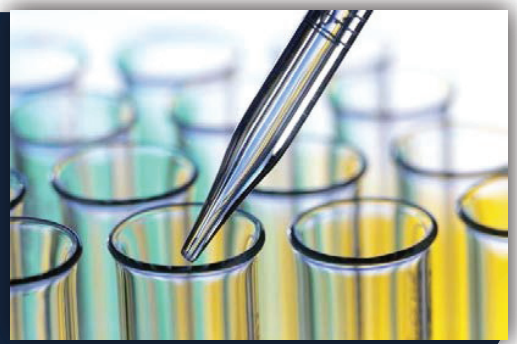


Annual Report 2012-13



**BOARD OF DIRECTORS**

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

MANAGEMENT TEAM

Mr. Ajit Singh Chouhan
Managing Director
Mr. Rajindrra Patkar
Chief Executive – Global Formulations
Mr. Vimalendu K. Singh
Chief Executive – API, Biotech & Global Generics
Mr. Sachin Raole
CFO & Sr. Vice President – Corporate Services
Dr. Uday R. Bapat
Chief Scientific Officer
Mr. Rabindranath Nandi
Vice President - Corporate Quality
Mr. Anil Kumar Gupta
Vice President - Manufacturing
Ms. Suchitra Tiwari
General Manager – Regulatory Affairs

AUDIT COMMITTEE

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

HEAD – LEGAL & COMPANY SECRETARY

Mr. Rajesh Shirambekar

SOLICITORS

Crawford Bayley & Co.

AUDITORS

Lovelock & Lewes
Chartered Accountants

BANKERS

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

REGISTERED OFFICE

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

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 SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF RPG LIFE SCIENCES LIMITED WILL BE HELD ON FRIDAY, JULY 26, 2013 AT 11.00 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, 2013, the Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To declare dividend for the year ended on March 31, 2013.
3. To appoint a Director in place of Mr. Manoj K. Maheshwari, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Mahesh S. Gupta, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. C. L. Jain, 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 (Registration No.301056E), 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 modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and all 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 and payment of

remuneration to Mr. Ajit Singh Chouhan as the Managing Director of the Company for a period of three years from April 9, 2013 to April 8, 2016 on the terms and conditions set out in the Agreement dated May 7, 2013 entered into between the Company and Mr. Ajit Singh Chouhan.

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mr. Ajit Singh Chouhan as Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay Mr. Ajit Singh Chouhan, Managing Director, the remuneration, as minimum remuneration specified in the said Agreement and as 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 to increase, 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 to give effect to this resolution without being required to seek any further consent or approval of the members or otherwise, with the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

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 send herewith to attend the meeting.
3. The explanatory statement setting out material facts concerning the Special Business mentioned under Item Nos.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 July 15, 2013 to July 26, 2013 (both days inclusive).



6. The dividend, as recommended by the Board, if declared at the Annual General Meeting, will be paid after July 26, 2013, 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 12, 2013 as per the list to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of shares held in dematerialized form.
 - ii) as Members in the Register of Members of the Company after giving effect to valid share transfers lodged with the Company/Registrars and Share Transfer Agents, on or before July 12, 2013.
7. Members whose shareholding is in electronic mode are requested to direct change of address notifications and updating of savings bank account details to their respective Depository Participants.
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 the Registrar & Share Transfer Agent and submit their claim for the said dividend. The amount of dividend remaining unclaimed for a period of seven (7) years shall be transferred to the Investor Education and Protection Fund as per the provisions of Section 205C of the Companies Act, 1956. It may also be noted that once the unclaimed dividend is transferred to the Fund, as above, no claim shall lie in respect thereof.
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

Rajesh Shirambekar
Head - Legal & Company Secretary

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

Place: Mumbai
Date: May 7, 2013



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

Item No.7:

Mr. Ajit Singh Chouhan was appointed as the Managing Director of the Company for a period of 3 years with effect from April 9, 2010. The Board of Directors at their meeting held on May 7, 2013 passed a resolution for re-appointment of Mr. Chouhan as the Managing Director for a further period of three years on remuneration and terms and conditions as set out in the draft Agreement, subject to necessary approvals.

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 and the General Circular No.46/2011 - 14/03/2011/CL.VII dated July 14, 2011 issued by the Ministry of Corporate Affairs, New Delhi.

The following is the statement of information for the members pursuant to paragraph 1 of Section II of Part II of Schedule XIII to the Act.

I. GENERAL INFORMATION

(1) Nature of industry:

Pharmaceutical. The Company manufactures bulk drugs using both synthetic as well as complex fermentation technology and also a wide range of pharmaceutical formulations.

(2) Date of commencement of commercial production:

The pharmaceutical business acquired by the Company commenced production on May 15, 1969.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not applicable.

(4) Financial performance:

(Rs. in crore)

Particulars	2012-13	2011-12
Total Income	223.42	193.51
Profit before interest, depreciation and tax	17.85	18.84
Interest	7.44	6.88
Depreciation	9.87	10.22
Profit before tax	0.54	1.74
Profit after tax	4.41	0.85
Equity capital (face value Rs.8/-)	13.23	13.23
Earnings per share (Rs.)	2.67	0.51

(5) Export performance and net foreign exchange collaborations:

(Rs. in crore)

Particulars	2012-13	2011-12
Foreign Exchange Earnings	64.51	51.81
Foreign Exchange Outgo	15.06	14.44

(6) Foreign investments or collaboration, if any:

The Company did not have any foreign investment or collaboration.

II. INFORMATION ABOUT THE APPOINTEE

1. Background details:

Mr. Ajit Singh Chouhan is a Bachelor of Mechanical Engineering, a qualified Marine Engineer and a MBA from FMS, New Delhi. He did his Engineering from M.S. University, Baroda and passed out with a distinction in 1982.

Mr. Chouhan has over 29 years of varied experience working in India and overseas. He has worked across various Industries in Engineering, Marine, Telecom and Power. Prior to joining the RPG Group, he worked with Ingersoll Rand, a US multinational in the Engineering industry and with Emerson, another US multinational company in their Network Power Group.

Mr. Chouhan leads the Transmission industry as the Mentor of the Transmission and Distribution Division of IEEMA (Indian Electrical and Electronics Manufacturers' Association). He is also a member of the IEEMA Council, an apex body of the Association.

Mr. Chouhan has also successfully participated in several Advanced Management Programs at the Mahler, USA and The London Business School.

2. Past remuneration:

The remuneration paid to Mr. Chouhan for the financial year 2012-13 was Rs. 153.29 lacs excluding the Company maintained car for official use.

3. Recognition or awards:

Mr. Chouhan was honoured with the prestigious award of "CEO with HR Orientation" in recognition to the outstanding contribution to human resources development with the Company, at a glittering awards ceremony of the "Asia Pacific HRM Congress 2011".

Under the leadership of Mr. Chouhan, the Company was awarded 'The Most Popular HR Showcase Exhibit Award' at the 15th National HRD Network Conference held at Bangalore in November 2011. The Company was one of the 50 companies chosen to showcase its differentiating HR practice. The reward and recognition process adopted by the Company was exhibited at the HR Showcase Event.



4. Job Profile and his suitability:

Mr. Chouhan is a professional with high academic background. Mr. Chouhan is responsible for the overall conduct and management of business and affairs of the Company. This includes broad development of domestic and international business; providing strategic direction to three business units of the Company; review of product portfolio in light of patent laws and continual introduction of new products; enhancement of manufacturing efficiencies and rationalization of costs; and the Company's entry in regulated market of US and setting up of appropriate manufacturing facilities and development thereof. Mr. Chouhan has successfully handled and overlooked domestic and international business of RPG Group Companies for many years. This coupled with his strong resource management capability makes him fully suitable for the position.

5. Remuneration:

The details of the remuneration are as under:

Basic Salary per month	Rs.4,10,000
Management Allowance per month	100% of Basic Salary
Other Allowances* per month	upto Rs.5,00,000
HRA per month	Company provided house (furnished or otherwise) or House Rent Allowances in lieu thereof.
Car	One Company maintained car with driver for Company use. (Personal use will be to the account of the incumbent).
Club Membership	Monthly subscription to one club.
Telephone per month	Rental and usage will be paid by the Company.
Performance Bonus per annum	upto Rs.20,00,000
PF/SAF/Gratuity/Leave Encashment	As per Company policy.
Group Mediclaim Insurance/Group Term Life Insurance	As per Company policy.
Annual Increments	upto 30% of CTC or as decided by the Remuneration Committee/Board.
Maximum remuneration per annum	up to Rs.3.00 crores

*Other Allowances includes Personal Pay, Medical, LTA, Meal Coupons, Education, Petrol & such other allowances as may be recommended by the Remuneration Committee and determined by the Board from time to time.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

The Company has a paid up capital of Rs.13.23 crore. The equity shares of the Company are listed on National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd. The turnover of the Company is Rs.223.42 crore in the year 2012-13. The Company has three factories. The factory at Navi Mumbai, Maharashtra manufactures bulk drugs using synthetic process. The bulk drugs factory at Ankleshwar, Gujarat manufactures bulk drugs using complex fermentation process. The formulation factory at Ankleshwar, Gujarat, manufactures pharmaceutical formulations of various dosage forms. The Company also undertakes contract product development on the back of strong R&D division. The Company has work force of around 1,200 people. Given the size, complexity of the Company and sheer knowledge driven nature of business and also the profile of the position and Mr. Chouhan as given above, the proposed remuneration is in line with remuneration prevalent in the pharmaceutical industry for companies with similar size, complexity and profile of the position and position holder.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Mr. Chouhan does not have any other pecuniary relationship, directly or indirectly, with the Company or any nature of relationship with the managerial personnel of the Company.

III. OTHER INFORMATION

1. Reasons of loss or inadequate profits:

During the year under review, operations of the Company were adversely affected due to non-receipt of EU GMP certification for API facility at Navi Mumbai plant and cancellation of orders by overseas customers.

2. Steps taken or proposed to be taken for improvement:

Recently, the Company has received EU GMP certification for the API facility at Navi Mumbai plant. The Company continues to hold a valid WHO GMP and TGA, Australia certification for the API facility at Navi Mumbai plant.

3. Expected increase in productivity and profits in measurable terms:

With EU GMP certification and new business initiatives undertaken by the Company, the productivity and profits are expected to improve in near term subject to favourable market conditions.

**IV. DISCLOSURES**

1. The remuneration package of Mr. Chouhan, Managing Director is as stated above.
2. The disclosures as required on all elements of remuneration, service contract details, stock option details, etc. have been made in the Directors' Report under the heading "Corporate Governance" attached to in this annual report.

In accordance with the provisions of Section 302 of the Companies Act, 1956, the Members were sent the abstract of the Agreement with Mr. Chouhan as referred to above.

The following documents are open for inspection by Members at the Registered office of the Company between 11.00 am and 1.00 pm 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 7, 2013 entered into with Mr. Ajit Singh Chouhan.
- A copy of the relevant abstract of Agreement dated May 7, 2013 referred to above.

The Board recommends the passing of the Special Resolution as set out in Item No.7 of the accompanied notice. Mr. Chouhan, being concerned, is interested in the resolution.

None of the other Directors are concerned or interested in the resolution.

By Order of the Board of Directors

Rajesh Shirambekar
Head - Legal & Company Secretary

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

Place: Mumbai
Date: May 7, 2013

Important communication - Support Green Initiative

Ministry of Corporate Affairs, New Delhi ("MCA") has taken a "Green Initiative" in the Corporate Governance by permitting paperless compliances by companies vide its Circular No.17/2011 dated April 21, 2011 and Circular No.18/2011 dated April 29, 2011 and clarified that the service of documents by a company can be made through electronic mode instead of sending the physical copy of the document(s) to its shareholders.

Keeping in view the underlying theme and the circulars issued by MCA, we propose to send henceforth all communications/documents including the Notice calling the Annual General Meeting, audited financial statements, directors' report, auditors' report, etc. via electronic mode. In connection with the same, we request you to provide your latest/updated e-mail address on which future communication/correspondence/documents can be sent to you.

Shareholders holding shares in demat mode, are requested to register their e-mail ID with the concerned Depository Participant. The shareholders holding shares in physical mode are requested to register their e-mail ID with Link Intime India Private Limited (Registrar and Share Transfer Agents of the Company) by sending a request letter duly signed by the first/sole shareholder.

We are sure you would appreciate the "Green Initiative" taken by MCA and your Company's desire to participate in such initiatives.



ANNEXURE TO NOTICE

Details of Directors' seeking re-appointment at the Annual General Meeting in pursuance of Clause 49 of the Listing Agreement.

Mr. Manoj K. Maheshwari	<p>Mr. Manoj Maheshwari is 55 years of age and is a second-generation entrepreneur and an active angel and venture capital investor. 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. On the board of directors of a number of public and private companies as an executive/independent non-executive director Mr. Maheshwari 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 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 Remuneration Committee of MIRC Electronics Ltd. and Ador Weldings Ltd.</p> <p>Mr. Maheshwari does not hold any shares in the Company.</p>
Mr. Mahesh S. Gupta	<p>Mr. Mahesh Gupta is the Group Managing Director with Ashok Piramal Group. He oversees all the businesses of the Group which comprises mainly of Real Estate (Peninsula Land Limited, Piramal Road Infrastructure), Textiles (Morarjee Textiles Ltd.) and Engineering (Miranda Tools, PMP Auto Components Pvt. Ltd.).</p> <p>He plays the role of formulating the Group's business strategy and steering the Group to achieve its goals. As a senior member in the Group, he plays a very significant role in guiding each business to attain profitable and sustained growth. Under his stewardship, the Group formulated an aggressive plan which has seen the businesses grow by leap and bounds. Mr. Gupta leverages his in-depth understanding of the businesses to enhance the growth of the Group.</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>He has been associated with the Piramal Group for over 24 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 has received a number of recognitions for his business acumen. He was awarded the CFO of the Year Award, Special Commendation for Financial Excellence (Mergers & Acquisitions Category) by IMA (formerly known as EIU), New Delhi.</p> <p>Mr. Gupta is on the Board of several Public listed Companies such as Peninsula Land Limited, Morarjee Textiles Limited, Ceat Limited, RPG Life Sciences Limited, Arrow Webtex Limited etc. He has also been associated with various Committees of The Institute of Chartered Accountants of India (ICAI), Member Governing Council of Indian Association Corporate CFOs & Treasurers (InACT), Advisory Board of Chennai Business School.</p> <p>He has a Honours Degree in B.Com; L.L.B (Gen). Fellow Member of The Institute of Chartered Accountants 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>
Mr. C. L. Jain	<p>Mr. Jain, 79 years, is a post graduate in commerce and also a member of Institute of Chartered Secretaries & Administrators, London, Chartered Institute of Management Accountants, London, Institute of Management, London, Institute of Chartered Accountants of India and Institute of Company Secretaries of India. Mr. Jain has very rich and vast experience in the field of finance and accounts, acquired over 41 years of working experience with various organizations including ICI, Hindustan Lever Ltd. and Hoechst India Ltd. He was a visiting faculty member of the Bajaj Institute of Management and other institutes for two decades. He was also chairman of Banking and Finance Committee of the Bombay Chamber of Commerce and Industry for a period of 4 years.</p> <p>Mr. Jain is also a Director of Asit C. Mehta Investment Intermediates Ltd., United Breweries Ltd., NOCIL Ltd., SW Finance Co Ltd. and Pioneer Distilleries Ltd. in addition to several private limited companies.</p> <p>Mr. Jain is the Chairman of Audit Committee of NOCIL Ltd. & RPG Life Sciences Ltd. and a member of Audit Committee of United Breweries Ltd. He is also a member of Shareholders/ Investors Grievance Committee of United Breweries Ltd.</p> <p>Mr. Jain does not hold any shares in the Company.</p>
Mr. Ajit Singh Chouhan	<p>Mr. Ajit Singh Chouhan is a Bachelor of Mechanical Engineering, a qualified Marine Engineer and a MBA from FMS, New Delhi. He did his Engineering from M.S. University, Baroda and passed out with a distinction in 1982.</p> <p>He has over 29 years of varied experience working in India and overseas. He has worked across various Industries in Engineering, Marine, Telecom and Power. Prior to joining the RPG Group, he worked with Ingersoll Rand, a US multinational in the Engineering industry and with Emerson, another US multinational company in their Network Power Group.</p> <p>Mr. Chouhan leads the Transmission industry as the Mentor of the Transmission and Distribution Division of IEEMA (Indian Electrical and Electronics Manufacturers' Association). He is also a member of the IEEMA Council, an apex body of the Association.</p> <p>Mr. Chouhan has also successfully participated in several Advanced Management Programs at the Mahler, USA and The London Business School.</p> <p>Mr. Chouhan is also a director of Raychem-RPG Pvt. Ltd., Harrisons Malayalam Ltd. and Spencer International Hotels Ltd.</p> <p>Mr. Chouhan is a member of Audit Committee of Harrison Malayalam Ltd, RPG Life Sciences Ltd & Raychem RPG Pvt. Ltd.</p> <p>Mr. Chouhan does not hold any equity share in the Company.</p>



DIRECTORS' REPORT

Your directors present the annual report and audited statement of accounts of the Company for the year ended on March 31, 2013.

1. FINANCIAL RESULTS

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

	(Rs. in Crore)	
	2012-13	2011-12
Total Income	223.42	193.51
Profit before depreciation, interest and tax	17.85	18.84
Less: Interest	7.44	6.88
Less: Depreciation	9.87	10.22
Profit for the year before tax	0.54	1.74
Provision for tax	0.48	0.34
Less: MAT Credit Entitlement	0.48	0.31
Deferred Tax Liability/(Asset)	(3.87)	0.86
Profit for the year after tax	4.41	0.85
Appropriations:		
Proposed dividend	1.98	1.32
Tax on proposed dividend	0.34	0.22
Transfer to General Reserve	0.22	-
Balance carried forward to balance sheet	25.22	23.35

2. DIVIDEND

Your Directors recommend a dividend of Rs.1.20 (15%) per equity share of Rs.8/- each for the financial year ended March 31, 2013.

3. OPERATIONS

The Company earned a total income of Rs.223.42 crore for the year as compared to Rs. 193.51 crore during the previous year. The Company earned a profit before tax of Rs.0.54 crore as against Rs.1.74 crore during the previous year. After writing back the deferred tax benefit of Rs.3.87 crore, the profit after tax for the year stood at Rs.4.41 crore as compared to Rs.0.85 crore for the previous year.

During the year, the performance of the Company was adversely affected due to cancellation of orders by some key customers due to non receipt of EU GMP certification for the Active Pharmaceutical Ingredient (API) facility at Navi Mumbai.

In April 2013, the Company has since received the EU GMP approval from the Ministry of Social and Family Affairs, Health and Consumer Protection, Hamburg, Germany for the API facility at Navi Mumbai, Maharashtra. The Company continues to hold a WHO GMP and TGA, Australia certification for the API facility at the Navi Mumbai plant.

Active Pharmaceutical Ingredients (API/Bulk Drugs) Business:

Performance

The API business achieved sales revenue of Rs.27.95 crore, a marginal growth of 2% over the last year. Due to the setback in the previous year with regard to the withdrawal of EU GMP certification, the performance continued to be adversely impacted during the current year as well. However, the re-audit of the API facility at Navi Mumbai took place during November 2012. The audit findings were favourable and consequently the company has received the certification in April 2013. The product specific certification (CEP) is expected in the first quarter of the next financial year. The traditional markets of Latin America where the Company enjoys a major market share for Quinifamide, Haloperidol and Lamotrigine continued to perform well, while sales of Pantoprazole in the domestic market grew by 175% over the previous year.

Outlook

API business has a strategic importance in the overall growth of the company. The company has a backward integration for Di-phenoxylate and Azathioprine.

One of the key objectives of the Company is to build a strong and sustainable product portfolio. The primary focus during the current year was to achieve EU GMP certification. Going forward, efforts will be directed at new product introduction in various key segments.

Global Generics Business:

Performance

The Global Generics business achieved sales revenue of Rs.17.31 crore, with a growth of 31% over the previous year. The key factor for the growth was the increased focus on existing clients in Canada and UK. Today, given the dedicated facility for manufacturing immunosuppressant APIs and also oral solid dosage forms, the company enjoys a large share of the Azathioprine market. But more generic companies are entering the market with Azathioprine formulations, increasing the competition in this product.

Outlook

The company is constantly evaluating generic opportunities for both advanced markets like Europe and South Africa and major emerging markets like Russia and other CIS states. Opportunities are also being evaluated to develop and manufacture private label products for pharmacy chains, which have secured a large share of business of both generics and branded generics in markets like Canada.

The Company has a robust business plan for Azathioprine formulations. Globally the product generates revenues of about USD 180 mn, with the largest markets being Europe, Canada and USA. The Company has drawn up its entry strategy for all these markets for Azathioprine. The company has secured definitive agreements for launch of products in new markets like Australia, New Zealand, Germany and other EU Countries which will result in a wider presence for the company's products.



In the coming year, your company expects to increase the footprint of its flagship product Azathioprine Tablets in all strengths and launch this product in Germany and certain other European countries for tenders as well as private business.

Biotech Business:Performance

The Biotech business achieved Rs.24 crore in Sales and has done well as compared to the previous year. This business has shown a growth of 88% in spite of intense competition from domestic as well as Chinese and Korean companies. New tenders in the traditional markets such as Latin America and new geographies such as Egypt, Indonesia, Korea and Turkey helped international business to grow by 90% over the previous year. New clients in Korea and Indonesia were developed.

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

Outlook

The yields of the products were substantially improved by continuous R&D efforts. Both, Doxorubicin and Epirubicin, used in the treatment of cancer and which are manufactured by the Company compete with the best in class in their category.

The oncology market is one of the fastest growing markets. The Company has decided to add synthetic oncology products to its existing portfolio of fermentation oncology products and four synthetic oncology APIs are already under scale up. The APIs so manufactured will be sold to major Oncology players in emerging markets.

Formulations Business:Performance

During the year under review, the Formulations business achieved sales revenue of Rs.148.6 crore, a growth of 9% over the previous year. The Company ranked 65th in the Indian Pharmaceutical market as per Pharmatrac with its Nephrocare Division, ranked 3rd in Nephrology therapy. Business Verticals of Oncology and Nephrology clocked growth of 50% and 21% respectively over last year. However, profitability was affected by substantially higher sales returns due to market conditions.

The concept of Focus Brands, which was introduced in the year under review has fuelled growth. Focus brands in Domestic Formulation have shown growth of about 25% with Impulse and Nephrology focus brands registering growth of 70% and 49% respectively.

Outlook:

In the current year, the company's focus will be to leverage the strength of the legacy brands so as to build successful new products along with continued emphasis on Focus brands. Dedicated efforts on chronic therapies like Cardiology, Anti-Diabetic, Oncology and Nephrology will be made to accelerate the growth in the chronic therapy segment. With focus on Transplant and Dialysis therapy the company will consolidate its value in Nephrology therapy.

Existing brands like Aldactone, Naprosyn, Azoran and Tricane will continue to receive the necessary thrust as also other focus brands like RPO, Alfalog, Azopen and anti-diabetic products such as Cicoline, CVMET, Olass and Glimetop. New launches Azistart-O & MinMin Tonic, Qugyl OP are showing promise.

6. SALE OF PART OF LAND

The Company has executed a Memorandum of Understanding (MOU) with Maruti Suzuki India Ltd. (MSIL) for proposed sale of part of vacant land situated at MIDC, Navi Mumbai which is subject to conclusion on fulfilment of terms and conditions mentioned in the MOU.

7. DIRECTOR'S RESPONSIBILITY STATEMENT

The Board of Directors would like to affirm that the financial statements for the year under review conform in their entirety to the requirements of the Companies Act, 1956.

As stipulated in Section 217(2AA) of the Companies Act, 1956, your Directors, to the best of their knowledge and belief, confirm that:

- (i) the applicable accounting standards have been followed in the preparation of annual accounts;
- (ii) such accounting policies have been selected and applied consistently and such judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company in the Balance Sheet as at March 31, 2013 and in the Profit and Loss Account for the said financial year viz. April 1, 2012 to March 31, 2013;
- (iii) proper and sufficient care has been taken 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) the annual accounts have been prepared on a going concern basis.

8. 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.

9. 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.

10. MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE

In compliance with Clause 49 of the listing agreement, Management Discussion and Analysis and Corporate Governance Report, as approved by the Board of Directors, together with a certificate from a 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.

11. FIXED DEPOSITS

Your Company has not accepted any fixed deposit during the year under review. As on March 31, 2013, no deposit was overdue and deposits aggregating to Rs.5 lakhs were lying unclaimed with the Company.

12. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Article 141 of the Articles of Association, Mr. Manoj Maheshwari, Mr. Mahesh Gupta and Mr. C. L. Jain, 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 Annual General Meeting.

The Board of Directors recommend the re-appointment of Mr. Manoj Maheshwari, Mr. Mahesh Gupta and Mr. C. L. Jain.

At the Board Meeting held on May 7, 2013, Mr. Ajit Singh Chouhan has been re-appointed as Managing Director of the Company with effect from April 9, 2013 for period of three years.

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 is 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

Statutory Auditors:

M/s Lovelock & Lewes, 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 reappointment as auditors of the Company.

Internal Auditors:

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

Cost Auditors:

Pursuant to the provisions of Section 233B of the Companies Act, 1956, Mr. Kirit B. Mehta (Membership No.4105) Partner, M/s Kirit Mehta & Co., Cost Accountants, was appointed to conduct audit of cost records of Pharmaceutical Activities for the year ended March 31, 2013. Cost Audit reports would be submitted to the Central Government within the prescribed time.

Pursuant to Rule 5 of the Companies (Cost Audit Report) Rules, 2011, cost audit reports for Pharmaceutical Activities for the year ended March 31, 2012 was filed with the Central Government on February 9, 2013.

15. AWARDS & RECOGNITION

Your Company has been recognized as one of India's Best Companies in the Pharmaceuticals & Biotechnology industry in the year 2012 in study conducted by "Great Place to Work" which validates the progressive culture of the organization.

16. 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 7, 2013



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, multiple energy conservation measures were taken across all manufacturing facilities such as employee awareness, robust vigilance, tag on energy waste and rectifying.

The significant energy conservation measures taken during the year:

- I. Replacement of reactor lamps, street light by LED lights.
- II. Replacement of wooden cooling towers with induction type FRP cooling tower and cooling tower pump with energy efficient pump.
- III. Installation of capacitor bank to gain maximum savings.
- IV. Replacement of Gas based Chilling Plant (VAM) with Energy efficient Screw type chilling plant.
- V. Replacement of Thermodynamics steam trap with Float type steam trap.
- VI. Energy saving Thermo conductive Refrigerant Oil with Special ANTI FRICTION Additive for all types of Refrigeration and Air-conditioning Equipments is Charged in DX and AC unit.

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

- I. Replacement of existing boiler fuel (Furnace Oil) with Pipe Line gas using (dual fired burner).
- II. VFD installation for cooling water and process water pumps.
- III. Replacement of old inefficient chilling plant with new high efficiency screw type chilling plant.
- IV. Replacement of Air cooled chilling plant with new Water cooled chilling plant.
- V. Installation of UV lights in HVAC for reduction in power consumption.

(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.70 lakhs 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	8938 KWH
	Units (in 000 kWh)	
	Total amount (Rs. in crores)	6.12
	Rate / Unit (Rs.)	6.85
	(b) Own Generation	
	(i) Through Diesel Generator	90.00
	(Unit in '000)	
	Total amount (Rs. In crores)	17.00
	Cost per unit (Rs.)	19.00
	(ii) Through Steam Testing Generator	
	Gas (Units in '000)	353.00
	Total amount (Rs. In crores)	1.08
	Cost per unit (Rs.)	30.59
2	Coal	
	Quantity (Tonnes)	-
	Total Cost	-
	Average Rate	-
3	Furnace Oil	
	Quantity (litres) (in '000)	255.79
	Total amount (Rs. in crores)	1.20
	Average Rate (Rs./ litre)	47.00
4	Other Internal Generation	
	Quantity (units in '000 kwh)	-
	Total Cost (Rs. in crores)	-
	Rate per litre (Rs.)	-

B Consumption per unit of production

	Std if any	Current year
Products,		
Unit Electricity	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.	
Furnace Oil Coal		
Others		

B. TECHNOLOGY ABSORPTION:

Research and Development (R&D):

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

Research and Development Department carries out research mainly in three areas, a) Formulation & Development, b) Chemical R&D and c) Fermentation R&D.

- a) Formulation & Development department deals in development of dosage forms (tablets, capsules)



and syrups) for domestic, EU and rest of the world markets. Some of the therapeutic areas handled are immunosuppressant, cardiovascular and anticonvulsant.

- b) Chemical R&D focuses on development of non-infringing processes for manufacture of Active Pharmaceutical Ingredients (APIs) and their intermediates for markets of EU, Canada and rest of the world.
- c) Fermentation R&D is engaged in development of fermentation based processes for manufacture of Active Pharmaceutical Ingredients (APIs).

2. Benefits derived as a result of above R&D:

In addition to development of new products, the focus of R&D Department is on process excellence where the existing processes are optimized and yields improved, so as to maintain competitive edge in the market. Regarding new product development, during the year formulation and development department successfully completed laboratory trials of one anticonvulsant and two immunosuppressant drugs for regulated and rest of the world markets. Chemical R&D successfully developed a process for one cardiovascular drug. Fermentation R&D has developed high yielding upstream fermentation process for immunosuppressant drug.

3. Future plan of action:

In the new product development area, products will be scaled up that are in the R&D pipeline. In Formulation and Development department work on development of Novel Dosage Forms will be taken up along with other dosage forms. The process and quality optimization work for existing processes and formulations will continue.

4. Expenditure on R&D:

Item	(Rs. in Lakhs)
(a) Capital	31
(b) Recurring	737
(c) Total	768
(d) Total R & D expenditure as a percentage of total turnover	3.46%

5. Technology absorption, adaptation and innovation

During the year under review, no new technologies have been purchased.

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 is continuously taking initiatives to increase exports and development of new markets by alliances and launch of 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.64.51 crore, while the outgo in foreign exchange amounted to Rs.15.06 crore.

For and on behalf of the Board of Directors

H. V. Goenka
Chairman

Place : Mumbai
Date : May 7, 2013



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1) Industry structure and developments

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

Optimistic estimates predict India's pharmaceutical sector to touch US\$ 74 billion in sales by 2020 from the current US\$ 11 billion. The Indian pharmaceutical market is expected to grow at a compounded annual growth rate (CAGR) of 14-17 per cent over 2012-16. India is now among the top five emerging pharmaceutical markets.

On back of increasing sales of generic medicines, continued growth in chronic therapies and a greater penetration in rural markets, the domestic pharmaceutical market in India is expected to register a strong double-digit growth of 13-14 per cent in 2013. The year 2012 closed with a growth of 12 per cent, according to data from research firm IMS Health.

In FY '13, growth of the Domestic Formulation industry slipped to 11.9% from 16% in the last year. Slowdown in the Domestic Pharmaceutical Industry has been attributed to several factors like slowdown in new therapies due to restrictive approvals for New Products by Regulators, down-stocking by distributors in fear of the impending pharma policy etc.

2) Opportunities and Threats

There are signs that health awareness has increased due to higher disposable incomes, urbanisation and greater health insurance coverage, which could improve further with acceleration in Government spending on healthcare infrastructure. The adoption of intellectual property rights has encouraged innovation. The industry continues to remain under price control. The scope and coverage of the Government's new pharmaceuticals policy cannot be ascertained, since it is yet to be notified and remain an area of uncertainty for the pharmaceuticals industry.

The industry growth is largely driven by chronic disease segments viz. cardiovascular, diabetes, asthma, cancer, and largely influenced by changing lifestyles. Skincare and eye care products also present a fast growth opportunity to industry. 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.

Improving healthcare infrastructure, better penetration of health insurance, increasing health awareness in both metro and rural towns will continue to drive growth in the Domestic Formulation market. However, the recent decision of NPPA to increase the number of drugs under price control to 348 (from 74 earlier) will negatively impact domestic market focussed companies, especially

MNCs while the impact will be lower on companies with significant revenue from exports.

Gestation period for new product launch have become longer due to increasingly stringent norms by regulators in the conduct of Clinical trials and the data thereof.

The industry growth is largely driven by chronic disease segments viz. cardiovascular, diabetes, asthma, cancer, and largely influenced by changing lifestyles. Intense price pressure in emerging markets, delay in approval of manufacturing facilities by US FDA 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.

Global Formulation division catering to domestic market and rest of the world market achieved sales of Rs.148.60 Crores registering a growth of 9%. The Company has strengthened its presence in the market by leveraging the existing brands to grow newer products launched. The company also took a host of other initiatives such as increasing the in-clinic effectiveness of the field force through extensive scientific training, emphasis on Focus brands, innovative promotional strategies. These initiatives are expected to reap benefits in the current year too. In the export market, the revenues grew to Rs.12.04 cores from Rs.9.04 crores, where the emphasis has been the immunosuppressant products to Asian, African and Latin American markets. Focus brands achieved growth of 24%.

The Global Generics business achieved net sales of Rs.17.31 crores registering a growth of 31% during the year. New agreements have been executed with customers in Australia and New Zealand for Azathioprine tablets. New products development has been undertaken for the regulated markets. Your company is conceiving a pipeline of products for regulated markets in Global Generics vertical. The Bulk Drug business achieved net sales of Rs.27.95 crores registering a growth of 2% during the year. The Biotech business achieved net sales of Rs. 24 crores with a phenomenal growth of 88%.

4) Outlook

The growth estimate for the domestic Formulation Industry is pegged at 11% to 12%. In comparison to the Industry growth prediction, the Company has taken a growth target of 20% for products promoted through trade channels. In light of the initiatives detailed above, the outlook of the business looks positive.

In the current year the Company plans to launch 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.

**5) Risks and Concerns**

Slow pace of implementation of the Pharma Policy is a concern in the Domestic Formulation Business. Manpower attrition remains a concern with top 50 companies undertaking expansions, increasing number of start-up companies with state wide focus and numerous smaller players mushrooming in the Industry.

6) Internal Control Systems and their adequacy

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

7) Financial performance with respect to operational performance

The total income during the year stood at Rs.223.42 crores, while Profit Before Depreciation, Interest and Tax (PBDIT) and Profit Before Tax (PBT) stood at Rs.17.85 crores and Rs.0.54 crores, respectively. The net profit was Rs.4.41 crores as against Rs.0.85 crores in the previous year. During the year, the Company repaid long term borrowing to the extent of Rs.9.21 crores.

8) Material developments in human resources / industrial front

The Company is recognized as one of India's Best Companies in the Pharmaceuticals & Biotechnology industry in the study conducted by *Great Place to Work*. Your Company firmly believes that people are its most valued resource and their efficiency plays a key role in achieving defined goals and building a competitive work environment. In its pursuit to attract, retain and develop best available talent, several programmes are regularly conducted at various levels across the Company. Employee relations continued to be cordial and harmonious across all levels and all the units of the Company.

Cautionary Statement

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



CORPORATE GOVERNANCE REPORT

1. Company's Philosophy

The Company lays emphasis on the values of fairness, transparency and accountability for performance at all levels, thereby enhancing the shareholders' value and protecting the interest of the stakeholders.

During the year, the Company continued its pursuit of achieving these objectives through adoption and monitoring of prudent business plans, monitoring of major risks to the Company's business and pursuing policies and procedures to satisfy its commercial, social, legal and ethical responsibilities. These practices 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 nine directors. Mr. H.V. Goenka is a Non-Executive Chairman of the Board. Mr. Ajit Singh Chouhan is the Managing Director and Mr. C Vinayaraghavan is a Non-Executive Director. The composition of the Board meets the requirement of the listing agreement.

3. Board / Committee meetings and proceedings

3.1 Scheduling and selection of agenda items

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

3.2 Availability of information to the 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, four meetings of the Board of Directors were held on April 27, 2012, August 9, 2012, October 23, 2012 and February 6, 2013.



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, 2013 are as under:

Name	Category	No. of Board meetings held	No. of Board meetings attended	Whether attended last AGM held on 09.08.2012	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	4	2	Yes	6	-	-
Mr. C.L. Jain	Non-Executive & Independent	4	3	Yes	4	1	2
Mr. Ajit Gulabchand	Non-Executive & Independent	4	NIL	No	14	1	3
Dr. Lalit S. Kanodia	Non-Executive & Independent	4	2	Yes	3	-	-
Mr. Mahesh S. Gupta	Non-Executive & Independent	4	4	Yes	8	3	3
Mr. Manoj Maheshwari	Non-Executive & Independent	4	1	No	5	-	4
Mr. P.K. Mohapatra	Non-Executive & Independent	4	4	Yes	6	-	3
Mr. C. Vinayaraghavan	Non-Executive	4	NIL*	No	5	-	-
Mr. R.A. Shah <i>Alternate Director</i>	Non-Executive & Independent	4	4	Yes	14	4	5
Mr. Ajit Singh Chouhan <i>Managing Director</i>	Executive	4	4	Yes	2	-	1

* Mr. R.A. Shah is an Alternate Director to Mr. C. Vinayaraghavan.

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

4. Audit Committee

The Audit Committee consists of three Independent and Non-Executive Directors and the Managing Director, namely, Mr. C.L. Jain, Mr. Mahesh S. Gupta, Mr. P.K. Mohapatra and Mr. Ajit Singh Chouhan. 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 Chief Financial Officer, Statutory Auditors and Internal Auditors are invitees to the Audit Committee meetings. The Company Secretary acts as Secretary to the Audit Committee.

During the financial year, four meetings of the Audit Committee were held on April 27, 2012, August 9, 2012, October 23, 2012 and February 6, 2013.

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	3
Mr. Mahesh S. Gupta	4
Mr. P. K. Mohapatra	4
Mr. Ajit Singh Chouhan	4



5. Remuneration/Compensation Committee

The Remuneration/Compensation Committee consists of three Independent and Non-Executive Directors, namely, Mr. C.L. Jain, Dr. Lalit S. Kanodia and Mr. P.K. Mohapatra. Mr. C.L. Jain is the Chairman of the Committee. The Committee is appointed with the terms of reference of deciding the remuneration of Executive and Non-Executive Directors and to administer and superintend the ESOP Scheme of the Company.

During the financial year, a meeting of the Remuneration/Compensation Committee was held on August 9, 2012.

Attendance of Directors at the Remuneration/Compensation Committee Meeting held during the financial year is as under:

Name of the Director	No. of Meetings attended
Mr. C.L. Jain	1
Dr. Lalit S. Kanodia	1
Mr. P.K. Mohapatra	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 Audit Committee and Remuneration/Compensation 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.

Details of remuneration of the Directors during the financial year 2012-13 are as under:

Name of the Director	Sitting Fees (Rs.)
Mr. H.V. Goenka	40,000
Mr. C.L. Jain	1,00,000
Mr. Ajit Gulabchand	NIL
Dr. Lalit S. Kanodia	50,000
Mr. Mahesh S. Gupta	1,20,000
Mr. Manoj Maheshwari	20,000
Mr. P.K. Mohapatra	1,30,000
Mr. C. Vinayaraghavan	NIL
Mr. R.A. Shah	80,000

None of the Non-Executive Directors hold any equity shares in the Company.

(ii) Executive Director

Remuneration of Executive Directors is decided by the Board based on the recommendation of the Remuneration/Compensation Committee within the ceiling fixed by the shareholders.

The elements of remuneration paid to Mr. Ajit Singh Chouhan, Managing Director during the financial year 2012-13 are as under:

(Rs. In lacs)

Name of the Director	Salary	Perquisites	Retiral Benefits
Mr. Ajit Singh Chouhan	153.29	0.32	12.68

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

Mr. Ajit Singh Chouhan has been granted option for 40,000 equity shares under the Employees Stock Option Plan. Out of this, option for 6,240 equity shares have been vested and are unexercised. However, at the Remuneration/Compensation Committee Meeting held on August 9, 2012, in the interest of the employee option holders, remaining options were cancelled and in lieu thereof compensated with performance bonus.

Mr. Ajit Singh Chouhan has been re-appointed as Managing Director of the Company for a further period of three years with effect from April 9, 2013.



7. Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee consists of three Directors, namely, Mr. Mahesh S. Gupta, Mr. P.K. Mohapatra and Mr. Ajit Singh Chouhan. 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.

During the financial year, four meetings of the Shareholders'/Investors' Grievance Committee were held on April 27, 2012, August 9, 2012, October 23, 2012 and February 06, 2013.

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	4
Mr. P.K. Mohapatra	4
Mr. Ajit Singh Chouhan	4

Mr. Rajesh Shirambekar, 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, 2013 are as under:

Sr. No.	Type of complaints	Number of Complaints		
		Received	Resolved	Pending
1	Non-receipt of share certificates	7	7	0
2	Non-receipt of dividend warrant	23	23	0
3	Non-receipt of Annual Report	2	2	0
4	Non-receipt of rejected DRF	1	1	0
5	Others (NSDL + Custodian + NSE)	8	8	0
Total:		41	41	0

8. General Body Meeting

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

AGM for the period/ year ended	Venue	Date	Time	Special Resolutions passed
3 rd AGM, March 31, 2010	Ravindra Natya Mandir P.L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi Mumbai 400 025	July 29, 2010	11:30 a.m.	NIL
4 th AGM, March 31, 2011	Ravindra Natya Mandir P.L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi Mumbai 400 025	July 28, 2011	3.30 p.m.	1*
5 th AGM March 31, 2012	Ravindra Natya Mandir P.L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi Mumbai 400 025	August 9, 2012	3.30 p.m.	2**



*The details of Special Resolution passed at the 4th AGM is as under:

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

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

- 1) Resolution for Partial modification of the resolution passed at the 4th Annual General Meeting of the Company held on July 28, 2011 relating to the remuneration payable to Mr. Ajit Singh Chouhan, Managing Director of the Company.
- 2) Resolution for Alteration of Article 165 of the Articles of Association of the Company relating to Common Seal of the Company, its custody, use and execution.

During the financial year 2012-13, 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 Board Members and Senior Management, which they are bound to observe in the course of conduct of business of the Company. The Code of Conduct has also been posted on the website of the Company. Each Director and Senior Management Personnel including all functional heads, to which the code has been made applicable, have affirmed their compliance with the Code. A declaration by Mr. Ajit Singh Chouhan, Managing Director, to this effect forms part of this report.
- (iv) The Managing Director and Chief Financial Officer of the Company have submitted the certificate as required under Clause 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 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	6 th Annual General Meeting on Friday, July 26, 2013 at 11.00 a.m. at Ravindra Natya Mandir, P.L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai 400 025.
(ii)	Financial Year	April 1 - March 31
(iii)	Date of Book Closure	Monday, July 15, 2013 to Friday, July 26, 2013 (both days inclusive).
(iv)	Dividend Payment Date	The dividend recommended by the Board, if declared at the ensuing Annual General Meeting will be paid within 30 days from the date of declaration.
(v)	Listing on Stock Exchanges	The equity shares of the Company are listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The listing fees have been paid to both the Stock Exchanges for the financial year 2013-14.
(vi)	Stock Code	BSE - 532983 NSE - RPGLIFE
(vii)	ISIN Code	INE105J01010



(viii) Market Price Data

Month	BSE		NSE		SENSEX	
	High	Low	High	Low	High	Low
April 2012	76.00	60.00	73.95	59.40	17,664.10	17,010.16
May	63.90	55.00	65.20	54.40	17,432.33	15,809.71
June	68.00	55.00	65.50	56.60	17,448.48	15,748.98
July	86.65	55.60	86.40	61.25	17,631.19	16,598.48
August	81.30	70.05	79.85	70.00	17,972.54	17,026.97
September	81.45	72.50	81.40	72.60	18,869.94	17,250.80
October	82.00	70.60	81.00	70.20	19,137.29	18,393.42
November	82.90	68.00	83.00	67.50	19,372.70	18,255.69
December	94.80	78.00	93.70	77.80	19,612.18	19,149.03
January 2013	86.00	73.10	85.95	73.30	20,203.66	19,508.93
February	81.50	55.10	85.45	56.00	19,966.69	18,793.97
March	62.20	48.10	63.00	48.40	19,754.66	18,568.43

(ix) Registrar and Transfer Agents

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

(x) Grievance Redressal

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

(xi) Share Transfer System

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

(xii) Distribution of Shareholding

The distribution of shareholding as on March 31, 2013 was as under:

Nominal Value of Shareholding (Rs.)	No. of Shareholders	% of Shareholders	Share Amount (Rs.)	% of Share Amount
Upto 5000	13,546	93.46	1,50,26,512	11.36
5001 to 10000	474	3.27	34,43,760	2.60
10001 to 20000	226	1.56	34,12,736	2.58
20001 to 30000	66	0.46	16,53,536	1.25
30001 to 40000	59	0.41	20,73,016	1.57
40001 to 50000	21	0.14	9,41,280	0.71
50001 to 100000	34	0.23	23,20,600	1.75
100001 and above	68	0.47	10,34,10,488	78.18
Total:	14494	100.00	13,22,81,928	100.00



• Shareholding Pattern as on March 31, 2013

Category	No. of Shares	%
Promoters	93,38,897	56.48
Insurance Companies	3,89,979	2.36
Foreign Institutional Investors	5,650	0.03
Mutual Funds/ Banks	4,392	0.03
Non Resident Indians	1,83,171	1.11
Public	66,13,152	39.99
Total:	1,65,35,241	100.00

(xii) Dematerialisation of Shares and Liquidity

Category	No. of Shares	% of shares	No. of Shareholders	% of Shareholders
Electronic Form	1,59,80,936	96.65	10,218	70.50
Physical Form	5,54,305	3.35	4,276	29.50
Total:	1,65,35,241	100.00	14,494	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. As of March 31, 2013, the Company does not have any outstanding convertible instruments, which are likely to have an impact on the equity of the Company.

(xiv) Plant Locations

Bulk Drugs (Biotech)	Bulk Drugs (Synthetic)	Pharma Formulations
Plot No.2702/ A GIDC Industrial Estate Ankleshwar 393 002 Dist. Bharuch (Gujarat)	25, M.I.D.C. 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. Rajesh Shirambekar
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@rppls.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 - Code of Conduct

I hereby declare that all the Directors and Senior Management Personnel including all functional heads of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended March 31, 2013.

Place: Mumbai
Date: May 7, 2013

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, 2013, as stipulated in Clause 49 of the listing agreement of the said Company with the stock exchanges.

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

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

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

For Vikram P. Gandhi
Practicing Company Secretary

Place: Mumbai
Date: May 7, 2013

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



INDEPENDENT AUDITORS' REPORT

To the Members of RPG Life Sciences Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of RPG Life Sciences Limited (the "company"), which comprise the Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and

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

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

Report on Other Legal and Regulatory Requirements

7. As required by 'The Companies (Auditor's Report) Order, 2003', as amended by 'The Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act (hereinafter referred to as the 'Order') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and 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, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

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

Himanshu Goradia
Partner

Mumbai, 7th May, 2013

Membership No. 45668



Annexure to Independent Auditors' Report

[Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of RPG Life Sciences Limited on the financial statements as of and for the year ended 31st March, 2013]

1. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (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, the provisions of Clause 4(iii)(b) to 4(iii)(d) of the Order are not applicable to the company.
- (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, the provisions of Clause 4(iii)(f) and 4(iii)(g) of the Order are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. The company's operations do not involve sale of services. Further, on the basis of our examination of the books and records of the company and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act. Accordingly, the provisions of Clause 4(v)(b) of the Order are not applicable to the company.
6. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Sections 58A and 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 the nature of its business.
8. We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been 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 and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, wealth tax and customs duty which have not been deposited on account of any dispute. The particulars of dues of sales tax, service tax and excise duty as at 31st March, 2013 which have not been deposited on account of a dispute, are as follows –



Name of the statute	Nature of dues	Amount Rs. in lakhs*	Period to which the amount relates	Forum where the dispute is pending
Local Sales Tax Acts and Central Sales Tax Act	Sales/Purchase tax including interest and penalty as applicable	75	Several demands pertaining to the period 1994-1995, 1997-1998, 1999-2000 and 2000-2001	Appellate Authority - up to Commissioner's level
		43	1998-1999	Sales Tax Tribunal
The Finance Act, 1994	Service tax including interest and penalty as applicable	201	Several demands pertaining to the period April 2006 to June 2010	Appellate Authority - up to Commissioner's level
The Central Excise Act, 1944	Excise duty including interest and penalty as applicable	77	Several demands pertaining to the period 1994 to 1996 and April 2006 to December 2006	Appellate Authority - up to Commissioner's level
		12	Several demands pertaining to the period 1990 to 1994 and 1996-1997	Customs, Excise & Service Tax Appellate Tribunal

*Net of amounts paid including under protest.

- The company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- 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 as at the Balance Sheet date.
- The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of Clause 4(xii) of the Order are not applicable to the company.
- As the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the company, the provisions of Clause 4(xiii) of the Order are not applicable to the company.
- In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the company.
- According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the company.
- In our opinion and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- 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. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the company.
- The company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the company.
- The company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the company.
- During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor have we been informed of any such case by the management.

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

Himanshu Goradia
Partner
Membership No. 45668

Mumbai, 7th May, 2013


BALANCE SHEET AS AT 31ST MARCH, 2013

	Note	As at 31st March, 2013		As at 31st March, 2012	
		Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Equity and Liabilities					
Shareholders' Funds					
Share Capital	3	1,323		1,323	
Reserves and Surplus	4	6,300		6,091	
			7,623		7,414
Non-Current Liabilities					
Long-term Borrowings	5	1,052		2,067	
Deferred Tax Liabilities (Net)	6	294		682	
Other Long-term Liabilities	7	725		721	
Long-term Provisions	8	125		118	
			2,196		3,588
Current Liabilities					
Short-term Borrowings	9	3,709		2,439	
Trade Payables	10	4,333		2,887	
Other Current Liabilities	11	2,401		1,688	
Short-term Provisions	12	314		237	
			10,757		7,251
Total			20,576		18,253
Assets					
Non-Current Assets					
Fixed Assets	13				
Tangible Assets		8,283		8,754	
Intangible Assets		2,009		2,115	
Capital Work-in-Progress		126		128	
		10,418		10,997	
Long-term Loans and Advances	14	180		252	
Other Non-Current Assets	15	55		67	
			10,653		11,316
Current Assets					
Inventories	16	2,937		2,879	
Trade Receivables	17	4,874		3,009	
Cash and Bank Balances	18	78		56	
Short-term Loans and Advances	19	1,193		993	
Other Current Assets	20	841		-	
			9,923		6,937
Total			20,576		18,253

The Notes are an integral part of the Financial Statements.

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

Ajit Singh Chouhan
Managing Director

Himanshu Goradia
Partner
Membership No. 45668

C. L. Jain
Director

Mahesh S. Gupta
Director

Sachin Raole
Chief Financial Officer

Rajesh Shirambekar
Company Secretary

Mumbai, 7th May, 2013

Mumbai, 7th May, 2013


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

	Note	Year ended 31st March, 2013		Year ended 31st March, 2012	
		Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Revenue					
Revenue from Operations (Gross)	24	22,945		19,923	
Less: Excise Duty		781		641	
Revenue from Operations (Net)		22,164		19,282	
Other Income	25	178		69	
Total Revenue			22,342		19,351
Expenses					
Cost of Materials Consumed	26	5,479		4,465	
Purchases of Stock-in-Trade		1,880		1,195	
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	27	285		(131)	
Employee Benefits Expense	28	5,520		4,999	
Finance Costs	29	744		688	
Depreciation and Amortisation Expense		987		1,022	
Other Expenses	30	7,393		6,939	
Total Expenses			22,288		19,177
Profit before Tax			54		174
Tax Expense					
For the year					
Current Tax		48		34	
Less: Minimum Alternate Tax Credit Entitlement		48		31	
Net Current Tax		-		3	
Deferred Tax		(187)		86	
		(187)		89	
For earlier years					
Current Tax		1		3	
Less: Minimum Alternate Tax Credit Entitlement		-		3	
Net Current Tax		1		-	
Deferred Tax		(201)		-	
		(200)		-	
Profit for the year			(387)		89
Earnings per Share - Rs. per Equity Share of Rs. 8 each [Refer Note 48]			441		85
Basic			2.67		0.51
Diluted			2.67		0.51

The Notes are an integral part of the Financial Statements.

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

Ajit Singh Chouhan
Managing Director

Himanshu Goradia
Partner
Membership No. 45668

C. L. Jain
Director

Mahesh S. Gupta
Director

Sachin Raole
Chief Financial Officer

Rajesh Shirambekar
Company Secretary

Mumbai, 7th May, 2013

Mumbai, 7th May, 2013

**Notes forming part of the Financial Statements as at and for the year ended 31st March, 2013****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**(a) Basis of Preparation**

The financial statements are prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. The financial statements are prepared to comply in all material aspects with 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.

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

(b) Fixed Assets

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

Depreciation is provided on Straight Line Method, pro-rata to the period of use, at the rates specified in Schedule XIV of the Act except for the fixed assets acquired under the Scheme of Arrangement [Refer Note 1] which are depreciated/amortised over estimated useful lives as per the Scheme of Arrangement. The estimated useful lives of the fixed assets acquired under the Scheme of Arrangement are as under:

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

Leasehold Lands are 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.

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

Assessment is carried out at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. Impairment loss is provided to the extent the carrying amount of assets exceed their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its

**Notes forming part of the Financial Statements as at and for the year ended 31st March, 2013**

disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

(c) Inventories

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

(d) Foreign Currency Transactions

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

(e) Forward Contracts

Premium or discount arising at the inception of forward contract is amortised as expense or income over the life of the contract. Exchange difference on forward contract is recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward contract is recognised as income or expense in the Statement of Profit and Loss.

(f) Revenue Recognition

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

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

(g) 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 Statement of Profit and Loss 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 Statement of Profit and Loss as income or expense.



Notes forming part of the Financial Statements as at and for the year ended 31st March, 2013

(h) Expenditure on Research and Development

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

(i) Borrowing Costs

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

(j) Taxes on Income

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

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognised 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. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the company reassesses unrecognised deferred tax assets, if any.

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

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

3. Share Capital

	As at 31st March, 2013	As at 31st March, 2012
	Rs. in lakhs	Rs. in lakhs
Authorised		
18,750,000 Equity Shares of Rs. 8 each	1,500	1,500
Issued, Subscribed and Paid-up		
16,535,241 Equity Shares of Rs. 8 each fully paid-up	1,323	1,323

	As at 31st March, 2013	As at 31st March, 2012
	No. of Shares	No. of Shares
(a) Reconciliation of Number of Shares		
Number of shares outstanding as at the beginning of the year	16,535,241	16,535,241
Number of shares outstanding as at the end of the year	16,535,241	16,535,241
(b) The company has only one class of shares i.e. Equity Shares having a face value of Rs. 8 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.		


Notes forming part of the Financial Statements as at and for the year ended 31st March, 2013

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

Name of the Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares	% of holding	No. of shares	% of holding
Swallow Associates LLP	4,228,089	25.57	4,228,089	25.57
Instant Holdings Limited	2,701,200	16.34	2,701,200	16.34
Summit Securities Limited	1,774,708	10.73	1,216,159	7.35

- (d) Shares reserved for issue under options

Refer Note 31 for details of shares to be issued under the Employee Stock Option Plan.

- (e) Shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash (during 5 years immediately preceding 31st March, 2013)

14,368,850 shares were allotted in the last 5 years as fully paid-up pursuant to a Scheme of Arrangement without payments being received in cash [Refer Note 1].

	As at 31st March, 2013		As at 31st March, 2012	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
4. Reserves and Surplus				
Capital Reserve		5		5
General Reserve				
Balance as at the beginning of the year	308		239	
Add: Transfer from Contingency Reserve	-		69	
Add: Transfer from Surplus in Statement of Profit and Loss	22		-	
Balance as at the end of the year		330		308
Securities Premium Account		3,443		3,443
Contingency Reserve				
Balance as at the beginning of the year	-		69	
Less: Transfer to General Reserve	-		69	
Balance as at the end of the year		-		-
Surplus				
Balance as at the beginning of the year	2,335		2,404	
Profit for the year as per Statement of Profit and Loss	441		85	
	2,776		2,489	
Less: Appropriations				
Proposed Dividend	198		132	
Tax on Proposed Dividend	34		22	
Transfer to General Reserve	22		-	
Balance as at the end of the year		2,522		2,335
		<u>6,300</u>		<u>6,091</u>


Notes forming part of the Financial Statements as at and for the year ended 31st March, 2013

	As at 31st March, 2013		As at 31st March, 2012	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
5. Long-term Borrowings				
Secured				
Term Loans				
From a Bank		26		32
From a Financial Institution		1,001		1,566
		<u>1,027</u>		<u>1,598</u>
Finance Lease Obligations		<u>10</u>		<u>13</u>
		1,037		1,611
Unsecured				
Fixed Deposits		-		456
Finance Lease Obligations		<u>15</u>		<u>-</u>
		15		456
		<u>1,052</u>		<u>2,067</u>

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

Nature of Security		Terms of Repayment	
(i)	Terms Loans from a Bank are secured by hypothecation of specific assets purchased under loans.		Repayable in 36 Equated Monthly Installments beginning from the time loan is taken along with interest ranging from 10.75% to 11.25%.
(ii)	Terms Loans from a Financial Institution are secured by first charge on all fixed assets (movable and immovable) at Ankleshwar Factory and second charge on entire current assets at Thane / Ankleshwar Factory. The loan mentioned in (c) is also secured by a first charge on the specific moveable fixed assets to be financed out of the term loan at Thane.	(a)	Loan of - Nil (Previous year Rs. 667 lakhs) is repayable in 12 equal quarterly installments from 28th April, 2011 along with interest at 12% per annum.
		(b)	Loan of Rs. 481 lakhs (Previous year Rs. 656 lakhs) is repayable in 16 quarterly installments beginning from 14th February, 2013 along with interest at 11.5% per annum.
		(c)	Loan of Rs. 520 lakhs (Previous year Rs. 243 lakhs) is repayable in 16 quarterly installments beginning from 20th February, 2013 along with interest at 12.7% per annum.
(iii)	Finance Lease Obligations are secured by hypothecation of assets underlying the leases.		Monthly payment of Equated Monthly Installments beginning from the month subsequent to taking the lease.
(b)	Terms of repayment for unsecured borrowings - Fixed Deposits		Repayable on maturity ranging from 2 years to 3 years along with interest ranging from 9% to 10% per annum.
(c)	Terms of repayment for unsecured Finance Lease Obligations		Repayable in 12 Equated Monthly Installments beginning from 1st December, 2012 along with interest at 14.36% per annum


Notes forming part of the Financial Statements as at and for the year ended 31st March, 2013

	As at 31st March, 2013		As at 31st March, 2012	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
6. Deferred Tax Liabilities (Net)				
Deferred Tax Liabilities				
Depreciation/ Amortisation	858		773	
Others	74		75	
		932		848
Less: Deferred Tax Assets				
Unabsorbed Depreciation and Tax Losses	407		-	
Disallowances under Section 40(a) of the Income-tax Act, 1961	89		85	
Interest Income not received but considered as taxable under the Income-tax Act, 1961	66		-	
Statutory Liabilities	64		59	
Provision for Doubtful Debts and Advances	12		22	
		638		166
		294		682
7. Other Long-term Liabilities				
Trade Payables				
Micro and Small Enterprises [Refer Note 10]	-		-	
Others	410		433	
		410		433
Deposits from Dealers		315		288
		725		721
8. Long-term Provisions				
Provision for Employee Benefits - Provision for Leave Encashment and Compensated Absences [Refer Note 44(C)]		125		118
9. Short-term Borrowings				
Secured Working Capital Loans Repayable on Demand				
From Banks		2,709		1,441
From a Financial Institution		1,000		998
		3,709		2,439
Working Capital Loans are secured by hypothecation of inventory and book debts and second charge on immoveable assets at Thane / Ankleshwar Factory.				
10. Trade Payables				
Micro and Small Enterprises		-		-
Others		4,333		2,887
		4,333		2,887

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


Notes forming part of the Financial Statements as at and for the year ended 31st March, 2013

	As at 31st March, 2013		As at 31st March, 2012	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
11. Other Current Liabilities				
Current Maturities of Long-term Borrowings [Refer Note 5]				
Term Loans from a Bank	25		16	
Term Loans from a Financial Institution	1,030		757	
		1,055		773
Current Maturities of Finance Lease Obligations [Refer Note 5]		13		11
Current Maturities of Fixed Deposits [Refer Note 5]		461		133
Interest accrued but not due on Borrowings		46		41
Unpaid Dividends*		38		36
Unpaid Matured Fixed Deposits and Interest accrued thereon*		-		1
Unpaid Interest on Fixed Deposits*		9		9
Employee Benefits Payable		425		399
Statutory Dues		259		241
Payables for Fixed Assets		24		1
Advances from Customers		71		43
		2,401		1,688
*There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Act as at the year end.				
12. Short-term Provisions				
Provision for Employee Benefits - Provision for Leave				
Encashment and Compensated Absences [Refer Note 44(C)]		82		83
Proposed Dividend		198		132
Tax on Proposed Dividend		34		22
		314		237



Notes forming part of the Financial Statements as at and for the year ended 31st March, 2013

13. Fixed Assets

Description	Gross Block (at cost)				Depreciation/ Amortisation				(Rs. in lakhs)		
	As at 1.4.2012	Additions	Deductions	Adjustments	As at 31.3.2013	As at 1.4.2012	For the year	On Deductions	Adjustments	Net Block	
										As at 31.3.2013	As at 31.3.2012
Tangible Assets											
Leasehold Lands	3,320	-	870	-	2,450	271	55	87	-	239	2,211
Buildings	2,665	236	77	-	2,824	399	101	19	-	481	2,343
Plant and Equipment - Owned	4,998	839	160	265	5,942	2,051	568	118	123	2,624	3,318
Plant and Equipment - Under Lease	265	-	-	(265)	-	96	27	-	(123)	-	-
Furniture and Fixtures	336	111	-	-	447	153	31	-	-	184	263
Vehicles - Owned	70	28	-	-	98	6	16	-	-	22	76
Vehicles - Under Lease	45	-	-	-	45	28	6	-	-	34	11
Office Equipment	141	34	7	-	168	82	32	7	-	107	61
	11,840	1,248	1,114	-	11,974	3,086	836	231	-	3,691	8,283
Intangible Assets											
Goodwill	349	-	-	-	349	349	-	-	-	349	-
Computer Software	141	45	-	-	186	132	6	-	-	138	48
Technical Knowhow	2,885	-	-	-	2,885	779	145	-	-	924	1,961
	3,375	45	-	-	3,420	1,260	151	-	-	1,411	2,009
Total	15,215	1,293	1,114	-	15,394	4,346	987	231	-	5,102	10,292
Previous year	14,606	737	128	-	15,215	3,356	1,022	32	-	4,346	10,869
Capital Work-in-Progress											
											126
											10,418
											10,997

1. Intangible Assets are other than internally generated.
2. Buildings include - Nil (Previous year Rs. 250) being cost of shares in a co-operative housing society.
3. Additions to Plant and Equipment - Owned, Furniture and Fixtures and Office Equipment include Rs. 11 lakhs (Previous year Rs. 132 lakhs), Rs. 13 lakhs (Previous year - Nil) and Rs. 7 lakhs (Previous year Rs. 4 lakhs) respectively pertaining to Research and Development activities.
4. In the previous year, Plant and Equipment - Owned, include assets held for disposal - Gross Block Rs. 76 lakhs and Accumulated Depreciation Rs. 76 lakhs.
5. In the previous year, Office Equipment include assets held for disposal - Gross Block Rs. 1 lakh and Accumulated Depreciation Rs. 1 lakh.
6. Deductions include tangible assets held for sale disclosed under Other Current Assets [Refer Note 20] - Gross Block Rs. 947 lakhs (Previous year - Nil) and Accumulated Depreciation/ Amortisation Rs. 106 lakhs (Previous year - Nil).
7. Adjustments represent transfer of assets disclosed under the block of 'Plant and Equipment - Under Lease' to the block of 'Plant and Equipment - Owned' consequent to repayment of liability against such assets acquired under the finance lease and transfer of ownership of such assets to the company as per the terms of the finance lease agreement.
8. Vehicles - Under Lease represent assets acquired under finance lease.


Notes forming part of the Financial Statements as at and for the year ended 31st March, 2013

	As at 31st March, 2013		As at 31st March, 2012	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
14. Long-term Loans and Advances (Unsecured, Considered Good unless otherwise stated)				
Capital Advances		19		27
Security Deposits				
Considered Good	56		104	
Considered Doubtful	<u>7</u>		<u>7</u>	
	63		111	
Less: Provision for Doubtful Security Deposits	<u>7</u>		<u>7</u>	
		56		104
Loans to Employees		10		16
Current Taxation [Net of Provision of Rs. 433 lakhs (Previous year Rs. 647 lakhs)]		95		105
		<u>180</u>		<u>252</u>
15. Other Non-Current Assets (Unsecured, Considered Good)				
Long-term Trade Receivables		<u>55</u>		<u>67</u>
16. Inventories (At lower of cost and net realisable value)				
Raw Materials		721		414
Work-in-Progress		543		632
Finished Goods		909		1,181
Stock-in-Trade		520		444
Stores and Spares		41		48
Packing Materials		203		160
		<u>2,937</u>		<u>2,879</u>
17. Trade Receivables				
Outstanding for a period exceeding six months from the date they were due for payment				
Secured, Considered Good	2		6	
Unsecured, Considered Good	126		76	
Unsecured, Considered Doubtful	<u>200</u>		<u>233</u>	
	328		315	
Less: Provision for Doubtful Debts	<u>200</u>		<u>233</u>	
		128		82
Others				
Secured, Considered Good	36		30	
Unsecured, Considered Good	<u>4,710</u>		<u>2,897</u>	
		4,746		2,927
		<u>4,874</u>		<u>3,009</u>


Notes forming part of the Financial Statements as at and for the year ended 31st March, 2013

	As at 31st March, 2013		As at 31st March, 2012	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
18. Cash and Bank Balances				
Cash and Cash Equivalents				
Balances with Banks				
Current Accounts	18		18	
Deposit Account (less than 3 months maturity)	-		1	
	<u>18</u>		<u>19</u>	
Cash on Hand	<u>2</u>		<u>1</u>	
		20		20
Other Bank Balances				
Long-term Deposits with maturity more than 3 months but less than 12 months	20		-	
Unpaid Dividend Accounts	<u>38</u>		<u>36</u>	
		<u>58</u>		<u>36</u>
		<u>78</u>		<u>56</u>
19. Short-term Loans and Advances				
(Unsecured, Considered Good unless otherwise stated)				
Security Deposits				
Considered Good	79		41	
Considered Doubtful	<u>15</u>		<u>15</u>	
	<u>94</u>		<u>56</u>	
Less: Provision for Doubtful Security Deposits	<u>15</u>		<u>15</u>	
		79		41
Loans and Advances recoverable in cash or in kind or for value to be received				
Considered Good	406		373	
Considered Doubtful	<u>47</u>		<u>24</u>	
	<u>453</u>		<u>397</u>	
Less: Provision for Doubtful Loans and Advances	<u>47</u>		<u>24</u>	
		406		373
Balances with Government Authorities		477		396
Minimum Alternate Tax Credit Entitlement		<u>231</u>		<u>183</u>
		<u>1,193</u>		<u>993</u>
20. Other Current Assets				
Assets held for Sale [Refer Note 13]		<u>841</u>		<u>-</u>
21. Contingent Liabilities				
(a) Claims against the company not acknowledged as debts				
(i) Sales tax matters		118		118
(ii) Excise matters		89		93
(iii) Service tax matters		201		-
(b) Guarantee given to Gujarat Industrial Development Corporation		15		15
(c) Bank guarantees given to third parties		158		47


Notes forming part of the Financial Statements as at and for the year ended 31st March, 2013

Notes:

- (i) Future cash outflows in respect of (a)(i) to (a)(iii) above are determinable only on receipt of judgments/ decisions pending with various authorities/ forums and/ or final outcome of the matters.
- (ii) The management is of opinion that there will be no impact on future cash outflow of the company in respect of (b) and (c) above.

22. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 110 lakhs (Previous year Rs. 202 lakhs).

23. Proposed Dividend

	As at 31st March, 2013	As at 31st March, 2012
Proposed Dividend (Rs. in lakhs)	198	132
Number of shares outstanding as at the end of the year	16,535,241	16,535,241
Dividend per Share (Rs. per Equity Share of Rs. 8 each)	1.20	0.80

24. Revenue from Operations

	Year ended 31st March, 2013		Year ended 31st March, 2012	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Sale of Products		22,402		19,564
Other Operating Revenue				
Income form Product Development	136		-	
Export Incentives	254		229	
Sales tax Refunds	33		1	
Sale of Scrap	92		105	
Miscellaneous Income	28		24	
		543		359
Revenue from Operations (Gross)		22,945		19,923
Less: Excise Duty		781		641
Revenue from Operations (Net)		<u>22,164</u>		<u>19,282</u>

25. Other Income

Interest Income	8	2
Net Gain on Foreign Currency Transactions and Translation (other than considered as Finance Cost)	79	24
Provision for Doubtful Debts written back (Net)	-	6
Liabilities no longer required written back	64	26
Insurance Claims	27	11
	<u>178</u>	<u>69</u>

26. Cost of Materials Consumed

Raw Materials Consumed	4,729	3,780
Packing Materials Consumed	750	685
	<u>5,479</u>	<u>4,465</u>


Notes forming part of the Financial Statements as at and for the year ended 31st March, 2013

	Year ended 31st March, 2013		Year ended 31st March, 2012	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
27. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade				
Opening Stock				
Work-in-Progress	632		623	
Finished Goods	1,181		949	
Stock-in-Trade	<u>444</u>		<u>554</u>	
		2,257		2,126
Closing Stock				
Work-in-Progress	543		632	
Finished Goods	909		1,181	
Stock-in-Trade	<u>520</u>		<u>444</u>	
		1,972		2,257
		<u>285</u>		<u>(131)</u>
28. Employee Benefits Expense				
Salaries, Wages and Bonus		4,637		4,220
Contribution to Provident and Other Funds [Refer Note 44(A)]		227		221
Gratuity [including prior period expense of Rs. 8 lakhs (Previous year - Nil)] [Refer Note 44(B)]		55		35
Leave Encashment and Compensated Absences		56		38
Staff Welfare Expenses		<u>545</u>		<u>485</u>
		<u>5,520</u>		<u>4,999</u>
29. Finance Costs				
Interest on Borrowings		740		637
Interest on Income-tax		-		1
Other Borrowing Costs		7		4
Net (Gain)/Loss on Foreign Currency Transactions and Translation		<u>(3)</u>		<u>46</u>
		<u>744</u>		<u>688</u>
30. Other Expenses				
Consumption of Stores and Spare Parts		600		572
Power and Fuel		876		723
Rent [Refer Note 47(II)]		118		113
Repairs and Maintenance				
Buildings	149		211	
Plant and Machinery	133		98	
Others	<u>77</u>		<u>85</u>	
		359		394
Insurance		135		137
Rates and Taxes				
Excise Duty	60		66	
Others	<u>308</u>		<u>228</u>	
		368		294
Processing Charges		274		230


Notes forming part of the Financial Statements as at and for the year ended 31st March, 2013

	Year ended 31st March, 2013		Year ended 31st March, 2012	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Legal and Professional Charges		203		220
Travelling and Conveyance		944		947
License Fees		93		70
Directors' Fees		5		6
Printing and Stationery		69		72
Postage and Telephone		194		196
Freight and Distribution		502		434
Commission on Sales		487		392
Advertisement		9		5
Sales Promotion		207		338
Royalty		-		13
Bad Debts written off	44		-	
Less: Provision	(44)		-	
		-		-
Provision for Doubtful Debts and Advances (Net)		34		11
Loss on Sale/Disposal of Fixed Assets (Net)		3		2
Spoilages		440		284
Miscellaneous Expenses [Refer Note 32]		1,473		1,486
		7,393		6,939

Notes forming part of the Financial Statements as at and for the year ended 31st March, 2013
31. 2005 Employee Stock Option Plan

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

- (A) The Remuneration/Compensation Committee at its meeting held on 6th August, 2010 -
- Granted and vested 30,119 equity stock options to employees, in lieu of options that were granted to them by Brabourne Enterprise Limited. The employee had an option to apply for one equity share of Rs. 8 each at an exercise price of Rs. 32.06.
Of these options, 28,391 equity stock options have been exercised in earlier years and 1,728 options remain outstanding as on 31st March, 2013.
 - Granted 95,000 equity stock options to the eligible director and employees of the company, with an option for one equity share of Rs. 8 each at an exercise price of Rs. 100 being the price higher than the closing price quoted on the National Stock Exchange prior to the date of meeting of the Remuneration/Compensation Committee. These equity stock options shall vest, in case of employees of General Manager grade and above, equally but conditionally on linear scale based on performance, over five years beginning from one year after the date of grant. Barring certain eventualities, the exercise period to subscribe to the equity shares would be 10 years from the dates of vesting except otherwise mentioned in ESOP 2005.
Of these options, 6,240 equity stock options remain outstanding as on 31st March, 2013 and the remaining equity stock options have lapsed / forfeited.
- (B) The Remuneration/Compensation Committee at its meeting held on 20th October, 2010 -
- Granted 15,000 equity stock options to an eligible employee with an option for one equity share of Rs. 8 each at an exercise price of Rs. 104 being the price higher than the closing price quoted on the National Stock Exchange prior to the date of meeting of the Remuneration/Compensation Committee. These equity stock options shall vest, in case of employees of General Manager grade and above, equally but conditionally on linear scale based on performance, over five years beginning from one year after the date of grant. Barring certain eventualities, the exercise period to subscribe to the equity shares would be 10 years from the dates of vesting except otherwise mentioned in ESOP 2005.



Of these options, 2,910 equity stock options remain outstanding as on 31st March, 2013 and the remaining equity stock options have lapsed / forfeited.

(C) The Remuneration/Compensation Committee at its meeting held on 28th April, 2011 -

Granted 20,000 equity stock options to an eligible employee with an option for one equity share of Rs. 8 each at an exercise price of Rs. 80 being the price higher than the closing price quoted on the National Stock Exchange prior to the date of meeting of the Remuneration/Compensation Committee. These equity stock options shall vest, in case of employees of General Manager grade and above, equally but conditionally on linear scale based on performance, over five years beginning from one year after the date of grant. Barring certain eventualities, the exercise period to subscribe to the equity shares would be 10 years from the dates of vesting except otherwise mentioned in ESOP 2005.

All of these stock options have been forfeited during the year, thus outstanding equity stock options as on 31st March, 2013 are Nil.

(D) The Remuneration/Compensation Committee at its meeting held on 19th August, 2011 -

Granted 30,000 equity stock options to eligible employees with an option for one equity share of Rs. 8 each at an exercise price of Rs. 76 being the price higher than the closing price quoted on the National Stock Exchange prior to the date of meeting of the Remuneration/Compensation Committee. These equity stock options shall vest, in case of employees of General Manager grade and above, equally but conditionally on linear scale based on performance, over five years beginning from one year after the date of grant. Barring certain eventualities, the exercise period to subscribe to the equity shares would be 10 years from the dates of vesting except otherwise mentioned in ESOP 2005.

All of these stock options have been forfeited during the year, thus outstanding equity stock options as on 31st March, 2013 are Nil.

The company has used intrinsic value method to account for the cost of stock options to employees and a director of the company. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option. In view of the exercise price being higher than the closing market price on the day prior to the date of grant, the intrinsic value of the option is Nil. Consequently, the accounting value of the option (compensation cost) is also Nil.

Movement in the Options under ESOP 2005:

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	102,842	Rs. 89.72	111,728	Rs. 99.49
Granted during the year	Nil	Not Applicable	50,000	Rs. 77.60
Forfeited during the year	89,000	Rs. 89.30	Nil	Not Applicable
Exercised during the year	Nil	Not Applicable	Nil	Not Applicable
Expired/lapsed during the year	2,964	Rs. 100.12	58,886	Rs. 97.96
Outstanding at the end of the year	10,878	Rs. 90.28	102,842	Rs. 89.72
Exercisable at the end of the year	10,878	Rs. 90.28	10,842	Rs. 89.17

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

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


Notes forming part of the Financial Statements as at and for the year ended 31st March, 2013

	Year ended 31st March, 2013	Year ended 31st March, 2012
	Rs. in lakhs	Rs. in lakhs
Profit for the year (as reported)	441	85
Less: Stock based employee compensation expense determined under fair value method	(18)	7
Net Profit for the year (under fair value method)	459	78
Weighted average number of equity shares (Basic)	16,535,241	16,535,241
Weighted average number of equity shares (Diluted)	16,536,204	16,536,198
Pro-forma Earnings per Share (Basic) (Rs.)	2.78	0.47
Pro-forma Earnings per Share (Diluted) (Rs.)	2.78	0.47

	Year ended 31st March, 2013	Year ended 31st March, 2012
	Rs. in lakhs	Rs. in lakhs
32. Auditors' Remuneration#		
Audit Fees	19	15
Tax Audit Fees	5	5
Other Services	10	12
Reimbursement of Expenses	1	1
	35	33

#Included in Miscellaneous Expenses in Note 30.

33. During the year, the company has entered into an Memorandum of Understanding (the 'MOU') with a buyer for sale of a portion of leasehold land and building thereon, which have been disclosed as assets held for sale as at the Balance Sheet date [Refer Note 20]. As per the MOU, the consideration has been deposited by the buyer in an escrow account jointly held in the name of the company and the buyer. Interest accrued thereon will be shared equally amongst both the parties on completion of the transaction. Pending completion of the transaction, the company has not accounted for its share of interest income of Rs. 195 lakhs (Previous year - Nil) accrued on the aforesaid escrow account up to the Balance Sheet date.

	Year ended 31st March, 2013	Year ended 31st March, 2012
	Rs. in lakhs	Rs. in lakhs
34. Consumption of Raw Materials		
Furazodoline I. P.	230	155
Naproxen I. P.	536	531
4 - Androstene - 3, 17-Dione (AD)	543	390
4 - Chloro Phenyl 4hydroxy Piperidine (CPP)	140	103
Metformin	251	65
Others	3,029	2,536
	4,729	3,780

	Year ended 31st March, 2013	Year ended 31st March, 2012
	% Rs. in lakhs	% Rs. in lakhs
Imported	21.38 1,011	23.97 906
Indigenous	78.62 3,718	76.03 2,874
	100.00 4,729	100.00 3,780


Notes forming part of the Financial Statements as at and for the year ended 31st March, 2013

Notes:

- (a) Consumption of Raw Materials includes consumption by third parties under contract with the company and consumption in respect of physician samples.
- (b) Components and spare parts referred to in Paragraph (viii)(c) of Additional Information (Paragraph 5) under General Instructions for Preparation of Statement of Profit and Loss in 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, 2013	Year ended 31st March, 2012
	Rs. in lakhs	Rs. in lakhs
35. Opening Stock of Finished Goods and Stock-in-Trade		
Pharmaceutical Preparations		
Tablets	747	703
Liquids	99	67
Injections - Ampoules	189	167
Capsules	86	111
Powder Pouches	13	22
Ointments	6	7
	<u>1,140</u>	<u>1,077</u>
Bulk Drugs and Chemicals	485	426
	<u>1,625</u>	<u>1,503</u>
36. Sales		
Pharmaceutical Preparations		
Tablets	13,387	12,493
Liquids	1,333	1,115
Injections - Ampoules	1,272	832
Capsules	909	818
Powder Pouches	201	190
Ointments	64	60
	<u>17,166</u>	<u>15,508</u>
Bulk Drugs and Chemicals	5,236	4,056
	<u>22,402</u>	<u>19,564</u>
37. Purchases of Stock-in-Trade		
Pharmaceutical Preparations		
Tablets	632	383
Liquids	154	108
Injections - Ampoules	805	472
Capsules	119	134
Powder Pouches	104	83
Ointments	35	15
	<u>1,849</u>	<u>1,195</u>
Bulk Drugs and Chemicals	31	-
	<u>1,880</u>	<u>1,195</u>


Notes forming part of the Financial Statements as at and for the year ended 31st March, 2013
38. Closing Stock of Finished Goods and Stock in Trade*
Pharmaceutical Preparations

Tablets	580	747
Liquids	111	99
Injections - Ampoules	220	189
Capsules	81	86
Powder Pouches	21	13
Ointments	17	6

1,030	1,140
399	485
1,429	1,625

*Net of date expired stocks, free goods, damages, in-transit breakages, samples, etc.

Bulk Drugs and Chemicals
39. CIF Value of Imports

Raw Materials	1,072	928
Components and Spare Parts	23	19
Capital Goods	51	145

40. Expenditure in Foreign Currency

Travelling	39	57
Professional and Consultation Fees	1	20
Commission on Sales	157	139
Interest	16	16
Others	147	120

41. Earnings in Foreign Exchange

FOB Value of Exports [Excluding FOB Value of Exports in Indian Rupees amounting to Rs. 195 lakhs (Previous year - Nil)]	6,186	5,069
Freight and Insurance	129	112
Income form Product Development	136	-

42. Revenue Expenditure on Research and Development

Salaries and Wages	345	278
Consumable Stores	172	80
Utilities	48	52
Others	172	160
	<u>737</u>	<u>570</u>


Notes forming part of the Financial Statements as at and for the year ended 31st March, 2013
43. Forward Contracts and Unhedged Foreign Currency Outstanding Balances

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

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

Currency	As at 31st March, 2013			As at 31st March, 2012		
	Number of Contracts	Sale Amount in lakhs	Rupees Equivalent in lakhs	Number of Contracts	Sale Amount in lakhs	Rupees Equivalent in lakhs
US Dollar	14	32	1,713	6	14	691
GBP	1	3	247	-	-	-
Euro	2	4	292	-	-	-

(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, 2013		As at 31st March, 2012	
	Amount in Foreign Currency in lakhs	Amount in Rupees in lakhs	Amount in Foreign Currency in lakhs	Amount in Rupees in lakhs
Receivables				
US Dollar	*	21	6	319
GBP	1	49	1	50
Euro	2	1366	6	395
*Amount is below the rounding off norm adopted by the company.				
Payables				
US Dollar	-	-	1	45
Euro	-	-	1	82

44. Employee Benefits
(A) Defined Contribution Plans

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

	Year ended 31st March, 2013	Year ended 31st March, 2012
	Rs. in lakhs	Rs. in lakhs
(i) Contribution to Provident Fund	105	97
(ii) Contribution to Employee's Superannuation Fund	22	22
(iii) Contribution to Employees' State Insurance Scheme	36	38
(iv) Contribution to Employees' Pension Scheme	64	64
	227	221

(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%	8.75%
(b) Rate of increase in Compensation Levels	5.50%	5.50%
(c) Rate of Return on Plan Assets	8.70%	8.60%
(d) Expected Average remaining working lives of employees in number of years	13	13


Notes forming part of the Financial Statements as at and for the year ended 31st March, 2013

	Year ended 31st March, 2013	Year ended 31st March, 2012			
	Gratuity Rs. in lakhs	Gratuity Rs. in lakhs			
(i) Changes in the Present Value of Obligation					
(a) Opening Present Value of Obligation	331	302			
(b) Interest Cost	29	25			
(c) Past Service Cost	-	-			
(d) Current Service Cost	41	37			
(e) Curtailment Cost/(Credit)	-	-			
(f) Settlement Cost/(Credit)	-	-			
(g) Benefits Paid	(64)	(31)			
(h) Actuarial Loss/(Gain)	3	(2)			
(i) Closing Present Value of Obligation	340	331			
(ii) Changes in the Fair Value of Plan Assets					
(a) Opening Fair Value of Plan Assets	331	302			
(b) Expected Return on Plan Assets	28	24			
(c) Actuarial (Loss)/Gain	(2)	1			
(d) Employers' Contributions	47	35			
(e) Benefits Paid	(64)	(31)			
(f) Closing Fair Value of Plan Assets	340	331			
(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%	57%			
(b) Debt Instruments	31%	33%			
(c) Administered by Life Insurance Corporation of India	15%	-			
(d) Others	-	10%			
	As at 31st March,				
	2013 Gratuity Rs. in lakhs	2012 Gratuity Rs. in lakhs	2011 Gratuity Rs. in lakhs	2010 Gratuity Rs. in lakhs	2009 Gratuity Rs. in lakhs
(iv) Amount recognised in the Balance Sheet					
(a) Present Value of Obligation as at the year end	340	331	302	337	338
(b) Fair Value of Plan Assets as at the year end	340	331	302	337	338
(c) (Asset)/Liability recognised in the Balance Sheet	-	-	-	-	-


Notes forming part of the Financial Statements as at and for the year ended 31st March, 2013

	Year ended 31st March, 2013	Year ended 31st March, 2012
	Gratuity Rs. in lakhs	Gratuity Rs. in lakhs
(v) Expenses recognised in the Statement of Profit and Loss		
(a) Current Service Cost	41	37
(b) Past Service Cost	-	-
(c) Interest Cost	29	25
(d) Expected Return on Plan Assets	(28)	(24)
(e) Curtailment Cost/(Credit)	-	-
(f) Settlement Cost/(Credit)	-	-
(g) Net Actuarial Loss(Gain)	5	(3)
(h) Employees' Contribution	-	-
(i) Total Expenses recognised in the Statement of Profit and Loss	47	35

(C) Other Long-term Employee Benefits

The liabilities for Leave Encashment and Compensated Absences as at the Balance Sheet date were Rs. 139 lakhs (Previous year Rs. 136 lakhs) and Rs. 68 lakhs (Previous year Rs. 65 lakhs) respectively.

	Year ended 31st March, 2013	Year ended 31st March, 2012
	Rs. in lakhs	Rs. in lakhs
45. Segment Information		
(A) Information in respect of Primary Segments		
Refer Note (a) below		
(B) Information in respect of Secondary Segments		
(I) Segment Revenue		
India	15,696	14,170
Other Countries	6,646	5,181
	22,342	19,351
(II) Carrying Amount of Segment Assets		
India	20,576	18,253
Other Countries	-	-
	20,576	18,253
(III) Capital Expenditure		
India	1,283	854
Other Countries	-	-
	1,283	854

Notes:

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

46. Related Party Disclosures

- (A) Enterprise where control exists

Swallow Associates LLP (from 13th July, 2012)*@

*No transactions during the year

@Consequent to acquisition of additional shares of the company during the year by one of the subsidiaries of Swallow Associates Limited, a Promoter Group Company, the company became a subsidiary of Swallow Associates Limited with effect from 13th July, 2012 in terms of the provisions of sub-section (3) of Section 4 of the Act. However, on conversion of Swallow Associates Limited to Swallow Associates LLP ('SAL'), the company ceased to be a subsidiary of Swallow Associates Limited with effect from 31st October, 2012. SAL along with its subsidiaries, now holds 52.64% of the paid-up share capital of the company as at 31st March, 2013.


Notes forming part of the Financial Statements as at and for the year ended 31st March, 2013

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

Key Management Person Ajit Singh Chouhan

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

	Year ended 31st March, 2013	Year ended 31st March, 2012
	Rs. in lakhs	Rs. in lakhs
Key Management Person - Remuneration		
Ajit Singh Chouhan	166	133
	<u>166</u>	<u>133</u>

47. Leases

(I) Disclosures for Finance Leases

The company has acquired certain Vehicles and Plant and Equipment 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, 2013			As at 31st March, 2012		
	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. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Minimum Lease Payments outstanding as at the year end	18	26	-	10	15	-
Finance Charges to be recognised in subsequent years	5	4	-	3	4	-
Present Value of Minimum Lease Payments	13	22	-	7	11	-

(II) Disclosures for operating leases

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

	Year ended 31st March, 2013	Year ended 31st March, 2012
	Rs. in lakhs	Rs. in lakhs
(a) Lease payments recognised in the Statement of Profit and Loss	118	113
(b) Significant leasing arrangements		
The terms of lease include terms of renewals, increase in rent in future period, terms of cancellation, etc.		
(c) Future minimum lease payments under non cancellable agreements		
(i) Not later than one year	39	45
(ii) Later than one year and not later than five years	84	18
(iii) Later than five years	-	-



Notes forming part of the Financial Statements as at and for the year ended 31st March, 2013

48. Earnings per Share

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

	Year ended 31st March, 2013	Year ended 31st March, 2012
Profit for the year (Rs. in lakhs)	441	85
Weighted average number of Shares for Basic Earnings per Share	16,535,241	16,535,241
Add: Effect of Dilutive Potential Shares (Employee Stock Options)	963	957
Weighted average number of Shares for Diluted Earnings per Share	16,536,204	16,536,198
Earnings per Share (Rs. per Equity Share of Rs. 8 each)		
Basic	2.67	0.51
Diluted	2.67	0.51

49. Previous year's figures have been regrouped / reclassified where necessary.

Signatures to Notes 1 to 49

In terms of our report of even date

For and on behalf of the Board

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

Himanshu Goradia
Partner
Membership No. 45668

Mumbai, 7th May, 2013

H. V. Goenka
Chairman

C. L. Jain
Director

Sachin Raole
Chief Financial Officer

Mumbai, 7th May, 2013

Ajit Singh Chouhan
Managing Director

Mahesh S. Gupta
Director

Rajesh Shirambekar
Company Secretary


Cash Flow Statement for the year ended 31st March, 2013

	Year ended 31st March, 2013		Year ended 31st March, 2012	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
A. Cash flow from operating activities				
Net Profit before Tax		54		174
Adjustments for -				
Depreciation and Amortisation Expense	987		1,022	
Interest Income	(8)		(2)	
Loss on Sale/Disposal of Fixed Assets (Net)	3		2	
Interest Expense	740		638	
Unrealised Exchange Gain (Net)	(7)		(29)	
		1,715		1,631
Operating profit before working capital changes		1,769		1,805
Adjustments for -				
Trade and Other Receivables	(1,968)		846	
Inventories	(58)		(248)	
Trade and Other Payables	1,528		(655)	
		(498)		(57)
Cash generated from operations		1,271		1,748
Direct Taxes paid (net of refund of taxes)		(39)		(186)
Net cash from operating activities		1,232		1,562
B. Cash flow from investing activities				
Purchases of Fixed Assets (including advances for capital expenditure)	(1,260)		(867)	
Sale of Fixed Assets	39		94	
Interest received	8		2	
Expenses in connection with the Scheme of Arrangement	-		(12)	
Net cash used in investing activities		(1,213)		(783)
C. Cash flow from financing activities				
Proceeds from Long-term Borrowings	517		518	
Repayment of Long-term Borrowings	(921)		(781)	
Proceeds from Short-term Borrowings	1,272		397	
Dividend paid	(130)		(261)	
Tax paid on Dividend	(22)		(43)	
Interest paid	(735)		(605)	
Net cash used in financing activities		(19)		(775)
Net increase in cash and cash equivalents		-		4
Cash and Cash Equivalents - Opening Balance		20		16
Cash and Cash Equivalents - Closing Balance		20		20

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 Section 211 of the Companies Act, 1956.
- Previous year figures have been regrouped where necessary.

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

Ajit Singh Chouhan
Managing Director

Himanshu Goradia
Partner
Membership No. 45668

C. L. Jain
Director

Mahesh S. Gupta
Director

Mumbai, 7th May, 2013

Sachin Raole
Chief Financial Officer

Rajesh Shirambekar
Company Secretary

Mumbai, 7th May, 2013



RPG LIFE SCIENCES LIMITED

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 6th Annual General Meeting of the Company on Friday, July 26, 2013 at 11.00 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: RPG House, 463, Dr. Annie Besant Road, Worli, 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 _____ or failing him _____
_____ of _____ as my/our proxy to attend and vote for me/us on
my/our behalf at the 6th Annual General Meeting of the Company to be held on Friday, July 26, 2013, at 11.00 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 _____ 2013

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 AT THE COMPANY.