



RPG LIFE SCIENCES LIMITED

3rd Annual Report 2009-10

**BOARD OF DIRECTORS**

Mr. H. V. Goenka Chairman
Mr. R. A. Shah Alternate to Mr. Dilip Sen
Mr. C. L. Jain
Mr. Ajit Gulabchand
Mr. Niraj Bajaj
Dr. Lalit S. Kanodia
Mr. Mahesh S. Gupta
Mr. Manoj K. Maheshwari
Mr. P. K. Mohapatra
Mr. Dilip Sen
Mr. Ajit Singh Chouhan Managing Director

AUDIT COMMITTEE

Mr. C. L. Jain
Mr. Niraj Bajaj
Mr. Mahesh S. Gupta
Mr. P. K. Mohapatra
Mr. Ajit Singh Chouhan

HEAD - LEGAL & COMPANY SECRETARY

Mr. Ankur Kumar

AUDITORS

Lovelock & Lewes
Chartered Accountants

REGISTERED OFFICE

CEAT Mahal
463, Dr. Annie Besant Road
Worli, Mumbai 400 030
E-mail: investorservices@rpgls.com
Website: www.rpglifesciences.com

MANAGEMENT TEAM

Mr. Ajit Singh Chouhan
Managing Director

Mr. P. K. Pathak
Vice President & Head of Business –
Global Formulations

Mr. Ravi Soni
Vice President – Global Generics, API & Biotech

Mr. Ashoke Roy
General Manager – Finance

Mr. Ratish Jha
General Manager – Human Resources

SOLICITORS

Crawford Bayley & Co.

BANKERS

Union Bank of India
State Bank of India
Corporation 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

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRD ANNUAL GENERAL MEETING OF THE MEMBERS OF RPG LIFE SCIENCES LIMITED WILL BE HELD ON THURSDAY, JULY 29, 2010 AT 11.30 A.M. AT RAVINDRA NATYA MANDIR, P.L. DESHPANDE MAHARASHTRA KALA ACADEMY, SAYANI ROAD, PRABHADEVI, MUMBAI 400 025 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2010, the Profit and Loss Account for the year ended on that date and the Report of the Directors and the Auditors thereon.
2. To declare dividend for the year ended on March 31, 2010.
3. To appoint a Director in place of Dr. Lalit S. Kanodia, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Manoj K. Maheshwari, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Mahesh S. Gupta, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. Lovelock & Lewes, Chartered Accountants, be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:

7. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:
 “RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 read with Schedule

XIII and other applicable provisions, if any, of the Companies Act, 1956 (the said Act) including any statutory modification or re-enactment thereof and subject to the approval of the Central Government, if necessary, and such other approvals, permissions, and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities in granting such approvals, permissions and sanctions, the Company hereby approves the appointment of Mr. Ajit Singh Chouhan as Managing Director of the Company for a period of three years from April 9, 2010 to April 8, 2013 on the terms and conditions set out in the Agreement dated May 12, 2010 entered into between the Company and Mr. Ajit Singh Chouhan (which is also hereby approved) and submitted to this meeting and the payment of the following remuneration to Mr. Ajit Singh Chouhan, Managing Director of the Company:

Basic Salary	Rs.2,75,000 p.m.
Allowances	Rs.1,78,000 p.m.
Leave Travel Allowance	Rs.75,000 p.a.
Medical Reimbursement	One month basic salary.
Club Membership	Monthly subscription to one club.
Car	One Company maintained car with driver for Company use. (Personal use will be to the account of the incumbent).
Performance incentive	Upto Rs.16,50,000 p.a.
Telephone	Rental and usage will be paid by the Company.
Provident Fund/ Gratuity/Leave Encashment	As per Company policy.
Group Mediciam Insurance/Group Term Life Insurance	As per Company policy.
Annual Increments	Upto 50% of basic salary and allowances or as decided by the Remuneration Committee.



RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mr. Ajit Singh Chouhan as the Managing Director, the Company has no profits or its profits are inadequate, the Company may pay to the Managing Director, the remuneration specified supra, as minimum remuneration as may be prescribed in Section II of Part II of Schedule XIII to the said Act from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable including alter and vary the said remuneration in such form and manner or with such modifications as the Board may deem fit and agreed to by Mr. Ajit Singh Chouhan and to settle any questions, difficulties or doubts that may arise in this regard."

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members/proxies should bring duly filled attendance slip sent herewith to attend the meeting.
3. The explanatory statement setting out material facts concerning the Special Business mentioned under Item No.7 of the Notice as required under Section 173(2) of the Companies Act, 1956, is annexed hereto.
4. The details of Directors seeking re-appointment at the Annual General Meeting as required under Clause 49 of the listing agreement is annexed hereto.
5. The Register of Members and Share Transfer Books

of the Company will remain closed from Monday, July 19, 2010 to Thursday, July 29, 2010 (both days inclusive).

6. The dividend, as recommended by the Board, if declared at the Annual General Meeting, will be paid on or after July 29, 2010 to those members whose names stand registered on the Company's Register of Members:
 - i) as beneficial owners as at the end of business hours on July 16, 2010 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, on or before July 16, 2010.
7. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for the payment of dividend. The Company or its Registrar and Share Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of address and bank particulars or bank mandates. Such changes are to be communicated only to the Depository Participant of the members.
8. Members 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.
9. Members who have not encashed their dividend warrant for the previous years, may approach the Company or Registrar and 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.

10. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

11. Members seeking any information on the Accounts are requested to write to the Company, which should reach the Company atleast 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.

By Order of the Board of Directors

Ankur Kumar
Head – Legal & Company Secretary

Registered office:

CEAT Mahal

463, Dr. Annie Besant Road

Worli, Mumbai 400 030

Place : Mumbai

Date : May 12, 2010

Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956

Item No.7:

Mr. Ajit Singh Chouhan has been appointed as Managing Director for a period of 3 years from April 9, 2010 to April 8, 2013 at a remuneration and on the terms and conditions as set out in the Agreement dated May 12, 2010 entered into between the Company and Mr. Ajit Singh Chouhan.

Mr. Chouhan, 49 years, is a graduate of Mechanical Engineering with Masters in Business Administration and an Alumni of London Business School. He has over 27 years of rich and varied work experience in India and overseas across the Engineering, Marine, Telecom, Power, Plantations and Pharmaceutical industries.

Mr. Chouhan is a Management Board Member of the RPG Group and is a Director on the Boards of Harrisons Malayalam Limited, Raychem RPG Limited, FGP Limited and Spencer International Hotels Limited. He has also been responsible for the South Asia operations

of KEC International Limited and RPG Transmissions Limited. Prior to joining the RPG Group, he worked with Ingersoll Rand, a US multinational in the Engineering industry and Emerson, another US multinational, in the Network Power Group. He also leads the Transmission industry as the Chairman of the Transmission & Distribution Division of IEEMA (Indian Electrical and Electronics Manufacturers' Association). He is a member of the IEEMA Council, an apex body of the Association.

The appointment of Mr. Chouhan is in accordance with the conditions specified in Part I and Part II of Schedule XIII, as provided in Section 269 of the Companies Act, 1956.

In accordance with the provisions of Section 302 of the Companies Act, 1956, the members were sent the abstract of the Agreement dated May 12, 2010 entered with Mr. Chouhan as referred to above.

The following documents are open for inspection by the members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturdays, Sundays and public holidays upto the date of this Annual General Meeting:

- A copy of the Agreement dated May 12, 2010 entered into with Mr. Ajit Singh Chouhan.
- A copy of the abstract of the Agreement dated May 12, 2010 referred to above.

The Board recommends the passing of the Ordinary Resolution as set out in Item No.7 of the accompanied notice. None of the Directors except Mr. Ajit Singh Chouhan is concerned or interested in this Resolution.

By Order of the Board of Directors

Ankur Kumar
Head – Legal & Company Secretary

Registered office:

CEAT Mahal

463, Dr. Annie Besant Road

Worli, Mumbai 400 030

Place : Mumbai

Date : May 12, 2010



Annexure to Notice

Détails of Directors' seeking re-appointment at the Annual General Meeting in pursuance of Clause 49 of the listing agreement.

<p>Dr. Lalit S. Kanodia</p>	<p>Dr. Lalit S. Kanodia, 69 years, is B.Tech (Honours) from IIT, Mumbai. He completed his MBA and obtained his Ph.D in Management from Massachusetts Institute of Technology (MIT), USA, and also taught statistical decision theory at MIT during 1964-65. He was also the visiting faculty for MBA students at the Jammalal Bajaj Institute of Management, Mumbai during 1968-70. He is the founder Chairman of Datamatics Ltd.</p> <p>Dr. Kanodia won Ford Foundation Fellowship (on the basis of national selection in USA) for his Ph.D. He won the distinguished alumnus award of IIT Mumbai in 1983 for "Entrepreneurship", and was also awarded Order of Merit for Management and honoured as "Samajshree" by the Council of Management Executives in 1994 in recognition of services rendered to the public. He was included by Dataquest, an Indian computer magazine, in their January 1995 issue, as one of the ten persons in their "Hall of Fame". He has served as President of the Management Consultants Association of India and is a member of various committees and councils. He is an international consultant and has held the post of consultant to Ford Motor Co. and Arthur D. Little, USA. Prior to founding Datamatics Group, Dr. Kanodia worked with TCS and held overall charge of the organization during 1968-69.</p> <p>Dr. Lalit S. Kanodia is a director of Datamatics Software Services Ltd., Cybercom Datamatics Information Solutions Ltd. and Datamatics Global Services Ltd., in addition to several private limited companies and companies incorporated outside India.</p> <p>Dr. Lalit S. Kanodia does not hold any shares in the Company.</p>
<p>Mr. Manoj K. Maheshwari</p>	<p>Mr. Manoj Maheshwari, 52 years, is a second-generation entrepreneur with interests in the Information Technology, Marketing and Chemical industries. He is a graduate from the Bombay University with a major in Chemistry and has done his post graduation in Industrial Management. Mr. Maheshwari's work experience encompasses the project management, production, marketing, financial and general management areas of medium sized companies and is on the board of directors of a number of public and private companies as an executive/independent non-executive director and brings a judicious mix of entrepreneurial and professional skills to the various Boards that he serves on.</p> <p>Mr. Maheshwari is also a director of Hind Syntex Ltd., MIRC Electronics Ltd., Hamilton & Co. Ltd., Ador Weldings Ltd., Metro Shoes Ltd. and Mahindra Ugin Steel Co. Ltd. in addition to several private limited companies.</p> <p>Mr. Maheshwari is a member of Audit Committee of MIRC Electronics Ltd., Hamilton & Co. Ltd., Ador Weldings Ltd. and Mahindra Ugin Steel Co. Ltd. He is also a member of Shareholders'/Investors' Grievance Committee of Hind Syntex Ltd.</p> <p>Mr. Maheshwari does not hold any shares in the Company.</p>



<p>Mr. Mahesh S. Gupta</p>	<p>Mr. Mahesh Gupta, 53 years, is the Group Managing Director with Ashok Piramal Group for more than five years. As Group Managing Director, he oversees all the businesses of the Group which comprises mainly of Real Estate (Peninsula Land Limited), Textiles (Morarjee Textiles Ltd., Integra Apparels), Engineering (Miranda Tools, PMP Components Pvt. Ltd. and Bakony Wiper Systems Ltd.).</p> <p>Mr. Gupta has over 3 decades of professional experience in business management and in all aspects of Corporate Finance such as treasury management, mergers and acquisitions, strategic planning, direct taxation, company law matters, etc.</p> <p>Mr. Gupta has worked with the Piramal Group for over 17 years including 9 years as Group CFO. He had been on the Board of several Companies in the Piramal Group including whole time director of Nicholas Piramal India Ltd., and also worked with RPG group as Group CFO and Management Board Member and as CEO – Welspun India Ltd.</p> <p>Mr. Gupta was awarded the CFO of the Year Award (2001), Special Commendation for Financial Excellence (Mergers & Acquisitions Category) by IMA (formerly known as EIU), New Delhi.</p> <p>Mr. Gupta is also a director of CEAT Ltd., Peninsula Land Ltd., Morarjee Textiles Ltd., Peninsula Investment Management Company Ltd., Ashok Piramal Management Corporation Ltd., Delta Magnets Ltd., Delta Corp Ltd. and Just Textiles Ltd. in addition to several private limited companies. He is the Chairman of the Audit Committee of Delta Corp Ltd. and Delta Magnets Ltd. and member of the Audit Committee of CEAT Ltd., Just Textiles Ltd. and Peninsula Investment Management Company Ltd. He is also the Chairman of the Shareholders'/Investors' Grievance Committee of CEAT Ltd. and member of the Shareholders'/Investors' Grievance Committee of Morarjee Textiles Ltd.</p> <p>Mr. Gupta, has an Honours Degree in B.Com; L.L.B (Gen)., Fellow Member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He had an outstanding academic record - Rank Holder and a Silver Medalist in Company Secretaries Final examination.</p> <p>Mr. Gupta does not hold any shares in the Company.</p>
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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, 2010.

1. FINANCIAL RESULTS

The following is the summary of financial performance of the Company during the year under review.

(Rs. in lacs)

	2009-10	2008-09
Total Income	16,309	14,444
Profit before depreciation, interest and tax	3,187	2,634
Less: Interest	814	861
Less: Depreciation	918	942
Profit for the year before tax	1,455	831
Provision for tax	263	-
Provision for Fringe Benefit Tax	-	54
Deferred Tax Liability	112	116
Profit for the year after tax	1,080	661
Appropriations:		
Proposed dividend	217	172
Tax on proposed Dividend	36	29
Transfer to General Reserve	81	33
Balance carried forward to balance sheet	1,535	790

2. DIVIDEND

Your directors recommend a dividend of Rs.1.44 (18%) per equity share of Rs.8/- each.

3. OPERATIONS

The Company has registered an improved performance during the year under review with a total income of Rs.163.09 crores, a growth of 13% as compared to the previous year. The profit after tax increased by 63% to Rs.10.80 crores as a result of improved focus on key products, better field and production efficiencies and active cost optimization.

Formulations Business:

Performance

The formulations business crossed a landmark of Rs.100 crores in sales during the year registering a growth of 19% as compared to the previous year.

The focus on key brands and improving field efficiency helped grow the domestic business. By leveraging its strengths in core segments, the Company has been able to increase revenues from anti-diarrhoeal products and other products such as Aldactone, Naprosyn, Tricaine, Serenace and Spiromide. The Company has also strengthened its product portfolio by launching new products in the antibiotic, cardiovascular, anti-ulcerant, anti-depressant, immunosuppressant and Nephrology segments. Some of the new products launched during the year were Demator, Sizomax, Mela, Exinia and Mofetyl S. Various initiatives have also been taken to develop new export markets in Africa and South East Asia.

Outlook

New products are being planned for launch in the key therapeutic areas of cardiology, nephrology, pain management and gastroenterology. These new products will augment the product portfolios of various business verticals and also enable the Company to tap growing market segments both in the domestic as well as export markets. At the same time, the Company has plans to set up dedicated divisions with its own sales force and portfolio of brands that will drive the business in therapeutic areas like oncology, psychiatry and diabetology.

Global Generics & Bulk Drugs Business:

Performance

The Global Generics & Bulk Drugs business achieved sales revenue of Rs.35.19 crores, a growth of 10% over the previous year. Demand from export markets was sluggish, especially during the first three quarters of the year. However the shortfall was made up by growth in domestic business and also by launch of new products such as Clopidogrel Form-I. The Company's key products like Risperidone and Azathioprine continued to perform well.

Outlook

One of the key objectives of the Company is to build a strong and sustainable product portfolio. During the current year, the Company plans to launch six new bulk drugs and two existing products in new markets. The Company is also working towards completion of inspection by authorities from certain regulated markets like USA and Latin



America which would facilitate entry into these new markets. The Company is also planning to file DMFs for several products in regulated and semi regulated markets.

Biotech Business:

Performance

The sales of Biotech business remained stagnant as compared to the previous year. The export sales to Latin American countries suffered in the first half of the year due to adverse economic situations and financial hardships faced by certain customers. However, there was good progress made with regard to stabilizing the yields of Daunorubicin which is a key intermediate. The Company has also launched a new immunosuppressant product, Sirolimus, during the year.

Outlook

ork is progressing towards inspection of the Company's facilities by Latin American regulatory agencies which will help sustain the growth and increase the market share in those markets. The Company is also in the process of filing DMFs and Dossiers for its existing products in regulated and emerging markets.

Exports:

Exports sales for the year amounted to Rs.45.17 crores as against Rs.42.57 crores in the previous year. The Company has taken several key initiatives to gain access to new markets and is confident that these will yield results in the current year in terms of substantial increase in the exports.

4. ALLOTMENT OF EQUITY SHARES ON CONVERSION OF WARRANTS

7,00,000 equity shares were allotted on 31st March, 2010 to Petrochem International Ltd pursuant to conversion of 7,00,000 warrants out of 15,00,000 warrants held by Petrochem International Ltd.

5. RESPONSIBILITY STATEMENT

The directors confirm:

- (i) that in the preparation of the annual accounts for the year under review, the applicable accounting standards have been followed and that no material departures have been made from the same

- (ii) that they have selected appropriate accounting policies and applied them consistently and made judgements 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 March 31, 2010 and of the profit for the year ended on that date

- (iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and

- (iv) that they have prepared the annual accounts for the year ended on March 31, 2010 on a going concern basis.

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

The particulars as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure A' to this report.

7. PARTICULARS OF EMPLOYEES

In terms of provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the report of the Board is required to include a statement containing names and other particulars of the employees in receipt of certain remuneration. However, as per provisions of Section 219, the annual report is being sent to all the members excluding the aforesaid statement. Any member who is desirous of obtaining such statement may write to the Company Secretary of the Company.

8. GROUP

Pursuant to an intimation from the Promoters, the names of the Promoters and entities comprising group as defined under the Monopolies and Restrictive Trade Practices (MRTP) Act, 1969 are disclosed in the Annual Report for the purpose of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.



9. CORPORATE GOVERNANCE

As required by the listing agreement with the stock exchanges, Management Discussion and Analysis and Corporate Governance Report, as approved by the Board of Directors, together with a certificate from a Practising Company Secretary confirming the compliance with the requirements of Corporate Governance policies are set out in the Annexure forming part of this annual report.

10. PUBLIC DEPOSITS

In March 2010, the Company launched a fixed deposit scheme to meet a part of its funding requirements. The scheme has received good response and the management of the Company is thankful to all the investors for participating in the scheme and the faith reposed in the Company. As on March 31, 2010, the aggregate amount collected under the fixed deposit scheme was Rs.0.43 crores from 84 depositors. The Company has no overdue deposit other than unclaimed deposits amounting to Rs.0.035 crores.

11. EMPLOYEE STOCK OPTION PLAN

As provided under the Scheme of Arrangement, the Company has to grant stock options in lieu of the stock options granted by the Transferor Company, (Brabourne Enterprises Ltd.) to its employees under '2005 Employee Stock Option Plan'. The Compensation Committee of the Company has to adopt the said plan in its then existing form with such modifications that keep vesting period and life of options granted unaltered and permit issue of equity shares against vested options that have remained unexercised on the appointed date of the Scheme. The Company has not yet granted the said options. Hence, there is no information to be furnished in terms of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

12. DIRECTORS

Mr. Arvind Vasudeva, Managing Director has resigned from the services of the Company with effect from April 9, 2010. The Board of Directors of the Company records its appreciation of the contribution made by Mr. Vasudeva during his tenure as Managing Director of the Company.

Mr. Ajit Singh Chouhan, Director has been

appointed as Managing Director of the Company with effect from April 9, 2010.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Dr. Lalit S. anodia, Mr. Manoj . Maheshwari and Mr. Mahesh S. Gupta, Directors retire by rotation and, being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

The resolutions for their re-appointment as Directors of the Company are included in the notice of the Annual General Meeting.

The Board of Directors recommend the re-appointment of Dr. Lalit S. anodia, Mr. Manoj Maheshwari and Mr. Mahesh S. Gupta.

In compliance with clause 49IV(G) of the Listing Agreement, brief resume, expertise and other details of Directors proposed to be re-appointed are attached alongwith the notice of the Annual General Meeting.

None of these Directors are related to other Directors of the Company.

13. SAFETY

The safety inspection and audits were periodically carried out during the year across all factories. The safety awareness programmes were organised and concerned employees were also imparted safety training.

14. AUDITORS

M/s. Lovelock & Lewes, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. M/s Lovelock & Lewes have expressed their willingness and confirmed their eligibility for re-appointment as Statutory Auditors of the Company.

15. APPRECIATION

Your directors record their appreciation of 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: May 12, 2010



Annexure 'A' to the Directors Report

Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY:

(a) Energy conservation measures taken during the year:

During the year, a host of energy conservation measures were taken across all manufacturing locations and the combined use of devices, training and process change was made to conserve energy.

The various measures taken during the year include (i) Replacing existing old air conditioners (ACs) by new two stars energy conservation based ACs (ii) Implementation of automatic capacitor control panel for utilities section (iii) Installation of air compressor for P system.

(b) Proposals being implemented for reduction of consumption of energy:

(i) Replacing wooden/chillers/FPR Cooling water Pumps with energy efficient pumps (ii) Replacement of existing Boiler by gas burners (dual action) (iii) Replacement of existing cooling towers by high jet cooling towers (iv) VFD installation for cooling water and process water pumps.

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods:

The energy conservation measures undertaken during the year has resulted in saving of approximately Rs.0.11 crores and has thereby contributed in reducing the cost of production.

(d) Total energy consumption and energy consumption per unit as per Form A

A Power & Fuel Consumption Current Year

1 Electricity

(a) Purchased

Units (in 000 k h)	6,867.00
Total amount (Rs. in crores)	3.66
Rate / Unit (Rs.)	5.32

(b) Own Generation

(i) Through Diesel Generator (Unit in 000)	205.00
Total amount (Rs. In crores)	0.25
Cost per unit (Rs.)	12.01

Current Year

(ii) Through Steam Testing Generator

Gas (Units in 000)	414.00
Total amount (Rs. In crores)	0.56
Cost per unit (Rs.)	13.45

2 Coal

quantity (Tonnes)

Total Cost

Average Rate

3 Furnace Oil

quantity (litres) (in 000) 307.00

Total amount (Rs. in crores) 0.69

Average Rate (Rs./ litre) 22.51

4 Other Internal Generation

quantity (units in 000 kwh) -

Total Cost (Rs. in crores) -

Rate per litre (Rs.) -

B Consumption per unit of production

	<u>Std if any</u>	<u>Current year</u>
Products	From the records and other books maintained by the Company, in accordance with the provisions of the Companies Act, 1956, the Company is not in a position to give the information required as per this format.	
Unit		
Electricity		
Furnace Oil		
Coal		
Others		

B. TECHNOLOGY ABSORPTION:

1 Research and Development (R&D)

Specific areas in which R&D has been carried out by the Company:

- (a) Process development of speciality chemicals, especially bulk drugs using non-infringing routes of synthesis.
- (b) Development of novel drug formulations.
- (c) Commercialisations of processes developed in-house.
- (d) Productivity improvement with reference to quality, yield and effluents, thereby developing environment friendly processes.



- (e) Development of products using biotechnology/ microbiology.
- (f) Generation of data for filing drug master files for bulk drugs.

2 Benefits derived as a result of above R&D

R&D has been supporting all the three business areas namely, bulk drugs both Synthetic and fermentation and also formulations. There are three groups working in these areas.

Bulk drugs research is focused on developing new products and also in reducing costs of existing products. During the year, three anti-cancer and one cardiovascular, diuretic and immunosuppressant drugs were developed and commercialized. Development work on several new products is in progress. In addition, cost reduction work on synthetic bulk drugs is in progress on all products which are significant in Company's portfolio.

Biotech R&D work is focused on development of new bulk drugs as well as strain improvement of existing products. Through constant R&D, Company is able to improve the yield significantly by strain improvement.

In formulation, six products were launched during the year, all based on in-house development. They were in the areas of diuretic, antipsychotic, immunosuppressant and naphro-care categories. Two products were novel formulations. In addition work was done on five products for the regulated markets.

3 Future plan of action

- (a) The future work in bulk drugs will continue in anticancer and immunosuppressant areas.
- (b) Biotech research will be in new high value products in addition to chosen therapeutic categories.
- (c) Mutation work for continuous improvements in the current strains will also continue.
- (d) Formulation development will be in the areas of immunosuppressant, cardiovascular products, etc.
- (e) Development of novel drug delivery systems.

4 Expenditure on R&D

(Rs. in lacs)

(a) Capital	50.53
(b) Recurring	441.07
(c) Total	491.60
(d) Total R&D expenditure as a percentage of total turnover	3.01%

Technology absorption, adaptation and innovation During the year, all imported technologies have been absorbed. Almost all products have been commercialized and continue to remain attractive. No new technologies have been purchased during the year. The absorbed technologies have been further improved by in-house R&D so as to improve the purity of the product and for further cost reduction.

C FOREIGN EXCHANGE EARNINGS AND OUTGO:

- (a) Activities related to exports, initiative taken to increase exports, development of new export markets for products:

The Company's thrust is to increase the exports. Apart from setting up a US FDA approvable bulk drugs facility, the various other initiatives taken to increase exports and development of export market include development of new alliances and products with significant export potential, renewal of accreditation by international regulatory agency, filing of drug master files and product dossiers, execution of new contracts for supply of products to customers from new markets, overseas product promotion and customer development activity, participation in summits and conferences organised by industry related bodies, both nationally and internationally and employment of qualified manpower for development of export market.

- (b) Total foreign exchange used and earned:

During the year under review, the Company earned foreign exchange amounting to Rs.45.17 crores, while the outgo in foreign exchange amounted to Rs.12.81 crores.

For and on behalf of the Board of Directors

H.V. Goenka
Chairman

Place : Mumbai
Date : May 12, 2010



Persons constituting group within the definition of “Group” as defined in the Monopolies and Restrictive Trade Practices Act, 1969, for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 1997, include the following :

<u>Sr. No.</u>	<u>Name of the Entity</u>	<u>Sr. No.</u>	<u>Name of the Entity</u>
1.	Accurate Commodore Pvt. Ltd.	38.	RPG Cellular Inv. & Holdings Pvt. Ltd.
2.	Adapt Investments Ltd.	39.	RPG Enterprises Ltd.
3.	Adorn Investments Ltd.	40.	RPG Farms Ltd.
4.	Alipore Towers Pvt. Ltd.	41.	RPG Industries Pvt. Ltd.
5.	Allwyn Apartments Pvt. Ltd.	42.	RPG Infrastructure Inv. Ltd.
6.	Amber Apartments Pvt. Ltd.	43.	RPG Landscapes Ltd.
7.	B N Elias & Company Pvt. Ltd.	44.	RPG Resorts Ltd.
8.	Best Apartments Pvt. Ltd.	45.	Sarala Pharmaceuticals Ltd.
9.	Blue Niles Holdings Ltd.	46.	Saregama India Ltd.
10.	Brabourne Investments Ltd.	47.	Shaft Investments Pvt. Ltd.
11.	Carnival Investments Ltd.	48.	South Asia Electricity Holdings Ltd.
12.	Ceat Ltd.	49.	Spencer & Co. Ltd.
13.	CESC Ltd.	50.	Spencer International Hotels Ltd.
14.	Chattarpati Investments Ltd.	51.	Spencer Travel Services Ltd.
15.	Dakshin Bharat Petrochem Ltd.	52.	Spencer's Retail Ltd.
16.	Eastern Aviation & Inds Pvt. Ltd.	53.	Sri rishna Chaitanya Trading Co. Pvt. Ltd.
17.	FGP Ltd.	54.	Sri Parvathi Suthan Trading Co. Pvt. Ltd.
18.	Goodhope Sales Pvt. Ltd.	55.	Stylefile Events Ltd.
19.	Goodluck Dealcom Pvt. Ltd.	56.	Summit Securities Ltd.
20.	Harrisons Malayalam Financial Services Ltd.	57.	Swallow Investments Ltd.
21.	Harrisons Malayalam Ltd.	58.	Tirumala Dealtrade Pvt. Ltd.
22.	Highway Apartments Pvt. Ltd.	59.	Trade Apartments Ltd.
23.	Idea Tracom Pvt. Ltd.	60.	Ujala Agency Pvt. Ltd.
24.	Indent Investments Pvt. Ltd.	61.	Universal Industrial Fund Ltd.
25.	Instant Investments Ltd.	62.	ensar Technologies Ltd.
26.	Integrated Coal Mining Ltd.	63.	Sri. Rama Prasad Goenka
27.	EC International Ltd.	64.	Smt. Sushila Goenka
28.	estrel Investments Ltd.	65.	Sri. Harsh Vardhan Goenka
29.	utub Properties Pvt. Ltd.	66.	Smt. Mala Goenka
30.	Off-Shore India Ltd.	67.	Sri. Sanjiv Goenka
31.	Organised Investments Ltd.	68.	Smt. Preeti Goenka
32.	Pedriano Investments Ltd.	69.	Sri. Anant Vardhan Goenka
33.	Peregrine Investments Ltd.	70.	Smt. Radha Goenka
34.	Petrochem International Ltd.	71.	Sri. Shashwat Goenka
35.	Phillips Carbon Black Ltd.	72.	Rama Prasad Goenka & Sons
36.	Puffin Investments Ltd.	73.	Harsh Anant Goenka
37.	Rainbow Investments Ltd.	74.	Sanjiv Goenka & Others



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1) Industry structure and developments

The fiscal year began as a difficult one for industry in general. The latter part of 2008-09 had shown a significant slowdown in growth rate in global markets following the financial crisis. The continued recession in developed countries for most of 2009-10 meant a sluggish export recovery and a slowdown in foreign investments. The Indian pharmaceutical industry continued to grow during the year 2009-10 registering a double digit growth. Improvement in medical facilities due to both private and government initiatives, increase in health awareness and good GDP growth are increasingly leading to a higher disposable income in the hands of the Indian consumer and increased spending on health.

2) Opportunities and Threats

A large and growing population requiring medical treatment as well as growing income and health awareness in India offer significant opportunities for growth for companies operating in the pharmaceutical sector. The Company's strength in the areas of immunosuppressant and oncology, robust growth in generic and OTC drug markets and rising demand for generic drugs globally are also factors that have a positive bearing on future growth. Besides this, increased government spending for health schemes and disease eradication programs present good business opportunities to the Company over a medium to long term. The Company's capabilities in manufacturing bulk drugs (both synthetic and biotech), formulation, development of formulations, R&D and the integration between bulk drugs and formulations place the Company in an unique position to exploit new business opportunities.

The Company's US FDA approvable bulk drug facility has been completed. The work on upgrading the US MHRA approved formulation plant located at Ankleshwar to US FDA standards is underway. The Company is also planning to file Drug Master

Files (DMFs) for several bulk drugs in USA and the EU. Increased drive in promoting generic products even in the regulated markets is an opportunity which can be exploited since the Company has manufacturing facilities of both bulk drugs and formulations meeting the regulatory standards of these markets.

Intense price pressure in emerging markets, delay in approval of manufacturing facilities by US FDA / EU and increased regulatory intervention in price fixation for domestic formulation are threats which the Company faces.

3) Segment wise performance

The Company is exclusively engaged in pharmaceutical business.

The global generics and bulk drug business achieved a net sales of Rs.35.19 crores during the year. The global generics business fared well with sales of Azathioprine formulation increasing significantly. Export demand of bulk drugs was sluggish, however there was an 18% growth in domestic bulk drugs sales. Other key products like Risperidone and Clopidogrel performed well. In the current year the Company plans to launch six new bulk drugs and also plans to foray into new markets with existing products. With these initiatives the bulk drugs business is expected to perform better in the current year.

Sales in the biotech business remained stagnant as compared to the previous year. Exports suffered in the initial part of the year due to the adverse economic situation and deferment in placing of orders by certain customers. During the course of the current year, the Company expects that its manufacturing facility will be inspected and approved by certain Latin American regulatory agencies which will in turn enable it to enter new markets with existing products and retain its market share in the existing markets.

Global formulation division achieved a 19% growth in sales. Leading brands like Aldactone, Azoran,



Lomotil, Lomofen, Naprosyn, Serenace, Tricaine and Spiromide registered good performance. The Company also introduced 11 new products across several therapeutic segments during the current year. Several new initiatives have also been taken to develop new export markets in Africa and South East Asia. During the current year the Company has adopted a two pronged strategy for growth. The first would be to augment its product portfolio by launching new products in key therapeutic areas of Cardiology, Nephrology, Pain management and Gastroenterology. At the same time the Company also plans to venture into new therapeutic areas like Oncology, Psychiatry and Diabetology. The Company plans to build up a strong team for delivering the ambitious growth targets.

4) Outlook

The outlook for the domestic pharmaceutical industry looks positive. In view of the strengths and initiatives discussed above, the outlook for the Company's business is positive.

5) Risks and Concerns

The customer concentration in global generics business and regulation of prices in domestic market by DPCO remain concerns. In order to mitigate the risk of customer concentration, the Company has undertaken a rigorous and extensive exercise to develop new customers in regulated markets. The Company is actively pursuing binding commercial relationships with major players in the regulated markets. This initiative will however, require some more time to completely insulate against the said risk. Though attrition at present is not high it continues to remain a concern. Regulators across the world have become stricter with the pharmaceutical industry. Regulatory requirements and consequences for non-compliance are also getting more severe. The risks discussed here are in

addition to other business risks that are common across the industry.

6) Internal Control Systems and their adequacy

The Company has an adequate system of internal controls, which ensure that the assets of the Company are protected from loss and unauthorised use. The internal control system provide for clearly laid down policy guidelines and approval procedures. This system of internal controls is supplemented by internal audit. The Company has a regular process of internal audit carried out by a leading firm of Chartered Accountants. The yearly audit programme is finalised in consultation with the Audit Committee and findings of the internal auditor are regularly placed before the Audit Committee and the management implements the suggestions on weaknesses, if any, observed during the course of the audit.

7) Financial performance with respect to operational performance

The total income during the year stood at Rs.163.09 crores, while profit before depreciation, interest and tax (PBDIT) and profit before tax (PBT) stood at Rs.31.87 crores and Rs.14.55 crores, respectively. The net profit was Rs.10.80 crores as against Rs.6.61 crores in the previous year. During the year, the Company repaid long term borrowing to the extent of Rs.5.60 crores.

8) Material developments in human resources / industrial front

The Company continues to accord high priority to human resource. Bottom-to-top communication has been formalized with 360 degree feedback tools. Technology is harnessed for employee welfare and development with an e-learning portal and online performance management systems. The relationship with employee's union continues to be cordial.



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 endeavour 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 present strength of the Board is ten directors. Mr. H. V. Goenka, Chairman, is a Non-Executive Director. Mr. Ajit Singh Chouhan has been appointed as the Managing Director with effect from April 9, 2010. 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 members

All items in the agenda are supported by detailed background information to enable the members 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, five meetings of the Board of Directors were held on June 25, 2009, July 29, 2009, August 26, 2009, October 28, 2009 and January 19, 2010.



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, 2010 are as under:

Name	Category	No. of Board meetings held	No. of Board meetings attended	Whether attended last AGM held on 26.08.2009	No. of directorship in other public limited companies	Committee positions in other companies****	
						Chairman	Member
Mr. H. V. Goenka <i>Chairman</i>	Non-Executive & Non-Independent	5	5	Yes	8	-	-
Mr. C. L. Jain	Non-Executive & Independent	5	5	Yes	6	-	5
Mr. Ajit Gulabchand	Non-Executive & Independent	5	NIL	No	13	1	3
Mr. Niraj Bajaj	Non-Executive & Independent	5	3	Yes	11	-	1
Dr. Lalit S. Anodia	Non-Executive & Independent	5	5	Yes	3	-	-
Mr. Mahesh S. Gupta	Non-Executive & Independent	5	4	Yes	8	3	4
Mr. Manoj Maheshwari	Non-Executive & Independent	5	4	Yes	6	-	5
Mr. P. Mohapatra	Non-Executive & Independent	5	3	Yes	8	-	4
Mr. Dilip Sen	Non-Executive & Independent	5	NIL	No	1	-	-
Mr. R. A. Shah <i>Alternate Director</i>	Non-Executive & Independent	5	5	Yes	15	5	5
Mr. Ajit Singh Chouhan	Non-Executive & Independent	5	5	Yes	4	-	1
Mr. Arvind Vasudeva <i>Managing Director</i>	Executive	5	5	Yes	-	-	-

Mr. R. A. Shah is an Alternate Director to Mr. Dilip Sen.

Mr. Ajit Singh Chouhan has been appointed as Managing Director w.e.f. April 9, 2010.

Mr. Arvind Vasudeva has resigned w.e.f. April 9, 2010.

Only Audit Committee and Shareholders'/Investors' Grievance Committee positions are considered.

4. Audit Committee

The Audit Committee consisted of five Independent and Non-Executive Directors namely, Mr. C. L. Jain, Mr. Mahesh S. Gupta, Mr. P. Mohapatra, Mr. Niraj Bajaj and Mr. Ajit Singh Chouhan. Mr. C. L. Jain was the Chairman of the Audit Committee.



However, consequent to appointment of Mr. Ajit Singh Chouhan as Managing Director w.e.f. April 9, 2010, the Audit Committee consists of four Independent and Non-Executive Directors, namely, Mr. C. L. Jain, Mr. Mahesh S. Gupta, Mr. P. . Mohapatra and Mr. Niraj Bajaj. 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 292A of the Companies Act, 1956.

The Finance Head, Statutory Auditor and Internal Auditor 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 June 25, 2009, July 29, 2009, October 28, 2009 and January 19, 2010.

Attendance of Directors at the Audit Committee Meeting 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. . Mohapatra	2
Mr. Niraj Bajaj	NIL
Mr. Ajit Singh Chouhan	4

5. Remuneration Committee

The Remuneration Committee consists of four Independent and Non-Executive Directors, namely Mr. C. L. Jain, Mr. Niraj Bajaj, Dr. Lalit S. Anodia and Mr. P. . Mohapatra. Mr. C. L. Jain is the Chairman of the Remuneration Committee. The Committee is appointed with the terms of reference of deciding the remuneration of Executive and Non-Executive Directors.

During the financial year, one meeting of the Remuneration Committee was held on July 29, 2009. Attendance of Directors at the Remuneration Committee Meeting held during the financial year is as under:

Name of the Director	No. of meetings attended
Mr. C. L. Jain	1
Mr. P. . Mohapatra	NIL
Dr. Lalit S. Anodia	1
Mr. Niraj Bajaj	1

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 Rs.20,000/- per Board Meeting and



Rs.10,000/- per Committee Meeting. Keeping in view industry practices, the Board unanimously decides the amount of sitting fees to be paid from time to time, based on the power conferred by the Articles of Association of the Company. The sitting fees presently fixed does not require prior approval of the shareholders.

Details of remuneration of Non-Executive Directors during the financial year 2009-10 are as under:

Name of the Director	Sitting Fees (Rs.)
Mr. H. V. Goenka	1,00,000
Mr. C. L. Jain	1,50,000
Mr. Ajit Gulabchand	NIL
Mr. Niraj Bajaj	70,000
Dr. Lalit S. Anandia	1,10,000
Mr. Mahesh S. Gupta	1,10,000
Mr. Manoj . Maheshwari	80,000
Mr. P . Mohapatra	80,000
Mr. Dilip Sen	NIL
Mr. R. A. Shah	1,00,000
Mr. Ajit Singh Chouhan	1,40,000

During the financial year ended March 31, 2010, the Non-Executive Directors' neither had any other pecuniary relationship nor entered into any other transaction *vis-à-vis* the Company. None of the Non-Executive Directors hold any shares in the Company.

(ii) Executive Director

Remuneration of Executive Directors is decided by the Board based on the recommendation of the Remuneration Committee within the ceiling fixed by the shareholders. The elements of remuneration paid to Mr. Arvind Vasudeva, Managing Director during the financial year 2009-10 are as under:

(Rs. in lacs)

Name of the Director	Salary	Perquisites	Retiral Benefits
Mr. Arvind Vasudeva	64.73	0.73	2.97

All components of the above remuneration are fixed in nature. The above remuneration does not include provision for future liability for retribal benefit made based on actuarial valuation, which is done on overall Company basis.

Mr. Ajit Singh Chouhan has been appointed as Managing Director w.e.f. April 9, 2010 and he does not hold any equity shares in the Company.

7. Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee consisted of three Directors, Mr. Mahesh S. Gupta, Mr. P . Mohapatra and Mr. Arvind Vasudeva. Mr. Mahesh S. Gupta is the Chairman of the Shareholders'/Investors' Grievance Committee.



The Shareholders'/Investors' Grievance Committee has been reconstituted and now comprises of Mr. Mahesh S. Gupta, Mr. Ajit Singh Chouhan and Mr. P. . Mohapatra. Mr. Mahesh S. Gupta is the Chairman of the Shareholders'/Investors' Grievance 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 and include reviewing existing investor redressal system, redressing of shareholder complaints like delay in transfer of shares, non-receipt of declared dividend, etc. and suggesting improvements in investor relations.

During the financial year, four meetings of the Shareholders'/Investors' Grievance Committee were held on June 25, 2009, July 29, 2009, October 28, 2009 and January 19, 2010.

Attendance of Directors at the Shareholders'/Investors' Committee Meeting held during the financial year is as under:

Name of the Director	No. of Meetings attended
Mr. Mahesh S. Gupta	3
Mr. P. . Mohapatra	2
Mr. Arvind Vasudeva	4

Mr. Ankur Kumar, Head Legal & 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, 2010 are as under:

Sr. No.	Type of complaints	Number of Complaints		
		Received	Resolved	Pending
1	Non-receipt of share certificates	12	12	0
2	Non-receipt of dividend warrant	13	13	0
3	Non-receipt of Annual Reports	3	3	0
4	Non-receipt of end stickers	6	6	0
5	Non receipt of Demat Credit/ Remat Certificate	2	2	0
6	Non-receipt of rejected DRF	8	8	0
7	Others	2	2	0
Total:		46	46	0



8. General Body Meeting

The Company was incorporated on March 29, 2007. The details of the Annual General Meetings is as follows:

AGM for the period/year ended	Venue	Date	Time	Special Resolutions passed
1 ST AGM, March 31, 2008	M.C. Ghia Hall Bhogilal Hargovindas Building 18/20, aikhushru Dubash Marg ala Ghoda Mumbai 400 001	August 27, 2008	3.45 p.m.	2
2 nd AGM, March 31, 2009	Ravindra Natya Mandir P. L. Deshpande Maharashtra ala Academy Sayani Road, Prabhadevi Mumbai 400 025	August 26, 2009	11:30 a.m.	1

The details of Special Resolutions passed at the 1st AGM are as under:

- 1) Resolution pursuant to Section 163 of the Companies Act, 1956 for keeping the register of members, index of members, etc. at the premises of the Registrar and Share Transfer Agent and
- 2) Resolution pursuant to Section 81 of the Companies Act, 1956 relating to adoption of 2005 Employee Stock Option Plan established by Brabourne Enterprises Limited.

The detail of Special Resolution passed at the 2nd AGM is as under:

- 1) Resolution pursuant to Section 198, 269, 309, 310 and 311 read with Schedule III of the Companies Act, 1956 for increase in remuneration of Mr. Arvind Vasudeva, Managing Director.

During the financial year 2009-10, no Special Resolution was passed by postal ballot. There is no immediate proposal for passing any resolution by postal ballot this year.

9. 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.
- (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 Non-Executive Directors, Executive Director(s) and Senior Management Personnel, 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. Ajit Singh Chouhan, Managing Director, to this effect forms part of this report.
- (iv) Managing Director and General Manager-Finance of the Company have submitted the certificate as required under Clause 49V of the listing agreement, to the Board of Directors.



(v) The Company is yet to adopt whistle Blower Policy.

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

10. 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

11. General Shareholder Information

(i)	AGM: Date, time and venue	3 rd Annual General Meeting on Thursday, July 29, 2010 at 11.30 a.m. at Ravindra Natya Mandir, P. L. Deshpande Maharashtra kala Academy, Sayani Road, Prabhadevi, Mumbai 400 025.
(ii)	Financial Year	The next financial year of the Company is from April 1, 2010 to March 31, 2011.
(iii)	Date of Book Closure	Monday, July 19, 2010 to Thursday, July 29, 2010 (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 Bombay Stock Exchange 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 2010-2011.
(vi)	Stock Code	532983 on BSE RPG LIFE on NSE
(vii)	ISIN Code	INE105 01010

(viii) Market Price Data

Month	BSE		NSE		SENSEX	
	High	Low	High	Low	High	Low
April 2009	29.20	23.20	29.90	22.20	11,492.10	9,546.29
May	42.60	24.00	42.90	21.05	14,930.54	11,621.30
June	42.00	28.35	42.00	28.05	15,600.30	14,016.95
July	35.85	26.30	35.70	26.25	15,732.81	13,219.99
August	40.45	32.00	40.55	32.10	16,002.46	14,684.45
September	45.95	38.05	45.70	38.00	17,142.52	15,356.72
October	62.45	45.05	62.75	44.75	17,493.17	15,805.20
November	60.95	54.00	60.85	54.00	17,290.48	15,330.56
December	78.70	58.15	79.00	58.20	17,530.94	16,577.78
January 2010	91.50	65.25	92.00	65.00	17,790.33	15,982.08
February	79.95	64.00	78.50	65.15	16,669.25	15,651.99
March	86.45	70.00	86.30	69.95	17,793.01	16,438.45



(ix) Registrar and Transfer Agents

Link Intime India Private Limited C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (est) Mumbai 400 078 Tel No. (022) 2596 3838 Fax No. (022) 2594 6969 E-mail: rnt.helpdesk@linkintime.co.in Contact Person: Mr. Mahadevan Iyer	Liason Office: 203, Davar House, 197/199, D N Road, Mumbai 400 001 Tel No. (022) 2269 4127
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Grievance Redressal

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

(x) 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.

(xi) Distribution of Shareholding

The distribution of shareholding as on March 31, 2010 was as under:

Nominal Value of Shareholding	No. of Shareholders	% of Shareholders	Share Amount	% of Share Amount
Upto 5000	16,319	93.35	1,89,23,592	15.70
5001 to 10000	622	3.56	45,65,768	3.79
10001 to 20000	273	1.56	39,74,824	3.30
20001 to 30000	90	0.52	22,17,304	1.84
30001 to 40000	53	0.30	19,25,992	1.60
40001 to 50000	20	0.11	9,06,272	0.75
50001 to 100000	44	0.25	30,29,816	2.51
100001 and above	61	0.35	8,50,07,232	70.51
Total:	17,482	100.00	12,05,50,800	100.00

• Shareholding Pattern as on March 31, 2010

Category	No. of Shares	%
Promoters	69,80,950	46.33
Insurance Companies	9,27,707	6.16
Foreign Institutional Investors	5,650	0.04
Mutual Funds/ Banks	4,417	0.03
Non Resident Indians	75,516	0.50
Public	70,74,610	46.94
Total:	1,50,68,850	100.00



(xii) Dematerialisation of Shares and Liquidity as on March 31, 2010

Category	No. of Shares	% of shares	No. of Shareholders	% of Shareholders
Electronic Form	1,37,20,676	91.05	12,682	72.54
Physical Form	13,48,174	8.95	4,800	27.46
Total:	1,50,68,850	100.00	17,482	100.00

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

The Company has not issued GDRs/ADRs. On March 30, 2009, the Company had issued 15,00,000 convertible warrants to Petrochem International Limited and 6,38,000 convertible warrants to EC International Limited, on preferential basis in terms of SEBI (Disclosure & Investor Protection) Guidelines, 2000. The said warrants are convertible into equivalent number of equity shares of Rs.8/- each, within 18 months from the date of allotment. On March 31, 2010, the Company had issued and allotted 7,00,000 equity shares to Petrochem International Limited on conversion of equivalent number of warrants earlier issued to them on preferential basis. The Company has applied for listing of the said 7,00,000 equity shares with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

(xiv) Plant Locations

Bulk Drugs (Biotech):	Bulk Drugs (Synthetic)	Pharma Formulations
Plot No. 2702/A GIDC Industrial Estate Ankleshwar 393 002 Dist. Bharuch (Gujarat)	25, MIDC Land Thane Belapur Road Navi Mumbai 400 705 Maharashtra	Plot No. 3102/A GIDC Industrial Estate Ankleshwar 393 002 Dist. Bharuch (Gujarat)

(xv) Address for Correspondence

Mr. Ankur umar
Head Legal & Company Secretary
25, M.I.D.C Land
Thane Belapur Road
Navi Mumbai 400 705
Tel No. (022) 6795 5400 / 6795 5555
Fax No.(022) 2763 3269
Email: investorservices_rpgls.com

(xvi) Non - Mandatory Requirements

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.

Shareholders' Rights

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



Training and Evaluation

The training of Board members and evaluation of performance of Non-Executive Directors as envisaged under Clause 49 of the listing agreement will be considered as and when such need arises.

Whistle Blower Policy

The Company has not yet adopted whistle blower policy mechanism. This would be evaluated and adopted on need basis.

Declaration

I hereby declare that 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, 2010.

Place: Mumbai
Date: May 12, 2010

Ajit Singh Chouhan
Managing Director

Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To the Members 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, 2010, 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.

Place : Mumbai
Date : May 12, 2010.

Pratik M. Shah
Practicing Company Secretary
Membership No.: ACS 20233
C.P. No.: 7401

**AUDITORS' REPORT TO THE MEMBERS OF RPG LIFE SCIENCES LIMITED**

1. We have audited the attached Balance Sheet of RPG Life Sciences Limited (the company'), as at 31st March, 2010, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of The Companies Act, 1956' of India (the Act') 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 4 and 5 of the Order.
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act
 - (e) On the basis of written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2010
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit

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

Himanshu Goradia
Partner

Mumbai, 12th May, 2010

Membership No. 45668



ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 3 of the Auditors' Report of even date to the members of RPG Life Sciences Limited on the financial statements for the year ended 31st March, 2010

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 two 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 between the book records and the physical inventory have been noticed.
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
2. (a) The inventory (excluding stocks with third parties) 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. In our opinion, the discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses (iii)(b) to (iii)(d) of paragraph 4 of the Order are not applicable to the company for the current year.
(b) The company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses (iii)(f) and (iii)(g) of paragraph 4 of the Order are not applicable to the company for the current year.
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. Further, on the basis of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we have neither come across nor have we 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, there are no contracts or arrangements referred to in Section 301 of the Act during the year that need to be entered in the register maintained under that Section. Accordingly, clause (v)(b) of paragraph 4 of the Order is not applicable to the company for the current year.
6. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Sections 58A, 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 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.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.



8. We have broadly reviewed the books of account maintained by the company in respect of the products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 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.
9. (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 undisputed statutory

dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities in India.

- (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, service tax, customs duty and cess which have not been deposited on account of any dispute. The particulars of dues of sales tax and excise duty as at 31st March, 2010 which have not been deposited on account of a dispute, are as follows

Name of the statute	Nature of dues	Amount Rs. 000	Period to which the amount relates	Forum where the dispute is pending
Local Sales Tax Acts and Central Sales Tax Act	Classification Dispute	206	1994-1995	Deputy Commissioner (Appeals), Lucknow
	Sales/Purchase tax including interest and penalty as applicable	1,363	1997-1998	Deputy Commissioner of Sales Tax, Vadodara
		4,317	1998-1999	Sales Tax Tribunal
		4,582	1999-2000	Deputy Commissioner of Sales Tax, Vadodara
		1,336	2000-2001	Deputy Commissioner of Sales Tax (Appeals), Vadodara
The Central Excise Act, 1944	Excise duty including interest and penalty as applicable	1,027	1991-1992 and 1992-1993	Commissioner of Excise and Customs, Vadodara
		33	February 1992 to November 1992	Additional Commissioner (Preventive and Vigilance) of Excise, Vadodara
		919	January 1992 and January 1993	Commissioner of Central Excise and Customs, Vadodara
		3,248	November 1995 to February 1996	Commissioner of Central Excise and Customs, Vadodara
		826	March 1994 to June 1996	Commissioner of Central Excise and Customs, Surat
		112	March 1994 to May 1996	Commissioner of Central Excise and Customs, Vadodara

Net of amounts paid under protest or otherwise



10. As the company is registered for a period less than five years, clause (x) of paragraph 4 of the Order is not applicable to the company for the current year.
11. According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the company.
14. In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments.
15. 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.
16. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. On the basis of an overall examination of the Balance Sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis which have been used for long-term investment.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The company has not issued any debentures.
20. The company has not raised any money by public issues during the year.
21. 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 fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

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

Himanshu Goradia
Partner

Mumbai, 12th May, 2010

Membership No. 45668



BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	As at 31st March, 2010		As at 31st March, 2009	
		Rs. 000	Rs. 000	Rs. 000	Rs. 000
Sources of Funds					
Shareholders' Funds					
Capital	1	120,551		114,951	
Reserves and Surplus	2	515,243		421,593	
			635,794		536,544
Share warrants Refer Note 3 of Schedule 18			8,520		12,668
Loan Funds					
Secured Loans	3	486,300		469,149	
Unsecured Loans	4	4,224		94,762	
			490,524		563,911
Deferred Taxation					
Deferred Tax Liabilities	5	64,037		49,008	
Less: Deferred Tax Assets		13,241		9,463	
			50,796		39,545
Total			1,185,634		1,152,668
Application of Funds					
Fixed Assets	6				
Gross Block		1,326,408		1,328,306	
Less: Depreciation/Amortisation		242,507		167,103	
Net Block		1,083,901		1,161,203	
Capital work-in-Progress (including advances for capital expenditure)		28,160		625	
			1,112,061		1,161,828
Current Assets, Loans and Advances					
Inventories	7	149,042		141,094	
Sundry Debtors	8	312,387		258,405	
Cash and Bank Balances	9	8,006		2,191	
Loans and Advances	10	78,978		106,350	
		548,413		508,040	
Less: Current Liabilities and Provisions					
Liabilities	11	424,794		473,688	
Provisions	12	50,046		43,512	
		474,840		517,200	
Net Current Assets			73,573		(9,160)
Total			1,185,634		1,152,668
Notes to the Financial Statements	18				

Schedules 1 to 12 and 18 referred to above form an integral part of the Balance Sheet.

In terms of our report of even date

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

Himanshu Goradia
Partner
Membership No. 45668
Mumbai, 12th May, 2010

Ankur Kumar
Head - Legal & Company Secretary

For and on behalf of the Board

H. V. Goenka Chairman

C. L. Jain
Mahesh S. Gupta Director

Ajit Singh Chouhan Managing Director

Mumbai, 12th May, 2010


PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	Year ended 31st March, 2010		Year ended 31st March, 2009	
		Rs. 000	Rs. 000	Rs. 000	Rs. 000
Income					
Gross Sales		1,639,917		1,469,048	
Less: Excise Duty on Sales		41,443		64,322	
Net Sales		1,598,474		1,404,726	
Other Income	13	32,514		39,701	
			1,630,988		1,444,427
Expenditure					
Materials	14	465,241		422,571	
Personnel Cost	15	300,461		258,576	
Other Expenses	16	546,558		499,848	
Interest	17	81,392		86,116	
Depreciation/Amortisation		91,822		94,181	
			1,485,474		1,361,292
Profit before Taxation			145,514		83,135
Provision for Taxation					
Current Tax		26,300		9,000	
Minimum Alternate Tax Credit				(9,000)	
Deferred Tax		11,251		11,610	
Fringe Benefits Tax				5,450	
			37,551		17,060
Profit after Taxation			107,963		66,075
Balance brought forward from previous year			78,983		36,385
			186,946		102,460
Appropriations					
Transfer to General Reserve			8,097		3,304
Proposed Dividend			21,699		17,243
Tax on Proposed Dividend			3,604		2,930
Balance carried to Balance Sheet			153,546		78,983
			186,946		102,460
Earnings per Share - Rs. per Equity Share of Rs. 8 each					
Refer Note 24 of Schedule 18					
Basic			7.51		4.60
Diluted			6.54		4.59

Notes to the Financial Statements 18

Schedules 13 to 18 referred to above form an integral part of the Profit and Loss Account.

In terms of our report of even date

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

 Himanshu Goradia
 Partner
 Membership No. 45668
 Mumbai, 12th May, 2010

 Ankur Kumar
 Head - Legal & Company Secretary

For and on behalf of the Board

H. V. Goenka Chairman

 C. L. Jain
 Mahesh S. Gupta Director

Ajit Singh Chouhan Managing Director

Mumbai, 12th May, 2010


SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

	As at 31st March, 2010		As at 31st March, 2009	
	Rs. 000	Rs. 000	Rs. 000	Rs. 000
Schedule 1				
Capital				
Authorised				
18,750,000 Equity Shares of Rs. 8 each		150,000		150,000
Issued and Subscribed				
15,068,850 (Previous year - 14,368,850) Equity Shares of Rs. 8 each fully paid-up		120,551		114,951
Of the above -				
(a) 14,368,850 shares were allotted as fully paid-up pursuant to a Scheme of Arrangement without payments being received in cash Refer Note 1 of Schedule 18 .				
(b) 700,000 (Previous year - Nil) shares were issued on conversion of Share arrants Refer Note 3 of Schedule 18 .				
Schedule 2				
Reserves and Surplus				
Capital Reserve		500		500
Share Premium				
Balance as per last Balance Sheet	310,049		310,049	
Add: Credited during the year on conversion of Share arrants Refer Note 3 of Schedule 18	10,990			
		321,039		310,049
Contingency Reserve				
Balance as per last Balance Sheet	25,780		27,161	
Less: Expenses in connection with the Scheme of Arrangement Refer Note 1 of Schedule 18			1,381	
		25,780		25,780
General Reserve				
Balance as per last Balance Sheet	6,281		2,977	
Add: Transfer from Profit and Loss Account	8,097		3,304	
		14,378		6,281
Profit and Loss Account		153,546		78,983
		515,243		421,593
Schedule 3				
Secured Loans				
Working Capital Loans from Banks		225,378		354,709
Secured by hypothecation of inventory and book debts and second charge on immovable assets at Thane / Ankleshwar Factory				
Long Term Working Capital Loan from a Financial Institution		200,000		
Secured by hypothecation of fixed assets (movable) and second charge on entire current assets at Thane / Ankleshwar Factory				
Term Loan from Banks		580		734
Secured by hypothecation of specific assets purchased under loan				
Term Loan from Banks		42,494		89,141
Secured by hypothecation of specific assets purchased under loan and second charge on immovable assets at Thane factory				
Leased Liabilities		17,848		24,565
Secured on the underlying assets				
		486,300		469,149



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

	As at 31st March, 2010		As at 31st March, 2009	
	Rs. 000	Rs. 000	Rs. 000	Rs. 000
Schedule 4				
Unsecured Loans				
Fixed Deposits		4,224		
Short Term Loan from Others				94,000
Other Loan				762
		<u>4,224</u>		<u>94,762</u>
Amount repayable within one year - Nil				
Previous year Rs. 94,762(000) .				
Schedule 5				
Deferred Taxation				
Deferred Tax Liabilities				
Depreciation	60,782		47,252	
Others	<u>3,255</u>		<u>1,756</u>	
		64,037		49,008
Less:Deferred Tax Assets				
Provision for Doubtful Debts and Advances	2,601		612	
Statutory Liabilities	4,030		4,208	
Others	<u>6,610</u>		<u>4,643</u>	
		<u>13,241</u>		<u>9,463</u>
		<u>50,796</u>		<u>39,545</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

Schedule 6
Fixed Assets

Description	Gross Block (at cost)		Depreciation/Amortisation		Net Block	
	As at 1.4.2009	As at 31.3.2010	As at 1.4.2009	For the year deductions	As at 31.3.2010	As at 31.3.2009
Intangible Assets						
Goodwill	34,862	34,862	13,944	6,972	20,916	13,946
Technical knowhow	288,473	288,473	30,800	15,680	46,480	241,993
Computer Software	12,915	12,915	5,131	2,583	7,714	5,201
						7,784
Tangible Assets						
Leasehold Land	331,999	331,999	10,873	5,444	16,317	315,682
Buildings	227,058	230,956	13,894	8,288	22,182	208,774
Plant and Machinery	373,493	365,752	80,208	43,981	108,988	256,764
Plant and Machinery - Lease Furniture, Fittings and Office Equipment	26,483	26,483	1,407	2,738	4,145	22,338
Vehicles - Owned	1,230	679	292	228	354	325
Vehicles - Taken on Lease	7,435	7,745	2,831	1,494	590	4,010
	1,328,306	1,326,408	167,103	91,822	16,418	1,083,901
Previous year	1,107,939	1,328,306	77,420	94,181	4,498	167,103

Capital work-in-Progress
(including advances for
capital expenditure)

28,160
1,112,061
1,161,828

Notes:

- Intangible Assets are other than internally generated.
- Buildings include investment representing ownership of flats.
- Plant and Machinery include assets held for disposal - Gross Block Rs. 7,589(000) Previous year Rs. 32,441(000) and Accumulated Depreciation Rs. 5,687(000) Previous year Rs. 16,198(000) .
- Furniture, Fittings and Office Equipment include assets held for disposal - Gross Block Rs. 115(000) Previous year Rs. 898(000) and Accumulated Depreciation Rs. 86(000) Previous year Rs. 448(000) .
- Additions to Plant and Machinery and Office Equipment include Rs. 4,864(000) Previous year Rs. 335(000) and Rs. 189(000) Previous year Rs. 40(000) respectively pertaining to Research and Development activities.




SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

	As at 31st March, 2010		As at 31st March, 2009	
	Rs. 000	Rs. 000	Rs. 000	Rs. 000
Schedule 7				
Inventories (At lower of cost and net realisable value)				
Stores and Spare Parts		2,554		3,558
Raw and Packing Materials		28,438		33,742
Work-in-Progress		36,437		36,416
Finished Goods		81,613		67,378
		<u>149,042</u>		<u>141,094</u>
Schedule 8				
Sundry Debtors				
Debts outstanding for a period exceeding six months				
Considered Good				
Secured			58	
Unsecured	12,701		19,912	
	<u>12,701</u>		<u>19,970</u>	
Considered Doubtful	24,340		20,015	
		<u>37,041</u>		<u>39,985</u>
Other Debts - Considered Good				
Secured	5,615		3,117	
Unsecured	294,071		235,318	
		<u>299,686</u>		<u>238,435</u>
		<u>336,727</u>		<u>278,420</u>
Less: Provision for Doubtful Debts		24,340		20,015
		<u>312,387</u>		<u>258,405</u>
Schedule 9				
Cash and Bank Balances				
Cash on Hand		253		225
Balances with Scheduled Banks on Current Accounts		7,753		1,966
		<u>8,006</u>		<u>2,191</u>
Schedule 10				
Loans and Advances (Unsecured, Considered Good unless otherwise stated)				
Advances recoverable in cash or in kind or for value to be received				
Considered Good	47,217		74,384	
Considered Doubtful	806		2,888	
	<u>48,023</u>		<u>77,272</u>	
Less: Provision for Doubtful Advances	806		2,888	
		<u>47,217</u>		<u>74,384</u>
Deposits				
Considered Good	13,812		13,042	
Considered Doubtful	2,160		2,160	
	<u>15,972</u>		<u>15,202</u>	
Less: Provision for Doubtful Deposits	2,160		2,160	
		<u>13,812</u>		<u>13,042</u>
Balances with Customs, Excise and Port Trust		4		9
Minimum Alternate Tax Credit Entitlement		17,895		18,865
Fringe Benefits Tax (Net of Provision)		50		50
		<u>78,978</u>		<u>106,350</u>



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

	As at 31st March, 2010		As at 31st March, 2009	
	Rs. 000	Rs. 000	Rs. 000	Rs. 000
Schedule 11				
Liabilities				
Acceptances		6,227		34,652
Sundry Creditors				
Micro and Small Enterprises Refer Note 6 of Schedule 18				
Others	375,011		386,820	
		375,011		386,820
Book Overdraft				2,872
Deposits/Advances from Customers		31,992		38,772
Unclaimed Dividend		2,915		411
Unclaimed Matured Debentures		36		97
Unclaimed Matured Fixed Deposits		351		478
Unclaimed Interest on Debentures				47
Unclaimed Interest on Fixed Deposits		436		438
Other Liabilities		4,549		6,513
Interest accrued but not due on loans		3,277		2,588
		424,794		473,688
<p>As at the year end, amount outstanding which is due to be credited to the Investor Education and Protection Fund is Rs. 36(000) Previous year Rs. 89(000) .</p>				
Schedule 12				
Provisions				
Provision for Current Taxation (Net)		5,708		1,655
Proposed Dividend		21,699		17,243
Tax on Proposed Dividend		3,604		2,930
Provision for Employee Benefits		19,035		21,684
		50,046		43,512
Net of payments and set off of Minimum Alternate Tax Credit				


SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Year ended 31st March, 2010		Year ended 31st March, 2009	
	Rs. 000	Rs. 000	Rs. 000	Rs. 000
Schedule 13				
Other Income				
Interest on Deposits with a Bank				
Tax Deducted at Source Rs. 46(000) - Previous year Rs. 26(000)		421		138
Dividend on Long term Investment - Non Trade (Tax Free)				50
Export Incentives		22,143		23,766
Exchange Gain (Net)		1,514		
Profit on Sale of Fixed Assets (Net)		2,892		
Liabilities/Provisions no longer required written back		1,974		6,828
Sale of Scrap		1,093		436
Miscellaneous Income		2,477		8,483
		<u>32,514</u>		<u>39,701</u>
Schedule 14				
Materials				
Consumption of Raw and Packing Materials		409,606		369,497
Purchases of Finished Goods		69,891		51,962
Decrease/(Increase) in Stocks				
Opening Stock				
ork-in-Progress	36,416		27,182	
Finished Goods	67,378		77,724	
	<u>103,794</u>		<u>104,906</u>	
Closing Stock				
ork-in-Progress	36,437		36,416	
Finished Goods	81,613		67,378	
	<u>118,050</u>		<u>103,794</u>	
		(14,256)		1,112
		<u>465,241</u>		<u>422,571</u>
Schedule 15				
Personnel Cost				
Salaries, wages and Bonus		247,226		212,310
Contribution to Provident and Other Funds		15,510		14,559
Staff welfare Expenses		37,725		31,707
		<u>300,461</u>		<u>258,576</u>



SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Year ended 31st March, 2010		Year ended 31st March, 2009	
	Rs. 000	Rs. 000	Rs. 000	Rs. 000
Schedule 16				
Other Expenses				
Consumption of Stores and Spare Parts		50,902		51,329
Power and Fuel		57,161		58,117
Rent		9,493		6,948
Repairs and Maintenance				
Buildings	16,581		13,764	
Plant and Machinery	11,187		7,060	
Others	4,347		3,698	
		32,115		24,522
Insurance		12,416		8,298
Rates and Taxes				
Excise Duty	12,946		12,300	
Others	12,890		17,984	
		25,836		30,284
Processing Charges		15,971		18,659
Legal and Professional Charges		22,330		19,367
Travelling and Conveyance		69,570		60,418
License Fees		17,197		10,036
Directors' Fees		940		720
Printing and Stationery		5,234		5,257
Postage, Telephone, Telex and Telegram		14,020		11,428
Freight and Distribution		27,046		25,911
Commission on Sales		39,928		38,254
Advertisement		313		592
Sales Promotion		24,168		13,034
Royalty		7,242		6,158
Bad Debts and Advances written off	4,124		1,199	
Less: Provision	3,790		1,199	
		334		500
Provision for Doubtful Debts and Advances		6,033		500
Spoilages		15,990		12,661
Loss on Sale of Fixed Assets (Net)				312
Fixed Assets written off		1,401		
Exchange Loss (Net)				15,727
Miscellaneous Expenses Refer Note 14 of Schedule 18		90,918		81,316
		546,558		499,848
Schedule 17				
Interest				
On Fixed Loans		81,036		81,799
Others		356		4,317
		81,392		86,116

**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2010**

Schedule 18

Notes to the Financial Statements

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 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

The financial statements are prepared to comply in all material aspects with the applicable accounting principles in India, the accounting standards notified under sub-section (3C) of Section 211 of the Companies Act, 1956 (the Act) and the other relevant provisions of the Act. The significant accounting policies are as follows -

(a) Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention.

(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 cost and any directly attributable cost for bringing the asset to its working condition for its intended use.

Depreciation is provided on Straight Line Method, pro-rata to the period of use, at the rates specified in Schedule IV of the Act or the rates based on useful lives of the assets as estimated by the management, whichever are higher. The estimated useful lives of the assets are as under:

<u>Description</u>	<u>Estimated Useful Life</u>
Goodwill	5 years
Technical knowhow	5 and 20 years
Computer Software	5 years
Buildings	25 years
Plant and Machinery	4 to 8 years
Furniture and Fittings	4 to 5 years
Office Equipment	4 to 8 years
Vehicles	5 years
Computers	2 years

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

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

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 from 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) Investments

Long-term Investments are stated at cost. Provision is made to recognise a decline, other than temporary, in the value of Long-term Investments. Current Investments are stated at lower of cost and fair value.

(d) 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.

(e) 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 Profit and Loss Account.

(f) Forward Contracts

Premium or discount arising at the inception of forward contract is amortised as expense or income over the life of the contract. Exchange difference on forward contract is recognised in the Profit and Loss Account 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 Profit and Loss Account.

(g) Revenue Recognition

Sales are recognised when goods are supplied to customers and are inclusive of excise duty but net of returns, discounts and sales tax.

(h) Employee Benefits

(i) Long-term Employee Benefits

(a) 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 Profit and Loss Account as incurred.

(b) 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.

(c) Other Long-term Employee Benefits

The employees of the company are entitled to other long-term benefits in the form of Leave Encashment and Compensated Absences as per the policy of the company. Liability for such benefits is provided on the basis of valuations, 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.

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

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

(i) 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.

(j) Borrowing Cost

Borrowing costs that are 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 to its intended use. All other borrowing costs are recognised as expense in the year in which they are incurred.

(k) Taxes on Income

Current tax is determined as the amount of tax payable in respect of estimated taxable income for the year.

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 on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

3. During the previous year, the company had raised amounts aggregating to Rs. 12,668(000) by way of allotment of 2,138,000 share warrants on preferential basis with an option to apply for one equity share of the face value of Rs. 8 each for cash at a premium of Rs. 15.70 per share against each share warrant held, to be exercised within a period not exceeding eighteen months from the date of allotment in respect of the aforesaid share warrants. In accordance with the terms of issue of the share warrants, the company had received Rs. 12,668(000) being 25% of the price of warrants.

Of the above warrants allotted, 700,000 warrants have been converted during the year in to equity shares of Rs. 8 each fully paid-up at a premium of Rs. 15.70 each. In accordance with the terms of conversion, the company has received Rs. 12,442(000) during the year.

The above amounts received aggregating to Rs. 25,110(000) have been utilised towards repayment of term loan of Rs. 7,670(000), payment of interest on term loan of Rs. 1,064(000) and repayment of working capital loan of Rs. 16,376(000).



4. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 28,046(000) Previous year Rs. 61(000) .

	As at 31st March, 2010	As at 31st March, 2009
	Rs. 000	Rs. 000
5. Contingent Liabilities		
(a) Claims against the company not acknowledged as debts		
(i) Sales tax matters	11,804	11,804
(ii) Excise matters	15,165	6,165
(iii) ater charges	789	761
(b) Guarantee given to Gujarat Industrial Development Corporation	1,546	1,546
(c) Bank guarantees given to third parties	7,989	2,902

Notes:

- (i) Future cash outflows in respect of (a)(i) and (ii) 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 (a)(iii), (b) and (c) above.
6. There are no dues to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 which are outstanding at the Balance Sheet date. This information has been determined on the basis of information available with the company. This has been relied upon by the auditors.

	Unit	Year ended 31st March, 2010		Year ended 31st March, 2009	
		quantity	Rs. 000	quantity	Rs. 000
7. Consumption of Raw and Packing Materials					
Furazodoline I. P.	Tonnes	28.00	16,596	21.53	11,693
Naproxen I. P.	Tonnes	28.75	51,948	24.14	42,416
5-Difluoromethoxy-2-Mercapto-1H-Ben	Tonnes			0.03	43
4 - Androstene - 3, 17-Dione (AD)	Tonnes	5.55	50,696	5.44	52,211
Ortho Chloro Benzyl Amine	Tonnes	0.52	128	1.48	359
Thiophene - 2 - Ethanol	Tonnes	1.20	1,086	1.40	1,267
Others			289,152		261,508
			<u>409,606</u>		<u>369,497</u>



	Year ended 31st March, 2010		Year ended 31st March, 2009	
	%	Rs. 000	%	Rs. 000
Imported	24.76	101,431	18.95	70,033
Indigenous	75.24	308,175	81.05	299,464
	100.00	409,606	100.00	369,497

Notes:

- (a) Consumption of Raw Materials include 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 4D(c) of Part II of Schedule VI of the Act, 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, 2010			Year ended 31st March, 2009		
	Licensed Capacity	Installed Capacity	Production	Licensed Capacity	Installed Capacity	Production
	quantity	quantity	quantity	quantity	quantity	quantity
8. Capacities and Production						
Pharmaceutical Preparations						
Tablets (Million Nos.)	1,420	2,750	2,146	1,420	2,750	1,602
Liquids (ilolitres)	1,287	6,000	502	1,287	6,000	445
Injections - Ampoules						
(Thousands)	1,050		1,833	1,050		2,026
Capsules (Million Nos.)	86	312	7	86	312	4
Powder Pouches (Thousands)	10,000	12,000	7	10,000	12,000	
Ointments (Thousands)	100			100		
(ilolitres)	30			30		
Bulk Drugs and Chemicals (Tonnes)	231	71	24	231	71	23
Consumer Products						
Tablets (Million Nos.)	120	120		120	120	1
Powder Pouches (Thousands)	8,000	8,000		8,000	8,000	

Notes:

- (i) Production includes manufacture of pharmaceutical preparations by other parties and of chemicals for sale but excludes manufacture of pharmaceutical preparations for other parties. Production of pharmaceutical preparations includes production of physician samples.
- (ii) The installed capacities are as per the certificate given by the management of the company on which the auditors have relied.
- (iii) The licensed capacity in respect of certain items has been converted into dosage / units to make it comparable with installed capacity, production and stocks.



	Unit	Year ended 31st March, 2010		Year ended 31st March, 2009	
		Quantity	Rs. 000	Quantity	Rs. 000
9. Opening Stock					
Pharmaceutical Preparations					
Tablets	Million Nos.	90	25,590	117	36,349
Liquids	litres	48	6,182	116	10,286
Injections - Ampoules	Thousands	307	641	247	1,344
Capsules	Million Nos.	1	5,813	6	7,141
Powder Pouches	Thousands	185	140	160	373
Ointments	Thousands	90	872	93	705
			<u>39,238</u>		<u>56,198</u>
Bulk Drugs and Chemicals	Tonnes	2	28,140	4	18,227
Consumer Products					
Tablets	Million Nos.	-	-		3,299
			<u>67,378</u>		<u>77,724</u>
0.13 Million Nos.					
10. Sales					
Pharmaceutical Preparations					
Tablets	Million Nos.	2,109	1,016,399	1,562	865,375
Liquids	litres	441	87,640	449	80,070
Injections - Ampoules	Thousands	1,856	14,894	1,805	9,479
Capsules	Million Nos.	11	60,312	9	53,311
Powder Pouches	Thousands	2,174	10,075	1,305	6,536
Ointments	Thousands	187	6,402	285	6,880
			<u>1,195,722</u>		<u>1,021,651</u>
Bulk Drugs and Chemicals	Tonnes	12	444,052	16	447,145
Consumer Products					
Tablets	Million Nos.		143		252
			<u>1,639,917</u>		<u>1,469,048</u>

Sales quantity in respect of Bulk Drugs and Chemicals excludes quantities used for captive consumption.

0.47 Million Nos. (Previous year - 0.85 Million Nos.)



	Unit	Year ended 31st March, 2010		Year ended 31st March, 2009	
		Quantity	Rs. 000	Quantity	Rs. 000
11. Purchases of Finished Goods					
Pharmaceutical Preparations					
Tablets	Million Nos.	28	33,123	34	29,855
Liquids	litres	46	10,703	21	7,677
Injections - Ampoules	Thousands	137	6,520		
Capsules	Million Nos.	6	12,094	3	6,835
Powder Pouches	Thousands	2,769	5,937	1,977	4,617
Ointments	Thousands	140	1,514	344	2,978
			<u>69,891</u>		<u>51,962</u>
12. Closing Stock					
Pharmaceutical Preparations					
Tablets	Million Nos.	66	33,107	90	25,590
Liquids	litres	60	7,245	48	6,182
Injections - Ampoules	Thousands	291	3,098	307	641
Capsules	Million Nos.	2	6,578	1	5,813
Powder Pouches	Thousands	296	709	185	140
Ointments	Thousands	24	247	90	872
			<u>50,984</u>		<u>39,238</u>
Bulk Drugs and Chemicals	Tonnes	3	30,629	2	28,140
Consumer Products					
Tablets	Million Nos.				
			<u>81,613</u>		<u>67,378</u>
Net of date expired stocks, free goods, damages, in-transit breakages, samples, etc.					
13. Managerial Remuneration					
Salary and Allowances			6,473		5,819
Contribution to Provident and Other Funds			297		288
Perquisites			73		41
			<u>6,843</u>		<u>6,148</u>

Excludes provision for gratuity, leave encashment and compensated absences as these are determined on an overall basis.



Unit	Year ended 31st March, 2010	Year ended 31st March, 2009
	Rs. 000	Rs. 000
14. Auditors' Remuneration		
Audit Fees	1,500	1,500
Tax Audit Fees	500	500
Other Services	1,025	1,025
Reimbursement of Expenses	38	92
	<u>3,063</u>	<u>3,117</u>
Included in Miscellaneous Expenses in Schedule 16		
15. CIF Value of Imports		
Raw Materials	83,293	52,823
Components and Spare Parts	1,120	3,624
Capital Goods	6,988	
16. Expenditure in Foreign Currency		
Travelling	8,137	4,358
Subscription	55	20
Technical knowhow		795
Consultancy Fees	1,857	1,891
Royalty	5,623	4,790
Commission	18,649	22,495
Interest	793	4,327
Others	1,596	3,353
17. Earnings in Foreign Exchange		
FOB Value of Exports	444,357	419,353
Freight and Insurance	7,297	6,301
Others		4,195
18. Expenditure on Research and Development		
Salaries and wages	19,398	19,616
Consumable Stores	11,395	10,747
Utilities	3,477	3,535
Others	9,837	12,032
	<u>44,107</u>	<u>45,930</u>



19. 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:

Currency	As at 31st March, 2010			As at 31st March, 2009		
	Number of contracts	Sale amount	Rupees Equivalent	Number of contracts	Sale amount	Rupees Equivalent
		in 000	in 000		in 000	in 000
US Dollar	6	(54)	(4,888)	7	980	49,916
GBP	1	100	7,056	3	137	9,982
Euro		90	4,950	4	(105)	(7,085)

(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:

Particulars	As at 31st March, 2010		As at 31st March, 2009	
	Amount in Foreign Currency	Amount in Rupees	Amount in Foreign Currency	Amount in Rupees
	in 000	in 000	in 000	in 000
Receivables				
US Dollar	214	9,663	722	36,803
GBP	18	1,196	2	119
Euro	34	2,054	32	2,185
Payables				
US Dollar	16	733	493	25,108

20. Employee Benefits

	Year ended 31st March, 2010	Year ended 31st March, 2009
	Rs. 000	Rs. 000

The company has classified various employee benefits as under:

(A) Defined Contribution Plans

The company has recognised the following amounts in the Profit and Loss Account for the year:

(i) Contribution to Provident Fund	5,836	5,777
(ii) Contribution to Employee's Superannuation Fund	1,450	1,810
(iii) Contribution to Employees' State Insurance Scheme	1,521	1,966
(iv) Contribution to Employees' Pension Scheme	4,664	4,031



	Year ended 31st March, 2010	Year ended 31st March, 2009
(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:		
(a) Discount Rate (per annum)	8.00%	7.75%
(b) Rate of increase in Compensation Levels	5.50%	5.50%
(c) Rate of Return on Plan Assets	8.00%	8.00%
(d) Expected Average remaining working lives of employees in number of years	23	23
	Year ended 31st March, 2010 Gratuity	Year ended 31st March, 2009 Gratuity
	Rs. 000	Rs. 000
(i) Changes in the Present Value of Obligation		
(a) Opening Present Value of Obligation	33,787	32,028
(b) Interest Cost	2,592	2,667
(c) Past Service Cost	-	-
(d) Current Service Cost	2,662	3,010
(e) Curtailment Cost/(Credit)	-	-
(f) Settlement Cost/(Credit)	-	-
(g) Benefits Paid	(6,025)	(3,397)
(h) Actuarial (Gain)/Loss	693	(521)
(i) Closing Present Value of Obligation	33,709	33,787
(ii) Changes in the Fair value of Plan Assets		
(a) Opening Fair Value of Plan Assets	33,787	32,028
(b) Expected Return on Plan Assets	2,747	2,662
(c) Actuarial Gain/(Loss)	(360)	(447)
(d) Employers' Contributions	3,560	2,942
(e) Benefits Paid	(6,025)	(3,398)
(f) Closing Fair Value of Plan Assets	33,709	33,787



	Year ended 31st March, 2010 Gratuity	Year ended 31st March, 2009 Gratuity
	Rs. 000	Rs. 000
(iii) Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at the year end		
(a) Bank Deposits (Special Deposit Scheme, 1975)	54%	54%
(b) Debt Instruments	29%	17%
(c) Others	17%	29%
(iv) Reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets		
(a) Present Value of Funded Obligation as at the year end	33,709	33,787
(b) Fair Value of Plan Assets as at the year end	33,709	33,787
(c) Funded (Asset)/Liability recognised in the Balance Sheet		
(d) Present Value of Unfunded Obligation as at the year end		
(e) Unrecognised Past Service Cost		
(f) Unrecognised Actuarial (Gains)/Losses		
(g) Unfunded Net Asset recognised in the Balance Sheet		
(v) Amount recognised in the Balance Sheet		
(a) Present Value of Obligation as at the year end	33,709	33,787
(b) Fair Value of Plan Assets as at the year end	33,709	33,787
(c) (Asset)/Liability recognised in the Balance Sheet		
(vi) Expenses recognised in the Profit and Loss Account		
(a) Current Service Cost	2,662	3,010
(b) Past Service Cost		
(c) Interest Cost	2,592	2,667
(d) Expected Return on Plan Assets	(2,747)	(2,662)
(e) Curtailment Cost/(Credit)		
(f) Settlement Cost/(Credit)		
(g) Net actuarial (Gain)/Loss	1,053	(74)
(h) Employees' Contribution		
(i) Total Expenses recognised in the Profit and Loss Account	3,560	2,941



(C) Other Long-term Employee Benefits

The liabilities for Leave Encashment and Compensated Absences as at the Balance Sheet date were Rs. 8,600(000) Previous year Rs. 8,578(000) and Rs. 8,553(000) Previous year Rs. 8,540(000) respectively.

21. Segment Information

(A) Information in respect of Primary Segments

Refer Note (a) below

	Year ended 31st March, 2010	Year ended 31st March, 2009
	Rs. 000	Rs. 000
(B) Information in respect of Secondary Segments		
(I) Segment Revenue (Sales to External Customers)		
India	1,179,334	1,014,578
Other Countries	451,654	429,849
	<u>1,630,988</u>	<u>1,444,427</u>
(II) Carrying amount of Segment Assets		
India	1,673,715	1,679,331
Other Countries		
	<u>1,673,715</u>	<u>1,679,331</u>
(III) Capital Expenditure		
India	55,462	37,933
Other Countries		
	<u>55,462</u>	<u>37,933</u>

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 into 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 above.



22. Related Party Disclosures

Related Party with whom the company had transactions during the year

Key Management Person Arvind Vasudeva

Disclosure of transactions between the company and related party:

	Year ended 31st March, 2010	Year ended 31st March, 2009
	Rs. 000	Rs. 000
Key Management Person - Remuneration Refer Note 13 above	6,843	6,148

23. Leases

I. Disclosures for Finance Lease

The company has acquired certain Vehicles and Plant and Machinery 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, 2010			As at 31st March, 2009		
	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
	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000
Total minimum lease payments outstanding as at the year end	8,529	8,884	-	9,519	19,940	-
Interest not due	1,743	1,263	-	2,426	2,468	-
Present Value of minimum lease payments	6,786	7,621	-	7,093	17,472	-

II. Disclosures for Operating Lease

Disclosures in respect of Development Server and Laptops taken on lease

	Year ended 31st March, 2010	Year ended 31st March, 2009
	Rs. 000	Rs. 000
(a) Lease payments recognised in the Profit and Loss Account	9,493	6,948

(b) Significant leasing arrangements

The terms of lease include terms of renewals, increase in rent in future period, term of cancellation, etc.



	Year ended 31st March, 2010	Year ended 31st March, 2009
	Rs. 000	Rs. 000
(c) Future minimum lease payments under non-cancellable agreements		
(i) Not later than one year	4,324	2,962
(ii) Later than one year and not later than five years	6,502	857
(iii) Later than five years		

24. 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, 2010	Year ended 31st March, 2009
Profit after Taxation (Rs.'000)	107,963	66,075
Weighted average number of Shares for Basic Earnings per Share	14,370,768	14,368,850
Add: Effect of Dilutive Potential Shares (Share warrants)	2,136,082	11,715
Weighted average number of Shares for Diluted Earnings per Share	16,506,850	14,380,565
Earnings per Share (Rs. per Equity Share of Rs. 8 each)		
Basic	7.51	4.60
Diluted	6.54	4.59

25. Previous year figures have been regrouped where necessary.

Signatures to Schedules 1 to 18

In terms of our report of even date	For and on behalf of the Board	
For Lovelock & Lewes Firm Registration No. 301056E Chartered Accountants	H. V. Goenka	Chairman
Himanshu Goradia Partner	C. L. Jain Mahesh S. Gupta	Director
Membership No. 45668 Mumbai, 12th May, 2010	Ankur Kumar Head - Legal & Company Secretary	Ajit Singh Chouhan Managing Director
	Mumbai, 12th May, 2010	



Balance Sheet Abstract and Company's General Business Profile :

I. Registration Details

Registration No.	1	6	9	3	5	4
Balance Sheet Date	3	1	0	3	1	0
	Date		Month		Year	

State Code

1	1
---	---

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue						
					N	I L
Bonus Issue						
					N	I L

Rights Issue						
					N	I L
Private Placements						
				5	6	0 0

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities						
		1	1	8	5	6 3 4
Sources of Funds						
Paid - up Capital						
			1	2	0	5 5 1
Secured Loans						
			4	8	6	3 0 0

Total Assets						
		1	1	8	5	6 3 4
Reserves & Surplus						
			5	1	5	2 4 3
Unsecured Loans						
				4	2	2 4

Application of Funds

Net Fixed Assets						
		1	1	1	2	0 6 1
Net Current Assets						
			7	3	5	7 3
Accumulated Losses						
						N I L

Investments						
						N I L
Misc. Expenditure						
						N I L

Total Liabilities include Share warrants of Rs. 8,520 thousands and Deferred Taxation of Rs. 50,796 thousands.

IV. Performance of Company (Amount in Rs. Thousands)

Turnover						
		1	6	3	0	9 8 8
Profit / Loss Before Tax						
/			1	4	5	5 1 4
Earning per Share in Rs.						
			7	.	5	1

Total Expenditure						
		1	4	8	5	4 7 4
Profit / Loss After Tax						
			1	0	7	9 6 3
Dividend Rate %						
			1	8		

V. Generic Names of Three principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)						
3	0	0	4	1	0	9 0
Item Code No. (ITC Code)						
2	9	3	3	3	9	1 5
Item Code No. (ITC Code)						
2	9	4	2	0	0	9 0

Product Description						
A	A	T	H	I	O	P R I N E
Product Description						
D	I	P	H	E	N O	Y L A T E
Product Description						
D	O	O	R	U	B	I C I N

For and on behalf of the Board

H. V. Goenka Chairman

C. L. Jain
Mahesh S. Gupta Director

Ankur Kumar
Head - Legal & Company Secretary

Ajit Singh Chouhan Managing Director

Mumbai, 12th May, 2010


CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Year ended 31st March, 2010		Year ended 31st March, 2009	
	Rs. 000	Rs. 000	Rs. 000	Rs. 000
A. Cash flow from operating activities				
Net Profit before Taxation		145,514		83,135
Adjustments for -				
Depreciation/Amortisation	91,822		94,181	
Interest Income	(421)		(138)	
Dividend Income	-		(50)	
(Profit)/Loss on Sale of Fixed Assets (Net)	(2,892)		312	
Fixed Assets written off	1,401		-	
Interest Expense	81,392		86,116	
Unrealised Exchange Loss (Net)	1,970		456	
		<u>173,272</u>		<u>180,877</u>
Operating profit before working capital changes		318,786		264,012
Adjustments for -				
Trade and Other Receivables	(33,524)		18,998	
Inventories	(7,948)		11,829	
Trade and Other Payables	(50,379)		8,982	
		<u>(91,851)</u>		<u>39,809</u>
Cash generated from operations		226,935		303,821
Direct Taxes paid (including Fringe Benefits Tax and net of refund of taxes)		(21,277)		(15,726)
Net cash from operating activities		205,658		288,095
B. Cash flow from investing activities				
Purchases of Fixed Assets (including advances for capital expenditure)	(55,047)		(41,060)	
Sale of Fixed Assets	14,898		4,866	
Redemption of Investment	-		4,414	
Interest received	421		237	
Dividend received	-		50	
Expenses in connection with the Scheme of Arrangement	-		(1,852)	
Net cash used in investing activities		<u>(39,728)</u>		<u>(33,345)</u>
C. Cash flow from financing activities				
Proceeds from issue of Share Capital/Share warrants	12,442		12,668	
Proceeds from Long Term Borrowings (Secured/ Unsecured Loans)	205,782		17,445	
Repayment of Long Term Borrowings (Secured/ Unsecured Loans)	(55,965)		(112,479)	
Repayment of Short-term Borrowings	(224,002)		(68,409)	
Dividend paid	(14,739)		(16,832)	
Tax paid on Dividend	(2,930)		(2,930)	
Interest paid	(80,703)		(87,469)	
Net cash used in financing activities		<u>(160,115)</u>		<u>(258,006)</u>
Net increase/(decrease) in cash and cash equivalents		<u>5,815</u>		<u>(3,256)</u>
Cash and Cash Equivalents - Opening Balance		2,191		5,447
Cash and Cash Equivalents - Closing Balance		8,006		2,191

Notes:

- 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 the Section 211 of the Companies Act, 1956.
- 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

 Himanshu Goradia
 Partner
 Membership No. 45668
 Mumbai, 12th May, 2010

 Ankur Kumar
 Head - Legal & Company Secretary

For and on behalf of the Board

H. V. Goenka Chairman

 C. L. Jain
 Mahesh S. Gupta Director

Ajit Singh Chouhan Managing Director

Mumbai, 12th May, 2010



RPG LIFE SCIENCES LIMITED

Regd. Office: CEAT Mahal, 463, Dr. Annie Besant Road, Borli, Mumbai 400 030.

ATTENDANCE SLIP

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

DP ID No.		Registered Folio No.	
Client ID No.		No. of shares	

I/ we hereby record my/our presence at the 3rd Annual General Meeting of the Company on Thursday, July 29, 2010 at 11.30 a.m. at Ravindra Natya Mandir, P. L. Deshpande Maharashtra kala Academy, Sayani Road, Prabhadevi, Mumbai 400 025.

Name/s of the Shareholder (in Block letters)	
Name of the Proxy (in Block letters)	
Signature of the shareholder/proxy	

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



RPG LIFE SCIENCES LIMITED

Regd. Office: CEAT Mahal, 463, Dr. Annie Besant Road, Borli, Mumbai 400 030.

PROXY

DP ID No.		Registered Folio No.	
Client ID No.		No. of shares	

I/ we _____ of _____
being a member / members of RPG Life Sciences Limited, hereby appoint _____
of _____
or failing him _____ of _____
as my/our proxy to attend and vote for me/us on my/our behalf at the 3rd Annual General Meeting of the Company to be held on Thursday, July 29, 2010 at 11.30 a.m. at Ravindra Natya Mandir, P. L. Deshpande Maharashtra kala Academy, Sayani Road, Prabhadevi, Mumbai 400 025 and at any adjournment thereof.

Signed this _____ day of _____ 2010

Affix Revenue Stamp

NOTE: THE PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.



RPG LIFE SCIENCES LIMITED

Inspired by challenge