



Science for Life



About 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 early 19th century. Today, the Group has several companies in diverse sectors predominantly CEAT, Zensar Technologies, KEC International, and RPG Life Sciences. 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.

hello happiness

Last year, we launched the RPG Group's new brand tagline - 'hello happiness', which is now an integral part of our Group's ethos. Our Vision tenets clearly outline the path we all collectively traverse – one that seeks to propel every RPGian to overcome their own limitations; one that drives each one 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 and is the culmination of our Vision tenets captured in our tagline. 'hello happiness' is a bold 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.

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 assumptions. Should known or unknown risks or uncertainties materialise, 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.

**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. Sachin Nandgaonkar	
Mr. Yugal Sikri	Managing Director

MANAGEMENT TEAM

Mr. Yugal Sikri	Managing Director
Mr. B. M. Sundaram	Business Head - API, International & Speciality
Mr. Manoj Muthiyan	Vice President - New Product Development & Regulatory Affairs
Mr. Mahesh Narayanaswamy	Vice President - Finance
Mr. Milind Gujar	Chief Quality Officer
Mr. Samir Rane	Business Unit Head - Main Division
Ms. Suchitra Tiwari	Head - Regulatory & Project Management
Mr. Tushar Joshi	Head - Human Resources
Mr. Himmat Patel	Head - Domestic Manufacturing
Mr. Kartick Patra	Head - API Operations & Procurement
Mr. Rajesh Chopra	Site Head - F2

**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.

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWELFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF RPG LIFE SCIENCES LIMITED WILL BE HELD ON TUESDAY, JULY 30, 2019 AT 2.30 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, 2019 and the Report of the Directors and Auditors' thereon.
2. To declare dividend for the year ended on March 31, 2019.
3. To appoint a Director in place of Mr. H.V. Goenka (DIN: 00026726), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and upon the recommendation of the Nomination and Remuneration Committee, Dr. Lalit Kanodia (DIN:00008050), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for his further term of 5 (five) years from September 25, 2019 to September 24, 2024 as well as to continue to hold the position of Non-Executive Independent Director beyond 75 years of age.

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

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and upon the recommendation of the Nomination and Remuneration Committee, Mr. Narendra Ambwani (DIN: 00236658), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for his further term of 5 (five) years from September 25, 2019 to September 24, 2024 as well as to continue to hold the position of Non-Executive Independent Director beyond 75 years of age.

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 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and upon the recommendation of the Nomination and Remuneration Committee, Mr. Mahesh Gupta (DIN: 00046810), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for his further term of 5 (five) years from September 25, 2019 to September 24, 2024.

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."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and upon the recommendation of the Nomination and Remuneration Committee, Mr. Manoj Maheshwari (DIN:00012341), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for his further term of 5 (five) years from September 25, 2019 to September 24, 2024.

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."

8. 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, 2020, be paid the remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting.

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

NOTES:

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

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

2. Shareholders/ proxies should bring duly filled attendance slip send herewith to attend the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, July 24, 2019 to Tuesday, July 30, 2019 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the dividend for 2018-19.
5. The dividend for the financial year March 31, 2019, as recommended by the Board, if approved by the shareholders, will be paid on or after Wednesday, July 31, 2019, 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 Tuesday, July 23, 2019 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 Tuesday, July 23, 2019.
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, 2018	588	72,894
No. of Shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year	2	683
No. of Shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	2	683
No. of Shareholders whose shares were transferred to Investor Education and Protection Fund during the year	501	63158
Aggregate no. as at March 31, 2019	85	9053

The voting rights on the shares outstanding in the suspense account as on March 31, 2019 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 in respect of the Director seeking re-appointment at the Annual General Meeting, forms integral part of the Notice. The Directors have furnished the requisite declarations for their re-appointment.
11. The Notice of the AGM along with the Annual Report 2018-19 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 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 2010-11 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 Participants. 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. **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 12th 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 12th 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 Saturday, July 27, 2019 (09.00 a.m. IST) and ends on Monday, July 29, 2019 (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 Tuesday, July 23, 2019 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	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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)	<p>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.</p> <ul style="list-style-type: none"> 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.
18. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company.
19. A copy of this Notice has been placed on the website of the Company and the website of CDSL.
20. 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.
21. The results declared along with the Scrutinizer's Report shall be placed on the Company's website (www.rpglifesciences.com) and on the website of CDSL and shall also be communicated to the BSE Limited and National Stock Exchange of India Limited within 48 hours after the AGM.

By Order of the Board of Directors

Rajesh Shirambekar
Head – Legal & Company Secretary

Registered office:

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

Place: Mumbai

Date: April 29, 2019



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

Item Nos. 4 to 7:

Dr. Lalit Kanodia, Mr. Narendra Ambwani, Mr. Mahesh Gupta and Mr. Manoj Maheshwari were appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Act and read with Companies (Appointment and Qualifications of Directors) Rules, 2014, by the Shareholders at the Annual General Meeting held on September 25, 2014, who shall hold the office up to September 24, 2019, respectively.

In terms of provisions of Section 149 of the Companies Act, 2013, all the above Independent Directors are eligible for re-appointment for further term of five consecutive years from September 25, 2019 to September 24, 2024 on passing of a special resolution by the shareholders of the Company.

The Company has received notices from a shareholder signifying the intention to propose them as a candidate for the office of Director of the Company as per the provisions of Section 160 of the Companies Act, 2013.

In the opinion of the Board, above Independent Directors fulfill the conditions specified in the Act and rules made thereunder for their appointment as an Independent Director of the Company and are independent of the management of the Company. Dr. Lalit Kanodia, Mr. Mahesh Gupta, Mr. Manoj Maheshwari do not hold any shares in the Company. Mr. Narendra Ambwani holds 1000 equity shares in the Company.

Pursuant to the requirement of amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to avail approval of shareholders by way of Special Resolution to appoint or continue the directorship of Non-Executive Directors who have attained the age of seventy five years. Dr. Kanodia has already attained seventy five years and Mr. Ambwani will be attending the age of seventy five years during the term. The Company has received consent from Dr. Kanodia and Mr. Ambwani for continuing as Independent directors post attainment of seventy five years. In view thereof, approval of shareholders by way of special resolution is sought for continuing directorship of Dr. Lalit Kanodia and Mr. Narendra Ambwani for further term of five consecutive years from September 25, 2019 to September 24, 2024.

The brief profile of these independent directors is provided separately in this notice.

A copy of the draft letter of appointment of the above Independent Directors setting out the terms and conditions would be available for inspection without any fee by the shareholders at the Registered Office of the

Company during normal business hours on any working day, excluding Saturday and Sunday. The details of attending the board meeting, amount of sitting fees paid during the year and membership/ chairmanship of committees of other boards of these Independent Directors are provided in Corporate Governance Report forming part of this annual report.

In view of skills, expertise and experience of Dr. Lalit Kanodia, Mr. Narendra Ambwani, Mr. Mahesh Gupta and Mr. Manoj Maheshwari, upon recommendation of Nomination and Remuneration Committee the Board recommends the special resolutions, as set out at item nos. 4 to 7 of accompanying Notice, for approval by the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Dr. Lalit Kanodia, Mr. Narendra Ambwani, Mr. Mahesh Gupta and Mr. Manoj Maheshwari and their relative(s), is in any way concerned or interested, financially or otherwise, in the proposed respective special resolutions set out at item nos. 4 to 7 of the Notice.

Item No. 8:

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. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020.

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 proposed resolution set out at item no.8 of the Notice.

By Order of the Board of Directors

Rajesh Shirambekar
Head - Legal & Company Secretary

Registered office:

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

Place: Mumbai

Date: April 29, 2019



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 Director	Mr. H.V. Goenka	Dr. Lalit Kanodia	Mr. Manoj Maheshwari	Mr. Mahesh Gupta	Mr. Narendra Ambwani
Date of Birth & Age	10/12/1957- 61 years	30/03/1941 - 78 years	08/08/1957 - 61 years	30/06/1956 - 62 years	15/11/1948 - 70 years
Date of first Appointment on the Board	06/02/2008	06/02/2008	06/02/2008	06/02/2008	24/07/2014
Qualification	B.A.(HONS), Calcutta University, MBA (IMD, Switzerland)	Holds a degree in Mechanical Engineering from IIT, Mumbai. Subsequently, he obtained an MBA and Ph.D., both from MIT, USA.	Graduate from the Bombay University with a major in Chemistry and has done his post graduation in Industrial Management.	Honours Degree in B.Com; LL.B. (Gen). Fellow Member of The Institute of Chartered Accountants and The Institute of Company Secretaries of India.	A Bachelor of Electrical Engineering from IIT Kanpur and Post Graduate in Management from IIM, Ahmedabad. He was certified as a professional CEO Coach by CFI, Chennai
Expertise	<p>Mr. H. V. Goenka is the Group Chairman of RPG Enterprises, one of the largest industrial groups in India.</p> <p>Mr. Goenka graduated in Economics before undergoing his MBA from IMD, Lausanne, Switzerland. He is past President of the Indian Merchant's Chamber (IMC), serves on the Executive Committee of the Federation of Indian Chambers of Commerce and Industry (FICCI) and is a Member of the Foundation Board of IMD.</p>	<p>Distinguished Alumnus Award of IIT, Bombay; Ford Foundation Fellow for topping the MBA Class at MIT. Founder CEO of TCS. Consultant to Ford Motor Co., Arthur D. Little, State Bank of India, etc. Taught MBA students at MIT and at Jamnalal Bajaj Institute of Management. Past President of Management Consultants of India (1979 - 1980) Past Executive Board Member of MIT, USA (2009 - 2016)</p> <p>Past National President of the Indo American Chamber of Commerce (2015 - 2016) President of IMC Chamber of Commerce and Industry (2017 - 2018) Past Honorary Consul of Chile in Mumbai (2002 - 2014)</p>	<p>Mr. Maheshwari's work experience encompasses the project management, production, marketing, financial and general management areas of medium sized companies. He is on the board of directors of a number of public and private companies as an executive / independent non-executive director and brings a judicious mix of entrepreneurial and professional skills to the various Boards that he serves on.</p>	<p>Mr. Mahesh S. Gupta, Group Managing Director at Ashok Piramal Group, oversees all businesses of the Group which comprises of real estate, textiles, cutting tools and renewable energy. Mr. Gupta has about 4 decades of professional experience in the areas of Business Management and all dimensions of finance, mergers and acquisitions. He had also been associated with Piramal Enterprises Ltd. for about 17 years and was on the board of several companies. He has also worked with the RPG group as Group CFO and Management Board Member.</p> <p>Mr. Gupta has received a number of recognitions for his business acumen. He was awarded the CFO of the Year Award, Special Commendation for Financial Excellence (Mergers & Acquisitions Category) in 2001 by IMA (formerly known as EIU), New Delhi. He is on the Board of several Public listed Companies such as Peninsula Land Limited, Morarjee Textiles Limited, CEAT Limited and RPG Life Sciences Limited.</p>	<p>Mr. Narendra Ambwani had a career of 34 years with Johnson & Johnson, out of which 20 years as Managing Director in Indonesia and India. Currently, he serves on the Boards of several organisations including Godrej Consumer Products Limited, Agro Tech Foods Limited, Parag Milk Foods Ltd. He brings with him outstanding marketing and general management experience to the Board. During his 33 year career at Johnson & Johnson, he was responsible for developing strong leadership brands such as Johnson Baby, Stayfree and Band-Aid</p>



Name of Director	Mr. H.V. Goenka	Dr. Lalit Kanodia	Mr. Manoj Maheshwari	Mr. Mahesh Gupta	Mr. Narendra Ambwani
				From time to time he has also been associated with various Committees of The Institute of Chartered Accountants of India (ICAI) as co-opted member, Member Governing Council of Indian Association Corporate CFOs & Treasurers (InACT), Advisory Board of Chennai Business School.	
Membership of Committees in other listed entities (Includes only Audit & Stakeholders' Relationship Committee)	NIL	NIL	1	6	7
No. of shares held in the Company	26,913 equity shares in individual capacity and 88,35,944 as a Trustee of Nucleus Life Trust, 1 equity share each as a trustee of Monitor Portfolio Trust, Stellar Energy Trust, Crystal India Tech Trust, Secura India Trust and Prism Estates Trust.	NIL	NIL	NIL	1,000 equity shares
Relationship with other Directors and KMPs	None	None	None	None	None

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, 2019.

1. FINANCIAL RESULTS

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

(₹ in crores)

	Particulars	2018-19	2017-18
A	Total Income	330.96	348.12
	Profit before depreciation, interest and tax	34.36	38.50
	Less: Interest	3.99	3.80
	Less: Depreciation	15.32	14.34
	Profit for the year before tax	15.05	20.36
	Tax (including deferred tax)	4.24	6.91
B	Profit for the year after tax	10.81	13.45
C	Other Comprehensive income net of tax	(0.27)	(0.14)
D	Total Comprehensive Income	10.54	13.31
E	Appropriations:		
	Dividend Proposed	3.97	3.97*
	Tax on proposed dividend	0.81	0.81*

*Paid in 2018-19

2. DIVIDEND

The Directors recommend a dividend of ₹ 2.40 (30%) per equity share of ₹ 8/- each for the financial year ended March 31, 2019.

3. OPERATIONS

The Company earned a total income of ₹ 330.96 crores for the year as compared to ₹ 348.12 crores during the previous year and a profit after tax from existing operations of ₹ 10.81 crores, as against ₹ 13.45 crores during the previous year. The reduction in net profit was mainly due to the below par performance of Domestic Formulations division.

The Company continues to hold the WHO GMP and TGA - Australia certifications for its API facility at the Navi Mumbai plant. The Company's Formulation Facilities at Ankleshwar, viz. Plant (F1) has WHO GMP and certification issued by countries i.e. Kenya and Nigeria and Plant (F2) has EU GMP, local WHO GMP, TGA GMP Clearance certifications and accreditations by countries i.e. Ethiopia, Kenya, Sudan and Nigeria.

Domestic Formulations Business:

Performance

During the year under review, the Domestic Formulations business achieved sales revenue of ₹ 188.66 crores, lower by 10.50 % over the previous year. High market inventories, low demand in acute therapies and supplements segments and increased competition from generic players led to the drop in revenues.

The Company's Speciality division which comprises of Nephrocare, Neolife and Urology Divisions showed a growth of 12 %. Nephrocare Division continues to feature among the top 5 Indian companies operating in the renal care therapy segment. The new product Darba showed a growth of 27% and 'Rituximab' showed a growth of 29%. Among the existing products, Immunotac and Arpimune range showed strong growth.

As per the data compiled by Pharmatrac, a market researcher, the Company achieved 66th rank in sales value terms in the country during the year.

Outlook

In the current year, the Company in the Main Division will continue its emphasis on strengthening of 'Textbook' brands like Azoran, Aldactone, Naprosyn, Lomitol, and Serenace. The Company will also be focusing on prescription generation and product portfolio augmentation in chronic therapies and line of extensions of these brands such as Naprosyn D, Naprosyn ES and Tricaine Alma. The specialty segment is expected to grow through greater market penetration, new indication, portfolio augmentation and higher medico marketing. Brand extensions and new product launches in therapies where the 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.

**International Formulations Business:**

The International Formulations business comprises of Global Generics (Regulated Markets) and Rest of World (RoW).

Global Generics Business:Performance

The Global Generics business achieved sales revenue of ₹ 42.95 crores in FY 19, registering degrowth of 15.12% mainly on account of a key customer's strategy of pruning their product portfolio and steep corrections in price of a product in UK market. The Company focused on expanding the product portfolio in European Union region by selling Nicorandil. It has filed the first pANDA for Amiocaproic Acid.

Outlook

The Global Generics business is focused on increasing the penetration of existing products in multiple countries within EU as well as expanding its product offerings in EU and North America. The Company is also actively scouting for opportunities in geographic expansion through strategic partnerships 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 ₹24.16 crores. In SEA, Myanmar remained the 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.

The Company has successfully completed the Sudanese MOH audit which would facilitate business in Africa region. The Company retained its leadership position in Mauritius, through its anti-diabetic range while in Egypt, its immunosuppressant range remained the chosen alternative to innovator brands.

Outlook:

Nephrology will be the core therapy in RoW markets. However, the business will continue to tap opportunistic tenders in the Anti-diabetic

and Cardiovascular therapies across RoW tender markets. In FY 20, the focus areas for the business will be geographical expansion as well as product portfolio enhancement through internal Research & Development.

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

With the highest ever sales of ₹ 68.06 crores API business registered a growth of 27.17% over the previous year. Latin America, the key market for the API business contributed largely to this performance. In FY 19, the flagship product sold in the Latin American market had a growth of 57% over the previous year. Mexico and Brazil contributed 60% to the API business in FY 19.

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 the key export products. The Company is also working on growing its business in Russia, South Korea, China 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.

5. EXTRACT OF ANNUAL RETURN

As required under Section 92 of the Companies Act, 2013, details forming part of the Extract of Annual Return in Form MGT-9, is annexed herewith as **Annexure A**. The same is available on Company's website www.rpglifesciences.com.

6. DISCLOSURE UNDER SECRETARIAL STANDARDS ON MEETINGS OF BOARD OF DIRECTORS (SS-1):

During the year under review, the Company has complied with all applicable Secretarial Standards.

7. MEETINGS OF THE BOARD

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

**8. MEETINGS OF AUDIT COMMITTEE**

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

9. DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors confirm that –

- a) in the preparation of the annual accounts for the financial year ended March 31, 2019, 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, 2019 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.

10. 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, Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

11. 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 available on the website of the Company which forms a part of this report.

12. 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**.

13. 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.

As per the provisions of Section 143 (12) of the Companies Act, 2013 read with rule 13 of the Companies (Audit & Auditors) Rules, 2014, the Statutory Auditors have not reported any instances of fraud to the Central Government and/or Audit Committee.

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

14. 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.

15. 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.

16. TRANSFER TO RESERVES

The Company has not transferred any sum to the General Reserve during the financial year ended March 31, 2019.

17. 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, 2019 to which the financial statements relate and the date of this report.

18. 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.

19. 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.

20. CORPORATE SOCIAL RESPONSIBILITY (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 ₹ 30.00 lakhs to RPG Foundation, the implementing agency towards CSR activities during FY 2018-19. 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**.

21. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Mr. Yugal Sikri was appointed as an Additional Director and Managing Director on the Board of the Company w.e.f. October 1, 2018 consequent to his vacation of office as an Independent Director on September 27, 2018.

Mr. CT. Renganathan was re-designated as Whole Time Director w.e.f. October 1, 2018. He resigned as a Whole Time Director and from the Board w.e.f. November 30, 2018.

The shareholders through resolutions passed by postal ballot have approved appointment of and payment of remuneration to Mr. Yugal Sikri as Managing Director of the Company for a period of 3 years from October 1, 2018 to September 30, 2021; besides regularizing him as a Director of the Company and also approved re-designation of Mr. CT. Renganathan as Whole Time Director of the Company for a period of 2 months from October 1, 2018 to November 30, 2018.

In accordance with provisions of Section 149 and other applicable provisions of Companies Act, 2013, your Directors are seeking re-appointment of Dr. Lalit Kanodia, Mr. Narendra Ambwani, Mr. Mahesh Gupta and Mr. Manoj Maheshwari for five consecutive years from September 25, 2019 to September 24, 2024. Details of the said directors are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the 12th Annual General Meeting.



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

Mr. Yugal Sikri, 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.

unclaimed deposits of ₹ 5.40 lakhs during the year under review.

24. 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.

25. CHANGE IN THE NATURE OF BUSINESS

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

26. 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.

22. SUBSIDIARY COMPANIES

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

23. 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, 2019, no deposit was overdue or lying unclaimed with the Company on repayment of

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

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) Mr. C. L. Jain Dr. Lalit S. Kanodia Mr. Mahesh Gupta Mr. Manoj Maheshwari Mr. Narendra Ambwani Ms. Zahabiya Khorakiwala Mr. Sachin Nandgaonkar Mr. Yugal Sikri (Managing Director) Mr. CT. Renganathan (Wholetime Director)	1.49 2.05 1.53 1.75 1.49 1.65 1.02 2.02 28.25 83.26
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) Mr. C. L. Jain Dr. Lalit S. Konadia Mr. Mahesh Gupta Mr. Manoj Maheshwari Mr. Narendra Ambwani Ms. Zahabiya Khorakiwala Mr. Sachin Nandgaonkar Mr. Yugal Sikri* Mr. CT. Ranganathan Mr. Mahesh Narayanaswamy Mr. Rajesh Shirambekar	Nil Nil Nil Nil Nil Nil Nil Nil - 8% 8% 9.5%
3	The percentage increase in the median remuneration of employees in the financial year;		12%**



4	The number of permanent employees on the rolls of Company;	1160 employees as on March 31, 2019
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;	<ul style="list-style-type: none"> Average Salary increase of non-managerial employees is around 12%. Average Salary increase of managerial employees is around 11%. There are no exceptional circumstances in increase of managerial remuneration.
6	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration Paid during the year ended March 31, 2019 is as per the Remuneration Policy of the Company.

Notes:

*Increase in remuneration is not comparable between previous and current financial year as the concerned Director was appointed as Managing Director during the year.

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

28. WHISTLE BLOWER POLICY

The Audit Committee's terms of reference inter-alia include vigil mechanism which also incorporates a Whistle Blower Policy in terms of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 Governance and Ethics. The Whistle Blower Policy is uploaded on the Company's website www.rpglifesciences.com.

29. 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>

30. 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.

31. 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.

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:

The Company maintains cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.



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, 2019. 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, 2018 was filed with the Central Government on September 5, 2018.

32. EMPLOYEES STOCK OPTION PLAN

The Company has no employee stock option scheme.

33. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The particulars of employees in compliance with the provisions of Section 134 (3) (q) read with Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided to the 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.

34. 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.

35. 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.

During the financial year 2018-19, the Company has not received any complaints of sexual harassment.

36. 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.

37. 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.

38. AWARDS

The Company has received an award for leveraging technology for sales force excellence in "DigiPharmaX Awards 2018".

The Company also received "National Safety Award 2017" for zero accident frequency rate by National Safety Council - Maharashtra Chapter.

39. APPRECIATION

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

For and on behalf of the Board of Directors

Place : Mumbai
Date : April 29, 2019

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, 2019

[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 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 Fax: +91-22- 49186060

II. PRINCIPAL BUSINESS ACTIVITIES 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. A Promoters									
(1) Indian									
a. Individual/ HUF	35,53,374	-	35,53,374	21.48	88,71,609	-	88,71,609	53.63	(32.15)
b. Central Govt	-	-	-	-	-	-	-	-	-
c. State Govt	-	-	-	-	-	-	-	-	-
d. Bodies Corp	78,94,307	-	78,94,307	47.73	28,69,289	-	28,69,289	17.35	30.38
e. Banks/FI	-	-	-	-	-	-	-	-	-
f. Any other	-	-	-	-	-	-	-	-	-
Sub- Total (A) (1)	1,14,47,681	-	1,14,47,681	69.22	1,17,40,898	-	1,17,40,898	70.99	1.77
(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)	1,14,47,681	-	1,14,47,681	69.22	1,17,40,898	-	1,17,40,898	70.99	1.77
B. Public Shareholding									
1. Institutions									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Banks/FI	84,437	2,124	86,561	0.52	42,826	2,124	44,950	0.27	0.25
c. Central Govt	-	-	-	-	-	-	-	-	-
d. State Govts	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FII's	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1)	84,437	2,124	86,561	0.52	42,826	2,124	44,950	0.27	0.25
2. Non-Institutions									
a. Bodies Corp									
i Indian	12,58,106	2,313	12,60,419	7.62	10,55,537	2,201	10,57,738	6.40	1.22
ii Overseas	-	-	-	-	-	-	-	-	-
b. Individuals									
i Individual shareholders holding nominal share capital upto ₹1 lakh	28,17,325	-	28,17,325	17.03	26,98,538	2,80,599	29,79,137	18.01	(1.00)
ii Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3,61,199	-	3,61,199	2.18	1,52,000	-	1,52,000	0.92	1.26
Qualified Foreign Investor									
NBFCs registered with RBI	-	-	-	-	31,446	-	31,446	0.19	(0.19)



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	
c. Others (Specify)									
i. Clearing Member	2,20,969	-	2,20,969	1.34	55,964	-	55,964	0.34	1.00
ii. NRI (Repatriable)	62,773	297	63,070	0.37	56,808	297	57,105	0.35	0.02
iii. NRI (Non-Repatriable)	42,048	-	42,048	0.25	48,388	-	48,388	0.29	(0.04)
iv. Trusts	-	-	-	-	-	-	-	-	-
v. Hindu Undivided Family	1,85,025	14	1,85,039	1.12	2,44,218	14	2,44,232	1.48	(0.36)
vi. IEPF	51,854	-	51,854	0.31	1,24,307	-	1,24,307	0.75	(0.44)
vii. Foreign Companies	-	2,850	2,850	0.02	-	2,850	2,850	0.02	-
Sub-Total (B)(2)	49,99,299	2,624	50,01,923	30.24	44,67,206	2,85,961	47,53,167	28.74	1.5
Total Public Shareholding (B)=(B)(1)+(B)(2)	50,83,736	7,598	50,91,334	30.78	45,10,032	2,88,085	47,98,117	29.01	1.77
C Shares held by the Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,65,37,417	7,598	1,65,39,015	100.00	1,62,50,930	2,88,085	1,65,39,015	100.00	-

ii) Shareholding of promoters

Sr. No.	Shareholders Name	Shareholding at the Beginning of the year			Shareholding at the end of the year			% Change in shareholding 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	53,08,151	32.09	-	362	-	-	(32.09)
2	Instant Holdings Limited	2,84,597	1.73	-	97	-	-	(1.73)
3	Summit Securities Limited	398	-	-	398	-	-	-
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	17,92,001	10.84	-	501	-	-	(10.84)
8	Ektara Enterprises LLP	100	-	-	23,58,831	14.26	-	14.26
9	Atlantus Dwellings And Infrastructure LLP	-	-	-	10	-	-	-
10	Malabar Coastal Holdings LLP	-	-	-	10	-	-	-
11	Sofreal Mercantrade Pvt Ltd	-	-	-	10	-	-	-
12	Vayu Udaan Aircraft LLP	-	-	-	10	-	-	-
13	Harsh Vardhan Goenka*	35,17,709	21.27	-	88,35,944	53.42	-	32.15
14	Harsh Vardhan Goenka	26,913	0.16	-	26,913	0.16	-	-
15	Mala Goenka	8,747	0.05	-	8,747	0.05	-	-
16	Harsh Vardhan Goenka**	1	-	-	1	-	-	-



Sr. No.	Shareholders Name	Shareholding at the Beginning of the year			Shareholding at the end of the year			% Change in shareholding 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	
17	Harsh Vardhan Goenka***	1	-	-	1	-	-	-
18	Harsh Vardhan Goenka****	1	-	-	1	-	-	-
19	Harsh Vardhan Goenka*****	1	-	-	1	-	-	-
20	Harsh Vardhan Goenka*****	1	-	-	1	-	-	-
	Total	1,14,47,681	69.22	-	1,17,40,898	70.97		1.75

* 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.	Shareholder's Name		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			1,14,47,681	69.22	1,14,47,681	69.22
1	Ektara Enterprises LLP					
	09.10.2018	Market Purchase	32,582	0.19	1,14,80,263	69.41
	10.10.2018	Market Purchase	15,628	0.09	1,14,95,891	69.50
	12.10.2018	Market Purchase	29,635	0.18	1,15,25,526	69.68
	17.10.2018	Market Purchase	3,924	0.02	1,15,29,450	69.70
	25.10.2018	Market Purchase	23,671	0.14	1,15,53,121	69.84
	25.10.2018	Market Purchase	6,037	0.04	1,15,59,158	69.88
	29.10.2018	Market Purchase	6,132	0.04	1,15,65,290	69.92
	07.12.2018	Market Purchase	13,953	0.08	1,15,79,243	70.00
	11.12.2018	Market Purchase	6,209	0.04	1,15,85,452	70.04
	18.12.2018	Market Purchase	6,571	0.04	1,15,92,023	70.08
	19.12.2018	Market Purchase	9,750	0.06	1,16,01,773	70.14
	24.12.2018	Market Purchase	19,783	0.12	1,16,21,556	70.26
	12.02.2019	Market Purchase	5,159	0.03	1,16,26,715	70.29
	14.02.2019	Market Purchase	24,657	0.15	1,16,51,372	70.44



Sr. No.	Shareholder's Name		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
	18.02.2019	Market Purchase	24,610	0.14	1,16,75,982	70.59
	20.02.2019	Market Purchase	10,964	0.06	1,16,86,946	70.59
	01.03.2019	Market Purchase	6,886	0.04	1,16,93,832	70.70
	05.03.2019	Market Purchase	4,923	0.03	1,16,98,755	70.73
	08.03.2019	Market Purchase	15,675	0.09	1,17,14,430	70.83
	28.03.2019	Market Purchase	9,736	0.06	1,17,24,166	70.88
	29.03.2019	Market Purchase	6,246	0.03	1,17,30,412	70.92
2	Nucleus Life Trust					
	12.03.2019	Market Purchase	10,446	0.06	1,17,40,858	70.99
	At the End of the year		1,17,40,858	70.99	1,17,40,858	70.99

Inter se Transfer

Sr. No.	Shareholder's Name		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	Chattarpati Apartments LLP					
	03.04.2018	Inter se transfer	50,21,628	30.36	-	-
2	Nucleus Life trust					
	03.04.2018	Inter se transfer	-	-	50,21,628	30.36
3	Instant Holdings Limited					
	03.04.2018	Inter se transfer	2,84,500	1.72	-	-
4	Sudarshan Electronics & T.V. Limited					
	03.04.2018	Inter se transfer	17,91,500	10.83	-	-
5	Ektara Enterprises LLP					
	03.04.2018	Inter se transfer	-	-	20,76,000	12.55
6	Chattarpati Apartments LLP					
	24.05.2018	Inter se transfer	1,25,161	0.75	-	-
7	Nucleus Life trust					
	24.05.2018	Inter se transfer	-	-	1,25,161	0.75
8	Chattarpati Apartments LLP					
	01.08.2018	Inter se transfer	1,61,000	0.97	-	-
9	Nucleus Life trust					
	01.08.2018	Inter se transfer	-	-	1,61,000	0.97



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	Runner Marketing Private Limited	-	-	2,00,000	1.21
3	Neville Jijibhoy Mistry	1,52,000	0.92	1,52,000	0.92
4	IL And FS Securities Services Limited	81,434	0.49	66,944	0.40
5	Singhi Dinesh Kumar Huf	-	-	40,000	0.24
6	Arihant Capital Mkt. Ltd	15,134	0.09	39,081	0.24
7	Axis Bank Limited	44,670	0.27	36,799	0.22
8	Zen Securities Ltd	35,264	0.21	33,794	0.20
9	Edelweiss Custodial Services Limited	10,762	0.07	29,323	0.18
10	Rockstar Securities Services Pvt Ltd	48,335	0.29	19,000	0.11
11	Pace Stock Broking Services Private Limited	2,00,000	1.21	2,999	0.02

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	Yugal Sikri, Managing Director	-	-	-	-
3	Narendra Ambwani, Director	1,000	-	1,000	-
4	Sachin Nandgaonkar, Director	5,100	0.03	7,606	0.04
	At the end of the year	33,013	0.19	35,519	0.21
	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 2018-19 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	4,973	449	-	5,422
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	2	-	-	2
Total (i+ii+iii)	4,975	449	-	5,424
Change in Indebtedness during the Financial year				
• Addition	-	1,788	-	1,788
• Reduction	(3,588)	-	-	(3,588)
Net Changes	(3,588)	1,788	-	(1,800)
Indebtedness at the end of the Financial year				
i. Principal Amount	1,387	2,237	-	3,624
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not paid	-	-	-	-
Total (i +ii +iii)	1,387	2,237	-	3,624

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole- time Directors and/or Manager

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Mr. Yugal Sikri*	Mr. CT. Renganathan**
1	Gross Salary		
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	1,06,82,664	2,19,58,379
	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	-	1,09,31,070
	• Retiral Benefits	4,05,000	6,86,070
	Total (A)	1,10,87,664	3,35,75,519
	Ceiling as per the Act	As per Section 197 of Companies Act, 2013	

Note:

* Remuneration paid to Mr. Yugal Sikri as Managing Director for the period October 1, 2018 to March 31, 2019.

**Remuneration paid to Mr. C.T. Renganathan as Managing Director for the period April 1, 2018 to September 30, 2018 and as Whole Time Director for the period October 1, 2018 to November 30, 2018.


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	-	8,25,000	6,15,000	7,04,000	6,00,000	6,64,000	4,10,000	3,05,000	-	41,23,000
	Commission	-	-	-	-	-	-	-	-	-	-
	Other, please specify	-	-	-	-	-	-	-	-	-	-
	Total (1)	-	8,25,000	6,15,000	7,04,000	6,00,000	6,64,000	4,10,000	3,05,000	-	41,23,000
2.	Other Non-Executive Directors	6,00,000	-	-	-	-	-	-	-	8,15,000	14,15,000
	Fee for attending board committee meetings	-	-	-	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-	-	-	-
	Others ,please specify	-	-	-	-	-	-	-	-	-	-
	Total (2)	6,00,000	0	0	0	0	0	0	0	8,15,000	14,15,000
	Total (B)= (1+2)	6,00,000	8,25,000	6,15,000	7,04,000	6,00,000	6,64,000	4,10,000	3,05,000	8,15,000	55,38,000
	Total Managerial Remuneration										55,38,000
	Overall Ceiling as per the Companies Act, 2013 is										₹ 1 lakh per Board meeting

Note: * sitting fees paid to Mr. Yugal Sikri as Independent Director from April 1, 2018 to September 27, 2018.

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Vice President – Finance	Company Secretary	Total
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	46,05,607	44,21,736	90,27,343
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	75,241	62,681	1,37,922
	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)	46,80,848	44,84,417	91,65,265



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 ("KMP"), Senior Management Personnel ("SMP") and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, in order to pay equitable remuneration to Directors, KMP, SMP and other employees of the Company.

2. Objective:

The Policy sets out the guiding principles on:

- Appointment and remuneration of the Directors, KMP and SMP;
- Determining qualifications, positive attributes and independence for appointment of a Director (Executive/Non-Executive/Independent) and recommend to the Board a policy relating to the remuneration for the Directors, KMP and SMP;
- Formulating the criteria for performance evaluation of all Directors;
- Board diversity.

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 thereunder, 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

- Chief Executive Officer or the Managing Director or the Manager;
- Whole-time Director(s);
- Chief Financial Officer;
- Company Secretary; and
- Such other officer, not more than one level below the directors who is in whole time employment and designated as KMP by the Board.

"Senior Management Personnel" (SMP) means officers/personnel of the Company, who are members of its core management team excluding Board of Directors and shall comprise all members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director/Manager (including Chief Executive Office/Manager, in case they are not part of the Board) and shall include Company Secretary and Chief Financial Officer.

Unless the context otherwise requires, words and expressions used in this policy and not defined



herein but defined in the Companies Act, 2013 and, 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 warrant 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 performance criteria for the Directors. Formulate criteria and framework for evaluation of every Director's performance.

c) Familiarization

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.

d) Remuneration framework and policies

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

- i. The remuneration of MD/CEO, KMP and SMP.
- ii. Remuneration of Non-Executive Directors and Chairman.
- iii. Remuneration Policy for all employees including KMP and SMP which requires:
 - a. Attract and motivate talent to accomplish Company's long term growth.

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

6. Board Diversity

NRC shall ensure a transparent nomination process to the Board of Directors with the diversity of gender, thought, experience, qualification, knowledge and perspective in the Board.

7. Policy for appointment and removal of Director, KMP and SMP:

A. Appointment criteria and qualifications

NRC shall identify a 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 to be in the Company's interest, shall have the discretion to retain Director, KMP and SMP even after attaining the retirement age.

D. Removal

In case any Director or KMP or SMP 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 or SMP.

8. Policy for remuneration to MD/CEO, NEDs, KMP & SMP:

MD/CEO

- i. The remuneration to be paid 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.

KMP & SMP:

- i. The remuneration to be paid to the KMP and SMP, at the time of his/her appointment shall be recommended by the NRC and approved by the Board considering relevant qualification, experience and performance of the individual as well as the prevailing market conditions. The remuneration may be combination of fixed and variable pay;
- ii. Annual increment /subsequent variation in remuneration to the KMP/SMP shall be approved by the NRC/Board of Directors.

9. Director and Officer Liability Insurance:

Where Insurance Policy is taken by the Company for its Directors, KMP, SMP and employees indemnifying them against any liability, the premium paid by the Company for such insurance cover shall not be treated as part of the remuneration payable to such personnel. However, if such person is proved to be guilty, the premium paid on such insurance shall be recovered from such persons.

10. General:

This policy is framed based on the provisions of the Companies Act, 2013 and Rules framed thereunder and the requirements of Listing Regulations, as amended from time to time. 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 conservation measures taken during the year:

- I. Replacement of existing conventional type Light fittings by LED in Production area.
- II. Installation of VFD's in Potable water Pump, Air compressor and AHUs.
- III. Installation of Energy efficient Pump in Air compressor Cooling water and Water system.
- IV. Maintaining Power factor unity and incentives from power supply authorities.
- V. Installation of sprinkler washer in wash basin tap to save water.
- VI. Replacement of 36W PLL with LED at MF2 and MF3

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

The energy conservation measures undertaken during the year contributed to reduction in the cost of production by approximately ₹ 24.77 lakhs.

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

Company had 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 ₹ 10.40 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. Laboratory development activities completed for Immunosuppressant Tablets strength formulation intended for US market with Pilot BE study in fast and Fed condition found predictable to proceed for exhibit/ submission batches manufacturing at F2 site.
 - b. Diuretic Suspension, Antidiarrheal orally disintegrating Tablets, Calcium Carbonate Chewable Tablets and Alkalizer Syrup were developed successfully for domestic market with satisfactory lab stability data.
 - c. Technology transfer completed for Immunosuppressant drug with extended strengths of 75 mg and 100 mg with successful Pivotal BE study and Tablet formulation of anti-haemorrhagic drug filed successfully with US FDA based on Pivotal BE study and 6M plant stability study data.
 - d. Alternate Vendor Development completed successfully for domestic market for Azathioprine Tablets, Naproxen Sustained Release Tablets, Naproxen Suspension and Tablets.
 - e. Anti- haemorrhagic drug Tablets with US FDA and Anti-epileptic drug prolonged release formulation with UK MHRA were filed successfully



based on 6M plant stability study and successful Pivotal BE study.

f. In case of imported technology:

No new technology has been imported during the year 2018 – 2019.

g. Expenditure incurred on Research & Development:

Item	(₹ in lakhs)
(a) Capital	373
(b) Recurring	750
(c) Total	1123
(d) Total R & D expenditure as a percentage of total turnover	3.40%

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

- Process development of Active Pharmaceutical Ingredients (APIs) using non-infringing synthetic routes for Global Markets.
- Process excellence exercise aimed at optimizing existing commercial processes with a view to improve yield and quality.
- Recovery & recycling of solvents used in several APIs.
- Process excellence through quality by design aimed at meeting current quality requirements as per ICH Guidelines, relevant pharmacopeia, various regulatory.
- Technology Transfer.
- Alternate vendor development for active ingredients.
- Support product filing with various regulatory authorities.

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 indigenous technology for one Anti-Hyponatremia drug has been commenced & well established at Plant level. Also the yield was drastically improved by 30%. Process excellence with one Anti-diarrheal, one Antipsychotic and one Immunosuppressant were established at lab scale & ready for Plant trial. Solvent & Solid waste reduction were successfully done with one Anti-diarrheal, one Antiamebic, one Anticonvulsant at lab scale while Antiamebic one has been implemented at Plant level. Remaining two are ready for Plant trial. Recovery & recycling of solvents used in one Antiamebic drug was established at Lab as well as Plant level.

D) Future plan of action

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

In-house manufacturing of currently outsourced product viz. Antacid product, Haematinic syrup and Antidiarrheal tablets for domestic market:

E) Patent Filing/ Grant

Two Indian patents were granted for an Anti-Hyponatremia drug. The third Indian patent was granted for a cardiovascular drug.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under review, Foreign Exchange earned in terms of actual inflows was ₹ 12,478 lakhs and the Foreign Exchange outgo in terms of actual outflow was ₹ 1,405 lakhs.



Annexure 'D' to the Directors' Report

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2018 – 2019

<p>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</p>	<p>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 Implementing Agency RPG Foundation in accordance with CSR policy of the Company, read with Schedule VII of the Companies Act, 2013.</p> <ol style="list-style-type: none"> 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. Community & school children near the RPGLS plant in Navi Mumbai were covered via this project, through a vision-centre, community camps & school camps. The project has three stages of eye care intervention module viz., promotive, preventive and curative eye health care. In FY 2018-19, over 35,000 beneficiaries were covered in total through eye check-up camps and awareness sessions. 8,953 beneficiaries were screened, 2,492 received free spectacles and 1,214 referrals were provided. 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, and increase employability of women from marginalized backgrounds through skilling. The program equips women for careers as bedside assistants, patient care assistants, X-ray and Ultrasound assistants (DXUA), etc. Under project Sanjeevani, 30 candidates have completed training in X-Ray and Ultrasound Assistance (DUXA) and Diploma in Medical Lab Technology (DMLT) through 18 months diploma course, and have been placed in various hospitals and medical facilities. 35 candidates are undergoing training in Patient Assistant Program, affiliated to Yashwant Rao Chavan Maharashtra Open University; the classroom training has been completed and the candidates are undergoing on-the-job training. The training program and certification shall be completed by August 2019. 150 candidates will begin training for Bedside Assistant Program, and complete the training by February 2020. Community Development (Project Jeevan): The Company through RPG Foundation works towards holistic community development through various need-based interventions for the communities based in the vicinity of the Company's plants. Through the program, comprehensive & specialized health camps were organized wherein 1164 people were screened in Pawane & Turbhe, Navi Mumbai. RPGLS also supported Ankleshwar Industrial Development Society for setting up of a trauma care centre at Smt. Jayaben Mody Hospital in Ankleshwar. The CSR Policy is available at the Company's website and can be accessed at http://www.rpglifesciences.com under policies tab.
<p>2. The Composition of the CSR Committee</p>	<ol style="list-style-type: none"> Mr. C. L. Jain (Chairman) Mr. Narendra Ambwani Ms. Zahabiya Khorakiwala Mr. Yugal Sikri



3. Average net profit of the Company for last three financial years.	₹ 15.00 Crore
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 30.00 lakhs
5. Details of CSR spent during the financial year	As under
a. Total amount to be spent for the financial year	₹ 30.00 lakhs
b. Amount unspent, if any	Nil
c. Manner in which the amount spent during the financial year	The Company has spent ₹30.00 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.

Yugal Sikri
Managing Director
(DIN :07576560)

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

Place : Mumbai
Date : April 29, 2019

Annexure

Details of the CSR activities of the Company for the Financial Year 2018-19:

(₹ 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	15.31	15.32	15.32	Implementing agency (IA) - RPG Foundation
2	Project Sanjeevani	Healthcare Sector Skilling			5.50	10.08	10.08	
3	Project Jeevan	Community Health	Ankleshwar, Bharuch	Gujarat	9.19	4.60	4.60	
		Support for healthcare services (trauma care centre)						
	Total CSR Spent				30.00	30.00	30.00	

Notes: 1) Amount of ₹ 3.65 lakhs paid at the end of previous year was spent on CSR activities by Implementing Agency (IA), RPG Foundation during the year under review.

2) At the year end, ₹ 1.09 lakhs paid to IA, 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 REPORTFOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

(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, 2019 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, 2019 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) and
- (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 Dhaliwala

Partner

Place: Mumbai

Date: April 29, 2019

FCS: 8331 CP No: 9511

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

**‘Annexure A to the Secretarial Audit Report’**

To,

The Members

RPG LIFE SCIENCES LIMITED

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

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

For Parikh Parekh & Associates
Company Secretaries

Mitesh Dhabliwala
Partner
FCS: 8331 CP No: 9511

Place: Mumbai
Date: April 29, 2019



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.

India's domestic pharmaceutical market turnover reached ₹ 1,29,015 crores (US\$ 18.12 billion) in 2018, growing 9.4% year-on-year (in rupee terms) from ₹ 1,16,389 crores (US\$ 17.87 billion) in 2017. 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. 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.

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 touched a figure of USD 17.27 billion in FY 18 and is expected to grow by 15 % CAGR till 2020.

2) Opportunities and Threats

Indian pharmaceutical industry has seen gradual increase in government healthcare spending and 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 is expected to also give a boost to the pharmaceutical 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 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 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 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. Recently National Pharma Pricing Authority (NPPA) has issued capping of trade margins which has resulted in substantial reduction in Maximum Retail Price (MRP) of around 42 drugs which currently are not under the purview of NLEM medicines.

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 ₹188.66 crores. In the Domestic market, the Company has restructured its marketing process in the mass sales division with focus on wider customer segment, maximisation of prescription generation and improvement in the health parameters e.g. minimise expiries to sales ratio, increase secondary sales, maintain secondary stock at a reasonable level etc. The Company has established its focus on chronic segment by foraying in anti-diabetic and cardiology market. In this regard, the Company would be launching a brand having Teneligliptin, a drug used in treatment of Type 2 Diabetes mellitus. A new antacid using the unique molecule Almagate is being introduced for first time in India under the brand name 'Tricaine Alma'. The Company 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 performed well and achieved sales of ₹68.06 crores with a growth of 27.17% in FY 19. Rise in demand from LATAM customers has resulted in improved performance.

The International Formulations business comprising of Global Generics (Regulated Markets) and RoW business showed a de-growth of 7% over the previous year. The Global Generics business achieved sales of ₹42.95 crores, while RoW markets contributed sales of ₹24.16 crores.

The Global Generics business is focused on increasing the penetration of the product in multiple countries within EU as well as expanding its product offerings within EU and North America. In this regard the company has filed its first ANDA for Amino Caproic Acid and filed dossier in United Kingdom for sodium valproate. This business of the company is also actively scouting for geographic expansion to newer markets through strategic partnership and strengthening presence in existing markets.

4) Outlook

The growth estimate for the domestic Formulation Industry is pegged between 15%-18%. In light of the initiatives detailed above, the outlook of the business looks promising.

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

The Company's API facility at Navi Mumbai plant has WHO GMP and TGA - Australia certifications. Formulation Facility at Ankleshwar, viz. Plant (F1) has WHO GMP and certification issued by countries i.e. Kenya and Nigeria and Plant (F2) has EU GMP, local WHO GMP, TGA GMP Clearance certifications and accreditations by countries i.e. Ethiopia, Kenya, Sudan and Nigeria.

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 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 ₹ 330.96 crores. EBITDA (Earnings Before Interest, Tax, and Depreciation) was at ₹ 34.36 crores. After deducting, Finance Cost of ₹ 3.99 crores, Depreciation of ₹ 15.32 crores and Taxes, the Profit After Tax (PAT) was at ₹ 10.81 crores.

8) Material developments in human resources/ industrial front

The Company has received an award for leveraging technology for sales force excellence in 'DigiPharmaX Awards 2018'.

The Company also received 'National Safety Award 2017' 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.

9) Key Financial Ratios

Key Financial Ratios	2018-19	2017-18	Change (%)
Debtors Turnover	8.49	5.10	67%
Inventory Turnover	8.04	6.47	24%
Interest Service Coverage Ratio	8.61	10.13	-15%
Current Ratio	1.25	1.18	6%
Debt Equity Ratio	0.04	0.07	38%
Operating Profit Margin %	10%	11%	-6%
Net Profit Margin %	3%	4%	-15%
Return on Net Worth %	7%	9%	-23%

- Debtors Turnover Ratio has improved on account of effective working capital management.
- Debt Equity Ratio has improved due to increase in Net Worth and reduction of debt on account of repayment of Term Loan.
- Change in Return on Net Worth is mainly on account of lower net profit.
- There were no other significant changes (25% or more) in any of the above key financial ratio.

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 nine directors. Mr. H. V. Goenka is a Non-Executive Chairman of the Board. Mr. Yugal Sikri is the Managing Director. The composition of the Board meets the requirement of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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, six meetings of the Board of Directors were held on May 02, 2018, July 27, 2018, September 27, 2018, November 05, 2018, February 05, 2019 and March 13, 2019.



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, 2019 are as under:

Name	Category	No. of Board meetings held	No. of Board meetings attended	Whether attended last AGM held on 27.07.2018	No. of directorship in other public limited companies	Committee positions in other companies ¹		Directorship in other Listed entities
						Chairman	Member	
Mr. H. V. Goenka <i>Chairman</i>	Non-Executive & Non - Independent	6	6	YES	6	0	0	<ul style="list-style-type: none"> • CEAT Limited.-Non Executive Director • KEC International Limited.- Non Executive Director • Bajaj Electricals Limited- Non Executive Director • Zensar Technologies Limited- Non Executive Director
Mr. C.L. Jain	Non-Executive & Independent	6	6	YES	3	3	5	<ul style="list-style-type: none"> • United Breweries Limited.- Non Executive Director • Nocil Ltd- Non Executive Director
Dr. Lalit S. Kanodia	Non-Executive & Independent	6	6	YES	6	0	0	<ul style="list-style-type: none"> • Datamatics Global Services Limited- Executive Director
Mr. Mahesh S. Gupta	Non-Executive & Independent	6	5	YES	5	2	6	<ul style="list-style-type: none"> • Peninsula Land Limited- Executive Director • CEAT Limited- Non Executive Director • Morarjee Textiles Limited- Non Executive Director
Mr. Manoj Maheshwari	Non-Executive & Independent	6	6	YES	3	1	3	<ul style="list-style-type: none"> • Mahindra Cie Automotive Limited- Non Executive Director • Ador Welding Limited- Non Executive Director



Name	Category	No. of Board meetings held	No. of Board meetings attended	Whether attended last AGM held on 27.07.2018	No. of directorship in other public limited companies	Committee positions in other companies ¹		Directorship in other Listed entities
						Chairman	Member	
Mr. Narendra Ambwani	Non-Executive & Independent	6	6	YES	4	0	7	<ul style="list-style-type: none"> • Agro Tech Foods Limited- Non Executive Director • Parag Milk Foods Limited- Non Executive Director • Godrej Consumer Products Limited- Non Executive Director
Ms. Zahabiya Khorakiwala	Non-Executive & Independent	6	4	YES	3	1	1	<ul style="list-style-type: none"> • Wockhardt Limited- Non Executive Director
Mr. Sachin Nandgaonkar	Non-Executive	6	6	YES	2	0	0	-
Mr. Yugal Sikri ² Managing Director	Executive	6	5	YES	0	0	1	-
Mr. CT. Renganathan ³	Executive	6	4	YES	0	0	0	-

1. Only Audit Committee and Stakeholder's Relationship Committee positions are considered as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. Mr. Yugal Sikri was appointed as an Additional Director and Managing Director on the Board of the Company and also as a member of Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee w.e.f. October 1, 2018 consequent to his vacation of office as an Independent Director on September 27, 2018.
3. Mr. CT. Renganathan was re-designated as Whole Time Director and ceased to be member of Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee w.e.f. October 1, 2018. He resigned as a Whole Time Director from the Board w.e.f. closure of business hours on November 30, 2018.

3.8 Skills/expertise/competence of the Board:

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Global Business: Understanding of global business dynamics across various geographies, industry verticals and regulatory jurisdictions.

Strategy and Planning: Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.

Governance: Experience in developing governance framework, serving the best interests of all stakeholders, driving board and management accountability, building long-term effective stakeholder engagements and sustaining corporate ethics and values.



3.9 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 13, 2019 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. All 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. Narendra Ambwani 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, four meetings of the Audit Committee were held on May 02, 2018, July 27, 2018, November 05, 2018 and February 05, 2019. Attendance of Directors at the Audit Committee Meetings held during the financial year is as under:

Name of the Director	No. of meetings attended
Mr. C. L. Jain	4
Mr. Mahesh S. Gupta	4
Mr. Yugal Sikri	2
Mr. Narendra Ambwani*	1
Mr. Sachin Nandgaonkar	4

* Mr. Narendra Ambwani has become member of the Committee with effect from November 05, 2018.

5. Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of two Independent and a Non-Executive Director, namely, Mr. C. L. Jain, Dr. Lalit S. Kanodia and Mr. Sachin Nandgaonkar respectively. 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 appointment, removal and payment of remuneration for the Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP) and other employees; formulation of criteria for effective evaluation of performance of Boards, its Committees and individual Directors to be carried out either by the Board or by NRC or through an independent external agency and review its implementation and compliance, 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; determining whether to extend or continue the term of appointment of the independent Director, based on the report of performance evaluation of Independent Directors.

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, three meetings of the Nomination and Remuneration Committee were held on June 25, 2018, September 27, 2018 and February 05, 2019.

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

Name of the Director	No. of meetings attended
Mr. C. L. Jain	3
Dr. Lalit S. Kanodia	3
Mr. Sachin Nandgaonkar	3
Mr. Yugal Sikri	1

6. Remuneration of Directors

(i) Non-Executive Directors

The Non-Executive Directors at present are only paid sitting fees for attending meetings of the Board and Committee(s) thereof. Each Non-Executive Director is paid a sitting fee of ₹ 1,00,000/- per Board Meeting, ₹ 50,000/- 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 2018-19 are as under:

Name of the Director	Sitting Fees (₹)
Mr. H. V. Goenka	6,00,000
Mr. C. L. Jain	8,25,000
Dr. Lalit S. Kanodia	6,15,000
Mr. Mahesh S. Gupta	7,04,000
Mr. Manoj Maheshwari	6,00,000
Mr. Narendra Ambwani	6,64,000
Ms. Zahabiya Khorakiwala	4,10,000
Mr. Yugal Sikri	3,05,000
Mr. Sachin Nandgaonkar	8,15,000

Mr. H. V. Goenka holds 26,913 equity shares of the Company in his individual capacity and 88,35,944 equity shares as a Trustee of Nucleus Life Trust and 1 equity 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 equity shares and Mr. Sachin Nandgaonkar, Non-Executive Director holds 7,606 equity shares in the company.

(ii) Executive Director

Remuneration of Managing Director & Whole Time 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.

As per recommendation of Nomination and Remuneration Committee, the Board of Directors at their respective meetings held on September 27, 2018 has appointed Mr. Yugal Sikri as Managing Director with



effect from October 1, 2018 for a term of three years subject to approval of shareholders. At the said meeting Mr. CT. Renganathan was re-designated as Whole Time Director for a period of two months from October 01, 2018 to November 30, 2018 subject to approval of shareholders.

The elements of remuneration paid to Mr. Yugal Sikri and Mr. CT. Renganathan during the financial year 2018-19 are as under:

(₹ in lakhs)

Name	Salary	Performance Bonus	Perquisite	Retiral Benfits
Mr. Yugal Sikri - Managing Director (from October 01, 2018 to March 31, 2019)	1,06,82,664	-	-	4,05,000
Mr. CT. Renganathan - Managing Director / Whole Time Director (from April 01, 2018 to November 30, 2018)	2,19,58,379	1,09,31,070	-	6,86,070

The remuneration structure of the Managing Director & Whole Time Director comprises of salary, perquisites, allowances, performance bonus, and contribution to provident, superannuation and gratuity funds. Payment of remuneration to the Managing Director & Whole Time Director is governed by the Agreements executed between them and the Company respectively. The Agreements 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. Yugal Sikri. 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, resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc; Review of measures taken for effective exercise of voting rights by shareholders, review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent, review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

During the financial year, four meetings of the Stakeholders Relationship Committee were held on May 02, 2018, July 27, 2018, November 05, 2018 and February 05, 2019.

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. Yugal Sikri	2
Mr. CT. Renganathan	2

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, 2019 are as under:

Type of complaints	Number of Complaints
No. of complaints pending at the beginning of the financial year 2018-19	Nil
No. of complaints received during the financial year 2018-19	6
No. of complaints resolved to the satisfaction of Shareholders during the financial year 2018-19	6
No. of complaints pending to be resolved at the end of the financial year 2018-19	Nil

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 Yugal Sikri. 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 following:

- 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.
- To recommend to the Board the amount of expenditure to be incurred on the activities undertaken by the Company as per the CSR Policy.
- To monitor the CSR Policy of the company from time to time.

During the Financial year, two meetings of the Corporate Social Responsibility Committee were held on May 02, 2018 and March 13, 2019.

Attendance of Directors at the Corporate Social Responsibility Committee Meetings 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	2
Mr. Yugal Sikri	1
Mr. CT. Renganathan	1

9. Risk Management Committee

Risk Management Committee consists of four Directors, namely, Mr. C. L. Jain, Mr. Mahesh Gupta, Mr. Yugal Sikri and Mr. Sachin Nandgaonkar. 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 July 27, 2018 and February 05, 2019.



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	2
Mr. Yugal Sikri	2
Mr. Sachin Nandgaonkar	2
Mr. CT. Renganathan	1

10. General Body Meeting

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

AGM for the period/ year ended	Venue	Date	Time	Special Resolutions passed
9 th 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
10 th 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*
11 th AGM March 31, 2018	Ravindra Natya Mandir P.L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai 400 025	July 27, 2018	3.00 p.m.	1**

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

- 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.

** The details of Special Resolution passed at the 11th AGM is as under:

- Resolution pursuant to Sections 198, 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 for re-appointment of and payment of remuneration to Mr. CT. Renganathan as Managing Director of the Company.

None of the items transacted at the Annual General Meeting held on July 27, 2016 was required to be passed by postal ballot nor any resolution requiring a postal ballot is being proposed at the ensuing Annual General Meeting.

b) Passing of Special Resolutions by Postal Ballot

During the Year 2018-19, the Company obtained approval of its Shareholders by passing following resolutions through Postal Ballot in accordance with the procedure prescribed in terms of Section 110 of Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014. Mr. Mitesh Dhabliwala of M/s. Parikh Parekh & Associates, Practicing Company Secretaries was appointed as a Scrutinizer by the Board.

The Company had sent the notice to all the Shareholders on February 12, 2019, along with draft resolutions explaining the reasons thereof and requesting them to send their assent or dissent by postal ballot form or vote through e-voting platform within a period of 30 days from the date of dispatch of the notice. Upon the expiry of 30 days, the Scrutinizer had submitted his report and all other requirements were complied with.



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

Date of Passing the Special Resolutions	Purpose	Type of Resolution	Total Nos. of Votes Polled	Result	
				% of votes in favour on Valid votes polled	% of Votes against on Valid Votes Polled
March 14, 2019	Continuation of Directorship of Mr. C.L.Jain (DIN: 00102910) post attainment of age of seventy five years	Special Resolution	1,16,32,349	99.99	0.01
	Continuation of Directorship of Dr. Lalit Kanodia (DIN: 00008050) post attainment of age of seventy five years	Special Resolution	1,16,32,349	99.99	0.01
	Appointment of and payment of remuneration to Mr. Yugal Sikri (DIN:07576560) as the Managing Director for a period of 3 years from October 1, 2018 to September 30, 2021.	Special Resolution	1,16,32,349	99.99	0.01
	Approval and re-designation of and payment of remuneration to Mr. CT. Renganathan (DIN: 02158397) as Whole Time Director for a period of 2 months from October 1, 2018 to November 30, 2018	Special Resolution	1,16,32,350	99.99	0.01

11. Disclosures

- 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.
- 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.
- 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. Yugal Sikri, Managing Director, to this effect forms part of this report.
- 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.
- The Company has adopted a vigil mechanism/ Whistle Blower Policy and confirms that no personnel was denied access to the Audit Committee.
- 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.
- 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.



(viii) A Certificate from Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is annexed with this report as **Annexure E**.

(ix) Details of total fees for all services paid by the Company to the statutory auditor and all the entities in the network firm/network entity of which the statutory auditor is as under:

Name of Statutory Auditor and network entity	Type of Services	Name of Company or its subsidiaries obtaining the service	Amount (₹ in lakh)
M/s. BSR & Co. LLP, Chartered Accountants	Auditing, Taxation Matters, Other Services, Reimbursement of expenses	RPG Life Sciences Limited	35

(x) Disclosures in relation to complaints under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are as under:

Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

12. Means of Communication

The quarterly, half-yearly and annual results are published in "Free Press Journal" / Business Standard and Navshakti / Mumbai Lakshwadeep 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	12 th Annual General Meeting on Tuesday, July 30, 2019 at 2.30 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 24, 2019 to July 30, 2019 (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 2019-20.
(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 2018	441.80	386.00	442.00	381.75	35,213.30	32,972.56
May	439.80	330.00	442.00	325.20	35,993.53	34,302.89
June	393.00	301.75	394.70	300.05	35,877.41	34,784.68
July	347.80	280.30	349.05	282.30	37,644.59	35,106.57
August	306.90	270.15	307.00	269.95	38,989.65	37,128.99
September	356.85	237.00	356.50	236.00	38,934.35	35,985.63
October	272.05	210.00	273.00	200.00	36,616.64	33,291.58
November	285.80	230.10	286.70	229.45	36,389.22	34,303.38
December	260.00	225.20	262.60	226.00	36,554.99	34,426.29
January 2019	243.50	202.00	242.50	201.60	36,701.03	35,375.51
February	227.00	203.55	229.00	201.55	37,172.18	35,287.16
March	268.00	228.00	269.70	225.05	38,748.54	35,926.94

(ix) Registrar and Share 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, 2019 was as under:

Nominal Value of Shareholding	No. of Shareholders	% of Shareholders	Share Amount (₹)	% of Share Amount
Upto 5000	15,045	93.62	1,44,23,688	10.90
5001 to 10000	586	3.65	41,50,280	3.14
10001 to 20000	238	1.48	34,76,056	2.62
20001 to 30000	74	0.46	17,93,472	1.36
30001 to 40000	47	0.29	16,75,616	1.27
40001 to 50000	21	0.13	9,47,792	0.72
50001 to 100000	37	0.23	26,71,632	2.02
100001 and above	23	0.14	10,31,73,584	77.97
Total	16,071	100.00	13,23,12,120	100.00



- Shareholding Pattern as on March 31, 2019

Category	No. of Shares	%
Promoters	1,17,40,898	70.99
Insurance Companies	Nil	Nil
Foreign Intuitional Investors	Nil	Nil
Mutual Funds/Banks	Nil	Nil
Non Resident Indians	1,05,493	0.64
Public	46,92,624	28.37
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	1,62,50,930	98.26	13,808	85.92
Physical Form	2,88,085	1.74	2,263	14.08
Total	1,65,39,015	100.00	16,071	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, 2019, 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 had 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. 41 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@rppls.com**(xviii) List of all credit ratings obtained by the Company alongwith any revisions thereto during the relevant financial year**

During the year under review, the Information and Credit Rating Agency(ICRA) has reaffirmed the long-term rating of the Company as 'ICRA]A-'. The ICRA has also re-affirmed the short-term rating of the Company as (ICRA]A2+). The outlook on the long-term rating is Stable.

Facilities	Amount (in crores)	Rating
Long-term loans	₹35 crores (enhanced from ₹20 crores)	[ICRA]A- (Stable); Re-affirmed / Assigned
Long-term, fund-based facilities	₹40 crores	[ICRA]A- (Stable); Re-affirmed
Short-term, non-fund based facilities	₹25.92 crores	[ICRA]A2+; Re-affirmed
Short-term, non-fund based facilities	(₹2 crores)	[ICRA]A2+; Re-affirmed

(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.rpplifesciences.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, 2019 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.

**Annexure E****CERTIFICATE**

This certificate is issued pursuant to clause 10 (i) of the Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide circular dated May 9, 2018 of the Securities Exchange Board of India.

We have examined the compliance of provisions of the aforesaid clause 10 (i) of the Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and to the best of our information and according to the explanations given to us by the Company, and the declarations made by the Directors, we certify that none of the directors of RPG Life Sciences Limited ("the Company") CIN: L24232MH2007PLC169354 having its registered office at RPG House 463, Dr. Annie Besant Road, Worli, Mumbai 400030 have been debarred or disqualified as on 31.03.2019 from being appointed or continuing as directors of the Company by SEBI/ Ministry of Corporate Affairs or any other statutory authority.

For Parikh Parekh & Associates
Company Secretaries

Place : Mumbai
Date : April 29, 2019

Mitesh Dhabliwala
Partner
FCS: 8331 CP No.: 9511

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, 2019.

Place: Mumbai
Date: April 29, 2019

Yugal Sikri
Managing Director

PRACTISING COMPANY SECRETARIES' 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, 2019 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, 2018 to March 31, 2019.

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 VKM & Associates
Practicing Company Secretary

Vijay Kumar Mishra
Partner
Membership No.: F5023
C.P. No.: 4279

Place: Mumbai
Date: April 29, 2019



INDEPENDENT AUDITORS' REPORT

To the Members of RPG Life Sciences Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of RPG Life Sciences Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
Capitalization of development costs relating to manufacturing of certain generic products. The capitalization of costs amounting to INR 705 lakhs associated with the development of the manufacturing process for certain generic products in accordance with the criteria set out in Ind AS 38 – Intangible Assets, involves significant management judgment and is therefore an area of focus for our audit. There is a risk that costs are capitalized inappropriately.	We tested on a sample basis internal costs capitalized and verified the nature of costs with key operational personnel. We have read the independent external reports evaluating the technical feasibility of the products being developed and considered the commercial feasibility of the projects.
Revenue recognition <ul style="list-style-type: none"> There is risk of revenue being overstated due to fraud resulting from pressure from management to achieve targets or incentive schemes linked to performance for a reporting period. Judgement required by the management to determine the anticipated sales returns that will be realised against the Company's revenue. 	Our procedures include: <ul style="list-style-type: none"> Assessed the appropriateness of the Company's revenue recognition accounting policies, including those relating to sales returns by comparing with applicable accounting standards Due to reliance for revenue recognition on IT, we evaluated integrity of overall general and application IT control and tested operating effectiveness of such key controls. Tested operating effectiveness of controls over completeness, assessment for recognition and measurement of sales and sales returns. We assessed manual journal entries to revenue for unusual or irregular items. We have compared sales performance every quarter with prior period to understand deviations and inquired further for its significant deviation. We considered the adequacy and appropriateness of Company policies including recognition and classification criteria.



Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and 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) specified 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are 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.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Company's ability to continue as a going concern.



If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

(A) 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 (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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".
- (B) With respect to the other matters to be included in the Auditors' 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 has disclosed the impact of pending litigations as at March 31, 2019 on its financial position in its standalone financial statements - Refer Note 25 to the financial statements;
 - 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.

- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2019.

- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The Company has paid / provided for managerial

remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No : 101248W/W - 100022

Bhavesh Dhupelia

Partner

Membership No: 042070

Mumbai
April 29, 2019

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 3 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.

of the Company examined by us, there are no dues of Income-tax, goods and service tax, duty of customs, 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, 2019 which have not been deposited on account of a dispute, are as follows:

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, duty of customs, professional tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

Also refer note 25(b) to Financial Statements

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, goods and service tax, duty of customs, professional tax, cess and other material statutory dues were in arrears as at 31 March 2019 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

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 11	1994 to 1996 1990 to 1994 and 1996-1997	Appellate Authority - up to Commissioner's level 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

April 29, 2019



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, 2019 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, 2019, 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

Mumbai

April 29, 2019

Membership No: 042070


BALANCE SHEET AS AT MARCH 31, 2019

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

	Note	March 31, 2019	March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	8,251	7,994
Capital work-in-progress	3	1,012	480
Intangible assets	4	4,513	5,086
Intangible assets under development		705	393
Financial assets			
i. Loans	5(a)	10	9
ii. Other financial assets	5(b)	30	28
Deferred tax assets (Net)	24(d)	618	744
Current Tax asset (Net)	24(e)	125	57
Other non-current assets	6	151	74
Total non-current assets		15,415	14,865
Current assets			
Inventories	7	4,104	5,369
Financial assets			
i. Trade receivables	5(c)	3,890	6,813
ii. Cash and cash equivalents	5(d)	37	11
iii. Bank balances other than (ii) above	5(e)	40	83
iv. Other financial assets	5(b)	96	110
Other current assets	6	1,542	1,876
Total current assets		9,709	14,262
Total assets		25,124	29,127
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8(a)	1,323	1,323
Other equity	8(b)	14,727	14,152
Total equity		16,050	15,475
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	10(a)	658	1,023
i. Other financial liabilities	10(c)	299	279
Provisions	12	335	279
Total non-current liabilities		1,292	1,581
Current liabilities			
Financial liabilities			
i. Borrowings	10(a)	2,904	3,792
ii. Trade payables	10(b)		
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		2,513	5,187
iii. Other financial liabilities	10(c)	823	1,503
Provisions	12	1,033	1,225
Current tax liabilities (Net)	24(e)	-	20
Other current liabilities	11	509	344
Total current liabilities		7,782	12,071
Total liabilities		9,074	13,652
Total equities and liabilities		25,124	29,127
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

Bhavesh Dhupelia
 Partner
 Membership No. 042070

H. V. Goenka
 Chairman
 DIN: 00026726

C. L. Jain
 Director
 DIN:00102910

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

Yugal Sikri
 Managing Director
 DIN: 07576560

Mahesh Narayanaswamy
 Vice President - Finance

Rajesh Shirambekar
 Company Secretary

Mumbai, April 29, 2019

Mumbai, April 29, 2019


STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

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

	Note	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	14	33,016	34,714
Other income	15	80	98
Total Income		33,096	34,812
Expenses			
Cost of Materials Consumed	16(a)	5,117	7,195
Purchases of Stock-in-Trade		4,516	4,935
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	16(b)	1,371	(669)
Excise Duty		-	319
Employee benefits expense	17	8,993	9,014
Finance costs	18	399	380
Depreciation and amortisation expense	19	1,532	1,434
Other expenses	20	9,663	10,168
Total expenses		31,591	32,776
Profit before tax		1,505	2,036
Income tax expense	24(a)		
- Current tax		284	385
- Deferred tax		140	306
Income tax expense		424	691
Profit for the year		1,081	1,345
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	13(b)	(41)	(22)
Income tax relating to the above		14	8
Other comprehensive income for the year, net of tax		(27)	(14)
Total comprehensive income for the year		1,054	1,331
Earnings per equity share (of face value of ₹ 8 each)			
Basic earnings per share attributable to the equity holders of the company	27	6.54	8.13
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

Bhavesh Dhupelia
Partner
Membership No. 042070

Mumbai, April 29, 2019

H. V. Goenka
Chairman
DIN: 00026726

C. L. Jain
Director
DIN:00102910

Mumbai, April 29, 2019

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

Yugal Sikri
Managing Director
DIN: 07576560

Mahesh Narayanaswamy
Vice President - Finance

Rajesh Shirambekar
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

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

	Note	Year ended March 31, 2019	Year ended March 31, 2018
A Cash Flow from operating activities			
Profit before income tax		1,505	2,036
Adjustments for			
Add:			
Depreciation and amortisation expenses	19	1,532	1,434
Finance costs	18	399	380
Loss on disposal of property, plant and equipment	20/15	6	-
Unrealised exchange rate difference		25	(29)
Provision for Doubtful Debts and Advances (Net)	20	60	22
Interest received	15	(12)	(1)
Provisions no longer required and written back	15	(2)	(69)
		<u>3,513</u>	<u>3,773</u>
Working capital adjustments:			
Decrease/(Increase) in trade receivables		2,860	(2,846)
(Increase) in financial assets - Loans		(3)	(4)
Decrease in other non-current assets		6	4
(Increase)/decrease in other financial assets		(8)	137
Decrease/(Increase) in other current assets		334	(1,146)
Decrease/(Increase) in inventories		1,265	(791)
(Decrease)/Increase in trade payables		(2,673)	2,361
(Decrease)/Increase in other financial liabilities		(332)	295
(Decrease)/Increase in provisions		(177)	142
Increase/(Decrease) in other current liabilities		165	(87)
Cash generated from operations		<u>4,950</u>	<u>1,838</u>
Income taxes paid	24(e)	(372)	(370)
Net cash inflow from operating activities		<u>4,578</u>	<u>1,468</u>
B Cash flow from investing activities:			
Acquisition of property, plant and equipment and Intangible assets		(1,968)	(1,548)
Proceeds from sale of property, plant and equipment and Intangible assets		11	2
Bank deposits Received/(Repaid)		43	(9)
Interest received	15	12	1
Net cash (outflow) from investing activities		<u>(1,902)</u>	<u>(1,554)</u>


CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

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

	Note	Year ended March 31, 2019	Year ended March 31, 2018
C Cash flow from financing activities			
Proceeds from long term borrowings		311	27
Repayment of long term borrowings		(1,195)	(470)
(Repayment of)/Proceeds from Short-term Borrowings (Net)		(888)	1,385
Dividend paid including dividend distribution tax thereon	9	(479)	(553)
Interest paid	18	(399)	(378)
Net cash (outflow)/inflow from financing activities		(2,650)	11
Net increase/(decrease) in cash and cash equivalents		26	(75)
Add: Cash and cash equivalents at the beginning of the financial year	5(d)	11	86
Cash and cash equivalents at the end of the year		37	11

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

H. V. Goenka

Chairman

DIN: 00026726

C. L. Jain

Director

DIN:00102910

Mumbai, April 29, 2019

Mumbai, April 29, 2019

For and on behalf of the Board of Directors

RPG Life Sciences Limited

CIN: L24232MH2007PLC169354

Yugal Sikri

Managing Director

DIN: 07576560

Mahesh Narayanaswamy

Vice President - Finance

Rajesh Shirambekar

Company Secretary


Statement of Changes in Equity for the Year Ended March 31, 2019

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

(A) Equity share capital

As at March 31, 2018	1,323
As at March 31, 2019	1,323

(B) Other equity

	Reserves and Surplus				
	Notes	Capital reserve	General Reserve	Securities premium reserve	Retained earnings
Balance as at April 1, 2018	8(b)	5	863	3,446	9,838
Profit for the year		-	-	-	1,081
Other Comprehensive Income		-	-	-	(27)
Total comprehensive income for the years		5	863	3,446	10,892
Dividend paid including dividend tax		-	-	-	(479)
Balance as at March 31, 2019		5	863	3,446	10,413

The notes are integral part of these financial statements.

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

Bhavesh Dhupelia
Partner
Membership No. 042070

Mumbai, April 29, 2019

H. V. Goenka
Chairman
DIN: 00026726

C. L. Jain
Director
DIN:00102910

Mumbai, April 29, 2019

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

Yugal Sikri
Managing Director
DIN: 07576560

Mahesh Narayanaswamy
Vice President - Finance

Rajesh Shirambekar
Company Secretary

**Notes to the Financial Statements as at and for the year ended March 31, 2019**

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

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 except for adoption of Ind AS 115 'Revenue from Contract with Customers' as described herein.

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.

These financial statements were authorised for issue by the Company's Board of Directors on 29 April 2019.

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 Company has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2018:

- Ind AS 115, Revenue from Contracts with customers. The Company has adopted Ind AS 115 using modified retrospective approach whereby the Company will recognize the cumulative effect of the initially applying Ind AS 115 as an adjustment to the opening balance of the equity at the date of initial application. There is no material impact on the amount recognised in prior and current impact.
- Amendment to Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance
- Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates
- Amendment to Ind AS 12, Income Taxes
- Amendment to Ind AS 40, Investment Property
- Amendment to Ind AS 28, Investment in Associates and Joint Ventures and Ind AS 112, Disclosure of Interests in Other Entities



Notes to the Financial Statements as at and for the year ended March 31, 2019

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

- Amendment to Ind AS 38 Intangible asset acquired free of charge
All amendments except Ind AS 115 listed above did not have any impact on the amounts recognised in prior and current periods.

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.
- 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. 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.



Notes to the Financial Statements as at and for the year ended March 31, 2019

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

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.

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. 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

**Notes to the Financial Statements as at and for the year ended March 31, 2019**

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

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.

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 amortisation, 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

**Notes to the Financial Statements as at and for the year ended March 31, 2019**

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

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.

Debt instruments at amortised cost

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

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

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

**Notes to the Financial Statements as at and for the year ended March 31, 2019**

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

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)
- 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

**Notes to the Financial Statements as at and for the year ended March 31, 2019**

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

- 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.

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:

**Notes to the Financial Statements as at and for the year ended March 31, 2019**

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

- 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.

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

**Notes to the Financial Statements as at and for the year ended March 31, 2019**

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

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.

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.

**Notes to the Financial Statements as at and for the year ended March 31, 2019**

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

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 these 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.

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 recognised in profit and loss.

**Notes to the Financial Statements as at and for the year ended March 31, 2019**

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

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.

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.

'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 except 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.

**Notes to the Financial Statements as at and for the year ended March 31, 2019**

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

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.

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.

**Notes to the Financial Statements as at and for the year ended March 31, 2019**

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

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 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

**Notes to the Financial Statements as at and for the year ended March 31, 2019**

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

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. 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.

q. Revenue Recognition:

Effective April 1, 2018, the Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Sales of goods

Revenue from sale of goods is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, allowances and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate probable saleable and non-saleable return of goods from the customers. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

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.

**Notes to the Financial Statements as at and for the year ended March 31, 2019**

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

Dividend income

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

Export Benefits

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and no significant uncertainty exist regarding its ultimate collection.

r. 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.

s. Recent Accounting Pronouncements:*Standards issued but not yet effective*

Ind AS 116 Leases was notified in March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards, if applicable, when they become effective. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Consolidated Financial Statements.

t. 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 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


Notes to the Financial Statements as at and for the year ended March 31, 2019

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

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)(iii)]

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

Recognition of revenue [2B(q)]

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	Buildings	Plant and Equipments	Furniture and fittings	Vehicles	Office Equipments	Computers	Total
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
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
Year ended March 31, 2019								
Gross carrying amount								
Opening gross carrying amount	2,018	2,571	3,777	314	95	71	159	9,005
Additions	-	317	514	44	45	31	180	1,131
Disposals	-	-	(4)	-	(35)	(2)	(2)	(43)
Closing gross carrying amount	2,018	2,888	4,287	358	105	100	337	10,093


Notes to the Financial Statements as at and for the year ended March 31, 2019

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

3 Property, plant and equipment (Contd.)

	Leasehold Land	Buildings	Plant and Equipments	Furniture and fittings	Vehicles	Office Equipments	Computers	Total
Accumulated depreciation								
Opening accumulated depreciation	78	215	517	81	24	22	74	1,011
Depreciation charge during the year	39	120	539	50	23	21	65	857
Disposals	-	-	(4)	-	(19)	(2)	(1)	(26)
Closing accumulated depreciation	<u>117</u>	<u>335</u>	<u>1,052</u>	<u>131</u>	<u>28</u>	<u>41</u>	<u>138</u>	<u>1,842</u>
Net carrying amount March 31, 2019	1,901	2,553	3,235	227	77	59	199	8,251
Capital work-in-progress								
Net carrying amount March 31, 2018			480					
Net carrying amount March 31, 2019			1,012					

NOTES:
(i) Leased assets

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

	31-03-2019	31-03-2018
Computers		
Cost/Deemed cost	141	34
Accumulated depreciation	34	17
Net carrying amount	<u>107</u>	<u>17</u>

The lease term in respect of asset acquired under finance leases is from 3 years to 5 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 ₹ 904 lakhs (Previous year - ₹ 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 Plant and Equipment, Furniture and Fixtures and office equipment include ₹ 37 lakhs (Previous year ₹ 30 lakhs), ₹ NIL (Previous year 3 lakhs) and ₹ 2 lakhs (Previous year - ₹ 1 lakh) respectively pertaining to Research and Development activities.


Notes to the Financial Statements as at and for the year ended March 31, 2019

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

4 Intangible assets

	Trade Marks	Technical Knowhow	Computer Software	Total
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
Year ended March 31, 2019				
Gross carrying amount				
Balance as at April 1, 2018	4,273	1,498	289	6,060
Additions	-	-	102	102
Balance as at March 31, 2019	4,273	1,498	391	6,162
Accumulated amortisation				
Balance as at April 1, 2018	617	256	101	974
Amortisation charge for the year	427	173	75	675
Closing accumulated amortisation	1,044	429	176	1,649
Balance as at March 31, 2019	3,229	1,069	215	4,513

(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 includes the following amounts where the Company is a lessee under a finance Lease:

	March 31, 2019	March 31, 2018
Computer Software		
Cost/Deemed cost	36	36
Accumulated depreciation	30	14
Net carrying amount	6	22

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 to the Financial Statements as at and for the year ended March 31, 2019

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

5 Financial assets
a) Loans

	March 31, 2019		March 31, 2018	
	Current	Non-current	Current	Non-current
Loan to employees	-	10	-	9
Total loans	-	10	-	9

b) Other financial assets

	March 31, 2019		March 31, 2018	
	Current	Non-current	Current	Non-current
Security Deposits	64	30	66	28
Less: Allowance for Doubtful Security Deposit	(47)	-	(35)	-
Employee Advances	103	-	93	-
Less: Allowance for doubtful Employee advances	(24)	-	(14)	-
Total other financial assets	96	30	110	28

c) Trade receivables

	March 31, 2019	March 31, 2018
Trade receivables	3,990	6,876
Receivables from related parties	-	-
Less: Allowance for doubtful debts	(100)	(63)
Total receivables	3,890	6,813
Breakup of securities details		
Secured, considered good	15	27
Unsecured, considered good	3,875	6,786
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired	100	63
Total	3,990	6,876
Less: Allowance for doubtful debts	(100)	(63)
Total trade receivables	3,890	6,813

d) Cash and cash equivalents

	March 31, 2019	March 31, 2018
Balances with banks		
- in current accounts	35	10
- Cash on hand	2	1
Total cash and cash equivalents	37	11


Notes to the Financial Statements as at and for the year ended March 31, 2019

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

e) Bank balances other than cash and cash equivalents

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Deposits with original maturity of more than 3 months but less than 12 months *	-	50
Unpaid Dividend accounts	34	28
Margin money balances	6	5
Total bank balances other than cash and cash equivalents	<u><u>40</u></u>	<u><u>83</u></u>

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

6 Other assets

	<u>March 31, 2019</u>		<u>March 31, 2018</u>	
	<u>Current</u>	<u>Non-current</u>	<u>Current</u>	<u>Non-current</u>
Capital advances	-	105	-	22
Export Benefits receivable	348	-	369	-
Balances with Government Authorities	849	46	1,116	52
Prepaid/Advance to suppliers	345	-	391	-
Total other assets	<u><u>1,542</u></u>	<u><u>151</u></u>	<u><u>1,876</u></u>	<u><u>74</u></u>

7 Inventories

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Raw Materials	802	678
Work-in-Progress	730	899
Finished Goods	1,239	1,896
Stock-in-Trade	1,084	1,629
Stores and Spares	95	88
Packing Materials	154	179
Total Inventories	<u><u>4,104</u></u>	<u><u>5,369</u></u>

- a) The write down of inventories to net realisable value during the year amounted to ₹ 1 lakh (PY ₹ 2 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 to the Financial Statements as at and for the year ended March 31, 2019

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

8 Equity share capital and other equity
a) Equity Share capital

Authorised Equity Share capital

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Authorised Equity Share capital		
1,87,50,000 equity shares of ₹ 8 each	1,500	1,500
Issued, Subscribed and Paid-up Capital		
1,65,39,015 equity shares of ₹ 8 each	1,323	1,323

(i) Movements in equity share capital

	<u>Notes</u>	<u>Number of shares</u>	<u>Equity share capital (par value) (₹ in lakhs)</u>
As at March 31, 2018		1,65,39,015	1,323
As at March 31, 2019		1,65,39,015	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

	<u>March 31, 2019</u>		<u>March 31, 2018</u>	
	<u>Number of shares</u>	<u>% holding</u>	<u>Number of shares</u>	<u>% holding</u>
Chattarpati Apartments LLP	362	0.00	53,08,215	32.09
Ektara Enterprises LLP	23,58,831	14.26	100	0.00
Sudarshan Electronics And Tv Ltd	501	0.00	17,92,001	10.83
Nucleus Life Trust	88,35,944	53.42	35,17,709	21.27

b) Reserves and surplus

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Securities Premium Reserve	3,446	3,446
Capital Reserve	5	5
General Reserve	863	863
Retained earnings	10,413	9,838
Total reserves and surplus	14,727	14,152


Notes to the Financial Statements as at and for the year ended March 31, 2019

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

(i) Securities premium reserve

	March 31, 2019	March 31, 2018
Opening balance	<u>3,446</u>	<u>3,446</u>
Exercise of option -Proceeds received	<u>-</u>	<u>-</u>
Closing Balance	<u>3,446</u>	<u>3,446</u>

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, 2019	March 31, 2018
Opening balance	<u>5</u>	<u>5</u>
Closing Balance	<u>5</u>	<u>5</u>

Pursuant to the scheme dated April 2, 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, 2019	March 31, 2018
Opening balance	<u>863</u>	<u>863</u>
Closing Balance	<u>863</u>	<u>863</u>

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, 2019	March 31, 2018
Opening balance	<u>9,838</u>	<u>9,064</u>
Add: profit for the year	<u>1,081</u>	<u>1,345</u>
<i>Items of other comprehensive income recognised directly in retained earnings:</i>		
Remeasurements of post-employment benefit obligation, net of tax	<u>(27)</u>	<u>(14)</u>
Dividend Paid	<u>(397)</u>	<u>(463)</u>
Tax on Dividend	<u>(82)</u>	<u>(94)</u>
Closing Balance	<u>10,413</u>	<u>9,838</u>

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, 2019	March 31, 2018
Final dividend for the year ended on March 31, 2018 (₹ 2.40 per share)	<u>397</u>	<u>463</u>
Dividend Distribution tax (DDT) on final dividend	<u>82</u>	<u>94</u>
Total	<u>479</u>	<u>557</u>


Notes to the Financial Statements as at and for the year ended March 31, 2019

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

9 Distribution made and proposed (Contd.)

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

Proposed dividends on equity shares	March 31, 2019	March 31, 2018
Final cash dividend for the year ended on March 31, 2019: ₹ 2.40 per share (March 31, 2018 ₹ 2.40 per share)	397	397
Dividend Distribution Tax (DDT) on proposed dividend	82	81
Total	479	478

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, 2019	March 31, 2018
Secured		
Vehicle loan from Bank : Refer Note (i)	58	40
Term loans from Banks : Refer Note (ii)	425	1,564
Unsecured		
Finance Lease Obligations : Refer Note (iii)	263	26
Total borrowings	746	1,630
Less: Current maturities of long term debt	(20)	(593)
Less: Current maturities of long term finance lease obligations	(68)	(14)
Non-Current borrowings (as per balance sheet)	658	1,023

i) Nature of Security and Terms of repayment for vehicle 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) Particulars and Terms of repayment for secured term loan from a bank

Nature of Security	Terms of Repayment
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 9.75% 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 to the Financial Statements as at and for the year ended March 31, 2019

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

Current borrowings

	March 31, 2019	March 31, 2018
Secured working Capital loans		
From Banks	904	3,083
From Financial Institution	-	286
Total secured borrowings	904	3,369
Unsecured working Capital loans		
From Banks	2,000	423
Total unsecured borrowings	2,000	423
Current borrowings (as per balance sheet)	2,904	3,792

Secured borrowings and assets pledged as security

Total Working Capital Loans ₹ 904 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.

Net Debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	March 31, 2019	March 31, 2018
Cash and cash equivalents	37	11
Current borrowings and current maturity of long term borrowings	(2,992)	(4,399)
Non current borrowings	(658)	(1,023)
Net debt	(3,613)	(5,411)

	Other Assets	Liabilities from financing activities			
	Cash and cash equivalents	Finance lease obligation	Non current borrowings	Current borrowings	Total
Net debt as at March 31, 2018	11	(26)	(1,011)	(4,385)	(5,411)
Cash flows	26	(237)	548	1,461	1,798
Interest expense	-	12	98	289	399
Interest paid	-	(12)	(98)	(289)	(399)
Net debt as at March 31, 2019	37	(263)	(463)	(2,924)	(3,613)

b) Trade payables

	March 31, 2019	March 31, 2018
Trade payables other than acceptances	2,513	5,187
Payable to related party	-	-
Total trade payables	2,513	5,187

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


Notes to the Financial Statements as at and for the year ended March 31, 2019

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

c) Other financial liabilities

	March 31, 2019		March 31, 2018	
	Current	Non-current	Current	Non-current
Deposits from Dealers	-	299	-	279
Current Maturity of Long Term Borrowings	20	-	593	-
Current maturities of long term	68	-	14	-
Interest accrued but not due on Borrowings	-	-	2	-
Unpaid Dividends*	33	-	28	-
Unpaid Matured Fixed Deposits*	1	-	5	-
Employee Benefits Payable	505	-	857	-
Payables on purchase of capital assets	196	-	4	-
Total other financial liabilities	823	299	1,503	279

* 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.

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, 2019			March 31, 2018		
	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	99	31	68	16	2	14
Between one and five year	239	44	195	13	1	12
After more than 5 years	-	-	-	-	-	-

11 Other liabilities

	March 31, 2019		March 31, 2018	
	Current	Non-current	Current	Non-current
Advances received from customers	293	-	73	-
Statutory dues	216	-	271	-
Total other liabilities	509	-	344	-


Notes to the Financial Statements as at and for the year ended March 31, 2019

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

12 Provisions

	March 31, 2019		March 31, 2018	
	Current	Non-current	Current	Non-current
Provision for Employee benefits				
Compensated absences	69	335	95	279
Gratuity	48	-	53	-
Others				
Provision for Sales Return/Spoilages	916	-	1,077	-
Total provisions	1,033	335	1,225	279

Provision for Sales Return/Spoilages
Movements in provision for Sales Return/Spoilages

As at March 31, 2018	1,077
Additional provisions recognised	-
Amount utilised during the year	(161)
As at March 31, 2019	916

13 Post employment benefit obligations
a) Defined Contribution Plans

Expenses recognised for defined contribution plans are summarised below:

	March 31, 2019	March 31, 2018
(a) Contribution to Provident Fund	129	106
(b) Contribution to Employee's Superannuation Fund	17	20
(c) Contribution to Employees' State Insurance Scheme	22	33
(d) Contribution to Employees' Pension Scheme	125	119
Total	293	278

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, 2019 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, 2019.


Notes to the Financial Statements as at and for the year ended March 31, 2019

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

13 b) Defined Benefit Plans - Gratuity (Contd.)

	Present value of obligation	Fair value of plan assets	Net amount
March 31, 2018	680	628	52
Current service cost	82	-	82
Interest expense/(income)	53	49	4
Total amount recognised in profit and loss	135	49	86
<i>Remeasurements</i>			
Return on plan assets, excluding amount included in interest expense/(income)	-	(13)	13
(Gain)/loss from change in demographic assumptions	(11)	-	(11)
(Gain)/loss from change in financial assumptions	23	-	23
Experience (gains)/losses	16	-	16
Total amount recognised in other comprehensive income	28	(13)	41
Employer contributions	(80)	53	(133)
March 31, 2019	763	717	46

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

	March 31, 2019	March 31, 2018
Present value of funded	763	680
Fair value of plan assets	(717)	(628)
Deficit of funded plan	46	52
Unfunded plans	-	-
Deficit of gratuity plan	46	52

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

	March 31, 2019	March 31, 2018
Fixed Deposit	290	160
Corporate Bonds	-	68
Insurance fund (LIC)	413	385
Other Net Assets	14	15
Total	717	628



Notes to the Financial Statements as at and for the year ended March 31, 2019

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

Significant Estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	March 31, 2019	March 31, 2018
Discount rate	7.22%	7.80%
Expected Return on Plan Assets	7.22%	7.80%
Rate of Employee Turnover		
- Sales Employees	30% p.a.	10.00%
- Other then Sales Employees	8% p.a.	10.00%
Salary growth rate	8.50%	8.50%

Sensitivity analysis

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

	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Discount rate	1.00%	1.00%	(39)	(29)	43	31
Salary growth rate	1.00%	1.00%	42	63	(39)	(55)
Employee Turnover	1.00%	1.00%	(4)	(1)	4	5

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 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.



Notes to the Financial Statements as at and for the year ended March 31, 2019

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

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 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

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Revenue from contracts with customers		
Sale of products	32,383	33,971
Sale of services		
- Product development	-	59
Other Operating Revenue		
- Scrap Sales	85	88
- Export Incentives	539	592
- Miscellaneous Income	9	4
Revenue from operations	<u>33,016</u>	<u>34,714</u>

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 ₹ 916 lakhs as at March 31, 2019 (March 31, 2018 - ₹ 1,077 lakhs). This is measured based on the previous history of sales return. Revenue is adjusted for the expected value of the return.

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Revenue as per contracted price	36,215	37,807
Adjustments		
Discount	2,089	2,403
Sales return & Expiries	1,743	1,433
Revenue from contract with customers	<u>32,383</u>	<u>33,971</u>


Notes to the Financial Statements as at and for the year ended March 31, 2019

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

15 Other income

	March 31, 2019	March 31, 2018
Interest Income	12	1
Provision no longer required, written back	2	69
Net Gain on Foreign Exchange Transaction and Translation	29	17
Profit on Sale of Assets (Net)	-	1
Insurance Claims	-	10
Sales Tax Refund	37	-
Total other income	80	98

16 Cost of Materials Consumed

a)	March 31, 2019	March 31, 2018
Raw material Consumed	4,506	6,421
Packaging material consumed	611	774
Total cost of Material consumed	5,117	7,195

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

	March 31, 2019	March 31, 2018
Opening Stock		
Work in progress	899	747
Finished goods	1896	1,040
Stock in Trade	1629	1,968
	4,424	3,755
Closing Stock		
Work in progress	730	899
Finished goods	1,239	1,896
Stock in Trade	1,084	1,629
	3,053	4,424
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	1,371	(669)

17 Employee benefits expense

	March 31, 2019	March 31, 2018
Salaries, wages, bonus, etc.	7,967	7,856
Contribution to provident and other funds	293	279
Gratuity	86	83
Compensated Absences	89	101
Staff welfare expenses	558	695
Total	8,993	9,014


Notes to the Financial Statements as at and for the year ended March 31, 2019

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

18 Finance costs

	March 31, 2019	March 31, 2018
Interest expense on financial liabilities measured at amortised cost	399	380
Total	399	380

19 Depreciation and amortisation expense

	March 31, 2019	March 31, 2018
Depreciation on Property, plant and equipment	857	815
Amortisation of Intangible Assets	675	619
Depreciation and amortisation expense	1,532	1,434

20 Other expenses

	March 31, 2019	March 31, 2018
Consumption of Stores and Spares	664	748
Power and Fuel	1,038	1,044
Rent	115	133
Repairs and Maintenance		
- Buildings	179	163
- Plant and Machinery	131	139
- Others	85	57
Insurance	357	304
Rates and Taxes		
- Others	158	256
Processing Charges	228	305
Product Development Cost	-	8
Legal and Professional Charges	558	463
Travelling and Conveyance	1,234	1,197
License Fees	93	100
Directors' Fees	55	26
Printing and Stationery	90	102
Postage and Telephone	237	246
Freight and Distribution	593	693
Loss on sale of Assets (Net)	6	1
Commission on Sales	534	611
Expenditure towards Corporate Social Responsibility (CSR) Activities [Refer note 22]	31	17
Sales Promotion	734	939
Bad Debts and Advances written off	-	138
Less: Provision	-	(138)


Notes to the Financial Statements as at and for the year ended March 31, 2019

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

20 Other expenses (Contd.)

	March 31, 2019	March 31, 2018
Allowance for Doubtful Debts and Advances (Net)	60	22
Conference	344	535
Misc Service Purchases	713	653
Training	157	178
Bank charges	87	92
Subscription	94	97
Payments to auditors (Refer note 21)	35	36
Miscellaneous Expenses	1,053	1,003
Total	<u>9,663</u>	<u>10,168</u>

21 Details of payments to auditors

	March 31, 2019	March 31, 2018
a) Audit fees	27	17
b) Taxation matters	5	5
c) Other services	1	12
d) Reimbursement of Expenses	2	2
Total	<u>35</u>	<u>36</u>

22 Corporate social responsibility expenditure

	March 31, 2019	March 31, 2018
a) Gross amount required to be spent by the Company during the year	31	17
b) Amount spent during the year (in cash)		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	31	17

23 Research and Development expenditure

	March 31, 2019	March 31, 2018
Salaries and Wages	481	436
Consumable Stores	98	109
Utilities	27	58
Others	144	164
Capital expenditure	61	34
Intangibles under Research and Development*	312	393
	<u>1,123</u>	<u>1,194</u>

* Includes development cost of new products being developed by R&D


Notes to the Financial Statements as at and for the year ended March 31, 2019

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

24 Income tax expense
a) Income tax expense

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
<i>Current tax</i>		
Current tax on profits for the year	284	385
<i>Deferred tax</i>		
(Decrease) increase in deferred tax liabilities	140	306
Income tax expense	424	691

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 :

	<u>March 31, 2019</u>		<u>March 31, 2018</u>
Total profit for the year	1,505		2,036
Tax using the Company's domestic tax rate 34.94%	526	34.61%	705
(Previous year 34.61%)			
Differences due to:			
<i>Expenses not deductible for tax purposes</i>	1.46%		1.03%
	22		21
<i>Additional allowances under income tax in respect of Section 35(2AB)</i>	-10.56%		-7.12%
	(159)		(145)
<i>Changes in WDV of the assets</i>	0.40%		3.39%
	6		69
<i>Effect on account of tax rate difference</i>	0.00%		1.33%
	-		27
<i>Others</i>	1.93%		0.69%
	29		14
Current and Deferred Tax expenses as per note 24 (a)	28.16%	33.92%	691

c) Deferred tax liabilities (net)

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Property, plant and equipment	1,308	1,227
Total deferred tax liabilities	1,308	1,227
Unabsorbed Depreciation	-	126
Provision for Employee Benefits	136	111
Provision for Doubtful Debts and Advances	60	39
Provision for sales return and spoilages	321	344
Statutory Liabilities	45	18
MAT Entitlement	1,364	1,333
Total deferred tax assets	1,926	1,971
Net	(618)	(744)


Notes to the Financial Statements as at and for the year ended March 31, 2019

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

d) Movement in deferred tax liabilities/assets

	<u>MAT</u>	<u>Provisions</u>	<u>Unabsorbed depreciation/ Tax loss</u>	<u>Property plant and equipment</u>	<u>Total</u>
At March 31, 2018	1,333	512	126	(1,227)	744
(Charged)/credited:					
- to profit or loss	31	36	(126)	(81)	(140)
- to other comprehensive income	-	14	-	-	14
At March 31, 2019	<u>1,364</u>	<u>562</u>	<u>-</u>	<u>(1,308)</u>	<u>618</u>

e) Current tax Assets/(liabilities)

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Opening balance Asset (net)	37	52
Less: Current tax payable for the year	(284)	(385)
Add: Taxes paid	372	370
Closing balance Asset (net)	<u>125</u>	<u>37</u>

25 Contingent liabilities and contingent assets
a) Contingent liabilities

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
(a) Guarantees		
Bank Guarantees given on behalf of the Company for various parties	388	393
(b) Claims against the company not acknowledge as debts		
Sales Tax, Service Tax and Excise Duty	245	245

- b) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshni Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against the decision has been filed and is pending before the SC for disposal.

In view of the management, the liability for the period from date of the SC order to March 31, 2019 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts. Accordingly, this has been disclosed as a Contingent liability.

26 Commitments
a) Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances ₹ 199 lakhs [Previous year ₹ 22 lakhs]) ₹ 326 lakhs [Previous year ₹ 425 lakhs].


Notes to the Financial Statements as at and for the year ended March 31, 2019

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

b) Other Commitments

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
(i) Guarantee given to Gujarat Industrial Development Corporation	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:

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Commitments for MLP in relation to non- cancellable operating lease are payable as follows:		
Within one year	11	55
Later than one year but not later than five years	-	11
Later than five years	-	-

27 Earnings per share
(a) Profit attributable to equity share holders

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Profit attributable to the equity holders of the company	<u>1,081</u>	<u>1,345</u>
	<u>1,081</u>	<u>1,345</u>

(b) Weighted average number of equity shares

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
	<u>No. of shares</u>	<u>No. of shares</u>
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

Total basic earnings per share attributable to the equity holders of the company	6.54	8.13
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28 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.



Notes to the Financial Statements as at and for the year ended March 31, 2019

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

(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 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 receivables

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	0.18%	1.32%	1.77%	20.53%	20.53%

Cash and cash equivalents

As at the year end, the Company held cash ₹ 37 lakhs (31.03.2018 - ₹ 11 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

- 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.
- 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.

	March 31, 2019	March 31, 2018
Security Deposits		
Gross carrying amount	64	66
Expected credit losses	(47)	(35)
Carrying amount net of impairment provision	17	31


Notes to the Financial Statements as at and for the year ended March 31, 2019

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

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*
Loss Allowance on March 31, 2018	35
Add: Increase in loss allowances	12
Loss Allowance on March 31, 2019	47

* Financial assets for which credit risk has increased significantly and not credit-impaired

d) Reconciliation of loss allowance provision - Trade receivables (Simplified approach)

Loss Allowance as on March 31, 2018	(63)
Changes in loss allowance	(37)
Loss Allowance as on March 31, 2019	(100)

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	Carrying Amount	Less than 12 months	More than 12 months	Total
31-Mar-19				
<u>Non Derivative</u>				
Borrowings	3,387	2,924	463	3,387
Obligations under Finance lease	263	68	195	263
Trade payables	2,513	2,513	-	2,513
Other financial liabilities	1,034	735	299	1,034
	<u>7,197</u>	<u>6,240</u>	<u>957</u>	<u>7,197</u>
31-Mar-18				
<u>Non Derivative</u>				
Borrowings	5,396	4,385	1,011	5,396
Obligations under Finance lease	26	14	12	26
Trade payables	5,187	5,187	-	5,187
Other financial liabilities	1,175	896	279	1,175
	<u>11,784</u>	<u>10,482</u>	<u>1,302</u>	<u>11,784</u>



Notes to the Financial Statements as at and for the year ended March 31, 2019

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

(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. 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:

	As at March 31, 2019			As at March 31, 2018		
	US Dollar	Euro	GBP	US Dollar	EUR	GBP
<u>Financial Assets</u>						
Trade Receivables	2,048	37	360	2,176	262	743
<u>Derivative Assets</u>						
Foreign Exchange forward contracts	42	-	-	-	-	-
<u>Financial Liabilities</u>						
Trade Payables	(70)	-	-	(219)	-	-
Loan	-	-	-	(1,607)	-	-
Net Exposure to foreign Currency risk	2,020	37	360	350	262	743

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.

	Change in assumptions	Increase in assumptions		Decrease in assumptions	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
USD	+/- 5%	99	17	(99)	(17)
EURO	+/- 5%	2	13	(2)	(13)
GBP	+/- 5%	18	37	(18)	(37)

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 to the Financial Statements as at and for the year ended March 31, 2019

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

29 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 balances.

The gearing ratios were as follows:

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Net debt	3,573	5,330
Total Equity	16,050	15,475
Net debt to equity ratio	0.22	0.34

30 Fair value measurements

a) Financial instruments by category

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Financial assets (at amortised cost)		
Loans	10	9
Trade receivables	3,890	6,813
Cash and cash equivalents	37	11
Bank Balances	40	83
Deposits	47	59
Other financial assets	79	79
Total financial assets	<u>4,103</u>	<u>7,054</u>
Financial liabilities (at amortised cost)		
Borrowings	3,650	5,424
Deposits	299	279
Other financial liabilities	735	894
Trade payables	2,513	5,187
Total financial liabilities	<u>7,197</u>	<u>11,784</u>


Notes to the Financial Statements as at and for the year ended March 31, 2019

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

b) Fair value hierarchy

Financials Assets and liabilities measured at amortised cost for which fair value are disclosed	Carried at amortised cost (At Level 2)	
	March 31, 2019	March 31, 2018
Financial assets		
Loans	10	9
Deposits	8	8
Financial liabilities		
Borrowings	402	1,566
Deposits	299	279

- 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 forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- 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, 2019		March 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Loans	10	10	9	9
Deposits	8	8	8	8
Financial liabilities				
Borrowings	425	402	1,564	1,566
Deposits	299	299	279	279



Notes to the Financial Statements as at and for the year ended March 31, 2019

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

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.

31 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. Accordingly, the Company has only one reportable business segment which is manufacturing and marketing of pharmaceutical products as per Ind AS 108. ("Operating Segments")

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, 2019	March 31, 2018
India	20,163	23,280
Outside India	12,853	11,434
Total	33,016	34,714

c) Segment Assets

Non-current assets*	March 31, 2019	March 31, 2018
India	14,632	14,027
Outside India	-	-
Total	14,632	14,027

*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.



Notes to the Financial Statements as at and for the year ended March 31, 2019

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

32 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 (till 30 September, 2018)
- Yugal Sikri - Managing Director (w.e.f 1 October, 2018)

Non-Executive Directors

- H.V Goenka - Chairman
- C.L. Jain
- Manoj Maheshwari
- Mahesh S. Gupta
- Lalit S. Kanodia
- Narendra Ambwani
- Zahabiya Khorakiwala
- Sachin Nandgaonkar

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
- Searle (India) Limited Management Staff Superannuation Fund
- Searle (India) Limited Staff Gratuity Fund

b) Key Management Personnel - Compensation

	March 31, 2019	March 31, 2018
Short-term employee benefits	436	239
Post-employment benefits #	11	10
Total	447	249

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 to the Financial Statements as at and for the year ended March 31, 2019

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

c) Transactions with the other related parties:

The following transactions occurred with the other related parties:

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
(i) Purchase of Intangibles assets - Zensar Technologies Limited	8	34
(ii) License fees - RPG Enterprises Limited	93	100
(iii) Payments made/expenses incurred on behalf of related party		
- Ceat Limited	25	15
- RPG Enterprises Limited	62	65
- KEC International Limited	2	2
- Zensar Technologies Limited	17	16
(iv) Service charges - Ceat Limited	103	101
(v) Sitting Fees paid to Chairman and Non-executive directors		
- H.V Goenka	6	3
- C.L. Jain	8	4
- Manoj Maheshwari	6	2
- Mahesh S. Gupta	7	4
- Lalit S. Kanodia	6	3
- Narendra Ambwani	7	3
- Zahabiya Khorakiwala	4	2
- Sachin Nandgaonkar	8	3
- Yugal Sikri	3	4
(vi) Contribution made to Trusts		
- Searle (India) Limited Management Staff Superannuation Fund	17	20
- Searle (India) Limited Staff Gratuity Fund	127	106

d) Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with the related parties:

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Trade Payables	1	-
Post Employment Benefit Plan	46	52

All transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured and are repayable in cash.



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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 12th Annual General Meeting of the Company on Tuesday, July 30, 2019, at 2.30 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 12th Annual General Meeting of the Company, to be held on Tuesday, 30 July, 2019 at 2.30 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, 2019 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, 2019.
3.	Re-appointment of Mr. H.V.Goenka as a Director of the Company.
4.	Re-appointment of Dr. Lalit S. Kanodia as Independent Director for second consecutive term of 5 years
5.	Re-appointment of Mr. Narendra Ambwani as Independent Director for second consecutive term of 5 years
6.	Re-appointment of Mr. Mahesh Gupta as Independent Director for second consecutive term of 5 years
7.	Re-appointment of Mr. Manoj Maheshwari as Independent Director for second consecutive term of 5 years
8.	Ratification of remuneration payable to Cost Auditors of the Company.

Signed thisday of.....2019

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.



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

Rajesh Shirambekar
Head - Legal & Company Secretary

Place: Mumbai
Date: April 29, 2019



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

CIN:L24232MH2007PLC169354

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

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC FORM

I/We agree to receive documents in electronic mode pursuant to Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014. Please register / update* the E-mail ID as mentioned below.

*Strike out whichever is not applicable.

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

Place: _____

Date: _____

(Signature of First holder)

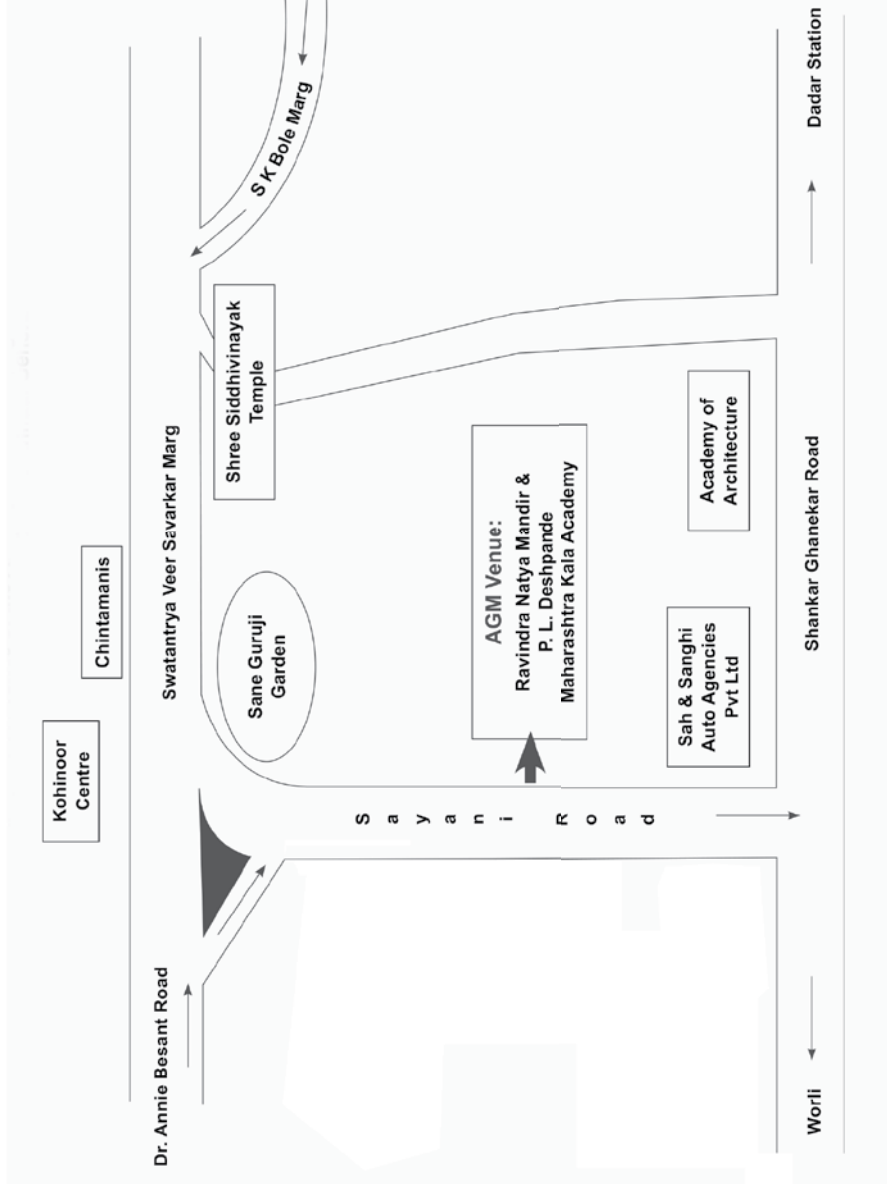
(Name of First holder)

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 12th Annual General Meeting



Venue Address: Ravindra Natya Mandir, P. L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai 400 025.

(Source: Google Map)

This image shows a single page of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

This image shows a single page of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

About Company

RPG Life Sciences is a reputed player in the Indian pharmaceutical industry engaged in manufacturing and marketing of Formulations and API with footprint across 52 countries, serving patients with quality medicines, across a wide range of therapeutic uses.

RPG LIFE SCIENCES LIMITED

RPG HOUSE, 463, Dr. Annie Besant Road, Worli, Mumbai - 400 030, India
Tel: +91-22-2498 1650 / 51, <http://www.rpglifescience.com>

A  **RPG** Company