ANNUAL REPORT

2017-2018

RPG LIFE SCIENCES

RPG Group

Established in 1979, the RPG Group is a diversified conglomerate with interests in the areas of infrastructure, tyres, information technology, pharmaceuticals, energy and plantations. Founded by Dr. R P Goenka, the group's lineage dates back to the early 19th century. Today, the group has several companies in diverse sectors predominantly RPG Life Sciences, CEAT, Zensar Technologies and KEC International. Built on a solid foundation of trust and tradition, the RPG name is synonymous with steady growth and high standards of transparency, ethics and governance.

Forward-looking statement

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward looking statement, whether as a result of new information, future events or otherwise.

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Sometime ago we launched the RPG group's new brand tagline – Hello Happiness. This tagline will henceforth form a part of our group's ethos. Our Vision tenets clearly outline the path we will all collectively traverse – one that seeks to propel every RPGian to overcome their own limitations; one that will drive each of us to contribute and shape the lives of others around us positively; an organisation where dreams will not be constrained by fences. The smiley signifies 'THAT' Happiness which is within our grasp, which is the culmination of our Vision tenets and is now captured in our tagline. Hello Happiness is a bold statement of confidence and purpose – a statement that helps us open our doors to a world of opportunities and possibilities; a statement that signifies our intent to touch and enrich the lives of others.

hello **happiness**

RPG LIFE SCIENCES

BOARD OF DIRECTORS

Mr. H. V. Goenka	Chairman
Mr. C.L. Jain	
Dr. Lalit S. Kanodia	
Mr. Mahesh S. Gupta	
Mr. Manoj K. Maheshwari	
Mr. Narendra Ambwani	
Ms. Zahabiya Khorakiwala	
Mr. Yugal Sikri	
Mr. Sachin Nandgaonkar	
Mr. CT. Renganathan	Managing Director

MANAGEMENT TEAM

Mr. CT. Renganathan	Managing Director
Mr. B. M. Sundaram	Business Head – API, International & Nephrocare
Mr. Satessh Siingh	Vice President - Sales & Marketing
Mr. Mahesh Narayanaswamy	Vice President - Finance
Dr. Nitin Gore	Chief Quality Officer
Ms. Suchitra Tiwari	Head- Regulatory & Project Management
Mr. Tushar Joshi	Head – Human Resources
Mr. Himmat Patel	Head-Domestic Manufacturing & Sourcing
Mr. Kartick Patra	Head Operations – API
Mr. Rajesh Chopra	Site Head – F2
Mr. Manoj Muthiyan	Vice President – New Product Development & Regulatory Affairs

HEAD – LEGAL & COMPANY SECRETARY

Mr. Rajesh Shirambekar

AUDITORS

B S R & Co. LLP
Chartered Accountants

LEGAL ADVISORS

Crawford Bayley & Co.

CORPORATE IDENTIFICATION NUMBER (CIN)

L24232MH2007PLC169354

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
Website: www.rpglifesciences.com

REGISTRARS

Link Intime India Pvt. Ltd.
C 101, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai 400 083.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE ELEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF RPG LIFE SCIENCES LIMITED WILL BE HELD ON FRIDAY, JULY 27, 2018 AT 3.00 P.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 Financial Statements for the financial year ended March 31, 2018 and the Report of the Directors and Auditors' thereon.

2. To declare dividend for the financial year ended on March 31, 2018.

3. To appoint a Director in place of Mr. Sachin Nandgaonkar (DIN:03410739), who retires by rotation, and being eligible, offers himself for re-appointment.

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

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 3 (7) of Companies (Audit and Auditors) Rules, 2014, including any statutory modification or re- enactment thereof for the time being in force, the appointment of M/s. BSR & Co. LLP, Chartered Accountants (Firm's Registration No. 101248W/W-100022) who were appointed as the statutory auditors of the Company to hold office from the conclusion of the Tenth Annual General Meeting of the Company until the conclusion of the Fifteenth Annual General Meeting of the Company, be and is hereby ratified at this Eleventh Annual General Meeting on such remuneration as may be mutually decided by the Board of Directors of the Company and the Statutory Auditors."

SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Kirit Mehta & Co. (Registration No. 000353), Cost Accountants, appointed by the Board of Directors, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019, be paid the remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting.

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

6. To consider and if thought fit, to pass the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and any other applicable provisions of the Companies Act, 2013, the Companies (Amendment) Act, 2017 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory amendments, modifications or re-enactments thereof for the time being in force) and subject to the approval of the Central Government, if any and subject to such other requisite approvals, as may be required in this regard, the consent of the Shareholders be and is hereby accorded to re-appointment of Mr. CT. Renganathan (DIN: 02158397) as the Managing Director of the Company for a period of 3 (three) years with effect from January 2, 2018 to January 1, 2021 on the terms and conditions including remuneration as set out in the Agreement dated November 10, 2017 entered into between the Company and Mr. Renganathan as the Managing Director of the Company and as set out in the explanatory statement and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

   RESOLVED FURTHER THAT the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, provided that such variation or increase, as the case may be, is within the overall limits as specified under the relevant provisions of the Companies Act, 2013 and/ or as approved by the Central Government or such other competent authority.

   RESOLVED FURTHER THAT in the event of absence of profits or inadequacy of profits in any financial year under the provisions of Schedule V to the Companies Act, 2013, as may be amended from time to time, the remuneration as set out in the agreement dated

November 10, 2017 and as set out in the explanatory statement be paid as the minimum remuneration to the Managing Director by way of salary and allowances as specified therein and subject to receipt of requisite approvals, if any.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

NOTES:

1. **A SHAREHOLDER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/ HER BEHALF AND THE PROXY NEED NOT BE A SHAREHOLDER OF THE COMPANY.**

   Pursuant to provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty shareholders and holding in aggregate not more than ten percent of the total Share Capital of the Company. Shareholders holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other shareholder. The instrument of proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting.

2. Shareholders / proxies should bring duly filled attendance slip send herewith to attend the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.

3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, July 21, 2018 to Friday, July 27, 2018 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the dividend for 2017-18.

5. The dividend for the financial year March 31, 2018, as recommended by the Board, if approved by the shareholders, will be paid on or after Saturday, July 28, 2018, to those shareholders whose names stand registered on the Company's Register of Members:

   i. as Beneficial Owners as at the end of business hours on Friday, July 20, 2018 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 Friday, July 20, 2018.

6. Shareholders holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the shareholders holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the shareholders.

7. Shareholders holding shares in physical form are requested to notify the change, if any, in their address and bank mandate details to the Registrar and Share Transfer Agent, Link Intime India Pvt. Ltd., C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083.

8. In case of joint holders attending the meeting, the shareholder whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

9. The details of shares in Unclaimed Suspense Account and dematerialized are as follows:

Particulars	Number of Share-holders	Number of Shares
Aggregate no. as at April 1, 2017	596	73,644
No. of Shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year	8	750
No. of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	8	750
Aggregate no. as at March 31, 2018	588	72,894

The voting rights on the shares outstanding in the suspense account as on March 31, 2018 shall remain frozen till the rightful owner of such shares claims the shares.

10. Details under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India in respect of the Director seeking re-appointment at the Annual General Meeting, forms integral part of the Notice. The Director has furnished the requisite declarations for his re-appointment.

11. The Notice of the AGM along with the Annual Report 2017-18 is being sent by electronic mode to those shareholders whose e-mail addresses are registered with the Company / Depositories, unless any shareholder has requested for a physical copy of the same. For shareholders who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. For any communication, the shareholders may also send requests to the Company's investor email id: investorservices@rpgls.com.

12. Shareholders who have not encashed their dividend warrant for the previous years, may approach the Company or the Registrar & Share Transfer Agent and submit their claim for the said dividend. The amount of dividend remaining unclaimed for a period of 7 (seven) years shall be transferred to the Investor Education and Protection Fund (IEPF) as per the provisions of Section 125 of the Companies Act, 2013.

    Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all such shares in respect of which dividend(s) had not been claimed by the shareholders for 7 (Seven) consecutive years or more starting from financial year 2009-10 have been duly transferred to the Investor Education and protection Fund ("IEPF") Account set up by the Central Government.

    The shares once transferred to IEPF account including dividends and other benefits accruing thereon can be claimed from IEPF Authority after following the procedure prescribed under the said Rules and no claim shall lie against the Company. For the purpose of claiming transferred shares, a separate application can be made to the IEPF Authority in Form IEPF-5, as prescribed under the said Rules, which is available at IEPF website i.e. www.iepf.gov.in

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Shareholders holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Shareholders holding shares in physical form can submit their PAN details to the Company.

14. Pursuant to the provisions of Section 101 of the Act and Rules made thereunder, the Companies are allowed to send communication to Members electronically. To support the "Green Initiative", we request Members, holding shares in demat form, to kindly register/update your email address with your respective Depository Participates. Further Members, holding shares in physical form, can kindly register/update your email address with the Registrar and Share Transfer Agents of the Company at rnt.helpdesk@linkintime.co.in or with the Company at investorservices@rpgls.com. The registered email address will be used for sending future communications.

15. Shareholders are requested to bring their copy of the Annual Report to the Annual General Meeting.

16. Shareholders seeking any information on the Accounts are requested to write to the Company, which should reach the Company at least one week before the date of the Annual General Meeting so as to enable the Management to keep the information ready. Replies will be provided only at the Annual General Meeting.

17. The route map of the venue of the AGM is annexed to this Notice.

18. **Voting through electronic means:**

    In Compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide its shareholders the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 11th Annual General Meeting (AGM). Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate remote e-voting.

    The facility of voting either through electronic voting system or ballot paper shall also be made available at the venue of the 11th AGM. The shareholders attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The shareholders who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

    The instructions for shareholders voting electronically are as under:

(i) The voting period begins on Tuesday, July 24, 2018 (09.00 a.m. IST) and ends on Thursday, July 26, 2018 (05.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, July 20, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

(iii) Click on Shareholders/Members.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

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

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

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

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

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

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the **first two letters of their name and the last 8 digits of the demat account/ folio number in the PAN field.** • **In case the folio number is less than 8 digits enter the required number of "0"s before the number after the first two characters of the name in CAPITAL letters. Eg. if your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.**
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • **If both the details are not recorded with the depository or company, please enter the number of shares held by you as on the cut-off date in the dividend bank details field.**

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

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

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

(xi) Click on the EVSN of RPG Life Sciences Limited on which you choose to vote.

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

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

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

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

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

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

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

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

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

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

20. A copy of this Notice has been placed on the website of the Company and the website of www.evotingindia.com.

21. Mr. P. N. Parikh (FCS 327 CP 1228) or failing him Mr. Mitesh Dhabliwala (FCS 8331 CP 9511) of M/s. Parikh Parekh & Associates, Practicing Company Secretaries, have been appointed as the Scrutinizers for conducting the remote e-voting and the voting at the AGM in a fair and transparent manner.

22. The results declared along with the Scrutinizer's Report shall be placed on the Company's website (www.rpglifesciences.com) and on the website of CDSL e-voting i.e. www.evotingindia.com and shall also be communicated to the BSE Limited and National Stock Exchange of India Limited within 48 hours after the AGM. The results shall also be displayed on the Notice Board at the registered office of the Company.

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 2, 2018

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

Item No. 5:

The Board on recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Kirit Mehta & Co., Cost Auditors, to conduct the audit of the cost records in respect of pharmaceutical activities of the Company for the financial year ending March 31, 2019, on a remuneration not exceeding ₹ 2,95,000/- p.a., exclusive of all taxes and out of pocket expenses. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the shareholders is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2019. None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

Item No.6:

In view of valuable contribution made by Mr. CT. Renganathan, Managing Director in overall robust growth of the Company in last three years from January 2, 2015, the Nomination and Remuneration Committee at its meeting held on November 10, 2017 recommended re-appointment of and payment of remuneration to Mr. Renganathan.

The Board of Directors at its meeting held on November 10, 2017 had approved the re-appointment and remuneration of Mr. Renganathan as the Managing Director of the Company for a period of 3 years effective from January 2, 2018 to January 1, 2021 subject to approval of the shareholders and the Central Government, if required, on terms and conditions as set out in the Agreement dated November 10, 2017 entered into between the Company and Mr. Renganathan.

The material terms of the Agreement dated November 10, 2017 referred to in the Resolution at Item No. 6 of the accompanying Notice interalia are as follows:-

Basic Salary per month	₹ 3,02,500
Management Allowance per month	100% of Basic Salary
House Rent Allowance	₹ 2,10,000
Other Allowances* per month	₹ 8,25,955
Performance bonus per annum	₹ 60,52,112
PF/SAF/Gratuity/Leave Encashment per annum	₹ 11,54,700
Group Medical Insurance/ Group Term Life Insurance	As per Company Policy.
Annual Increments	As per Company Policy and/or as decided by the Nomination and Remuneration Committee/ Board.
Maximum remuneration per annum	upto ₹ 4.00 crores including annual / interim increments as per the Company policy and interchangeable allocation of salary heads during the tenure.

* Other allowances includes Personal Pay, Housing rentals, Medical, LTA, Meal Coupons, Furniture and Equipment Plan, Car, Fuel and Driver Charges, Telephone Expenses and such other allowances as may be recommended by the Nomination and Remuneration Committee and determined by the Board from time to time.

In terms of Sections 196 of the Companies Act, 2013 and Rules made thereunder, in case of inadequate profits, the provisions of Schedule V, amended from time to time shall be applicable for payment of remuneration to Mr. Renganathan effective from January 2, 2018 to January 1, 2021.

Mr. Renganathan is eligible under the criteria for re-appointment as Managing Director without Central Government approval as laid down under Schedule V of the Companies Act, 2013 amended by the Central Government vide Notification S.O.2922(E) dated September 12, 2016. Mr. Renganathan does not hold any Directorship on the Board of other companies. He also does not hold any shares in the Company.

The following is the statement of information for the shareholders pursuant to paragraph 1 of Section II of Part II of Schedule V to the Act and also a brief profile as required under Regulation 26(4) and 36(3) of the Listing Regulations:

I. GENERAL INFORMATION

(1) Nature of industry:

Pharmaceutical. The Company manufactures bulk drugs using synthetic 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:

(₹ in crores)

Particulars	2016-17	2015-16
Total Income	305.00	280.10
Profit before interest, depreciation and tax	37.10	24.26
Interest	2.64	2.49
Depreciation	11.78	10.15
Profit before tax	22.68	11.62
Exceptional Item	7.38	-
Tax Expense	2.22	-
Profit after tax including exceptional item	27.84	11.62
Profit/(Loss) after tax excluding exceptional item	20.46	11.62
Equity capital (face value ₹ 8/-)	13.23	13.22
Earnings per share (₹)	12.37	7.03

(5) 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. CT. Renganathan has done his graduation in B.Sc. (Chemistry) in the year 1983 from Madurai University.

Mr. Renganathan worked with reputed pharmaceutical companies like Cipla, Eli Lilly, Ranbaxy and Boston Scientific. His past employment was with GSK India Ltd. as an Executive Vice President. His international work experience was mainly in South East Asia countries like Singapore, Malaysia and Brunei. Mr. Renganathan is the Managing Director of RPG Life Sciences Ltd. since January 2, 2015.

2. Past remuneration:

Mr. Renganathan has drawn a remuneration of ₹ 2.15 crores per annum for financial year 2016-17.

3. Recognition or awards:

Mr. Renganathan was honoured with various prestigious awards by the organisations he worked. Some of the major awards he won were "Best Unit Manager", "Oncology Best Launch", "President's Award for Stiefel Integration and Performance", "Votrient Launch" etc.

4. Job Profile and his suitability:

Mr. Renganathan is a professional with good academic background and rich experience in pharmaceutical industry. Mr. Renganathan 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 the 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. Renganathan has successfully handled and overlooked domestic and international business for reputed companies like Glaxo, Cipla, Eli Lilly, Ranbaxy etc. for many years. This coupled with his strong resources management capability makes him fully suitable for the position.

5. Remuneration:

The details of remuneration are as stated above.

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 ₹ 13.23 crores. The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited. The turnover of the Company is ₹ 347.14 crores in the year 2017-18. The Company has two factories. The factory at Navi Mumbai, Maharashtra manufactures bulk drugs using synthetic 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 1,245 people. Given the size, complexity of the Company and sheer knowledge driven nature of business and also the profile of Mr. Renganathan and the position 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 holder.

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

   Mr. Renganathan 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:**

   The operations of the Company were adversely affected due to change in Government Policies for Pharma Industry.

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

   The Company has initiated corrective action to meet the requirement of Government Policies.

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

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

IV. DISCLOSURES

1. The remuneration package of Mr. CT. Renganathan, Managing Director is as stated above.

2. The disclosures as required on all elements of remuneration, service contract details, stock option details, etc. are mentioned elsewhere in the explanatory statement forming part of the notice and mentioned under the Corporate Governance Report section in the Annual Report.

   A copy of the Agreement dated November 10, 2017 entered into with Mr. Renganathan is open for inspection by shareholders at the Registered office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturdays, Sundays and public holidays upto the date of declaration of the results of the Postal Ballot.

   No Director, Key Managerial Personnel or their relatives, except Mr. Renganathan, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the passing of the Ordinary Resolution as set out in Item No. 5 and Special Resolution as set out in Item No. 6 of the accompanied notice.

By Order of the Board of Directors
For RPG Life Sciences Limited

Rajesh Shirambekar
Head – Legal & Company Secretary

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

Place: Mumbai
Date: May 2, 2018

ANNEXURE TO NOTICE

DETAILS OF DIRECTORS' SEEKING RE-APPOINTMENT/ APPOINTMENT AT THE ANNUAL GENERAL MEETING

[Pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standards-2 on General Meetings]

Name of the Director	Mr. CT. Renganathan	Mr. Sachin Nandgaonkar
Date of Birth & Age	March 16, 1963 - 55 Years	December 4, 1969 - 49 Years
Date of first Appointment on the Board	January 2, 2015	January 23, 2015
Qualification	B.Sc. (Chemistry), Madurai University	B.Tech. in Electrical Engineering from IIT, Bombay and MBA from IIM, Ahmedabad
Expertise in specific functional area	Mr. Renganathan worked with reputed pharmaceutical companies like Cipla, Eli Lilly, Ranbaxy and Boston Scientific. His past employment was with GSK India Ltd. as an Executive Vice President. His international work experience was mainly in South East Asia countries like Singapore, Malaysia and Brunei.	Mr. Nandgaonkar has extensive experience on dealing with strategic and operational issues related to business portfolio, growth strategy, globalisation, operational excellence, organisation design and change management across many industries.
Directorships in other listed companies	Nil	1
Memberships of Committees in other listed companies (Includes only Audit & Stakeholders Relationship Committee)	Nil	1
No. of shares held in the Company	Nil	5,100
Relationship with other Directors and Key Managerial Personnel	Nil	Nil

Note: For other details such as number of meetings of the Board attended during the year, remuneration drawn, etc. Please refer to the Corporate Governance Report section of the Annual Report.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the annual report and audited statement of accounts of the Company for the year ended on March 31, 2018.

1. FINANCIAL RESULTS

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

(₹ in Crores)

		2017-18	2016-17
A	**Continued Operations**		
	Total Income	**348.12**	307.42
	Profit before depreciation, interest and tax	**38.50**	28.38
	Less: Interest	**3.80**	2.53
	Less: Depreciation	**14.34**	11.31
	Profit for the year before tax	**20.36**	14.54
	Tax (including deferred tax)	**6.91**	2.45
	Profit after tax	**13.45**	12.09
B	**Profit from Discontinued operation**	**–**	8.92
C	**Profit for the year after tax**	**13.45**	21.01
D	**Other Comprehensive income net of tax**	**(0.14)**	(0.63)
E	**Total comprehensive income**	**13.31**	20.38
F	**Appropriations:**		
	Dividend Proposed	**3.97**	4.63*
	Tax on proposed dividend	**0.81**	0.94*

*Paid in 2017-18

2. DIVIDEND

The Directors recommend a dividend of ₹ 2.40 (30%) per equity shares of ₹ 8/- each for the financial year ended March 31, 2018.

3. OPERATIONS

The Company earned a total income of ₹ 348.12 crores for the year as compared to ₹ 307.42 crores during the previous year and a profit after tax from existing operations of ₹ 13.45 crores as against ₹ 12.09 crores during the previous year. The profit after tax including discontinued business shows a decline of 36% when compared to the net profit of the previous year. Though the profitability of the Company improved due to better performance of Formulations and API divisions, the overall Profit after Tax including discontinued business has declined due to sale of biotech business in the previous year at a profit of ₹ 8.92 crores. Further, the provision for taxation has risen significantly from 17% to 34% of profit before tax as a result of changes in tax laws resulting in higher tax provisions in the current year and consequently lower net profit.

The Company continues to hold EU GMP, WHO GMP and TGA Australia certifications for its API facility at Navi Mumbai plant and EUGMP, UKMHRA, Health Canada and TGA Australia certifications for its Formulation facility (F2) at Ankleshwar plant.

Formulations Business:

Performance

During the year under review, the Formulations business achieved sales revenue of ₹ 217.67 crores, with a growth of 18.20% over the previous year. As per the data compiled by Pharmatrac, a market researcher, the Company achieved 64th rank in sales value terms over the previous year.

The Company's strategy of focusing on brand building has shown promising results with Minmin tonic becoming a leading brand in the liquid hematinic market. Lomotil and Azoran scaled ₹ 30 crores mark in sales.

The Company's Nephrocare Division continues to feature among the top 5 Indian companies operating in the renal care therapy segment. In FY 18, Nephrocare business clocked sales of ₹ 49.90 Crores registering a growth of 14%.

The Company launched brands Darbepoetin (Darba) and Rituximab (XMAB), in the post-transplant care space. Both the brands displayed robust performances in the first year of launch with Darba at third slot among competing Darbepoetin brands. Among the existing products, Immunotac and Arpimune range showed strong growth.

Outlook

In the current year, the Company will continue its emphasis on Focus brands like Minmin tonic, Tricaine MPS and leverage the strength of its key brands to fuel growth. Gastrointestinal, Pain Management and Nutritionals will drive growth in the acute therapies segment. The chronic segment consisting of Oncology and Nephrocare is expected to grow through greater market penetration. Brand extensions and new product launches in therapies where Company's core competencies exist would also be growth drivers.

Training of field force will continue to remain the cornerstone for improving productivity by strengthening product knowledge and selling skills.

Global Generics Business:

Performance

The Global Generics business performed well in FY 18 by achieving sales revenue of ₹ 51.26 crores and witnessed a robust growth of 53.20% over the previous year. The Company focused on enhancement of product basket in European Union (EU) and increasing customer base across geographies.

Outlook

The Global Generics business is likely to grow well during the current financial year despite challenges of product pricing in the EU markets. The Company has not only been able to sustain but also grow sales with most of its customers and expects to commercialize a new product in the second quarter of FY 19.

The Company intends to enter the United States of America (USA) market through strategic alliances and partnerships and is already working on commercialization strategies. Addition of new customers and new products in EU, Australia as well as other markets shall be the key growth drivers in the Generics business. The Company is actively scouting for license partnerships for its products in various International Markets.

Rest of World (RoW) Business:

Africa & South-East Asia (SEA) constitute the RoW geographical space for the Company.

Performance:

During the year, the RoW business achieved sales of ₹ 21.68 Crores.

In the SEA region, Myanmar remained as key market where Siloxogene continued to maintain its leadership position with a market share of 35% in the antacid segment. The other SEA markets of Cambodia, Vietnam and Philippines registered significant growth over the previous year.

In the Africa region, the Company expanded its business in new market with its first commercial supply in FY 18. The Company retained its leadership position in Mauritius, through its anti-diabetic range while in Egypt, its immunosuppressant range remained the best alternative to the innovator brands in the post organ transplant care space.

Outlook:

Nephrology, Oncology and Critical care will be the core therapies in RoW markets. However, the business will continue to tap opportunistic tenders in Anti-diabetic and Cardiovascular therapies across RoW tender markets.

In FY 18, the focus areas for the business will be product portfolio enhancement, geographic expansion and sustaining new markets. Strategic out-sourcing will be the key pillar for growth in the existing and new markets.

Active Pharmaceutical Ingredients (API/Bulk Drugs) Business:

Performance

The API business registered the highest ever sales of ₹ 53.51 crores and a growth of 24% over the previous year. Latin America, the key market for the API business contributed to this performance. In FY 18, the flagship product sold in the Latin American market had a growth of 57% over the previous year. Mexico and Brazil contributed 58% to the API business in FY 18.

Outlook

API business continues to be of strategic importance in the overall growth of the Company. Backward integration in products ensures lesser dependency on procuring APIs from external sources and increased reliability of supplies thus playing a crucial role in the current competitive scenario. This has enabled the company to move towards good improvement in our key export products. The Company is also working on growing its business in Russia and USA which are key focus markets for API.

4. INDIAN ACCOUNTING STANDARDS (IND AS)

As notified by the Ministry of Corporate Affairs, the Company adopted Indian Accounting Standards ('Ind AS') with effect from April 01, 2017. Accordingly, financial statements of the Company are prepared with comparative data for the year ended March 31, 2017, in compliance with 'Ind AS'.

5. EXTRACT OF ANNUAL RETURN

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

6. MEETINGS OF THE BOARD

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

7. **MEETINGS OF AUDIT COMMITTEE**

The details of Audit Committee meetings and composition of the Committee are given in the Corporate Governance Report.

8. **DIRECTOR'S RESPONSIBILITY STATEMENT**

The Directors confirm that –

a) in the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards had been followed and there were no material departures;

b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year as at March 31, 2018 and of the profit and loss of the Company for that period;

c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors had prepared the annual accounts on a going concern basis;

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

f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

The Company has received declaration from each of the Independent Directors under Section 149 (6) and (7) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

11. **NOMINATION AND REMUNERATION POLICY**

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

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

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

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

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

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

14. **RELATED PARTY TRANSACTIONS**

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

Suitable disclosure as required by the Indian Accounting Standards (IND AS 24) has been made in the notes to the Financial Statements. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website www.rpglifesciences.com.

15. **TRANSFER TO RESERVES**

The Company has not transferred any sum to the General Reserve during the financial year ended March 31, 2018.

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

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year on March 31, 2018 to which the financial statements relate and the date of this report.

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

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

18. RISK MANAGEMENT

The details of Risk Management Committee (RMC) and its terms of reference are set out in the Corporate Governance Report.

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

The business risk framework defines the risk identification and its management approach across the enterprise at various levels including documentation and reporting. The framework help in identifying risks trend, exposure and potential impact analysis at Company's business.

19. CORPORATE SOCIAL REPONSIBILITY (CSR)

In accordance with the provisions of Section 135 read with Schedule VII of the Act, the Company, as a part of its Corporate Social Responsibility ("CSR") initiative, has adopted a CSR Policy outlining various CSR activities to be undertaken by the Company in the area of health, water, sanitation, promoting education, skill development etc. The CSR policy of the Company is available on the Company's website i.e. www.rpglifesciences.com under 'Investors' tab.

During the year under review, the Company has contributed the entire amount of ₹ 17.15 lakhs to RPG Foundation, the implementing agency towards CSR activities during the FY 2017-18. The Board has constituted a CSR Committee *inter alia* to recommend on the CSR projects/programs, recommend the amount on each CSR activity and to monitor such CSR activities, being undertaken by the Company. The report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out as **Annexure D**.

20. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

At the Board Meeting held on November 10, 2017, Mr. CT. Renganathan was re-appointed as the Managing Director of the Company with effect from January 2, 2018 for a term of 3 years subject to approval of shareholders.

None of the Directors and Key Managerial Personnel (KMP) is related to any other Director of the Company.

Mr. CT. Renganathan, Managing Director, Mr. Mahesh Narayanaswamy, Vice President - Finance and Mr. Rajesh Shirambekar, Head – Legal and Company Secretary are Key Managerial Personnel of the Company within the meaning of Section 203 of the Companies Act, 2013.

21. SUBSIDIARY COMPANIES

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

22. FIXED DEPOSITS

The Company has not accepted any fixed deposit from public during the year under review under Chapter V of the Companies Act, 2013. As on March 31, 2018, no deposit was overdue and deposit aggregating to ₹ 5.40 Lakhs was lying unclaimed with the Company.

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

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

24. CHANGE IN THE NATURE OF BUSINESS

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

25. INTERNAL FINANCIAL CONTROL

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

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

1	The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year;	Mr. H. V. Goenka (Chairman) – 0.63 Mr. C. L. Jain – 0.99 Dr. Lalit S. Kanodia – 0.65 Mr. Mahesh Gupta – 0.95 Mr. Manoj Maheshwari – 0.50 Mr. Narendra Ambwani – 0.66 Ms. Zahabiya Khorakiwala – 0.39 Mr. Sachin Nandgaonkar – 0.78 Mr. Yugal Sikri – 0.94 Mr. CT. Renganathan (Managing Director) – 62.07
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Mr. H. V. Goenka (Chairman)– Nil Mr. C. L. Jain – Nil Dr. Lalit S. Kanodia – Nil Mr. Mahesh Gupta – Nil Mr. Manoj Maheshwari – Nil Mr. Narendra Ambwani – Nil Ms. Zahabiya Khorakiwala- Nil Mr. Sachin Nandgaonkar – Nil Mr. Yugal Sikri - Nil Mr. CT. Renganathan – 10% Mr. Mahesh Narayanaswamy – 12% Mr. Rajesh Shirambekar – 8%
3	The percentage increase in the median remuneration of employees in the financial year;	10.80%*
4	The number of permanent employees on the rolls of Company;	1,245 employees as on March 31, 2018.
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	• Average Salary increase of non-managerial employees is around 11%. • Average Salary increase of managerial employees is around 10.60%. • There are no exceptional circumstances for increase in managerial remuneration.
6	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration Paid during the year ended March 31, 2018 is as per the Remuneration Policy of the Company.

Notes:

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

27. WHISTLE BLOWER POLICY

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

28. FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS

The Company conducts familiarisation programme for Independent Directors and the details are uploaded on the website of the Company on the below mentioned link:

http://www.rpglifesciences.com/PolicyonFamiliarisationanddetailprogram.pdf

29. FORMAL ANNUAL EVALUATION OF BOARD AND ITS COMMITTEES

Pursuant to provisions of Section 134 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee laid down a criteria for evaluating Board effectiveness by assessing performance of the Board as a whole, performance of individual Director and Committees of the Board namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. The Board approved the criteria laid down by Nomination and Remuneration Committee for evaluating Board effectiveness and engaged a third party agency to conduct Board effectiveness survey during the year under review.

30. AUDITORS

Statutory Auditors:

The members of the Company at its Annual General Meeting held on July 24, 2017 appointed M/s. BSR & Co. LLP, Chartered Accountants (Firm Registration No.101248W/W-100022), as Statutory Auditors of the Company, for a period of 5 (five) consecutive years from the conclusion of the tenth AGM till the conclusion of the fifteenth AGM. The auditors confirmed that their appointment shall be in compliance with Section 139 and 141 of the Companies Act, 2013 subject to ratification at the ensuing AGM by the shareholders. The Board recommends ratification of appointment of M/s. BSR & Co. LLP.

Internal Auditors:

M/s. Deloitte Touche Tohmatsu India LLP, are the Internal Auditors of the Company.

Secretarial Auditors:

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

Cost Auditors:

Pursuant to the provisions of Section 148(3) of the Companies Act, 2013, M/s. Kirit Mehta & Co. (Registration No. 000353), Cost Accountants, was appointed to conduct audit of cost records of Pharmaceutical Activities for the year ended March 31, 2018. Cost Audit reports would be submitted to the Central Government within the prescribed time. Pursuant to Rule 6 of the Companies (Cost Records and Audit) Rules, 2014, cost audit reports for Pharmaceutical Activities for the year ended March 31, 2017 was filed with the Central Government on September 2, 2017.

31. EMPLOYEES STOCK OPTION PLAN

The Company has no employee stock option scheme on expiry of ESOP 2005.

32. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

33. MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34(3) read with Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis and Corporate Governance Report, as approved by the Board of Directors, together with a certificate from a Practicing Company Secretary confirming the compliance with the requirements of Corporate Governance policies are set out in the Annexures forming part of this annual report.

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

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

Internal Complaints Committee has been set up to redress complaints.

The Company has not received any complaint of sexual harassment during the financial year 2017-18.

35. MATERIAL TRANSACTIONS WITH RELATED PARTIES

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

36. SAFETY

The Company conducts regularly Safety audit and Environment audit through competent authorities for its manufacturing facilities located at Navi Mumbai and Ankleshwar. The Company also organised various safety awareness programmes to impart safety training to its employees.

37. AWARDS

The Company has received an award for "Innovative HR Practices" in HR Convention and HDM Awards 2017 which validates the progressive culture of the organization.

The Company has won prestigious "IDMA Quality Excellence Award (GOLD AWARD)" in Bulk Drugs category. The Company also received "National Safety Award 2016" for zero accident frequency rate by National Safety Council – Maharashtra Chapter.

38. APPRECIATION

Your Directors record their appreciation for the valuable services rendered by 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

Place: Mumbai
Date: May 2, 2018

H.V. Goenka
Chairman

Annexure 'A' to the Directors' Report

Form MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i.	CIN	L24232MH2007PLC169354
ii.	Registration Date	March 27, 2007
iii.	Name of the Company	RPG Life Sciences Limited
iv.	Category/Sub-Category of the Company	Company limited by shares Indian Non-Government Company
v.	Address of the Registered office and contact details	RPG House, 463, Dr. Annie Besant Road, Worli Mumbai - 400 030. Tel No: +91-22-24981650/66606375 I Fax: +91-22-24970127 E-mail : info@rpglifesciences.com Web: www.rpglifesciences.com
vi.	Whether listed Company	Yes
vii.	Name Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083. Tel: +91-22-49186000 I Fax: +91-22- 49186060

II. PRINCIPAL BUSINESS ACTIVITES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

I. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a. Individual/ HUF	9,77,124	–	9,77,124	5.91	35,53,374	–	35,53,374	21.48	15.57
b. Central Govt	–	–	–	–	–	–	–	–	–
c. State Govt	–	–	–	–	–	–	–	–	–
d. Bodies Corp	1,01,83,934	–	1,01,83,934	61.57	78,94,307	–	78,94,307	47.73	(13.84)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
e. Banks/FI	–	–	–	–	–	–	–	–	–
f. Any other	–	–	–	–	–	–	–	–	–
Sub- Total (A) (1)	**1,11,61,058**	**–**	**1,11,61,058**	**67.48**	**1,14,47,681**	**–**	**1,14,47,681**	**69.22**	**1.74**
(2) Foreign									
a. NRIs- Individuals	–	–	–	–	–	–	–	–	–
b. Other Individuals	–	–	–	–	–	–	–	–	–
c. Bodies Corp	–	–	–	–	–	–	–	–	–
d. Banks/FI	–	–	–	–	–	–	–	–	–
e. Any Other	–	–	–	–	–	–	–	–	–
Sub Total (A) (2)	–	–	–	–	–	–	–	–	–
Total Shareholding of Promoter (A) = (A)(1) + (A) (2)	**1,11,61,058**	**–**	**1,11,61,058**	**67.48**	**1,14,47,681**	**–**	**1,14,47,681**	**69.22**	**1.74**
B. Public Shareholding **1. Institutions**									
a. Mutual Funds	–	1,050	1,050	0.01	–	–	–	–	–
b. Banks/FI	39,169	2,224	41,393	0.25	84,437	2124	86561	0.52	0.27
c. Central Govt	–	–	–	–	–	–	–	–	–
d. State Govts	–	–	–	–	–	–	–	–	–
e. Venture Capital Funds	–	–	–	–	–	–	–	–	–
f. Insurance Companies	–	–	–	–	–	–	–	–	–
g. FIIs	7,208	5,500	12,708	0.07	–	2850	2850	0.02	(0.05)
h. Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i. Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B) (1)	**46,377**	**8,774**	**55,151**	**0.33**	**84,437**	**4,974**	**89411**	**0.54**	**0.21**
2. Non-Institutions									
a. Bodies Corp									
i Indian	12,56,495	3,444	12,59,939	7.62	1258106	2,313	12,60,419	7.62	0.00
ii Overseas	–	–	–	–	–	–	–	–	–
b. Individuals									
i Individual shareholders holding nominal share capital upto ₹ 1 lakh	26,57,162	3,91,529	30,48,691	18.43	28,17,325	–	28,17,325	17.03	(1.4)
ii Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	5,86,513	–	5,86,513	3.55	3,61,199	–	3,61,199	2.18	(1.37)
Qualified Foreign Investor	–	–	–	–	–	–	–	–	–
c. Others (Specify)									
i. Clearing Member	1,36,409	–	1,36,409	0.82	2,20,969	–	2,20,969	1.34	0.52
ii. NRI (Repatriable)	73,910	360	74,270	0.46	62,773	297	63,070	0.37	(0.09)
iii. NRI (Non-Repatriable)	44,912	–	44,912	0.27	42,048	–	42,048	0.25	(0.02)
iv. Trusts	–	–	–	–	–	–	–	–	–
v. Hindu Undivided Family	1,72,058	14	1,72,072	1.04	1,85,025	14	1,85,039	1.12	0.08
vi. IEPF	–	–	–	–	51,854	–	51,854	0.31	–
Sub-Total (B)(2)	**49,27,459**	**3,95,347**	**53,22,806**	**32.19**	**49,99,299**	**2,624**	**50,01,923**	**30.24**	**(1.95)**
Total Public Shareholding (B)=(B)(1)+ (B) (2)	**49,73,836**	**4,04,121**	**53,77,957**	**32.52**	**50,83,736**	**7,598**	**50,91,334**	**30.78**	**(1.74)**
C Shares held by the Custodian for GDRs and ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	**1,61,34,894**	**4,04,121**	**1,65,39,015**	**100.00**	**1,65,37,417**	**7,598**	**1,65,39,015**	**100.00**	**–**

II. Shareholding of promoters

	Shareholders Name	Shareholding at the Beginning of the year			Shareholding at the end of the year			% Change in share-holding during the year
		No. of Shares	% of total shares of the Company	% of shares Pledged/ encumbered to total share holders	No. of Shares	% of total shares of the Company	% of shares Pledged/ encumbered to total share-holders	
1	Chattarpati Apartments LLP	51,48,078	31.13	–	53,08,151	32.09	–	0.96
2	Instant Holdings Limited	27,34,397	16.53	–	2,84,597	1.73	–	(14.80)
3	Summit Securities Limited	17,92,398	10.84	–	398	–	–	(10.84)
4	STEL Holdings Limited	5,02,550	3.04	–	5,02,550	3.04	–	–
5	Carniwal Investments Limited	6,500	0.04	–	6,500	0.04	–	–
6	Swallow Associates LLP	10	–	–	10	–	–	–
7	Sudarshan Electronics and T.V. Ltd	1	–	–	17,92,001	10.84	–	10.84
8	Ektara Enterprises LLP	-	–	–	100	–	–	–
9	Harsh Vardhan Goenka*	9,41,459	5.69	–	35,17,709	21.27	–	15.58
10	Harsh Vardhan Goenka	26,913	0.16	–	26,913	0.16	–	–
11	Mala Goenka	8,747	0.05	–	8,747	0.05	–	–
12	Harsh Vardhan Goenka**	1	–	–	1	–	–	–
13	Harsh Vardhan Goenka***	1	–	–	1	–	–	–
14	Harsh Vardhan Goenka****	1	–	–	1	–	–	–
15	Harsh Vardhan Goenka*****	1	–	–	1	–	–	–
16	Harsh Vardhan Goenka******	1	–	–	1	–	–	–
	Total	**1,11,61,058**	**67.48**	-	**1,14,47,681**	**69.22**	–	**1.74**

* Trustee of Nucleus Life Trust.
**Trustee of Crystal India Tech Trust.
*** Trustee of Monitor Portfolio Trust.
**** Trustee of Stellar Energy Trust.
***** Trustee of Secura (India) Trust.
****** Trustee of Prism Estates Trust.

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

Sr. No.	No. of Shares		Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year			**1,11,61,058**	**67.48**	**1,11,61,058**	**67.48**
1	Chattarpati Apartments LLP					
	10.05.2017	Market Purchase	56,762	0.34	1,12,17,820	67.83
	11.05.2017	Market Purchase	3,149	0.02	1,12,20,969	67.85
	17.05.2017	Market Purchase	8,542	0.05	1,12,29,511	67.90

Sr. No.	No. of Shares		Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	18.05.2017	Market Purchase	9,279	0.06	1,12,38,790	67.95
	19.05.2017	Market Purchase	13,972	0.08	1,12,52,762	68.04
	23.05.2017	Market Purchase	33,457	0.20	1,12,86,219	68.24
	10.08.2017	Market Purchase	93,276	0.56	1,13,79,495	68.80
	11.08.2017	Market Purchase	5,368	0.03	1,13,84,863	68.84
	16.08.2017	Market Purchase	5,710	0.03	1,13,90,573	68.87
	21.08.2017	Market Purchase	17,057	0.10	1,14,07,630	68.97
	23.08.2017	Market Purchase	5,604	0.03	1,14,13,234	69.01
	01.09.2017	Market Purchase	6,724	0.04	1,14,19,958	69.05
	06.09.2017	Market Purchase	20,867	0.13	1,14,40,825	69.17
	08.09.2017	Market Purchase	6,756	0.04	1,14,47,581	69.22
2	Ektara Enterprises LLP					
	27.03.2018	Market Purchase	100	–	1,14,47,681	69.22
	At the End of the year		1,14,47,681	69.22	1,14,47,681	69.22

Inter se Transfer

Sr. No.	No. of Shares		Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Instant Holdings Limited					
	19.02.2018	Inter se transfer	24,49,800	14.81	–	–
2	Nucleus Life trust					
	20.02.2018	Inter se transfer	–	–	24,49,800	14.81
3	Summit Securities limited					
	06.03.2018	Inter se transfer	17,92,000	10.83	–	–
4	Sudarshan Electronics and T.V. Ltd					
	06.03.2018	Inter se transfer	–	–	17,92,000	10.83
5	Chattarpati Apartments LLP					
	27.03.2018	Inter se transfer	1,26,450	0.76	–	–
6	Nucleus Life Trust					
	27.03.2018	Inter se transfer	–	–	1,26,450	0.76

IV. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Mentor Capital Limited	3,27,584	1.98	3,27,584	1.98
2	Pace Stock Broking Services Private Limited	–	–	2,00,000	1.21
3	Neville Jijibhoy Mistry	1,52,000	0.92	1,52,000	0.92
4	Paramjeet Singh	1,34,577	0.81	1,47,000	0.89
5	IL and FS Securities Services Limited	5,332	0.03	81,434	0.49
6	Muskan Arora	66,199	0.40	62199	0.38
7	Rockstar Securities Services Pvt. Ltd.	48,335	0.29	48,335	0.29
8	Joindre Capital Services Limited	65,200	0.39	14,148	0.09
9	Quest Portfolio Services Pvt. Ltd.	1,14,015	0.69	–	–
10	Ajay Relan	86,843	0.53	–	–

Notes:

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

V. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Shareholding of Directors:				
	At the beginning of the year				
1	H.V. Goenka, Chairman	26,913	0.16	26,913	0.16
2	CT. Renganathan, Managing Director	–	–	–	–
3	Narendra Ambwani, Director	–	–	1,000	–
4	Sachin Nandgaonkar, Director	–	–	5,100	0.03
	At the end of the year	26,913	0.16	33,013	0.19
	Shareholding of KMP:				
	At the Beginning of the year				
1	Mahesh Narayanaswamy – Vice President Finance	–	–	–	–
2	Rajesh Shirambekar, Company Secretary	–	–	–	–
	At the end of the year	–	–	–	–

Notes:

1. Apart from above no other Director and KMP holds any shares at the beginning and end of the financial year 2017-18 in the Company.
2. Further apart from above there was no increase/decrease in shareholding of any other Director and KMP.

V. INDEBTEDNESS

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial year				
i. Principal Amount	2451	2023	–	4474
ii. Interest due but not paid	–	–	–	–
iii. Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	**2451**	**2023**	**–**	**4474**
Change in Indebtedness during the Financial year				
• Addition	968	423	–	–
• Reduction	(10)	(433)	–	–
Net Changes	**958**	**(10)**	**–**	**948**
Indebtedness at the end of the Financial year				
i. Principal Amount	–	–	–	–
ii. Interest due but not paid	–	–	–	–
iii. Interest accrued but not paid	2	–	–	2
Total	**3411**	**2013**	**–**	**5424**

VI. REMUNERATION OF DIRECTORS AND KEY MANEGERIAL PERSONNEL

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Managing Director: Mr. CT. Renganathan
1	Gross Salary	
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	1,93,47,852
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–
2	Stock Option	–
3	Sweat Equity	–
4	Commission	
	• As % of profit	–
	• Others, specify	–
5	Other please specify:	
	• Performance Bonus	45,21,649
	• Retiral Benefits	9,57,825
	Total (A)	**2,48,27,326**
	Ceiling as per the Act	As per Section 197 of Companies Act, 2013

B. Remuneration to other Directors

(Amount in ₹)

Sr. No.	Particulars of Remuneration	H.V. Goenka	C.L.Jain	Dr. Lalit S. Kanodia	Mahesh Gupta	Manoj Maheshwari	Narendra Ambwani	Zahabiya Khorakiwala	Yugal Sikri	Sachin Nandgaonkar	Total
		1	2	3	4	5	6	7	8	9	
1.	Independent Directors Fee for attending board committee meetings	-	3,95,000	2,60,000	3,79,000	2,00,000	2,64,000	1,55,000	3,75,000	-	20,28,000
	Commission	-	-	-	-	-	-	-	-	-	-
	Other, please specify	-	-	-	-	-	-	-	-	-	-
	Total (1)	**-**	**3,95,000**	**2,60,000**	**3,79,000**	**2,00,000**	**2,64,000**	**1,55,000**	**3,75,000**	**-**	**20,28,000**
2.	Other Non-Executive Directors	2,50,000	-	-	-	-	-	-	-	3,10,000	5,60,000
	Fee for attending board committee meetings	-	-	-	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-	-	-	-
	Others ,please specify	-	-	-	-	-	-	-	-	-	-
	Total (2)	**2,50,000**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**3,10,000**	**5,60,000**
	Total (B)= (1+2)	**2,50,000**	**3,95,000**	**2,60,000**	**3,79,000**	**2,00,000**	**2,64,000**	**1,55,000**	**3,75,000**	**3,10,000**	**25,88,000**
	Total Managerial Remuneration										25,88,000
	Overall Ceiling as per the Companies Act, 2013 is										₹ 1 lakh per Board meeting

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
1	Gross Salary	Vice President – Finance	Company Secretary	Total
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	41,09,998	38,61,410	79,71,408
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21,600	1,75,404	1,97,004
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–
2	Stock Option	No new stock options granted during the year		–
3	Sweat Equity	–	–	–
4	Commission			
	• As % of profit	–	–	–
	• Others, specify	–	–	–
5	Other please specify	–	–	–
	Total (A)	**41,31,598**	**40,36,814**	**81,68,412**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

Annexure 'B' to the Directors' Report

NOMINATION AND REMUNERATION POLICY

1. Introduction:

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and the Listing Agreement/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") in order to pay equitable remuneration to Directors, Key Managerial Personnel and other employees of the Company.

2. Objective:

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

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

III. Formulate Board diversity policy.

IV. Framing of remuneration policy for employees.

3. Constitution of the Nomination and Remuneration Committee:

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

4. Definitions:

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

"Board" means Board of Directors of the Company.

"Company" means RPG Life Sciences Limited

"Directors" means Directors of the Company.

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

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

1) Chief Executive Officer or the Managing Director or the Manager;
2) Whole time Director(s);
3) Chief Financial Officer; and
4) Company Secretary

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

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

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

The following matters shall be dealt by the Committee:

a) **Directors**

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

b) **Evaluation of performance**

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

c) **Board diversity**

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

d) **Remuneration framework and policies**

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

i. The remuneration of MD/CEO and KMPs.

ii. Remuneration of Non-executive Directors and chairman.

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

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

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

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

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

A. Appointment criteria and qualifications

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

B. Term/ Tenure

1. Managing Director/ CEO

Term of appointment or re-appointment of Managing Director or CEO not to exceed five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director

An Independent Director shall hold office on the Board of the Company for a term as may be determined by the Board but in any case not exceeding five years and shall not hold office for more than two consecutive terms.

C. Retirement

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

D. Removal

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

7. Policy for remuneration to MD/CEO, NEDs, KMP & SMPs:

MD/CEO:

i. The remuneration to the MD/CEO at the time of his/her appointment shall be recommended by the NRC and approved by the Board of Directors and the shareholders of the Company.

ii. Annual increment/subsequent variation in remuneration to the MD/CEO shall be approved by the NRC/Board of Directors, within the overall limits approved by the shareholders of the Company.

NEDs:

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

ii. Commission as may be recommended by NRC and subsequently approved by the Board of Directors and wherever required approval of the shareholders of the Company shall be obtained.

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

KMPs & SMPs:

i. The remuneration to the KMPs and SMPs, at the time of his/her appointment shall be recommended by the NRC and approved by the Board considering relevant qualification and experience of the individual as well as the prevailing market condition. The remuneration shall be combination of fixed and variable pay;

ii. Annual increment/subsequent variation in remuneration to the KMPs/SMPs shall be approved by the NRC/Board of Directors.

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

9. **General:**

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

Annexure 'C' to the Directors' Report

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

A. CONSERVATION OF ENERGY:

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

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

The following significant energy conversation measures taken during the year:

I. Replacement of existing conventional type Light fittings by LED lights in QC Lab.

II. Installation of VFD's on root blower motors.

III. Installation of Heat Exchanger on vacuum pumps for water circulation tank.

IV. Maintaining Power factor unity and incentives from power supply authorities.

V. Installation of sprinkler system and dripping system in gardens to save water.

VI. Installation of sprinkler washer in wash basin tap to save water.

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

The energy conservation measures undertaken during the year contributed to reduction in the cost of production by approximately ₹ 35.00 Lakhs.

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

Company has Pipe Natural Gas (PNG) connection which is being used in emergency. During the year PNG rates were at higher side therefore Company has used Furnace Oil.

(c) Capital investment on energy conservation equipments:

Various energy conservation equipment's were added to the production facilities across all Plant locations with approximate cost of ₹ 3.00 lakhs.

B. TECHNOLOGY ABSORPTION:

1. Efforts made towards technology absorption:

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

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

a) A. Validation batches completed for Antifungal Vaginal Tablets for UK market

B. Antiepileptic 24 hours Prolonged release Tablets formulation was prepared for the filing based on 6M plant stability data as well as four different Pivotal BE studies.

C. Product development completed for Immunosuppressant Tablets for US and EU market and Capsule formulation for ROW/EU market while product development of the diuretic drug for EU market is under progress.

D. Analytical Support for the plant QC to overcome analytical issues of antianginal Tablets formulation and immunosuppressant capsule formulation.

E. In case of imported technology:

No new technologies have been imported during the year 2017-2018.

F. Expenditure incurred on Research & Development:

Item	(₹ in Lakhs)
(a) Capital	427
(b) Recurring	767
(c) Total	1,194
(d) Total R & D expenditure as a percentage of total turnover	3.47%

b) Specific areas in which API-R & D has been carried out by the Company:

(a) Process development of Active Pharmaceutical Ingredients (APIs) using non-infringing synthetic routes for Global Markets.

(b) Process excellence exercise aimed at optimizing existing commercial processes with a view to improve yield and quality.

(c) Recovery & recycling of solvents used in several APIs

c) Benefits derived as a result of above R & D

The R&D supports two businesses of the company namely International Business comprising Active Pharmaceutical Ingredient (API) and Global formulation and Domestic Business comprising domestic formulation.

API research is focused on developing new products and also on optimizing existing processes to make them environmental friendly and cost effective. During the year a non- infringing processes for one Antihyperparathyroid drug & another drug for the treatment of urinary incontinence have been commenced & well established at Pilot level. Process excellence with two Antipsychotic, one Immunosuppressant & one Antiamebic drug were established at lab as well as plant scale. Recovery & recycling of solvents used in one Antispasmodic and one Antipshychotic drug were established at Lab level which are for Plant trials.

Parallel to this, technology transfer of existing one Antianginal drug was established in Contract Research Manufacturing Unit at Lab level.

d) Future plan of action

At API R&D, development work with Plant trial on several new products that include two cardiovascular, one Antihyperparathyroid and one for the treatment of urinary incontinence will be carried out. The process excellence work for existing processes and recovery and recycling of solvents in the existing APIs will continue.

e) Patent Filing/ Grant

One Indian patent was filed for one Antihyperparathyroid drug. Another Indian patent was filed for one Drug used for the treatment of urinary incontinence.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under review, Foreign Exchange earned in terms of actual inflows was ₹ 11,046 lakhs and the Foreign Exchange outgo in terms of actual outflow was ₹ 1,747 lakhs.

Annexure 'D' to the Directors' Report

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2017 – 2018

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	As part of its initiatives under Corporate Social Responsibility ("CSR") and RPG Life Sciences Limited (RPGLS) vision to drive 'holistic empowerment' of the community around the local vicinity of our plants and the society at large, we have undertaken the following projects through RPG Foundation in accordance with CSR policy of the Company, read with Schedule VII of the Companies Act, 2013.
	1. Vision/Eye Care (Project-Netranjali) –RPGLS through RPG Foundation launched this flagship programme in FY 2016-17, to work towards the cause of preventing avoidable blindness in India. This is a key need in India, as India has the world's largest blind population, with 80 percent of cases of blindness being preventable with early stage interventions. Two different target groups were covered via this project – school children, elderly and truckers. The project has three stages of eye care intervention module viz., promotive, preventive and curative eye health care. In FY 2017-18, over 50,000 beneficiaries were covered in eye check-up camps and awareness sessions. 8,352 beneficiaries were screened with 2,495 received free spectacles and 1,526 referrals provided. 2. Healthcare Sector Skilling (Project Sanjeevani): RPGLS through RPG Foundation works towards the critical need for trained skilled healthcare professionals. The core aim of the project is to create a genre of dedicated & passionate trained healthcare givers in rural and urban India. Increase employability by making available to them a Livelihood avenue. In Project Sanjeevani, 30 candidates are undergoing training in X- Ray and Ultrasound Assistance (DUXA) and Diploma in Medical Lab Technology (DMLT) through 18 months diploma course. 3. Community Health (Project Jeevan): Jeevan is an integrated community development project. It seeks to create lasting and measurable impact in communities, and improve lives by providing solutions for holistic community development, wherein each offering is customized according to the needs of the community. The program focuses on improving overall quality of life of people through various interventions. 4. The CSR Policy is available at the Company's website and can be accessed at http://www.rpglifesciences.com under policies tab.
2. The Composition of the CSR Committee	I. Mr. C. L. Jain (Chairman) II. Mr. Narendra Ambwani III. Ms. Zahabiya Khorakiwala IV. Mr. CT. Renganathan
3. Average net profit of the Company for last three financial years.	₹ 857.50 lakhs
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 17.15 lakhs
5. Details of CSR spent during the financial year	
a. Total amount to be spent for the financial year	₹ 17.15 lakhs
b. Amount unspent, if any	Nil
c. Manner in which the amount spent during the financial year	The Company has spent ₹ 17.15 lakhs on its CSR activities through RPG Foundation and the details are annexed with this report.
6. Reason for shortfall in spent, if any	Not applicable
7. Responsibility statement of CSR Committee	We hereby confirm that the implementation and monitoring of the CSR Policy is in compliance with CSR objectives and policies of the Company.

CT. Renganathan
Managing Director
(DIN :02158397)

C.L. Jain
Chairman of CSR Committee
(DIN: 00102910)

Place : Mumbai
Date : May 2, 2018

Annexure

Details of the CSR activities of the Company for the Financial Year 2017-18:

(₹ in Lakhs)

(1)	(2)	(3)	(4)		(5)	(6)	(7)	(8)
Sr. No	**CSR Project or Activity Identified**	**Sector in Which the Project is Covered**	**Location of Projects or Programs undertaken**		**Amount Outlay (Budget) Project or Program wise**	**Amount Spent on Projects or Programs**	**Cumulative Expenditure up to the reporting period**	**Amount Spent: Direct or through Implementing Agency**
			Local Area or Other	**District (State)**		**Direct Expenses**		
1	Project Netranjali	Vision – Eye Care	Mumbai	Maharashtra	10.15	11.50	11.50	Implementing agency (IA) – RPG Foundation
2	Project Sanjeevani	Healthcare Sector Skilling			3.50	2.00	2.00	
3	Project Jeevan	Community Health			3.50	3.65	3.65	
	Total CSR Spent				17.15	17.15	17.15	

At the year end, ₹ 3.65 lakhs paid to Implementing Agency (IA), RPG Foundation remained unspent with IA. CSR activities are implemented and monitored in compliance with CSR objectives and Policy of the Company.

Annexure 'E' to the Directors' Report

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

To,

The Members,

RPG LIFE SCIENCES LIMITED

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company, the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

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

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

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

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

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

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

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the audit period);

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the audit period);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ;(Not applicable to the Company during the audit period)

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period);

(vi) Other laws specifically applicable to the Company namely:

1. Drug & Cosmetics Act, 1940
2. The Environment (Protection) Act, 1986
3. Manufacture, Storage & Impact of Hazardous Chemical Rules, 2000
4. Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954
5. Narcotic Drugs and Psychotropic Substances Act, 1985
6. Poisons Act 1919
7. Food Safety and Standards Act, 2006
8. The Patents Act, 1970
9. The Trade Marks Act, 1999

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We further report that:

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

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

Decisions at the Board Meetings were taken unanimously.

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

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

For **Parikh Parekh & Associates**
Company Secretaries

Mitesh Dhabliwala
Partner
FCS: 8331 CP No: 9511

Place: Mumbai
Date: May 2, 2018

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

'Annexure A to the Secretarial Audit Report'

To,
The Members
RPG LIFE SCIENCES LIMITED

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

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

For **Parikh Parekh & Associates**
Company Secretaries

Mitesh Dhabliwala
Partner
FCS: 8331 CP No: 9511

Place: Mumbai
Date: May 2, 2018

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1) Industry structure and developments

Healthcare in India has evolved rapidly from being a product centric industry to a service driven sector, with delivery and medical insurance segments gaining prominence.

India's pharmaceutical industry has been ranked 3rd in terms of volume and 14th in terms of value, globally. By 2020, India is expected to be amongst the top three countries in the world in terms of volume and fourteenth in terms of value touching USD 55 billion.

Low cost of manufacturing , availability of technically skilled workforce, increasing lifestyle diseases and higher Governmental spend on healthcare shall be the future growth drivers for Indian Pharmaceutical industry.

Driven by increasing sales of generic medicines, continued growth in chronic therapies and greater penetration in rural markets, the domestic formulation market in India is expected to register a double-digit growth over the next five years. In FY 18, it achieved a growth rate of 5.70% which was lower than the previous years due to macro-economic factors. The Indian government's focus on rural health programme, lifesaving drugs and preventive vaccines is also expected to contribute to growth of the pharmaceutical sector.

The implementation of Goods and Services Tax (GST) is a game-changer for the Indian Pharmaceuticals industry. It has led to tax-neutral inter-state transactions between dealers, thereby reducing the dependency on multiple states and increasing the focus on regional hubs. It is expected to result in an efficient supply chain management, which is expected to reduce costs considerably. The cost of technology and investment is expected to reduce on account of tax credits which can be availed on the duties levied on import of high-cost machinery and equipment.

India exports drugs to more than 180 countries in the world of which US is the largest market where 10 % of the value supplies are from India. The exports are expected to grow by 15 % CAGR till 2020.

2) Opportunities and Threats

Indian pharmaceutical industry has seen gradual increase in government healthcare spending & expansion of the private hospital sector. Government initiatives such as allowing 100% Foreign Direct Investment (FDI) in health and medical services will benefit the industry. The Government of India last year announced the National Health Policy 2017 where the goal is to attain highest level of health and well being for all ages by improving access, improving quality and making cost of healthcare delivery affordable. Indian Government plans to increase health expenditure to 2.25% of gross domestic product by 2025 from the current spending of 1.15%. This will give boost to the sector.

Several socio-economic factors, including increasing sales of generic medicines, continued growth in chronic therapies and a greater penetration in rural markets will contribute majorly to the growth of the Indian pharmaceutical market.

Other contributing factors for growth are heightened health awareness, increasing affluence, changing lifestyles resulting in higher incidence of lifestyle diseases and a nascent, yet fast growing health insurance industry. In addition, low cost of production and R&D boosts the efficiency of Indian pharmaceutical companies.

National List of Essential Medicines (NLEM) revision in 2015, resulted in 376 medicines coming under the price control which has resulted in slowing down growth in revenues. The essentiality of a medicine has been considered in terms of its dosage form and strength. The NLEM, 2015 has been prepared adhering to the basic principles of Efficacy, Safety, Cost- Effectiveness and considering of diseases as public health problems in India.

NLEM medicines are subject to price control and this has reduced average price realisations for pharma players. At present, about 18% of the Indian market is under price control.

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

3) Segment wise performance

The Company is exclusively engaged in pharmaceutical business and operates across segments including Domestic Formulations, International Formulations and Active Pharmaceutical Ingredients (API).

Domestic Formulations division achieved sales of ₹ 217.67 crores, registering a growth of 18.20% year on year. In the Domestic market, the Company has strengthened its presence by leveraging the existing brands and introduced newer products including Monoclonal Antibodies (MAB) in the Oncology therapy. The Company also continued a host of other initiatives such as increasing the in-clinic effectiveness of the field force through extensive scientific training, innovative product demonstrations, emphasis on focus brands and innovative promotional strategies.

The API business achieved sales of ₹ 53.51 crores with a growth of 24% in FY 18.

The International Formulations business comprising of Global Generics (Regulated Markets) and RoW business showed a growth of 12% over the previous year. The Global Generics business achieved sales of ₹ 51.26 crores registering a growth of 53.20% year on year, while RoW markets contributed sales of ₹ 21.68 crores.

The Global Generics business is focused on increasing the penetration of the product in multiple countries within EU as well as expanding the product offerings within EU, North America, South America, Australia and Caribbean. This business of the company is also actively scouting for new product partnerships across markets with focus on co-development, manufacturing and supply partnerships.

4) Outlook

The growth estimate for the domestic Formulation Industry is pegged between 8%-10%. In light of the initiatives detailed above, the outlook of the business looks promising.

The Global Generics business will focus on new products, new partners, new markets and the outlook of this business looks promising.

The Company's Formulation facility (F2) at Ankleshwar plant has EU GMP, UKMHRA, Health Canada and TGA Australia certifications and API facility at Navi Mumbai plant has EU GMP, WHO GMP and TGA Australia certifications. Such certifications testify a hallmark of quality and shall help the Company to enter in new markets across multiple geographies.

5) Risks and Concerns

Some of the key brands of the Company are under NLEM. The list of NLEM is increasing. Also more and more Fixed Dose Combination (FDC) are coming under question mark. The regulatory environment across the globe is becoming more and more stringent, and this makes entry into new geographies more challenging. Also the new mandate to Doctors by the Medical Council of India to prescribe generic names of drugs could have an impact on the branded generics.

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 ₹ 348.12 crores. EBITDA (Earnings Before Interest, Tax, and Depreciation) was at ₹ 38.50 crores. After deducting, Finance Cost of ₹ 3.80 crores, Depreciation of ₹ 14.34 crores and Taxes, the Profit After Tax (PAT) was at ₹ 13.45 crores.

8) Material developments in human resources/ industrial front

The Company has received an award for "Innovative HR Practices" in HR Convention and HDM Awards 2017 which validates the progressive culture of the organization.

The Company has won prestigious "IDMA Quality Excellence Award (GOLD AWARD)" in Bulk Drugs category. The Company also received "National Safety Award 2016" for zero accident frequency rate by National Safety Council – Maharashtra Chapter.

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

Cautionary Statement

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

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy

The Company lays emphasis on the values of fairness, transparency and accountability for performance at all levels, thereby enhancing the shareholders' value and protecting the interest of the stakeholders. During the year, the Company continued its pursuit of achieving these objectives through adoption and monitoring of prudent business plans, monitoring of major risks to the Company's business and pursuing policies and procedures to satisfy its commercial, social, legal and ethical responsibilities. These practices 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 strength of the Board is ten Directors. Mr. H. V. Goenka is a Non-Executive Chairman of the Board. Mr. CT. Renganathan is the Managing Director. The composition of the Board meets the requirement of the listing agreement.

3. Board / Committee meetings and proceedings

3.1 Scheduling and selection of agenda items

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

3.2 Availability of information to the Shareholders

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

3.3 Recording minutes of the proceedings

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

3.4 Follow up mechanism

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

3.5 Compliance

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

3.6 Board Meetings

During the financial year, five meetings of the Board of Directors were held on April 28, 2017, August 04, 2017, November 10, 2017, February 02, 2018 and March 19, 2018.

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, 2018 are as under:

Name	Category	No. of Board meetings held	No. of Board meetings attended	Whether attended last AGM held on 24.07.2017	No. of directorship in other public limited companies	Committee positions in other companies[1]	
						Chairman	Member
Mr. H. V. Goenka *Chairman*	Non-Executive & Non - Independent	5	5	YES	5	-	-
Mr. C.L. Jain	Non-Executive & Independent	5	5	YES	3	3	5
Dr. Lalit S. Kanodia	Non-Executive & Independent	5	5	YES	2	-	-
Mr. Mahesh S. Gupta	Non-Executive & Independent	5	5	NO	4	2	6
Mr. Manoj Maheshwari	Non-Executive & Independent	5	4	NO	3	1	3
Mr. Narendra Ambwani	Non-Executive & Independent	5	5	NO	4	-	6
Mr. Yugal Sikri	Non Executive & Independent	5	5	NO	1	1	2
Ms. Zahabiya Khorakiwala	Non-Executive & Independent	5	3	YES	2	-	1
Mr. CT. Renganathan *Managing Director*	Executive	5	5	YES	1	-	1
Mr. Sachin Nandgaonkar	Non-Executive	5	4	YES	2	-	2

1. Only Audit Committee and Stakeholder's Relationship Committee positions are considered.

3.8 Separate Meeting of Independent Directors

In compliance with Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors of the Company, was held on March 19, 2018 for reviewing the performance of Non-Independent Directors, Board as a whole, the Chairperson of the Company as well as for assessing the quality, quantity and timeliness of flow of information between the Company management and the Board. Majority of Independent Directors were present at the meeting.

4. Audit Committee

The Audit Committee consists of three Independent Directors and one non-executive Director, namely, Mr. C. L. Jain, Mr. Mahesh S. Gupta, Mr. Yugal Sikri and Mr. Sachin Nandgaonkar. Mr. C. L. Jain is the Chairman of the Audit Committee.

The composition of the Audit Committee complies with the requirements laid down in Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference and powers of the Audit Committee are those prescribed under Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013.

The Vice President-Finance, 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, five meetings of the Audit Committee were held on April 28, 2017, May 12, 2017, August 04, 2017, November 10, 2017 and February 02, 2018.

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

Name of the Director	No. of meetings attended
Mr. C. L. Jain	5
Mr. Mahesh S. Gupta	5
Mr. Yugal Sikri	5
Mr. Sachin Nandgaonkar	4

5. **Nomination and Remuneration Committee**

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

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors. The role includes formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommending to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on Board diversity; identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The composition of the Committee complies with the requirements laid down in Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference and powers of the Committee are those prescribed under Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 178 of the Companies Act, 2013.

During the financial year, two meetings of the Nomination and Remuneration Committee were held on July 03, 2017 and November 10, 2017.

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

Name of the Director	No. of meetings attended
Mr. C. L. Jain	2
Dr. Lalit S. Kanodia	2
Mr. Sachin Nandgaonkar	2

* Mr. Yugal Sikri was appointed as member of Nomination and Remuneration committee with effect from February 2, 2018.

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 ₹ 50,000/- per Board Meeting, ₹ 25,000/- per Audit Committee Meeting, ₹ 5,000/- per Nomination and Remuneration Committee Meeting, ₹ 5,000/- per Corporate Social Responsibility Committee Meeting and ₹ 1,000/- per Stakeholders Relationship Committee Meeting. Keeping in view industry practices, the Board, unanimously decides the amount of sitting fees to be paid from time to time.

Details of remuneration of the Directors during the financial year 2017-18 are as under:

Name of the Director	Sitting Fees (₹)
Mr. H. V. Goenka	2,50,000
Mr. C. L. Jain	3,95,000
Dr. Lalit S. Kanodia	2,60,000
Mr. Mahesh S. Gupta	3,79,000
Mr. Manoj Maheshwari	2,00,000
Mr. Narendra Ambwani	2,64,000
Ms. Zahabiya Khorakiwala	1,55,000
Mr. Yugal Sikri	3,75,000
Mr. Sachin Nandgaonkar	3,10,000

Mr. H. V. Goenka holds 26,913 equity shares of the Company in his individual capacity and 35,17,709 equity shares as a Trustee of Nucleus Life Trust and 1 share each as a Trustee of Crystal India Tech Trust, Monitor Portfolio Trust,Stellar Energy Trust, Secura India Trust, Prism Estates Trust. Mr. Narendra Ambwani, Independent Director holds 1,000 shares and Mr. Sachin Nandgaonkar, Non-Executive Director holds 5,100 shares in the company.

(ii) Executive Director

Remuneration of Managing Director is decided by the Board based on the recommendation of the Nomination and Remuneration Committee within the ceiling fixed by the Shareholders as per Schedule V of the Companies Act, 2013 amended by the Central Government vide Notification S.O.2922 (E) dated September 12, 2016.

As per recommendation of Nomination and Remuneration Committee at its meeting held on November 10, 2017, the Board of Directors at its meeting held on November 10, 2017 has re-appointed Mr. CT. Renganathan as Managing Director with effect from January 2, 2018 for a term of three years subject to approval of shareholders.

The elements of remuneration paid to Mr. CT. Renganathan, Managing Director during the financial year 2017-18 are as under:

(₹ in lakhs)

Name	Salary	Performance Bonus	Perquisite	Retiral Benfits
Mr. CT. Renganathan	193.47	45.22	–	9.58

The remuneration structure of the Managing Director comprises of salary, perquisites, allowances, performance bonus, and contribution to provident, superannuation and gratuity funds. Payment of remuneration to the Managing Director is governed by the Agreement executed between him and the Company. The Agreement may be terminated by either party, by giving a notice in writing of not less than four months or by paying the basic salary in lieu thereof.

7. Stakeholders Relationship Committee

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

The functioning and terms of reference of the Committee are as prescribed and in due compliance with the Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 178 of the Companies Act, 2013 and include reviewing existing investor redressal system, redressing of Shareholder complaints like delay in transfer of shares, non-receipt of declared dividend, etc.

During the financial year, four meetings of the Stakeholders Relationship Committee were held on April 28, 2017, August

04, 2017, November 10, 2017 and February 02, 2018.

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

Name of the Director	No. of meetings attended
Mr. Mahesh S. Gupta	4
Mr. Narendra Ambwani	4
Mr. CT. Renganathan	4

The Company Secretary is the Compliance Officer in terms of Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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, 2018 are as under:

Sr. No.	Type of complaints	Number of Complaints		
		Received	Resolved	Pending
1.	Non receipt of Share certificate	1	1	-
2.	Non Receipt of Dividend	1	1	-
3.	Non receipt of Securities after Transfer/ Transmission	2	2	-
4.	Others	2	2	-
	Total	**6**	**6**	

8. Corporate Social Responsibility Committee.

Corporate Social Responsibility Committee (CSR) consists of four Directors, namely, Mr. C. L. Jain, Mr. Narendra Ambwani, Ms. Zahabiya Khorakiwala and Mr. CT. Renganathan. Mr. C.L Jain is the Chairman of the Corporate Social Responsibility Committee.

The terms and reference of the Committee of the CSR inter alia includes the followings:

a. To formulate and recommend to the Board the Corporate Social Responsibility Policy (CSR Policy) as specified in Schedule VII of Companies Act , 2013 ('the Act') read with Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII.

b. To recommend to the Board the amount of expenditure to be incurred on the activities undertaken by the Company as per the CSR Policy.

c. To monitor the CSR Policy of the company from time to time.

During the Financial year, two meeting of the Corporate Social Responsibility Committee were held on April 28, 2017 and March 19, 2018.

Attendance of Directors at the Corporate Social Responsibility Committee Meeting held during the financial year is as under:

Name of Director	No. of meetings attended
Mr. C.L Jain	2
Mr. Narendra Ambwani	2
Ms. Zahabiya Khorakiwala	1
Mr. CT. Renganathan	2

9. Risk Management Committee

Risk Management Committee consists of five Directors, namely, Mr. C. L. Jain, Mr. Mahesh Gupta, Mr. Yugal Sikri, Mr. Sachin Nandgaonkar and Mr. CT. Renganathan. Mr. C. L. Jain is the Chairman of the Risk Management Committee.

The roles and responsibilities of the Risk Management Committee are as prescribed under Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and includes monitoring and review of risk management plan and reporting the same to the Board of Directors periodically as it may deem fit, in addition to any other terms as may be referred by the Board of Directors, from time to time.

During the financial year, two meetings of the Risk Management Committee were held on November 10, 2017 and February 02, 2018.

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

Name of the Director	No. of meetings attended
Mr. C. L. Jain	2
Mr. Mahesh Gupta	1
Mr. Yugal Sikri	1
Mr. Sachin Nandgaonkar	2
Mr. CT. Renganathan	2

10. 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
8th AGM March 31, 2015	Ravindra Natya Mandir P.L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai 400 025.	July 28, 2015	3.00 p.m.	Nil
9th AGM March 31, 2016	Ravindra Natya Mandir P.L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai 400 025.	July 27, 2016	3.00 p.m.	Nil
10th AGM March 31, 2017	Ravindra Natya Mandir P.L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai 400 025	July 24, 2017	2.30 p.m.	1*

* The details of Special Resolution passed at the 10th AGM is as under:

1. Resolution pursuant to Section 14 and all other provisions of companies Act read with the Companies (Incorporation) Rules, 2014 for adoption of new set of Articles of Association of the Company.

   None of the items transacted at the Annual General Meetings held on July 28, 2015 and July 27, 2016 were required to be passed by postal ballot nor any resolution requiring a postal ballot is being proposed at the ensuing Annual General Meeting. During the year under review, no resolution has been passed through the exercise of postal ballot.

11. Disclosures

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

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

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

(iv) The Managing Director and Vice President- Finance of the Company have submitted the certificate as required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the Board of Directors.

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

(vi) The Company is in compliance with all the mandatory requirements of Regulation 17 to 27 and Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The status on adoption of non-mandatory requirement is set out in this report.

(vii) The details of shares in Unclaimed Suspense Account are provided in notes to Notice of Annual General Meeting of the Company included in this Annual Report.

12. 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.

13. General Shareholder Information

(i)	**AGM: Date, time and venue**	11th Annual General Meeting on July 27, 2018 at 3.00 p.m. at Ravindra Natya Mandir, P.L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai 400 025.
(ii)	**Financial Year**	April 1 - March 31
(iii)	**Date of Book Closure**	July 21, 2018 to July 27, 2018 (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. subject to approval of the shareholders.
(v)	**Listing on Stock Exchanges**	The Equity Shares of the Company are listed on the BSE Limited (BSE) having office at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 and National Stock Exchange of India Limited (NSE) having office at Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051. The listing fees have been paid to both the Stock Exchanges for the financial year 2018-19.
(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 2017	473.05	432.00	472.90	433.15	30,184.22	29,241.48
May	436.20	358.45	436.90	358.10	31,255.28	29,804.12
June	433.60	366.70	433.90	366.25	31,522.87	30,680.66
July	400.00	344.00	399.80	341.05	32,672.66	31,017.11
August	353.85	294.00	355.55	296.70	32,686.48	31,128.02
September	441.80	330.00	441.00	330.95	32,524.11	31,081.83
October	423.40	358.20	423.45	362.05	33,340.17	31,140.48
November	489.60	376.20	488.00	375.40	33,865.95	32,683.59
December	524.70	443.00	525.00	442.55	34,137.97	32,565.16
January 2018	606.40	471.20	610.05	477.55	36,443.98	33,703.97
February	504.55	409.95	503.80	412.00	36,256.83	33,482.81
March	487.90	380.00	487.80	378.60	34,278.63	32,483.84

(ix) Registrar and Transfer Agents

Link Intime India Private Limited
C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083
Tel No (022) 49186270 | Fax No. (022) 49186060
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, 2018 was as under:

Nominal Value of Shareholding	No. of Shareholders	% of Shareholders	Share Amount (₹)	% of Share Amount
Upto 5000	15500	99.39	2,44,18,944	18.46
5001 to 10000	53	0.33	30,24,088	2.29
10001 to 20000	13	0.08	14,59,768	1.10
20001 to 30000	7	0.04	13,21,440	0.99
30001 to 40000	4	0.03	11,25,736	0.85
40001 to 50000	3	0.02	10,75,904	0.81
50001 to 100000	6	0.04	36,33,504	2.75
100001 and above	9	0.06	9,62,52,736	72.75
Total	**15595**	**100.00**	**13,23,12,120**	**100.00**

- Shareholding Pattern as on March 31, 2018

Category	No. of Shares	%
Promoters	1,14,47,681	69.22
Insurance Companies	Nil	Nil
Foreign Intuitional Investors	2,850	0.02
Mutual Funds/Banks	86,561	0.52
Non Resident Indians	1,05,118	0.64
Public	48,96,805	29.60
Total:	**1,65,39,015**	**100.00**

(xiii) Dematerialization of Shares and Liquidity

Category	No. of Shares	% of shares	No. of Shareholders	% of Shareholders
Electronic Form	1,62,04,267	97.98	12,969	83.16
Physical Form	3,34,748	2.02	2,626	16.84
Total:	**1,65,39,015**	**100.00**	**15,595**	**100.00**

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

The Company has not issued any GDRs/ADRs. As of March 31, 2018, the Company does not have any outstanding convertible instruments, which are likely to have an impact on the equity of the Company.

(xv) Commodity Price Risk or Foreign Exchange Risk and Hedging activities

During the year, the Company managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in Note No. 31 to the Annual Accounts.

(xvi) Plant Locations

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

(xvii) Address for Correspondence

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

(xviii) Non-Mandatory Requirements

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

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

3. **Audit Qualification**
   The financial statements for the year ended March 31, 2018 are unqualified.

4. **Separate Posts of Chairman and CEO**
   The Company has separate persons to the post of the Chairman and the Managing Director.

5. **Reporting of Internal Auditor**
   The Internal Auditors presents the Internal Audit Report at the meeting of the Audit Committee every quarter.

Declaration

I hereby declare that all the Directors and Senior Management Personnel including all functional heads of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended March 31, 2018

Place: Mumbai
Date: May 2, 2018

CT. Renganathan
Managing Director

PRACTICING COMPANY SECRETARY'S CERTIFICATE

To the Shareholders of
RPG Life Sciences Limited

We have examined the compliance of conditions of Corporate Governance by RPG Life Sciences Limited (hereinafter referred "the Company") for the year ended March 31, 2018 as per relevant provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015 ('Listing Regulations') for the period April 1, 2017 to March 31, 2018.

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

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

We further 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 Suvarna Joshi
Practicing Company Secretary

Suvarna Joshi
Proprietor
Membership No.: A45141
C.P. No.: 16812

Place: Mumbai
Date: May 2, 2018

INDEPENDENT AUDITORS' REPORT

To the Members of RPG Life Sciences Limited

Report on the Audit of the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **RPG Life Sciences Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose reports for the years ended March 31, 2017 and March 31, 2016 dated April 28, 2017 and April 29, 2016 respectively expressed an unmodified opinion on those Ind AS financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations as at March 31, 2018 which would impact its financial position.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

      iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made since they do not pertain to the financial year ended March 31, 2018. However amounts as appearing in the audited financial statements for the period year March 31, 2017 have been disclosed.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai
May 2, 2018

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

i. (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) The title deeds of immovable properties, as disclosed in Note 13 on fixed assets to the financial statements, are held in the name of the Company.

ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material.

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

iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

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

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, 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.

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

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, Labour Welfare Fund, income tax, goods and service tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, professional tax, cess and other material statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(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, sales tax, value added tax, service tax, goods and service tax, duty of customs, duty of excise which have not been deposited on account of any dispute. The particulars of dues of sales tax, service tax, and duty of excise as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount ₹ in lakhs*	Period to which the amount relates (Years)	Forum where the dispute is pending
Gujarat Sales Tax Act, 1969	Sales/Purchase tax including interest and penalty as applicable	116	1997-1998 to 2000-2001	Appellate Authority – up to Commissioner's level
The Finance Act, 1994	Service tax including interest and penalty as applicable	96	April 2006 to May 2015	Customs, Excise & Service Tax Appellate Tribunal
The Central Excise Act, 1944	Excise duty including interest and penalty as applicable	9	1994 to 1996	Appellate Authority – up to Commissioner's level
		11	1990 to 1994 and 1996-1997	Customs, Excise & Service Tax Appellate Tribunal

*Net of amounts paid including under protest.

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank. There are no borrowings from Government or dues to debenture holders.

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. Further the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.

x. 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 by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standards (Ind AS) 24, Related Party as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him within the meaning of Section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai
May 2, 2018

Annexure B to Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls with reference to financial statements of RPG Life Sciences Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal controls with reference to financial statements criteria established by the Company, considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai
May 2, 2018

BALANCE SHEET AS AT MARCH 31, 2018

(All amounts in Indian Rupees lakhs, unless otherwise stated)

	Note	March 31, 2018	March 31, 2017	1 April, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	**7,994**	8,219	9,289
Capital work-in-progress	3	**480**	182	159
Intangible assets	4	**5,086**	5,448	1,637
Intangible assets under development		**393**	–	–
Financial assets				
i. Loans	5(a)	**9**	5	6
ii. Other financial assets	5(b)	**28**	28	62
Deferred tax assets (Net)	24(d)	**744**	1,043	780
Current Tax asset (Net)	24(e)	**57**	54	106
Other non-current assets	6	**74**	72	98
Total non-current assets		**14,865**	15,051	12,137
Current assets				
Inventories	7	**5,369**	4,578	3,902
Financial assets				
i. Trade receivables	5(c)	**6,813**	3,928	3,675
ii. Cash and cash equivalents	5(d)	**11**	86	23
iii. Bank balances other than (ii) above	5(e)	**83**	74	57
iv. Other financial assets	5(b)	**110**	242	104
Other current assets	6	**1,876**	730	914
Total current assets		**14,262**	9,638	8,675
Total assets		**29,127**	24,689	20,812
EQUITY AND LIABILITIES				
Equity				
Equity share capital	8(a)	**1,323**	1,323	1,323
Other equity	8(b)	**14,152**	13,378	11,337
Total equity		**15,475**	14,701	12,660
LIABILITIES				
Non-current liabilities				
Financial liabilities				
i. Borrowings	10(a)	**1,023**	1,605	25
ii. Other financial liabilities	10(c)	**279**	283	261
Provisions	12	**279**	232	199
Total non-current liabilities		**1,581**	2,120	485
Current liabilities				
Financial liabilities				
i. Borrowings	10(a)	**3,792**	2,401	2,196
ii. Trade payables	10(b)	**5,187**	2,865	3,371
iii. Other financial liabilities	10(c)	**1,503**	1,060	720
Provisions	12	**1,225**	1,109	1,083
Current tax liabilities (Net)	24(e)	**20**	2	–
Other current liabilities	11	**344**	431	297
Total current liabilities		**12,071**	7,868	7,667
Total liabilities		**13,652**	9,988	8,152
Total equities and liabilities		**29,127**	24,689	20,812
Significant accounting policies	1-2			

The notes are integral part of these financial statements.

In terms of our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors
RPG Life Sciences Limited
CIN: L24232MH2007PLC169354

Bhavesh Dhupelia
Partner
Membership No. 042070

H. V. Goenka
Chairman
DIN: 00026726

CT. Renganathan
Managing Director
DIN: 02158397

C. L. Jain
Director
DIN:00102910

Mahesh Narayanaswamy
Vice President - Finance

Rajesh Shirambekar
Company Secretary

Mumbai, May 2, 2018

Mumbai, May 2, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in Indian Rupees lakhs, unless otherwise stated)

	Note	Year ended March 31, 2018	Year ended March 31, 2017
Continuing Operations			
Revenue from operations	14	**34,714**	30,681
Other income	15	**98**	61
Total Income		**34,812**	30,742
Expenses			
Cost of Materials Consumed	16(a)	**7,195**	5,671
Purchases of Stock-in-Trade		**4,935**	5,550
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	16(b)	**(669)**	(960)
Excise Duty		**319**	1,317
Employee benefits expense	17	**9,014**	7,559
Finance costs	18	**380**	253
Depreciation and amortisation expense	19	**1,434**	1,131
Other expenses	20	**10,168**	8,767
Total expenses		**32,776**	29,288
Profit before tax from continuing operations		**2,036**	1,454
Income tax expense	24(a)		
- Current tax		**385**	481
- Deferred tax		**306**	(236)
Income tax expense		**691**	245
Profit from continuing operations		**1,345**	1,209
Discontinued Operations	25		
Profit from discontinued operation before tax		**–**	892
Tax expense of discontinued operation		**–**	–
Profit from discontinued operations after tax		**–**	892
Profit for the year		**1,345**	2,101
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	13(b)	**(22)**	(91)
Income tax relating to the above		**8**	28
Other comprehensive income for the year, net of tax		**(14)**	(63)
Total comprehensive income for the year		**1,331**	2,038
Earnings per equity share (of face value of ₹ 8 each)			
Basic earnings per share from continuing operations	29	**8.13**	7.31
Basic earnings per share from discontinuing operations	29	**–**	5.39
Total basic earnings per share attributable to the equity holders of the company		**8.13**	12.70
Significant accounting policies	1-2		

The notes are integral part of these financial statements.

In terms of our report of even date attached.
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Mumbai, May 2, 2018

Mumbai, May 2, 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in Indian Rupees lakhs, unless otherwise stated)

		Note	Year ended March 31, 2018	Year ended March 31, 2017
A	**Cash Flow from operating activities**			
	Profit before income tax including discontinued operations		**2,036**	2,346
	Adjustments for			
	Add:			
	Depreciation and amortisation expenses	19	**1,434**	1,178
	Finance costs	18	**380**	253
	Loss on disposal of property, plant and equipment	20/15	**–**	2
	Unrealised exchange rate difference	15	**(29)**	21
	Provision for Doubtful Debts and Advances (Net)	20	**22**	23
	Interest received	15	**(1)**	(40)
	Provisions no longer required and written back	15	**(69)**	(4)
	Gain on sale of business	25	**–**	(738)
			3,773	3,041
	Working capital adjustments:			
	(Increase) in trade receivables	5(c)	**(2,846)**	(884)
	(Increase)/decrease in financial assets - Loans	5(a)(b)	**(4)**	1
	Decrease in other non-current assets	6	**4**	3
	Decrease/(Increase) in other financial assets	5(b)	**137**	(124)
	(Increase)/decrease in other current assets	6	**(1,146)**	140
	(Increase) in inventories	7	**(791)**	(889)
	Increase/(decrease) in trade payables	10(b)	**2,361**	(210)
	Increase/(decrease) in other financial liabilities	10(c)	**295**	(64)
	Increase/(decrease) in provisions	12	**142**	(33)
	(Decrease)/Increase in other current liabilities	11	**(87)**	179
	Cash generated from operations		**1,838**	1,160
	Income taxes paid	24(e)	**(370)**	(427)
	Net cash inflow from operating activities		**1,468**	733
B	**Cash flow from investing activities:**			
	Acquisition of property, plant and equipment and Intangible assets	3/4	**(1,548)**	(5,587)
	Proceeds from sale of property, plant and equipment and Intangible assets		**2**	71
	Bank deposits	5(e)	**(9)**	(17)
	Proceeds from sale of discontinued operation		**–**	2,487
	Interest received	15	**1**	40
	Net cash (outflow) from investing activities		**(1,554)**	(3,006)
C	**Cash flow from financing activities**			
	Proceeds from long term borrowings		**27**	2,067
	Repayment of long term borrowings		**(470)**	(34)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018 (*Contd.*)

(All amounts in Indian Rupees lakhs, unless otherwise stated)

	Note	Year ended March 31, 2018	Year ended March 31, 2017
Proceeds from / (Repayment of) Short-term Borrowings (Net)		**1,385**	553
Dividend paid including dividend distribution tax thereon	9	**(553)**	–
Proceeds from share allotment under employee stock option plan		**–**	3
Interest paid	18	**(378)**	(253)
Net cash inflow from financing activities		**11**	2,336
Net increase/(decrease) in cash and cash equivalents		**(75)**	63
Add: Cash and cash equivalents at the beginning of the financial year	5(d)	**86**	23
Cash and cash equivalents at the end of the year		**11**	86
Cash and cash equivalents	5(d)	**11**	86
Bank overdrafts		**–**	–
Balances as per statement of cash flows		**11**	86

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - "Cash Flow Statements".

The notes referred to above and other notes form an integral part of the financial statements.

In terms of our report of even date attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No. 042070

Mumbai, May 2, 2018

For and on behalf of the Board of Directors
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CIN: L24232MH2007PLC169354

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DIN: 00026726

C. L. Jain
Director
DIN:00102910

Mumbai, May 2, 2018

CT. Renganathan
Managing Director
DIN: 02158397

Mahesh Narayanaswamy
Vice President - Finance

Rajesh Shirambekar
Company Secretary

Statement of Changes in Equity

(A) Equity share capital

	Notes	(₹ in lakhs)
As at April 1, 2016		**1,323**
Changes in equity share capital	8(a)	0.23
As at March 31, 2017		**1,323**
Changes in equity share capital	8(a)	–
As at March 31, 2018		**1,323**

(B) Other equity

		Reserves and Surplus				
	Notes	Capital reserve (₹ in lakhs)	General Reserve (₹ in lakhs)	Securities premium reserve (₹ in lakhs)	Retained earnings (₹ in lakhs)	Total (₹ in lakhs)
Balance as at April 1, 2016	8(b)	5	863	3,443	7,026	**11,337**
Profit for the year		–	–	–	2,101	**2,101**
Other Comprehensive Income		–	–	–	(63)	**(63)**
Total comprehensive income for the years		5	863	3,443	9,064	**13,375**
Dividend paid		–	–	–	–	**–**
Shares allotted under employee stock option plan		–	–	3	–	**3**
Balance as at March 31, 2017		5	863	3,446	9,064	**13,378**
Balance as at 1st April 2017		5	863	3,446	9,064	**13,378**
Profit for the year		–	–	–	1,345	**1,345**
Other Comprehensive Income		–	–	–	(14)	**(14)**
Total comprehensive income for the years		5	863	3,446	10,395	**14,709**
Dividend paid including dividend tax		–	–	–	(557)	**(557)**
Balance as at March 31, 2018		5	863	3,446	9,838	**14,152**

In terms of our report of even date attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No. 042070

Mumbai, May 2, 2018

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Mumbai, May 2, 2018

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Managing Director
DIN: 02158397

Mahesh Narayanaswamy
Vice President - Finance

Rajesh Shirambekar
Company Secretary

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

1. Background

RPG Life Sciences Limited (the 'Company') is a Company domiciled in India with its registered office situated at RPG House, 463 Dr. A.B. Road, Worli Mumbai 400 030. The Company was incorporated on March 29, 2007 under the provisions of The Companies Act, as applicable in India as RPG Pharmaceuticals Limited and its equity shares are listed on Bombay Stock Exchange & National Stock Exchange in India. The name of the Company was subsequently changed to RPG Life Sciences Limited on February 13, 2008. The Company is engaged in the manufacturing and marketing of Formulations (Finished Dosage Forms) and Active Pharmaceutical Ingredients (APIs).

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These accounting policies have been consistently applied to all the periods presented by the Company unless otherwise stated.

A. Basis of Preparation

a. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provision of the Act.

The financial statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended), notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and the cash flows of the Company is provided in Note 30. These financial statements were authorised for issue by the Company's Board of Directors on May 2, 2018.

b. Functional and Presentation Currency

These financial statements are presented in Indian Rupees, which is also the Company's functional currency. All amount have been rounded-off to the nearest lakhs, unless otherwise indicated.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following

- certain financial assets and liabilities measured at fair value
- defined benefit plans- plan assets measured at fair value; and
- share-based payments

d. Amended standards adopted by the Company

The amendment to Ind AS 7 require disclosure of changes in liabilities arising from financing activities.

B. Summary of significant accounting policies:

a. Property, Plant and Equipment

i. Recognition & Measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to its working condition for its intended use.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at costs, comprising of direct costs, related incidental expenses and attributable interest.

ii. Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefit associated with the expenditure will flow to the Company.

iii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2016 measured as per the previous GAAP and used that carrying value as the deemed cost of the property, plant and equipment. The carrying values of property, plant and equipment as aforesaid are after making adjustments relating to decommissioning liabilities.

iv. Depreciation

Depreciation is provided on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives based on technical assessment on a pro-rata basis using the straight line method. The estimated useful lives followed by the Company for depreciating such tangible assets are as under:

Tangible Assets	Useful Life followed by the Company (years)	Useful Life as prescribed in Schedule II to Companies Act, 2013 (years)
Buildings on Leasehold Land	25-30	30
Plant and Equipment	4-20	10-20
Furniture and Fixtures	4-10	10
Vehicles	5	8
Office Equipment	4-8	5
Computers	2-3	3
Servers	3	6

Leasehold lands are amortised on straight line basis, over the remaining lease term.

Assets acquired under finance leases are depreciated over the over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership at the end of the lease term.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The asset's residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in financial statements.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

b. Intangible Assets:

Internally generated: Research and development

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible assets only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and use or sell the assets. Otherwise, it is recognised on profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortization and any accumulated impairment losses.

Others

Other intangible assets including those acquired by the Company in a business combination are initially measured at cost. In case of business combination, cost of the intangible assets is same as fair value. Such Intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

i. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at April 1, 2016 measured at per previous GAAP and use that carrying value as the deemed cost of intangible assets.

ii. Amortisation

Intangible assets are amortised over their estimated useful lives using the straight line method over the following periods:

	Estimated useful life (years)
Computer Software	5
Technical Knowhow	5
Trademarks & Licenses	3-20

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

c. Impairment of Non-Financial Assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized in the Statement of Profit and Loss.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amotisation, if no impairment loss had been recognised.

d. Income Tax:

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to the tax payable in respect to the previous years. The amount of current tax reflects the best estimates of the tax amount expected to be paid or received after considering the uncertainty, if any, relates to income taxes. Current tax assets and tax liabilities are offset where the Company has legally enforceable right to offset and intends to settle such assets and liabilities on a net basis.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits.

Deferred tax is determined using tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the end of the reporting period and are expected to be apply when the related deferred income tax assets is realized or the deferred income tax liability is settled.

A deferred tax assets is recognised to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are regrouped/ reduced to the extent that it is no longer probable that the related tax benefit will be released.

Deferred tax assets and liability are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities related to income taxes levied by the same tax authorities on the Company.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax ("MAT")

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is a minimum tax payable and subject to availability of sufficient taxable income as per Indian tax laws in the nature of unused tax credit which can be carried forward and utilised during the specified periods. Deferred tax assets on such tax credits are recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future periods. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

e. Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that requires delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

Debt instruments at amortised cost

A 'debt instrument' is measured at its amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

   After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

The Company has no equity investment financial assets.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

- Debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and other financial assets.
b) Financial assets that are debt instruments and are measured as at FVTOCI
c) Lease receivables under Ind AS 17
d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables' in these financial statements)
e) Loan commitments which are not measured as at FVTPL
f) Financial guarantee contracts which are not measured as at FVTPL

The Company measures the loss allowances at an amount equal to life time expected credit losses except the following which are measured at twelve months expected losses.

- Cash and cash equivalent, bank balances and other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Twelve months expected credit loss are the portion of the expected credit loss that result in default event that are possible within twelve months after the reporting period (or a shorter period if the expected life of the instrument is less than twelve months)

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and
- Security Deposits

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECL are expected credit losses resulting from all possible defaults events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and other financial liabilities.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a nonfinancial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken to profit and loss as the Company has not applied hedge accounting for the periods presented in theses financial statements.

f. Segment Reporting:

Operating segments are reported based on the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker assesses the financial performance and position of the Company as a whole, and makes strategic decisions. The Company operates in one reportable business segment i.e. "Pharmaceuticals".

g. Foreign Currency Translation:

Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates (INR).The financial statements are presented in INR which is both the functional and the presentation currency.

Transaction and balances

Transactions in foreign currencies are initially recorded by the Company in their functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting period. Exchange differences arising on the settlement of monetary items or on translating monetary items are recognized in the Statement of Profit and Loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Foreign exchange difference on foreign currency borrowings, settlement gain/loss and fair value gain/loss on derivative contract relating to borrowings are accounted and disclosed under finance cost.

h. Business Combinations:

The Company accounts for each business combination by applying the acquisition method. The acquisition date is the date on which control is transferred to the Company. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount of the identifiable assets acquired and liabilities (including contingent liabilities in case such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably) assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognized as capital reserve.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company.

Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recongnised in profit and loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Other contingent consideration is re-measured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit and loss.

Any goodwill that arises on account of business combination is tested annually for impairment.

Transaction costs that the Company incurs in connection with a business combination, such as finder’s fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

On an acquisition-by-acquisition basis, the Company recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets.

Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders. The difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

Transition to Ind AS

The Company has elected to not apply Ind AS 103 “Business Combinations” retrospectively to business combinations which accounted prior to April 1, 2016 i.e. transition date to Ind AS pursuant to the exemption available under Ind AS 101 “First-time Adoption of Indian Accounting Standards” (Ind AS 101).

i. Assets held for sale:

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

j. Inventories:

Inventories consist of raw materials, work-in-progress, finished goods and stock in trade etc. are valued at cost or net realisable value, whichever is lower.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

'Cost' comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to their present location and condition. Cost of raw material, packing material, stores and spares is determined on weighted average basis. Cost of work-in-progress and finished goods includes labour and manufacturing overheads, where applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw material, components and other supplies held for use in the production of finished products are not written down below cost expect in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

k. Cash and Cash Equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

l. Leases :

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

m. Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Expected future operating losses are not provided for.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Contingent liabilities are disclosed when there is possible obligation arising from past events, the existence of which will be confirmed only for the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the objection or a reliable estimate of the amount cannot be made.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

n. Earnings Per Share:

(i) Basic earnings per share

Basic earnings per share is calculated by dividing

- the profit attributable to owners'of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

o. Employee Benefits:

Short-term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the undiscounted amounts of the benefits expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other Long-term employee benefit obligations:

The liabilities for compensated absences (annual leave) which are not expected to be settled wholly within 12 months after the end of the period in which the employee render the treated are presented as non-current employee benefits obligations. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit method.

The benefits are discounted using the market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations. Remeasurements as a result of experience adjustments and changes in actuarial assumptions (i.e. actuarial losses/ gains) are recognised in the Statement of Profit and Loss.

The obligations are presented as current in the balance sheet if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post- employment obligations:

The Company operates defined benefit plans such as gratuity and defined contribution plans such as provident fund.

Defined benefit plan - Gratuity Obligations:

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is actuarially determined using the Projected Unit Credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash flows outflows by reference to market yields at the end of the reporting period on government bonds that

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

have a terms approximating to the terms of the obligation.

The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation, and is recognised as employee benefit expenses in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the Other comprehensive income in the year in which they arise.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined Contribution Plan

The Company pays Contribution to Superannuation Fund, Provident fund, Employees' Pension Scheme and Employees State Insurance Scheme which are administered through Government of India trustee except superannuation fund. The Company has no further payment obligations once the contribution have been paid. The Contributions are accounted for as defined contribution plans and contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in the future payment is available.

p. Discontinued operations:

A discontinued operation is a component of the Company's business, the operations and cash flows of which can be clearly discontinued from those of the rest of the Company and which represents a separate major line of business or geographical area of operations and

- is part of single coordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

When an operation is classified as a discontinued operations, the comparative statement of profit and loss is re-presented as if the operation has been discontinued from the start of the comparative period.

q. Government Grants:

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

r. Revenue:

Sales of goods

Revenue from sales of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, it is probable that economic benefits from the sale will flow to the Company, its associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

Revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of return, trade discounts, taxes collected, rebates and other similar allowances. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms.

Sales Return

The Company accounts for sales returns accruals by recording an allowances for sales return concurrent with the recognition of revenue at the time of a product sale. This allowances is based on the Company's estimate of expected sales returns. The Company considers its historical experience of sales returns, estimated shelf life, product discontinuances, etc. to the extent each of these factors impact the Company's business and markets.

Rendering of Services

Revenue from services rendered is recognized in the Statement of Profit and Loss as the underlying services are performed. Upfront non-refundable payments received are deferred and recognized as revenue over the expected period over which the related services are expected to be performed.

Interest income

Interest income from the financial assets is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Dividend income

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

s. Borrowing Costs:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

t. Recent Accounting Pronouncements:

Standards issued but not yet effective

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind As 115 'Revenue from Contracts with Customers', which replaces Ind AS 11 'Construction Contracts' and Ind As 18 'Revenue'. Except for the disclosure requirements, the new standard will not materially impact the Company's standalone financial statements.

Amendment to Ind AS 21:

Also Appendix B to Ind AS 21, foreign currency transactions and advance consideration was notified along with the same notification which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The company has evaluated the effect of these on the stadalone financial statements and the impact is not material. The amendments will come into force from April 1, 2018.

u. Critical Accounting Judgements and Estimates:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equals the actual results. Management also needs to exercise judgement in applying the accounting

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates and judgements are:

Impairment of Trade Receivables [2B(e)]

Estimation of Defined Benefit Obligation [2B(o)]

Estimation of Provision and Contingent Liabilities [2B(m)]

Estimation of useful life of Property, Plant and Equipment [2B(a)(iv)]

Estimate of useful life of Intangible Assets [2B(b)(ii)]

Recognition of revenue [2B(r)]

Recognition of deferred tax assets for computation of losses [2B(d)]

Estimates and judgements are continually evaluated.

They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and are believed to be reasonable under the circumstances.

3. Property, plant and equipment

	Leasehold Land (₹ in lakhs)	Buildings (₹ in lakhs)	Plant and equipments (₹ in lakhs)	Furniture and fittings (₹ in lakhs)	Vehicles (₹ in lakhs)	Office Equipments (₹ in lakhs)	Computers (₹ in lakhs)	Total (₹ in lakhs)
Year ended March 31, 2017								
Gross carrying amount								
Deemed Cost as at 1st April 2016	2,095	2,812	3,937	265	71	54	55	9,289
Additions	–	184	763	77	53	33	81	1,191
Deductions and adjustments (Refer note 25)	(77)	(552)	(1,289)	(42)	(34)	(21)	(25)	(2,040)
Closing gross carrying amount	**2,018**	**2,444**	**3,411**	**300**	**90**	**66**	**111**	**8,440**
Accumulated depreciation								
Opening accumulated depreciation	–	–	–	–	–	–	–	–
Depreciation charge during the year	39	111	533	45	32	18	38	816
Deductions and adjustments	–	(7)	(529)	(12)	(28)	(11)	(8)	(595)
Closing accumulated depreciation	**39**	**104**	**4**	**33**	**4**	**7**	**30**	**221**
Net carrying amount March 31, 2017	**1,979**	**2,340**	**3,407**	**267**	**86**	**59**	**81**	**8,219**
Year ended March 31, 2018								
Gross carrying amount								
Opening gross carrying amount	2,018	2,444	3,411	300	90	66	111	8,440
Additions	–	127	381	14	12	8	51	593
Disposals	–	–	(15)	–	(7)	(3)	(3)	(28)
Closing gross carrying amount	**2,018**	**2,571**	**3,777**	**314**	**95**	**71**	**159**	**9,005**

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

	Leasehold Land (₹ in lakhs)	Buildings (₹ in lakhs)	Plant and equipments (₹ in lakhs)	Furniture and fittings (₹ in lakhs)	Vehicles (₹ in lakhs)	Office Equipments (₹ in lakhs)	Computers (₹ in lakhs)	Total (₹ in lakhs)
Accumulated depreciation								
Opening accumulated depreciation	39	104	4	33	4	7	30	221
Depreciation charge during the year	39	111	527	48	27	18	46	816
Disposals	–	–	(14)	–	(7)	(3)	(2)	(26)
Closing accumulated depreciation	**78**	**215**	**517**	**81**	**24**	**22**	**74**	**1,011**
Net carrying amount March 31, 2018	**1,940**	**2,356**	**3,260**	**233**	**71**	**49**	**85**	**7,994**
Capital work-in-progress								
Deemed Cost as at 1st April 2016	159							
Net carrying amount March 31, 2017	182							
Net carrying amount March 31, 2018	**480**							

NOTES:

(i) *Leased assets*

Computers incudes the following amounts where the Company is a lessee under a finance Lease:

	31-03-2018 (₹ in lakhs)	31-03-2017 (₹ in lakhs)	01-04-2016 (₹ in lakhs)
Computers			
Cost/Deemed cost	**34**	20	20
Accumulated depreciation	**17**	8	–
Net carrying amount	**17**	12	20

The lease term in respect of asset acquired under finance leases is 3 years. Under the terms of leases, the Company has the option to acquire the leased assets on expiry of the leases.

(ii) *Property, Plant and Equipment pledged as security*

There is a second charge on the immovable assets such as land, building and plant and machinery at Thane/ Ankleshwar factory against the working capital loans of ₹ 3,369 lakhs.

(iii) *Contractual obligations*

Refer to note 10d for disclosure of contractual commitments for the Leased Assets.

(iv) *Capital work-in-progress:*

Capital work-in-progress mainly comprises of Buildings, Plant and equipments & furniture and fittings.

(v) Additions to Building, Plant and Equipment Furniture and Fixtures and office equipment include ₹ Nil (Previous year ₹ 44 lakhs), ₹ 30 lakhs (Previous year ₹ 97 lakhs), ₹ 3 lakhs (Previous year ₹ 7 lakhs) and ₹ 1 lakhs (Previous year ₹ 3 lakhs) respectively pertaining to Research and Development activities.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

4. Intangible assets

	Trade Marks (₹ in lakhs)	Technical Knowhow (₹ in lakhs)	Computer Software (₹ in lakhs)	Total (₹ in lakhs)
Year ended March 31, 2017				
Deemed cost (Gross carrying amount)				
Balance as at April 1, 2016	–	1,541	96	1,637
Additions : (Refer note 25)	4,273	–	114	4,387
Deductions : (Refer note 25)	–	(193)	(28)	(221)
Balance as at March 31, 2017	**4,273**	**1,348**	**182**	**5,803**
Accumulated amortisation				
Amortisation charge for the year	190	127	45	362
Deductions	–	(6)	(1)	(7)
Balance as at March 31, 2017	**190**	**121**	**44**	**355**
Net carrying amount March 31, 2017	**4,083**	**1,227**	**138**	**5,448**
Year ended March 31, 2018				
Gross carrying amount				
Balance as at April 1, 2017	4,273	1,348	182	5,803
Additions	–	150	107	257
Balance as at March 31, 2018	**4,273**	**1,498**	**289**	**6,060**
Accumulated amortisation				
Balance as at April 1, 2017	190	121	44	355
Amortisation charge for the year	427	135	57	619
Closing accumulated amortisation	**617**	**256**	**101**	**974**
Balance as at March 31, 2018	**3,656**	**1,242**	**188**	**5,086**

(i) Computer software includes software licenses.

(ii) Trademarks are pledged against the term loans from banks. Ref Note 10(a)(ii)

(iii) Leased assets

Computer Software incudes the following amounts where the Company is a lessee under a finance Lease:

	March 31, 2018 (₹ in lakhs)	March 31, 2018 (₹ in lakhs)	April 1, 2016 (₹ in lakhs)
Computer Software			
Cost/Deemed cost	**36**	36	13
Accumulated depreciation	**14**	6	–
Net carrying amount	**22**	30	13

The lease term in respect of asset acquired under finance leases is 3 years.

(iv) Significant estimate: useful life of intangible assets

The useful life used to amortise intangible assets relates to the expected future performance of the assets and management's judgment of the period over which economic benefit will be derived from the asset.

(v) Contractual obligations

Refer to note 10d for disclosure of contractual commitments for the Leased Assets.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

5. Financial assets

a) Loans

	March 31, 2018 (₹ in lakhs)		March 31, 2017 (₹ in lakhs)		April 1, 2016 (₹ in lakhs)	
	Current	**Non-current**	Current	Non-current	Current	Non-current
Loan to employees	**–**	**9**	–	5	–	6
Total loans	**–**	**9**	–	5	–	6

b) Other financial assets

	March 31, 2018 Current	**March 31, 2018 Non-current**	March 31, 2017 Current	March 31, 2017 Non-current	April 1, 2016 Current	April 1, 2016 Non-current
Security Deposits	**66**	**28**	68	28	59	62
Less: Allowance for Doubtful Security Deposit	**(35)**	**–**	(45)	–	(33)	–
Employee Advances	**93**	**–**	44	–	51	–
Less: Allowance for doubtful Employee advances	**(14)**	**–**	(18)	–	(31)	–
Insurance Claim receivables	**–**	**–**	193	–	58	–
Total other financial assets	**110**	**28**	242	28	104	62

c) Trade receivables

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)	April 1, 2016 (₹ in lakhs)
Trade receivables	**6,876**	4,116	3,865
Receivables from related parties	**–**	–	–
Less: Allowance for doubtful debts	**(63)**	(188)	(190)
Total receivables	**6,813**	3,928	3,675
Breakup of securities details			
Secured, considered good	**27**	26	26
Unsecured, considered good	**6,786**	3,937	3,673
Doubtful	**63**	153	166
Total	**6,876**	4,116	3,865
Less: Allowance for doubtful debts	**(63)**	(188)	(190)
Total trade receivables	**6,813**	3,928	3,675

d) Cash and cash equivalents

	March 31, 2018	March 31, 2017	April 1, 2016
Balances with banks			
– in current accounts	**10**	84	21
– Cash on hand	**1**	2	2
Total cash and cash equivalents	**11**	86	23

e) Bank balances other than cash and cash equivalents

	March 31, 2018	March 31, 2017	April 1, 2016
Deposits with original maturity of more than 3 months but less than 12 months *	**50**	50	–
Unpaid Dividend accounts	**28**	24	49
Margin money balances	**5**	–	8
Total bank balances other than cash and cash equivalents	**83**	74	57

* Deposit towards Debt Service Reserve Account for Term Loan obtained from a bank.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

f) Disclosures relating to Specified Bank Notes* (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016

	SBNs* (₹ in lakhs)	Other denomination notes (₹ in lakhs)	Total (₹ in lakhs)
Closing cash in hand as on November 8, 2016	3	2	5
(+) Permitted receipts	–	7	7
(-) Permitted payments	–	7	7
(-) Amount deposited in Banks	3	–	3
Closing cash in hand as on December 30, 2016	–	2	2

* Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the November 8, 2016.

6. Other assets

	March 31, 2018 (₹ in lakhs)		March 31, 2017 (₹ in lakhs)		April 1, 2016 (₹ in lakhs)	
	Current	**Non-current**	Current	Non-current	Current	Non-current
Capital advances	**–**	**22**	–	16	–	39
Export Benefits receivable	**369**	**–**	52	–	29	–
Balances with Government Authorities	**1,116**	**52**	364	56	404	59
Prepaid/Advance to suppliers	**391**	**–**	314	–	481	–
Total other assets	**1,876**	**74**	730	72	914	98

7. Inventories

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)	April 1, 2016 (₹ in lakhs)
Raw Materials	**678**	635	810
Work-in-Progress	**899**	747	579
Finished Goods	**1,896**	1,040	1,422
Stock-in-Trade	**1,629**	1,968	890
Stores and Spares	**88**	60	50
Packing Materials	**179**	128	151
Total Inventories	**5,369**	4,578	3,902

a) The write down of inventories to net realisable value during the year amounted to ₹ 2 lakhs (PY ₹ 10 lakhs). These were recognised as an expense during the year and included in changes of value of inventories of work-in-progress, stock-in-trade and finished goods in the statement of profit and loss.

b) Inventory is hypothecated against the secured working capital loans.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

8. Equity share capital and other equity

a) Equity Share capital

Authorised Equity Share capital

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)	April 1, 2016 (₹ in lakhs)
Authorised Equity Share capital			
18,750,000 equity shares of ₹ 8 each	**1,500**	1,500	1,500
Issued, Subscribed and Paid-up Capital			
16,536,105 equity shares of ₹ 8 each	**–**	–	1,323
16,539,015 equity shares of ₹ 8 each	**1,323**	1,323	–

(i) Movements in equity share capital

	Notes	Number of shares	Equity share capital (par value) (₹ in Lakhs)
As at April 1, 2016		16,536,105	1,323
Exercise of options - proceeds received	26	2,910	0.23
As at March 31, 2017		16,539,015	1,323
As at March 31, 2018		**16,539,015**	**1,323**

Terms and rights attached to equity shares

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

(ii) Details of shareholders holding more than 5% shares in the company

	March 31, 2018		March 31, 2017		April 1, 2016	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Chattarpati Apartments LLP	**53,08,151**	**32.09**	51,48,078	31.13	1,26,450	0.76
Swallow Associates LLP	**10**	**0.00**	10	0.00	50,21,638	30.37
Instant Holdings Limited	**2,84,597**	**1.72**	27,34,397	16.53	27,34,397	16.54
Sudarshan Electronics And Tv Ltd	**17,92,001**	**10.83**	1	0.00	–	–
Summit Securities Limited	**398**	**0.00**	17,92,398	10.84	17,92,398	10.84
Nucleus Life Trust	**35,17,709**	**21.27**	9,41,459	5.69	8,24,324	4.98

b) Reserves and surplus

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)	April 1, 2016 (₹ in lakhs)
Securities Premium Reserve	**3,446**	3,446	3,443
Capital Reserve	**5**	5	5
General Reserve	**863**	863	863
Retained earnings	**9,838**	9,064	7,026
Total reserves and surplus	**14,152**	13,378	11,337

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

(i) Securities premium reserve

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)
Opening balance	**3,446**	3,443
Exercise of option -Proceeds received	**–**	3
Closing Balance	**3,446**	3,446

Securities Premium Reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act.

(ii) Capital reserve

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)
Opening balance	**5**	5
Closing Balance	**5**	5

Pursuant to the scheme dated 02 April, 2007 (the appointed date), the existing equity shares of the Company was cancelled and the credit of ₹ 5 lakhs arising upon such cancellation was transferred to capital reserve.

(iii) General reserve

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)
Opening balance	**863**	863
Closing Balance	**863**	863

General reserve is created from time to time by way of transfer profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.

(iv) Retained earnings

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)
Opening balance	**9,064**	7,026
Add: profit for the year	**1,345**	2,101
Items of other comprehensive income recognised directly in retained earnings:		
Remeasurements of post-employment benefit obligation, net of tax	**(14)**	(63)
Dividend Paid	**(463)**	–
Tax on Dividend	**(94)**	–
Closing Balance	**9,838**	9,064

9. Distribution made and proposed

Cash dividends on equity shares declared and paid

The following dividends were paid by the Company during the year:

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)
Final dividend for the year ended on March 31, 2017 (₹ 2.80 per share)	**463**	–
Dividend Distribution tax (DDT) on final dividend	**94**	–
Total	**557**	–

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

The following dividends were proposed by the company during the year:

Proposed dividends on equity shares	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)	March 31, 2016 (₹ in lakhs)
Final cash dividend for the year ended on March 31, 2018: ₹ 2.40 per share (March 31, 2017 ₹ 2.80 per share, April 1, 2016 ₹ NIL)	**397**	463	–
Dividend Distribution Tax (DDT) on proposed dividend	**81**	94	–
Total	**478**	557	–

After the reporting dates the following dividends (including dividend distribution tax) were proposed by the directors subject to the approval at the annual general meeting.

10. Financial liabilities

a) Borrowings

Non-current borrowings

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)	April 1, 2016 (₹ in lakhs)
Secured			
Vehicle loan from Bank : Refer Note (i)	**40**	50	29
Term loans from Banks : Refer Note (ii)	**1,564**	1,989	–
Unsecured			
Finance Lease Obligations : Refer Note (iii)	**26**	34	34
Total borrowings	**1,630**	2,073	63
Less: Current maturities of long term debt	**(593)**	(450)	(15)
Less: Current maturities of long term finance lease obligations	**(14)**	(18)	(23)
Non-Current borrowings (as per balance sheet)	**1,023**	1,605	25

i) Nature of Security and Terms of repayment for secured loans from Bank

	Nature of Security	Terms of Repayment
	Term loan from a Bank is secured by hypothecation of vehicles purchased under loan.	Repayable in 36 Equated Monthly Instalments beginning from the time loan is taken along with interest ranging from 8.50% to 10.25% per annum.
ii)	Term loan from a Bank is secured by charge on Trademarks purchased under loan.	Repayable in 14 Equated Quarterly Instalments beginning from July 31, 2017 along with interest at 8.65% per annum.
iii)	Terms of repayment for unsecured Finance Lease Obligations	Repayable in 12 Equated quarterly Installments beginning from the month of taking the lease along with interest at 11.00% to 14.36% per annum.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

Current borrowings

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)	April 1, 2016 (₹ in lakhs)
Secured working Capital loans			
From Banks	**3,083**	1,901	2,196
From Financial Institution	**286**	500	–
Total secured borrowings	**3,369**	2,401	2,196
Unsecured working Capital loans			
From Banks	**423**	–	–
Total unsecured borrowings	**423**	–	–
Current borrowings (as per balance sheet)	**3,792**	2,401	2,196

Secured borrowings and assets pledged as security

Total Working Capital Loans ₹ 3,369 lakhs are secured by hypothecation of inventory and book debts and second charge on immovable assets such as land, building and plant and machinery at Thane/Ankleshwar Factory.

b) **Trade payables**

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)	April 1, 2016 (₹ in lakhs)
Trade payables other than acceptances	**5,187**	2,833	3,354
Payable to related party	**–**	32	17
Total trade payables	**5,187**	2,865	3,371

(i) There were no amounts outstanding to be paid to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).

(ii) No interest is paid/payable during the year to any micro or small enterprise registered under the MSMED.

(iii) The above information has been determined to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under the MSMED.

c) **Other financial liabilities**

	March 31, 2018 (₹ in lakhs)		March 31, 2017 (₹ in lakhs)		April 1, 2016 (₹ in lakhs)	
	Current	**Non-current**	Current	Non-current	Current	Non-current
Deposits from Dealers	**–**	**279**	–	283	–	261
Current Maturity of Long Term Borrowings	**593**	**–**	450	–	15	–
Current maturities of long term	**14**	**–**	18	–	23	–
Interest accrued but not due on Borrowings	**2**	**–**	–	–	1	–
Unpaid Dividends*	**28**	**–**	24	–	49	–
Unpaid Matured Fixed Deposits*	**5**	**–**	5	–	5	–
Employee Benefits Payable	**857**	**–**	558	–	619	–
Payables on purchase of capital assets	**4**	**–**	5	–	8	–
Total other financial liabilities	**1,503**	**279**	1,060	283	720	261

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

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

d) Finance lease Obligations

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

	March 31, 2018 (₹ in lakhs)			March 31, 2017 (₹ in lakhs)		
	Future MLP (Minimum lease Payments)	**Interest element of MLP**	**Present value of MLP**	Future MLP (Minimum lease Payments)	Interest element of MLP	Present value of MLP
Within less than one year	**16**	**2**	**14**	22	4	18
Between one and five year	**13**	**1**	**12**	18	2	16
After more than 5 years	**–**	**–**	**–**	–	–	–

11. Other liabilities

	March 31, 2018 (₹ in lakhs)		March 31, 2017 (₹ in lakhs)		April 1, 2016 (₹ in lakhs)	
	Current	**Non-current**	Current	Non-current	Current	Non-current
Advances received from customers	**73**	**–**	59	–	39	–
Statutory dues	**271**	**–**	372	–	258	–
Total other liabilities	**344**	**–**	431	–	297	–

12. Provisions

	March 31, 2018 (₹ in lakhs)		March 31, 2017 (₹ in lakhs)		April 1, 2016 (₹ in lakhs)	
	Current	**Non-current**	Current	Non-current	Current	Non-current
Provision for Employee benefits						
Compensated absences	**95**	**279**	89	232	96	199
Gratuity	**53**	**–**	19	–	–	–
Others						
Provision for Sales Return/Spoilages	**1,077**	**–**	1,001	–	987	–
Total provisions	**1,225**	**279**	1,109	232	1,083	199

Provision for Sales

	(₹ in lakhs)
Movements in provision for Sales Return/Spoilages	
As at April 1, 2016	**987**
Additional provisions recognised	961
Amount utilised during the year	(947)
As at March 31, 2017	**1,001**
Additional provisions recognised	1,373
Amount utilised during the year	(1,297)
As at March 31, 2018	**1,077**

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

13. Post employment benefit obligations

a) Defined Contribution Plans

Expenses recognised for defined contribution plans are summarised below:

		March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)
(a)	Contribution to Provident Fund	**106**	101
(b)	Contribution to Employee's Superannuation Fund	**20**	23
(c)	Contribution to Employees' State Insurance Scheme	**33**	15
(d)	Contribution to Employees' Pension Scheme	**119**	101
	Total	**278**	240

b) Defined Benefit Plans - Gratuity

The Company has a defined benefit gratuity plan (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity was carried out as at March 31, 2018 by an independent actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at March 31, 2017.

(₹ in lakhs)

	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2016	505	505	0
Current service cost	73	–	73
Interest expense/(income)	40	40	0
Total amount recognised in profit and loss	113	40	73
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	–	(0)	0
(Gain)/loss from change in demographic assumptions	(0)	–	(0)
(Gain)/loss from change in financial assumptions	31	–	31
Experience (gains)/losses	60	–	60
Total amount recognised in other comprehensive income	91	(0)	91
Employer contributions	–	5	(5)
Assets Transferred In/Acquisitions	7	7	(0)
Benefit payments	(132)	–	(132)
March 31, 2017	**583**	**557**	**26**

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

(₹ in lakhs)

	Present value of obligation	**Fair value of plan assets**	**Net amount**
March 31, 2017	583	557	26
Current service cost	81	–	81
Interest expense/(income)	43	41	2
Total amount recognised in profit and loss	124	41	83
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	–	4	(4)
(Gain)/loss from change in demographic assumptions	(15)	–	(15)
(Gain)/loss from change in financial assumptions	21	–	21
Experience (gains)/losses	21	–	21
Total amount recognised in other comprehensive income	27	4	22
Employer contributions	(54)	26	(80)
Assets/Liability Transferred In/Acquisitions	–	–	–
Benefit payments	–	–	–
March 31, 2018	**680**	**628**	**53**

The net liability disclosed above relates to funded and unfunded plans are as follows:

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)	April 1, 2016 (₹ in lakhs)
Present value of funded obligations	**680**	583	505
Fair value of plan assets	**(628)**	(557)	(505)
Deficit of funded plan	**52**	26	0
Unfunded plans	**–**	–	–
Deficit of gratuity plan	**52**	26	0

Fair value of plan assets at the balance sheet date for defined benefit obligations:

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)	April 1, 2016 (₹ in lakhs)
Government of India Assets	**–**	20	19
State Government Securities	**–**	–	21
Fixed Deposit	**160**	100	62
Corporate Bonds	**68**	68	68
Insurance fund(LIC)	**385**	356	324
Other Net Assets	**15**	13	11
Total	**628**	557	505

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	March 31, 2018	March 31, 2017	April 1, 2016
Discount rate	**7.80%**	7.34%	7.99%
Expected Return on Plan Assets	**7.80%**	7.34%	7.99%
Rate of Employee Turnover	**10.00%**	2.50%	5.00%
Salary growth rate	**8.50%**	7.50%	7.50%

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation					
	Change in assumptions		Increase in assumptions		Decrease in assumptions	
	March 31, 2018	March 31, 2017	**March 31, 2018 (₹ in lakhs)**	March 31, 2017 (₹ in lakhs)	**March 31, 2018 (₹ in lakhs)**	March 31, 2017 (₹ in lakhs)
Discount rate	**1.00%**	0.50%	**(29)**	(24)	**31**	26
Salary growth rate	**1.00%**	1.00%	**63**	53	**(55)**	(46)
Employee Turnover	**1.00%**	1.50%	**(1)**	(1)	**5**	3

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The principal assumptions used in determining gratuity and leave encashment for the Company's plan are shown below

Description of risk exposures

Valuations are performed on certain basic set of predetermined assumptions and other regulatory frame work which may vary overtime. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest rate risk

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Concentration Risk

Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Mortality risk

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Asset liability matching risk

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

14. Revenue from operations

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)
Sale of products	**33,971**	30,013
Sale of services		
– Product development	**59**	87
Other Operating Revenue		
– Scrap Sales	**88**	69
– Export Incentives	**592**	507
– Miscellaneous Income	**4**	5
Revenue from operations	**34,714**	30,681

Critical judgments in calculating amounts

When a customer has the right to return the product within the given period, the Company recognises a provision for returns ₹ 1,077 lakhs as at March 31, 2018 (March 31, 2017 - ₹ 1,000 lakhs, April 1, 2016 - ₹ 987 lakhs). This is measured based on the previous history of sales return. Revenue is adjusted for the expected value of the return.

15. Other income

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)
Interest Income	**1**	40
Provision no longer required, written back	**69**	4
Net Gain on Foreign Exchange Transaction and Translation	**17**	–
Profit on Sale of Assets (Net)	**1**	–
Insurance Claims	**10**	17
Total other income	**98**	61

16. Cost of Materials Consumed

(a)

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)
Raw material Consumed	**6,421**	5,012
Packaging material consumed	**774**	659
Total cost of Material consumed	**7,195**	5,671

(b) Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)
Opening Stock		
Work in progress	**747**	518
Finished goods	**1,040**	1,387
Stock in Trade	**1,968**	890
	3,755	2,795
Closing Stock		
Work in progress	**899**	747
Finished goods	**1,896**	1,040
Stock in Trade	**1,629**	1,968
	4,424	3,755
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	**(669)**	(960)

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

17. Employee benefits expense

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)
Salaries, wages, bonus, etc.	**7,856**	6,547
Contribution to provident and other funds	**279**	240
Gratuity	**83**	72
Compensated Absences	**101**	97
Staff welfare expenses	**695**	603
Total	**9,014**	7,559

18. Finance costs

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)
Interest expense on financial liabilities measured at amortised cost	**380**	241
Interest on income tax	**–**	12
Total	**380**	253

19. Depreciation and amortisation expense

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)
Depreciation on Property, plant and equipment	**815**	774
Amortisation of Intangible Assets	**619**	357
Depreciation and amortisation expense	**1,434**	1,131

20. Other expenses

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)
Consumption of Stores and Spares	**748**	794
Power and Fuel	**1,044**	910
Rent	**133**	96
Repairs and Maintenance		
– Buildings	**163**	136
– Plant and Machinery	**139**	109
– Others	**57**	74
Insurance	**304**	283
Rates and Taxes	**256**	314
Processing Charges	**305**	258
Product Development Cost	**8**	33
Legal and Professional Charges	**463**	393
Travelling and Conveyance	**1,197**	1,011
License Fees	**100**	114
Directors' Fees	**26**	22
Printing and Stationery	**102**	92
Postage and Telephone	**246**	204

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

20. Other expenses ***(Contd.)***

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)
Freight and Distribution	**693**	579
Loss on sale of Assets (Net)	**1**	2
Commission on Sales	**611**	514
Expenditure towards Corporate Social Responsibility (CSR) Activities [Refer note 22]	**17**	9
Net Loss on Foreign Currency Transactions and Translation (other than considered as Finance Cost)	**–**	9
Sales Promotion	**939**	697
Bad Debts and Advances written off	**138**	25
Less: Provision	**(138)**	(25)
Allowance for Doubtful Debts and Advances (Net)	**22**	23
Conference	**535**	444
Misc Service Purchases	**653**	485
Training	**178**	139
Bank charges	**92**	111
Subscription	**97**	109
Payments to auditors (Refer note 21)	**36**	45
Miscellaneous Expenses	**1,003**	758
Total	**10,168**	8,767

21. Details of payments to auditors

		March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)
a)	Audit fees	**17**	27*
b)	Taxation matters	**5**	5
c)	Other services	**12**	11
d)	Reimbursement of Expenses	**2**	2
Total		**36**	45

* This is pertaining to the fees paid to the erstwhile auditors.

22. Corporate social responsibility expenditure

		March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)
a)	Gross amount required to be spent by the Company during the year	**17**	9
b)	Amount spent during the year (in cash)		
	(i) Construction/acquisition of any asset	**–**	–
	(ii) On purposes other than (i) above	**17**	9

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

23. Research and Development expenditure

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)
Salaries and Wages	**436**	533
Consumable Stores	**109**	264
Utilities	**58**	56
Others	**164**	228
Capital expenditure	**34**	151
Intangibles under Development*	**393**	–
	1,194	1,232

* Includes development cost of new products being developed by R&D

24. Income tax expense

a) Income tax expense

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)
Current tax		
Current tax on profits for the year	**385**	481
Deferred tax		
(Decrease) increase in deferred tax liabilities	**306**	(236)
Income tax expense	**691**	245

b) The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

	March 31, 2018 (₹ in lakhs)		March 31, 2017 (₹ in lakhs)	
Profit from continuing operations before income tax expense		**2,036**		1,454
Profit from discontinuing operations before income tax expense		**–**		892
Total profit for the year		**2,036**		2,346
Tax using the Company's domestic tax rate 34.61% (Previous year 30.90%)	**34.61%**	**705**	30.90%	725
Differences due to:				
Expenses not deductible for tax purposes	**1.03%**	**21**	0.7%	17
Additional allowances under income tax in respect of Section 35(2AB)	**–7.12%**	**(145)**	–14.4%	(339)
Changes in WDV of the assets	**3.39%**	**69**	–	–
Tax losses on which no deferred tax was recognised in the earlier year	**–**	**–**	–3.6%	(85)
Effect on account of tax rate difference	**1.33%**	**27**	–2.5%	(58)
Others	**0.69%**	**14**	–0.6%	(15)
Current and Deferred Tax expenses as per note 24 (a)	**33.9%**	**691**	10.4%	245

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

c) Deferred tax liabilities (net)

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)	April 1, 2016 (₹ in lakhs)
Property, plant and equipment	**1,227**	891	888
Others	**–**	24	44
Total deferred tax liabilities	**1,227**	915	932
Unabsorbed Depreciation	**126**	533	792
Provision for Employee Benefits	**111**	77	69
Provision for Doubtful Debts and Advances	**39**	67	71
Provision for sales return and spoilages	**344**	317	313
Statutory Liabilities	**18**	16	–
MAT Entitlement	**1,333**	948	467
Total deferred tax assets	**1,971**	1,958	1,712
Net	**(744)**	(1,043)	(780)

d) Movement in deferred tax liabilities/assets

	MAT (₹ in lakhs)	Provisions (₹ in lakhs)	Unabsorbed depreciation/ Tax loss (₹ in lakhs)	Property plant and equipment (₹ in lakhs)	Total (₹ in lakhs)
At April 1, 2016	**467**	**453**	**792**	**(932)**	**780**
(Charged)/credited:					
– to profit or loss	481	(4)	(259)	17	235
– to other comprehensive income		28			28
At March 31, 2017	**948**	**477**	**533**	**(915)**	**1,043**
(Charged)/credited:					
– to profit or loss	385	27	(407)	(312)	(307)
– to other comprehensive income		8			8
At March 31, 2018	**1,333**	**512**	**126**	**(1,227)**	**744**

e) Current tax Assets/(liabilities)

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)	April 1, 2016 (₹ in lakhs)
Opening balance Asset (net)	**52**	106	95
Less: Current tax payable for the year	**(385)**	(481)	(224)
Add: Taxes paid	**370**	427	235
Closing balance Asset (net)	**37**	52	106

25. Discontinued operation

a) Description

In the previous year, pursuant to the approval of the Board of Directors at their meeting held on May 26, 2016, the Company had entered into a Business Transfer Agreement dated May 26, 2016 with Intas Pharmaceuticals Limited for sale of Biotech Business Unit, as a going concern on a slump sale basis, at a consideration of ₹ 2,487 lakhs. The sale consideration was received on July 6, 2016 (closing date). The gain realised from the aforesaid sale of Biotech Business Unit amounting to ₹ 738 lakhs has been considered as discontinued operations in accordance with Ind AS - 105 -

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

'Non-Current Assets held for sale and Discontinued Operations and the requisite information for Biotech Business Unit has been furnished hereunder;

b) Financial performance and cash flow information

Particulars		March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)
a)	Revenue from Operations	–	661
b)	Direct Expenses	–	507
c)	Profit from ordinary activities before tax	–	154
d)	Profit on sale of Biotech Business Unit	–	738
e)	Tax Expense	–	–
f)	Profit on sale of Biotech Business Unit (net of tax) (d-e)	–	738
g)	Net Profit from Discontinuing operations (c+f)	–	892

The net cash flows attributable to discontinuing operations are as follows:

Particulars		March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)
a)	Operating activities	–	201
b)	Investing activities	–	2,487
c)	Financing activities	–	–
d)	Net cash inflows	–	2,688

c) Details of the sale of the business

Particulars		March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)
a)	Consideration received	–	2,487
b)	Carrying amount of net assets sold	–	1,749
c)	Gain on sale before income tax	–	738
d)	Income tax expense on gain	–	–
e)	Gain on sale after income tax	–	738

The carrying amounts of assets and liabilities as at the date of sale (July 6, 2016) were as follows:

Particulars		(₹ in lakhs)
a)	Property, plant and equipment - Tangible Assets	1,371
	Intangible Assets	215
	Capital Work in progress	7
b)	Net Current Assets	137
c)	Legal & other consultant Fees	19
d)	Net Assets	1,749

26. 2005 Employee Stock Option Plan (ESOP 2005)

Pursuant to a special resolution passed by the Shareholders at the Annual General Meeting held on August 27, 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 December 14, 2007, in lieu of options that were granted by Brabourne Enterprise Limited (the transferor Company) under its ESOP 2005. The total number of equity shares reserved under the said plan is 250,000 equity shares of ₹ 8 each. The details of such equity shares granted are as follows:

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

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

(a) Granted and vested 30,119 equity stock options to employees, in lieu of options that were granted to them by Brabourne Enterprise Limited. The employee had an option to apply for one equity share of ₹ 8 each at an exercise price of ₹ 32.06. Of these options, 29,255 equity stock options had been exercised in earlier years and the remaining equity stock options have lapsed.

(b) Granted 95,000 equity stock options to the eligible director and employees of the Company, with an option for one equity share of ₹ 8 each at an exercise price of ₹ 100 being the price higher than the closing price quoted on the National Stock Exchange prior to the date of meeting of the Remuneration/Compensation Committee. These equity stock options shall vest, 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 equity stock options had lapsed / forfeited in earlier years.

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

Granted 15,000 equity stock options to an eligible employee with an option for one equity share of ₹ 8 each at an exercise price of ₹ 104 being the price higher than the closing price quoted on the National Stock Exchange prior to the date of meeting of the Remuneration/Compensation Committee. These equity stock options shall vest, in case of employees of General Manager grade and above, equally but conditionally on linear scale based on performance, over five years beginning from one year after the date of grant. Barring certain eventualities, the exercise period to subscribe to the equity shares would be 10 years from the dates of vesting except otherwise mentioned in ESOP 2005. Of these options, 2,910 equity stock options were outstanding as of March 31, 2016 which have been exercised during the year. The remaining equity stock options have lapsed/forfeited in earlier years. The Company has adopted intrinsic value method as permitted by the SEBI Guidelines and the Guidance Note on Accounting for Employee Share Based Payment issued by the Institute of Chartered Accountants of India to account for the cost of stock options to employees and a director of the Company. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option. In view of the exercise price being higher than the closing market price on the day prior to the date of grant, the intrinsic value of the option is Nil. Consequently, the accounting value of the option (compensation cost) is also Nil.

Movement in the Options under ESOP 2005:

	Year ended (₹ in lakhs)					
	March 31, 2018		March 31, 2017		March 31, 2016	
Particulars	**No of options**	**Weighted average exercise price**	No of options	Weighted average exercise price	No of options	Weighted average exercise price
Outstanding at the beginning of the year	**Nil**	**Not Applicable**	2,910	104	10,014	104
Granted during the year	**Nil**	**Not Applicable**	Nil	Not Applicable	Nil	Not Applicable
Forfeited during the year	**Nil**	**Not Applicable**	Nil	Not Applicable	Nil	Not Applicable
Exercised during the year	**Nil**	**Not Applicable**	2,910	104	Nil	Not Applicable
Expired/lapsed during the year	**Nil**	**Not Applicable**	Nil	Not Applicable	7,104	91.73
Outstanding at the end of the year	**Nil**	**Not Applicable**	Nil	Not Applicable	2,910	104
Exercisable at the end of the year	**Nil**	**Not Applicable**	Nil	Not Applicable	2,910	104

The weighted average fair value of each stock option on the date of its grant is ₹ 41.34, which has been vetted by an independent valuer. This fair value has been calculated using Black-Scholes Option Pricing Model. The inputs used

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

for this calculation are (i) Average Share Price: ₹ 91.33 on the date of grant (ii) Average Exercise Price: ₹ 90.70 (iii) Average Expected Volatility: 47.98% (iv) Average Option Life: 8 years (v) Average Expected Dividend Yield: 3.50%, and (vi) Average Risk Free Interest Rate: 8.08%. The daily volatility of the company's shares on the National Stock Exchange over a period of time prior to the date of grant, corresponding with the expected life of the options, has also been considered for determining the fair value.

27. Contingent liabilities and contingent assets

Contingent liabilities

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)	April 1, 2016 (₹ in lakhs)
Bank Guarantees given on behalf of the Company for various parties	**393**	377	405

28. Commitments

a) Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances ₹ 22 lakhs [Previous year ₹ 16 lakhs]) ₹ 425 lakhs [Previous year ₹ 89 lakhs].

b) Other Commitments

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)	April 1, 2016 (₹ in lakhs)
(i) Guarantee given to Gujarat Industrial Development Corporation	**15**	15	15

c) Non - Cancellable Operating lease

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

Disclosures in respect of Office Equipment, Server and Laptops taken on lease:

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)	April 1, 2016 (₹ in lakhs)
Commitments for MLP in relation to non- cancellable operating lease are payable as follows:			
Within one year	**55**	65	24
Later than one year but not later than five years	**11**	57	14
Later than five years	**–**	–	–

29. Earnings per share

(a) Profit attributable to equity share holders

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)
Profit attributable to the equity holders of the company from continuing operations	**1,345**	1,209
Profit attributable to the equity holders of the company from discontinuing operations	**–**	892
	1,345	2,101

(b) Weighted average number of equity shares

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

	March 31, 2018 No. of shares	March 31, 2017 No. of shares
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	**1,65,39,015**	1,65,39,015
Earnings per share		
Basic EPS-From continuing operations attributable to equity holders	**8.13**	7.31
Basic EPS-From discontinued operations	**-**	5.39
Total basic earnings per share attributable to the equity holders of the company	**8.13**	12.70

30. First time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 1, 2017, with a transition date of April 1, 2016. These financial statements for the year ended March 31, 2018 are the first the Company has prepared under Ind AS. For all periods upto and including the year ended March 31, 2017 , the Company prepared its financial statements in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act IGAAP (hereinafter referred to as "IGAAP").

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended March 31, 2018, together with the comparative information as at and for the year ended March 31, 2017. The Company's opening Ind AS Balance Sheet has been prepared as at April 1, 2016, the date of transition to Ind AS.

In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

In preparing these Ind AS financial statements, the Company has availed certain exemptions and complied with the mandatory exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and IGAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its IGAAP financial statements, including the Balance Sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

A.1 Ind AS optional exemptions

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous IGAAP to Ind AS.

A.1.1. Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the IGAAP and use that as its deemed cost as at the date of transition.

Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their IGAAP carrying value.

A.1.2. Share-based payment transaction

"Ind AS 101 permits first time adopter not to apply Ind AS 102 ""Share-based payments"" to equity instruments that vested before the date of transition to Ind AS.

Accordingly, the Company has not adopted Ind AS 102 for the equity instruments that vested before the date of transition. "

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

A.2 Ind AS mandatory exceptions

The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with IGAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with IGAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model. in accordance with Ind AS at the date of transition as these were not required under IGAAP.

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

A.2.3 Impairment of financial assets

Ind AS 101 requires guidances for impairment as per Ind AS 109 to be applied post transition date.

B. Reconciliations between IGAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from IGAAP to Ind AS.

Reconciliation of total equity as at March 31, 2017 and April 1, 2016

	Notes to first time adoption	March 31, 2017 (₹ in lakhs)	April 1, 2016 (₹ in lakhs)
Total equity (shareholder's funds) as per IGAAP		**15,408**	13,359
Adjustments			
Provision for Sales Return	**8**	**(1,000)**	(987)
Provision for Expected Credit Loss	**6**	**(35)**	(24)
Amortisation of Borrowing Cost	**3**	**11**	–
Deferred tax assets (net) (on the above adjustments)	**1**	**317**	313
Total adjustments		**(707)**	(699)
Total equity as per Ind AS		**14,701**	12,661

Reconciliation of equity as at date of transition (April 1, 2016)

Non Current Assets	Notes to first time adoption	Recasted IGAAP * (₹ in lakhs)	Ind AS Adjustments (₹ in lakhs)	IndAS (₹ in lakhs)
Property, plant and equipment		9,289		9,289
Capital work-in-progress		159		159
Other intangible assets		1,637		1,637
Financial assets		–		–
i. Loans		6		6
ii. Other financial assets		62		62
Current Tax asset (Net)		106		106
Deferred tax assets (net)	1	467	313	780
Other non-current assets		98		98
Total Non current Assets		**11,824**	**313**	**12,137**

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

	Notes to first time adoption	Recasted IGAAP * (₹ in lakhs)	Ind AS Adjustments (₹ in lakhs)	IndAS (₹ in lakhs)
Current Assets				
Inventories		3,902		3,902
Financial assets		–		–
i. Trade receivables	6	3,699	(24)	3,675
ii. Cash and cash equivalents		23		23
iii. Bank balances other than (ii) above		57		57
iv. Other financial assets		104		104
Other current assets		914		914
Total Current Assets		**8,699**	**(24)**	**8,675**
Total Assets		**20,523**	**289**	**20,812**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital		1,323		1,323
Other equity				
Reserves and Surplus	4	12,036	(699)	11,337
Total Equity		**13,359**	**(699)**	**12,660**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
i. Borrowings		25		25
ii. Other financial liabilities		261		261
Provisions		199		199
Total non-current liabilities		**485**	**–**	**485**
Current liabilities				
Financial liabilities				
i. Borrowings		2,196		2,196
ii. Trade payables		3,371		3,371
iii. Other financial liabilities		720		720
Provisions	8	96	987	1,083
Current tax liabilities (net)		–		–
Other current liabilities		297		297
Total current liabilities		**6,680**	**987**	**7,667**
Total liabilities		**7,165**	**987**	**8,152**
Total equities and liabilities		**20,524**	**288**	**20,812**

* The previous GAAP figures have been reclassified to conform to IndAS presentation requirement for the purposes of this note

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

Reconciliation of equity as at March 31, 2017

Non Current Assets	Notes to first time adoption	Recasted IGAAP * (₹ in lakhs)	Ind AS Adjustments (₹ in lakhs)	IndAS (₹ in lakhs)
Property, plant and equipment		8,219		8,219
Capital work-in-progress		182		182
Other intangible assets		5,448		5,448
Financial assets				
i. Loans		5		5
ii. Other financial assets		28		28
Current Tax asset (Net)		54		54
Deferred tax assets (net)	1	726	317	1,043
Other non-current assets		72		72
Total Non current Assets		**14,734**	**317**	**15,051**
Current Assets				
Inventories		4,578		4,578
Financial assets				
i. Trade receivables	6	3,963	(35)	3,928
ii. Cash and cash equivalents		86		86
iii. Bank balances other than (ii) above		74		74
iv. Other financial assets		242		242
Other current assets		730		730
Total Current Assets		**9,673**	**(35)**	**9,638**
Total Assets		**24,407**	**282**	**24,689**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital		1,323		1,323
Other equity				
Reserves and Surplus	4	14,085	(707)	13,378
Total Equity		**15,408**	**(707)**	**14,701**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
i. Borrowings	3	1,616	(11)	1,605
ii. Other financial liabilities		283		283
Provisions		232		232
Total non-current liabilities		**2,131**	**(11)**	**2,120**
Current liabilities				
Financial liabilities				
i. Borrowings		2,401		2,401
ii. Trade payables		2,865		2,865
iii. Other financial liabilities		1,060		1,060
Provisions	8	108	1,000	1,109
Current tax liabilities (net)		2		2
Other current liabilities		431		431
Total current liabilities		**6,867**	**1,000**	**7,868**
Total liabilities		**8,998**	**989**	**9,988**
Total equities and liabilities		**24,406**	**282**	**24,689**

* The previous GAAP figures have been reclassified to conform to IndAS presentation requirement for the purposes of this note.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

Reconciliation of total comprehensive income for the year ended 31 March, 2017

	Notes to first time adoption	Recasted IGAAP * (₹ in lakhs)	Ind AS Adjustements (₹ in lakhs)	IndAS (₹ in lakhs)
Revenue from operations	8	30,694	(13)	30,681
Other income		61		61
Total Income		**30,755**	**(13)**	**30,742**
Expenses				
Cost of Materials Consumed		5,671		5,671
Purchases of Stock-in-Trade		5,550		5,550
Changes in inventories of Finished Goods,Work-in-Progress and Stock-in-Trade		(960)		(960)
Excise Duty on sales		1,317		1,317
Employee benefit expense	2	7,650	(91)	7,559
Finance costs	3	264	(11)	253
Depreciation and amortisation expense		1,131		1,131
Other expenses	6	8,756	11	8,767
Total expenses		**29,379**	**(91)**	**29,288**
Profit before tax from continuing opearation		**1,376**	**78**	**1,454**
Income tax expense				
– Current tax		481		481
– Deferred tax	1	(259)	24	(236)
Total tax expense		**222**	**24**	**245**
Profit from continuing opearations		**1,154**	**54**	**1,209**
Profit from discontinued opearations		892		892
Profit for the year		2,046		2,101
Other comprehensive income	5			
Remeasurements of post-employment benefit obligations	2		91	91
Income tax relating to the above	1		(28)	(28)
Other comprehensive income for the year, net of tax			**63**	**63**
Total comprehensive income for the year		**2,046**	**(8)**	**2,038**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purposes of this note.

C. Notes to first-time adoption:

1. Deferred tax

The various transitional adjustments lead to temporary differences. According to the Ind AS and accounting policies followed by the Company it is required to account for the tax effect of such diferrences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or other comprehensive income, on the date of transition.

2. Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the IGAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2017 increased by ₹ 91 lakhs. There is no impact on the total equity as at March 31, 2017.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

3. **Borrowings**

   Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

   Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, borrowings as at March 31, 2017 have been reduced by ₹ 11 lakhs.The total equity increased by an equivalent amount. The profit for the year ended March 31, 2017 reduced by ₹ 1 lakhs as a result of the additional interest expense.

4. **Retained earnings**

   Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

5. **Other comprehensive income**

   Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as "other comprehensive income" includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

6. **Trade Receivables**

   As per Ind AS 109, the company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result , the allowance for doubtful debts increased by ₹ 35 lakhs as at March 31,2017. Consequently, the total equity as at March 31, 2017 decreased by ₹ 35 lakhs (April 1, 2016 - ₹ 24 lakhs) and profit for the year ended March 31, 2017 decreased by ₹ 11 lakhs.

7. **Excise duty**

   Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended March 31, 2017 by ₹ 1335 lakhs (April 1, 2016 - ₹ 1089 lakhs). There is no impact on the total equity and profit.

8. **Sales Return & Spoilages**

   Provision for sales return and spoilages has been made under Ind AS as per past trend of sales return to sales. Consequently, the total equity as at March 31, 2017 decreased by ₹ 1,000 lakhs (April 1, 2016 - ₹ 987 lakhs) and profit for the year ended March 31, 2017 decreased by ₹ 13 lakhs.

31. Financial risk management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the Board of Directors on its activities. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Company, through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit.

i. Credit risk:

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

of customers to which the company grants credit terms in the normal course of business. The company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade receivables and other financial assets. The credit risk relates to the certain items is as follows :

Trade receivable

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments etc.) and applying experienced credit judgment. Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. The Company has used expected credit loss (ECL) model (under simplified approach) for assessing the impairment loss. For the purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

	Current	**0-30 days**	**31-180 days**	**181-365 days**	**More than 365 days**
Default Rate	0.17%	1.20%	1.87%	35.20%	35.20%

Cash and cash equivalents

As at the year end, the Company held cash ₹ 11 lakhs (31.03.2017 - ₹ 86 lakhs). The cash counterparties are banks with good credit rating.

Other Bank Balances

Other bank balances are held with bank and financial institution counterparties are banks with good credit rating.

Other financial assets

a) Other financial assets which include rent deposits, loans to employees, employee advances and insurance claim receivable for which the credit risk has not increased significantly since initial recognition, accordingly the expected probability of default is low.

b) Other financial assets also includes security deposits where the loss allowance is measured based on life time expected credit loss as per the table given below.

Security Deposits	**March 31, 2018 (₹ in lakhs)**	March 31, 2017 (₹ in lakhs)	April 1, 2016 (₹ in lakhs)
Gross carrying amount	**66**	68	59
Expected credit losses	**(35)**	(45)	(33)
Carrying amount net of impairment provision	**31**	23	26

c) Reconciliation of loss allowance provision - Security Deposits

Reconciliation of loss allowance as per life time expected credit loss	**Loss Allowance measured at life time expected losses* (₹ in lakhs)**
Loss Allowance on April 1, 2016	33
Add: Increase in loss allowances	12
Loss Allowance on March 31, 2017	45
Less: Decrease in loss allowances	(10)
Loss Allowance on March 31, 2018	35

* Financial assets for which credit risk has increased significantly and not credit-impaired

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

d) Reconciliation of loss allowance provision - Trade receivables (Simplified approach) (₹ in lakhs)

Loss Allowance as on April 1, 2016	(190)
Changes in loss allowance	(2)
Loss Allowance as on March 31, 2017	(188)
Changes in loss allowance	(125)
Loss Allowance as on March 31, 2018	(63)

Significant estimates and judgments

Impairment of financial assets

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting.

(ii) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The table below provides details regarding the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities 31-03-2018	**Carrying Amount (₹ in lakhs)**	**Less than 12 months (₹ in lakhs)**	**More than 12 months (₹ in lakhs)**	**Total (₹ in lakhs)**
Non Derivative				
Borrowings	5,398	4,387	1,011	5,398
Obligations under Finance lease	26	14	12	26
Trade payables	5,187	5,187	–	5,187
Other financial liabilities	1,173	894	279	1,173
	11,784	10,482	1,302	11,784
31-Mar-17				
Non Derivative				
Borrowings	4,440	2,851	1,589	4,440
Obligations under Finance lease	34	18	16	34
Trade payables	2,865	2,865	–	2,865
Other financial liabilities	875	592	283	875
	8,214	6,326	1,888	8,214
01-Apr-16				
Non Derivative				
Borrowings	2,227	2,212	15	2,227
Obligations under Finance lease	33	23	10	33
Trade payables	3,371	3,370	–	3,370
Other financial liabilities	942	681	261	942
	6,573	6,286	286	6,572

(iii) Market Risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

We are exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs. The Company uses derivative to manage market risk.

Currency Risk

a) The company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows:

(₹ in lakhs)

	As at March 31, 2018			As at March 31, 2017			As at April 01, 2016		
	US Dollar	**Euro**	**GBP**	US Dollar	EUR	GBP	US Dollar	EUR	GBP
Financial Assets									
Trade Receivables	**2176**	**262**	**743**	1,353	27	121	1,896	130	79
Derivative Assets									
Foreign Exchange forward contracts	**–**	**–**	**–**	25	–	0	7	–	–
Financial Liabilities									
Trade Payables	**(219)**	**–**	**–**	(14)	–	–	5	(69)	–
Loan	**(1,607)**	**–**	**–**	(606)	–	–	(1,309)	(145)	–
Net Exposure to foreign Currency risk	**350**	**262**	**743**	758	27	121	599	(84)	79

b) Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EURO and GBP rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(₹ in lakhs)

	Change in assumptions	**Increase in assumptions**			**Decrease in assumptions**		
		March 31, 2018	March 31, 2017	March 31, 2016	**March 31, 2018**	March 31, 2017	March 31, 2016
USD	+/- 5%	**17**	37	30	**(17)**	(37)	(30)
EURO	+/- 5%	**13**	1	(4)	**(13)**	(1)	4
GBP	+/- 5%	**37**	6	4	**(37)**	(6)	(4)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Fair value sensitivity analysis for fixed-rate instruments

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

32. Capital Management:

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The Company seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as interest-bearing loans and borrowings, less cash and cash equivalents, other bank bank balances.

The gearing ratios were as follows:

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)	April 1, 2016 (₹ in lakhs)
Net debt	**5,330**	4,314	2,180
Total Equity	**15,475**	14,701	12,660
Net debt to equity ratio	**0.34**	0.29	0.17

33. Fair value measurements

a) Financial instruments by category

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)	April 1, 2016 (₹ in lakhs)
Financial assets (at amortised cost)			
Loans	**9**	5	6
Trade receivables	**6,813**	3,928	3,675
Cash and cash equivalents	**11**	86	23
Bank Balances	**83**	74	57
Deposits	**59**	51	88
Other financial assets	**79**	219	78
Total financial assets	**7,054**	4,363	3,927
Financial liabilities (at amortised cost)			
Borrowings	**5,424**	4,474	2,260
Deposits	**279**	283	261
Other financial liabilities	**894**	592	681
Trade payables	**5,187**	2,865	3,371
Total financial liabilities	**11,784**	8,214	6,573

b) Fair value hierarchy

	Carried at amortised cost (At Level 2)		
Financials Assets and liabilities measured at amortised cost for which fair value are disclosed	**March 31, 2018 (₹ in lakhs)**	March 31, 2017 (₹ in lakhs)	April 1, 2016 (₹ in lakhs)
Financial assets			
Loans	**9**	5	6
Deposits	**8**	8	8
Financial liabilities			
Borrowings	**1,566**	1,991	–
Deposits	**279**	279	261

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

1. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

   The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

   Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

   Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

   Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

2. **Valuation technique used to determine fair value**

   Specific valuation techniques used to value financial instruments include:

   – the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

c) Fair value of financial assets & liabilities measured at amortised cost

	March 31, 2018		March 31, 2017		April 1, 2016	
	Carrying Amount (₹ in lakhs)	**Fair Value (₹ in lakhs)**	Carrying Amount (₹ in lakhs)	Fair Value (₹ in lakhs)	Carrying Amount (₹ in lakhs)	Fair Value (₹ in lakhs)
Financial assets						
Loans	**9**	**9**	5	5	6	6
Deposits	**8**	**8**	8	8	8	8
Financial liabilities						
Borrowings	**1,564**	**1,566**	1,989	1,991	–	–
Deposits	**279**	**279**	279	283	261	261

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and cash equivalents, bank balances , trade receivables, other current financial assets, trade payables, other current financial liabilities, short term borrowings from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. The amount of fair value of loans to employee and security deposits given and taken is considered to be insignificant in value and hence carrying value and fair value is considered as same.
3. **Significant estimates**

   The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

34. Segment information

a) Description of segments and principal activities

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the company. The Managing Director, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CODM of the company. The CODM reviews the company's performance on the analysis of profit before tax at overall level. Accordinlgly, the Company has only one reportable business segment which is manufacturing and marketing of pharmaceutical products as per Ind AS 108. ("Operating Segments")

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

b) Segment revenue

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

Revenue from external customers	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)
India	**23,280**	20,828
Outside India	**11,434**	9,853
Total	**34,714**	30,681

c) Segment Assets

Non-current assets*	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)	April 1, 2016 (₹ in lakhs)
India	**14,027**	13,921	11,183
Outside India	**–**	–	–
Total	**14,027**	13,921	11,183

* Other than financial instruments, deferred tax assets and post-employment benefit assets

There are no major customers who individually contribute for more than 10 percent of the entity's revenue.

35. Related party transactions

In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017 the required disclosures are given in the table below:

a) Related parties with whom the Company had transactions during the year

Key Management Personnel

– CT. Renganathan - Managing Director

Non-Executive Directors

– H.V. Goenka - Chairman
– C.L. Jain
– Manoj Maheshwari
– Mahesh S. Gupta
– Lalit S. Kanodia
– Narendra Ambwani
– Zahabiya Khorakiwala
– Sachin Nandgaonkar
– Yugal Sikri

Entities where control / significant influence by KPMs and their relatives exists and with whom transactions have taken place

– RPG Enterprises Limited
– Ceat Limited
– Zensar Technologies Limited
– KEC international Limited
– Raychem RPG Private Limited
– Searle (India) Limited Management Staff superannuation Fund
– Searle (India) Limited Staff Gratuity Fund

b) Key Management Personnel - Compensation

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)
Short-term employee benefits	**239**	206
Post-employment benefits #$	**10**	9
Total	**249**	215

\# excludes provision for gratuity and compensated absences, which is determined on the basis of actuarial valuation done on overall basis of the Company.

$ Including PF and other benefits.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2018

c) Transactions with the other related parties:

The following transactions occurred with the other related parties:

		March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)
(i)	Purchase of Intangibles assets - Zensar Technologies Limited	**34**	41
(ii)	License fees - RPG Enterprises Limited	**100**	114
(iii)	Payments made/expenses incurred on behalf of related party		
	– Ceat Limited	**15**	33
	– RPG Enterprises Limited	**65**	32
	– KEC international Limited	**2**	2
	– Raychem RPG Private Limited	**–**	–
	– Zensar Technologies Limited	**16**	15
(iv)	Service charges - Ceat Limited	**101**	101
(v)	Sitting Fees paid to Chairman and Non-executive directors		
	– H.V Goenka	**3**	3
	– C.L. Jain	**4**	3
	– Manoj Maheshwari	**2**	2
	– Mahesh S. Gupta	**4**	3
	– Lalit S. Kanodia	**3**	2
	– P.K. Mohapatra	**–**	2
	– Narendra Ambwani	**3**	2
	– Zahabiya Khorakiwala	**2**	2
	– Sachin Nandgaonkar	**3**	3
	– Yugal Sikri	**4**	2
(vi)	Contribution made to Trusts		
	– Searle (India) Limited Management Staff superannuation Fund	**20**	23
	– Searle (India) Limited Staff Gratuity Fund	**106**	160

d) Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with the related parties:

	March 31, 2018 (₹ in lakhs)	March 31, 2017 (₹ in lakhs)	March 31, 2016 (₹ in lakhs)
Trade Payables	**–**	32	17
Post Employment Benefit Plan	**52**	32	8

All transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured and are repayable in cash.

36. Business Combination

On October 21, 2016, the Company has acquired for cash consideration of ₹ 4,488 lakhs certain product trademarks owned by Sun Pharmaceuticals Industries Limited and its subsidiaries and certain other assets such as inventories, novated contracts i.e. supplier contracts and information contained in the registration, dossier and/or drug master files. The Company has also acquired perpetual, exclusive, royalty free licences.

The assets and liabilities recognised as a result of the acquisition are as follows:

	₹ in Lakhs
Trademark	4,273
Inventories	215
Net identifiable assets acquired	**4,488**

The value of trademarks and novated contracts was determined on the basis of an independent valuation and the novated contracts were determined to a Nil value. No goodwill or capital reserve arise on the transaction.

RPG LIFE SCIENCES

Regd. Office: RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai 400 030.
CIN: L24232MH2007PLC169354
Tel: 91-22-24981650 | Fax: 91-22-24970127 | Email: info@rpglifesciences.com | Website: www.rpglifesciences.com

ATTENDANCE SLIP

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

Sr. No.:

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

I/We hereby record my/our presence at the 11th Annual General Meeting of the Company on Friday, July 27, 2018, at 3.00 p.m. at Ravindra Natya Mandir, P.L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai - 400 025.

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

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FORM NO.MGT-11

PROXY FORM

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

Name of the Member(s): ....
Registered Address: ....
Email ID: ....
Folio No./Client ID: ....
DP ID: ....

I/ We, being the member(s) of ________ shares(s) of the above named company, hereby appoint; ;

1. Name:________ Address ________
   ____
   E-mail Id:________ Signature:________ or failing him
2. Name:________ Address ________
   ____
   E-mail Id:________ Signature:________ or failing him
3. Name:________ Address ________
   ____
   E-mail Id:________ Signature:________ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 11th Annual General Meeting of the Company, to be held on Friday, July 27, 2018 at 3.00 p.m. at Ravindra Natya Mandir, P.L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai - 400 025 and at any adjournment thereof in respect of such resolutions as are indicated below:

1.	Adoption of Audited Financial Statements for the financial year ended March 31, 2018 and the Reports of the Directors and Auditors thereon.
2.	Declaration of dividend on equity shares of the Company for the financial year ended March 31, 2018.
3.	Re-appointment of Mr. Sachin Nandgaonkar (DIN: 03410739) as a Director of the Company.
4.	Ratification of the appointment of Statutory Auditors' of the Company.
5.	Ratification of remuneration payable to Cost Auditors of the Company.
6.	Re-appointment of Mr. CT. Renganathan (DIN: 02158397) as a Managing Director of the Company

Signed this ………………………….day of……………………………………2018

Signature of member : ____

Signature of Proxy holder(s) : ____

Affix
Revenue
Stamp

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

RPG LIFE SCIENCES

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

CIN:L24232MH2007PLC169354

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

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC FORM

Dear Shareholders,

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

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

Shareholders holding shares in physical mode and wishing to register / update their E-mail ID to receive the Annual Report and other documents in electronic mode, are requested to fill the below form and send the same to our Registrar and Share Transfer Agents viz., Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083. The Company will not be in a position to send the documents in electronic mode unless the duly filled in form below is received.

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

For RPG Life Sciences Limited

Place: Mumbai

Date: May 2, 2018

Rajesh Shirambekar

Head – Legal & Company Secretary

RPG LIFE SCIENCES

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

CIN:L24232MH2007PLC169354

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CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC FORM

I/We agree to receive documents in electronic mode pursuant to Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014. Please register / update* the E-mail ID as mentioned below.

*Strike out whichever is not applicable.

1 Name(s) of Shareholder(s) (including joint holders, if any) : ______________________________

____

2 No. of Shares held : ______________________________

3 Registered Folio No. / DP ID & Client ID : ______________________________

4 E-mail ID for receipt of documents in electronic mode :

Place: _____________

Date: ______________

(Signature of First holder)

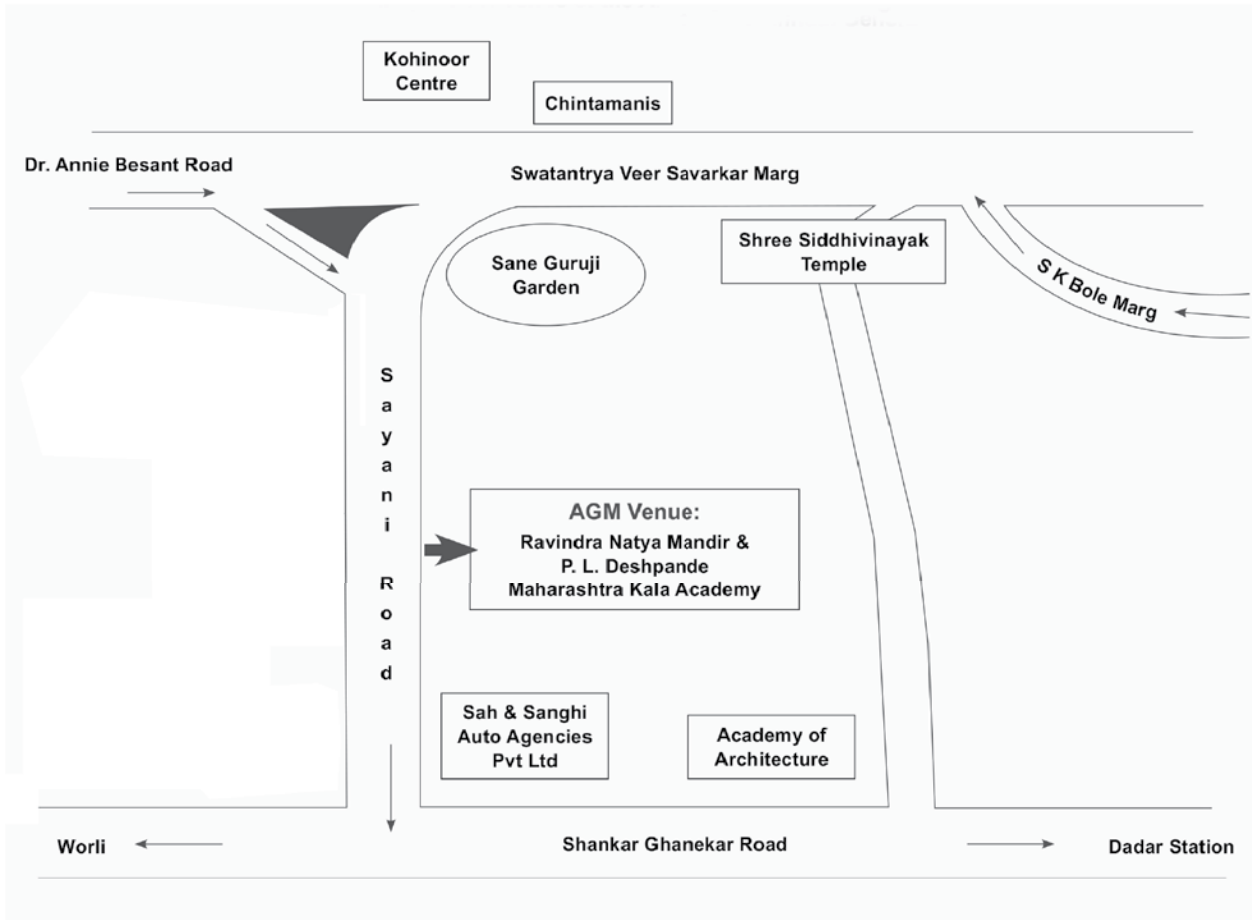
(Name of First holder)

For Physical Shares : Kindly send to Link Intime India Private Limited.

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

RPG Life Sciences Limited

Route Map for the 11th Annual General Meeting



Venue Address: Ravindra Natya Mandir, P. L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai 400 025.

(Source: Google Map)

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