai- 400 030.

Name of the Member(s):

Registered Address:

Email ID:

Folio No./DP ID/Client ID:

I/ We, being the member(s) of _____ share(s) of the above named Company, hereby appoint;

1. Name:_____ Address:_____

_____

E-mail Id: _____ Signature: _____ or failing him/her

2. Name:_____ Address:_____

_____

E-mail Id: _____ Signature: _____ or failing him/her

3. Name:_____ Address:_____

_____

E-mail Id: _____ Signature: _____ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 8th Annual General Meeting of the Company, to be held on Tuesday, July 28, 2015, at 3.00 p.m. at Ravindra Natya Mandir, P.L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai - 400 025 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of audited Balance Sheet as at March 31, 2015, Statement of Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. Declaration of dividend on equity shares of the Company for the year ended March 31, 2015.
3. Re-appointment of Mr. H.V. Goenka as a Director of the Company.
4. Ratification of the appointment of Statutory Auditors of the Company.
5. Ratification of remuneration payable to Cost Auditors of the Company.

Signed this ..... day of ..... 2015

Signature of shareholder : _____

Signature of Proxy holder(s) : _____

Affix Revenue Stamp

**Note :This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

**RPG LIFE SCIENCES LIMITED**

**Regd. Office: RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai 400 030.**

**CIN:L24232MH2007PLC169354**

Tel: + 91-22-2498 1650 | Fax: + 91-22-2497 0127 | Email: info@rpglifesciences.com | Website: www.rpglifesciences.com

## CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC FORM

Dear Shareholders,

Pursuant to Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, your Company has sent the Annual Report through electronic mode to those Shareholders whose E-mail IDs are registered. Please note that as a Shareholder, you will be entitled to receive physical copies of all notices and documents free of cost, upon specific request to the Company.

The Annual Report and the Notice of General Meetings and other documents will also be available on the Company's website at 'www.rpglifesciences.com'.

Shareholders holding shares in physical mode and wishing to register / update their E-mail ID to receive the Annual Report and other documents in electronic mode, are requested to fill the form below and send the same to our Registrar and Share Transfer Agents viz., **Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078**. The Company will not be in a position to send the documents in electronic mode unless the duly filled in form below is received.

Shareholders holding shares in the dematerialized mode and wishing to register / update their E-mail ID to receive the Annual Report and other documents in electronic mode, are requested to fill the form below and send the same to Link Intime India Private Limited and also register / update their E-mail ID with the Depository Participants where their Demat account is maintained.

**For RPG Life Sciences Limited**

Place: Mumbai
Date: April 29, 2015

**Rajesh Shirambekar**
**Head – Legal & Company Secretary**

---

**RPG LIFE SCIENCES LIMITED**

**Regd. Office: RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai 400 030.**

**CIN:L24232MH2007PLC169354**

Tel: + 91-22-2498 1650 | Fax: + 91-22-2497 0127 | Email: info@rpglifesciences.com | Website: www.rpglifesciences.com

## CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC FORM

I/We agree to receive documents in electronic mode pursuant to Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014. Please register / update* the E-mail ID as mentioned below.
*Strike out whichever is not applicable.

1. Name(s) of Shareholder(s) (including joint holders, if any) : _____
2. No. of Shares held : _____
3. Registered Folio No. / DP ID & Client ID No. : _____
4. **E-mail ID for receipt of documents in electronic mode :** _____

Place :_____

_____
**(Signature of First holder)**

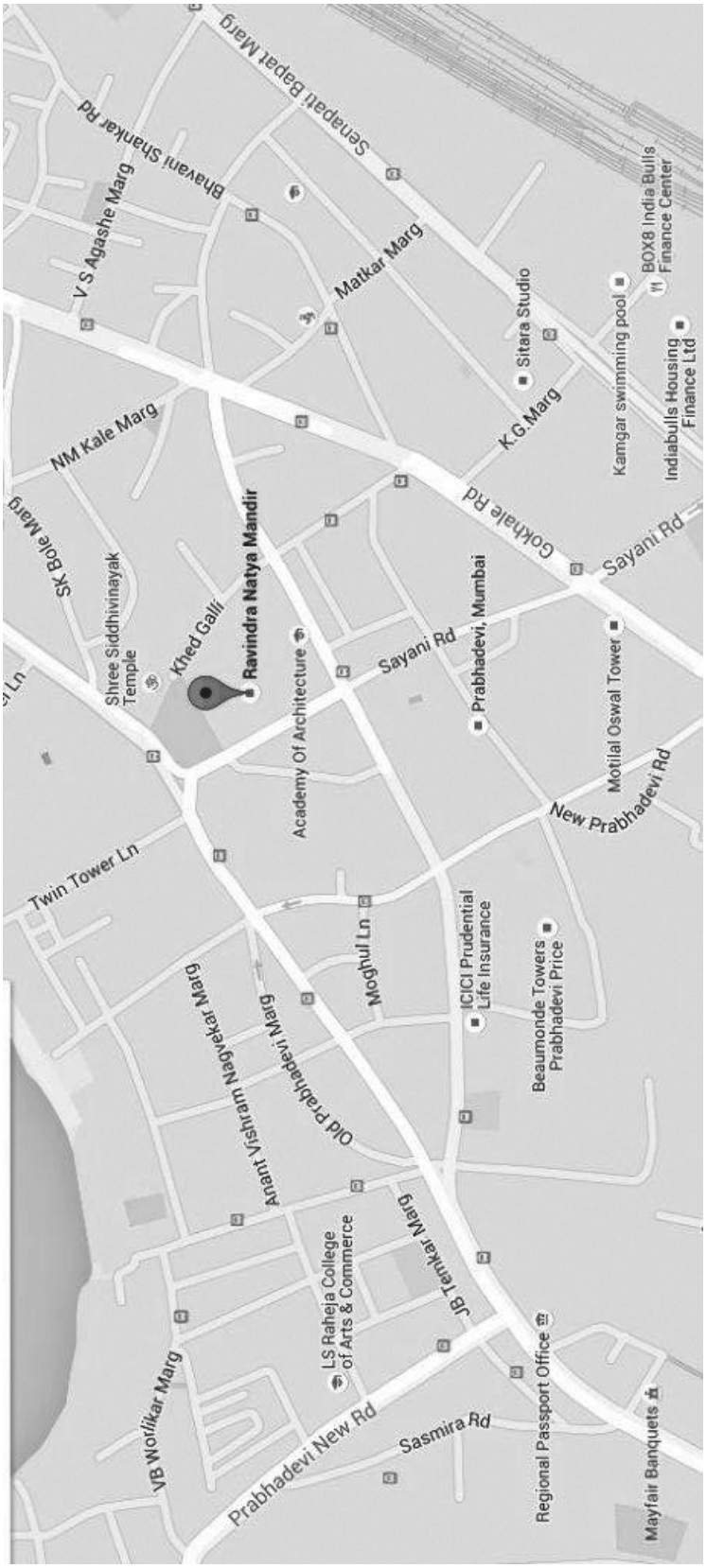
Date :_____

_____
**(Name of First holder)**

For Physical shares : Kindly send to Link Intime India Private Limited.
For Demat shares : Kindly send to Link Intime India Private Limited and also register/update the E-mail ID with the Depository Participant where demat account is maintained.

**RPG Life Sciences Limited**

Route Map for the 8th Annual General Meeting



RPG LIFE SCIENCES LIMITED

**Regd. Office: RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai 400 030.**
**CIN: L24232MH2007PLC169354**
Tel: 91-22-2498 1650 | Fax: 91-22-2497 0127 | Email: info@rpglifesciences.com | Website: www.rpglifesciences.com

## ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

**Sr No. :**

| | |
|---|---|
| **Registered Folio No./ DP ID/Client ID** | |
| **Name and address of the Member (s)** | |
| **No. of Share(s)** | |
| **Name of the Proxy (In Block letters)** | |
| **Signature of the Member(s)/Proxy** | |

I/ We hereby record my/ our presence at the 8th Annual General Meeting of the Company on Tuesday, July 28, 2015, at 3.00 p.m. at Ravindra Natya Mandir, P.L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai - 400 025.

NOTE: Members/Proxies are requested to bring the attendance slip with them.

----------x----------x----------

## ELECTRONIC VOTING PARTICULARS

| EVSN ( Electronic Voting Sequence Number ) | *Default PAN |
|---|---|
| **150622005** | |

*Only Shareholder who have not updated their PAN with Company/Depository Participant shall use Default PAN in the Pan Field.

Note: Please read the instructions printed under the Note No.16 to the Notice of 8th Annual General Meeting dated April 29, 2015. The voting period starts from 9.00 a.m. on Friday, July 24, 2015 and ends at 5.00 p.m. on Monday, July 27, 2015. The voting module shall be disabled by CDSL for voting thereafter.

----------x----------x----------