

July 28, 2020

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

BSE Limited  
Corporate Relationship Department  
25, P.J. Towers,  
Dalal Street,  
Mumbai 400 001.

Symbol: RPGLIFE

Scrip Code: 532983

Dear Sirs /Madam,

**Ref.: Disclosure under Regulation 34 and Regulation 30(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Sub: Intimation for Annual General Meeting and Annual Report of FY 2019-20**

This is to inform you that the 13<sup>th</sup> Annual General Meeting (“AGM”) of the Members of the Company will be held on Thursday, August 20, 2020 at 3.00 p.m. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India, inter alia, to transact the businesses stated in the Notice convening the said AGM.

Pursuant to Regulation 34(1) and Regulation 30(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2019-20 along with the Notice of AGM, which is being sent through electronic mode to the Members of the Company, whose e-mail IDs are registered with Depositories/ Company/ Registrar and Share Transfer Agent. The Annual Report including Notice of AGM is also available on the website of the Company at [https://rpglifesciences.com/website/annual\\_reports.php](https://rpglifesciences.com/website/annual_reports.php). The Notice of the AGM of the Company inter alia indicates the process and manner of remote e-Voting/ e-voting at the AGM and instructions for participation at the AGM through VC/OAVM.

Request you to kindly take the same on record.

Thanking you,

Yours faithfully,  
For RPG Life Sciences Limited



Rajesh Shirambekar  
Head – Legal & Company Secretary



Encl: as above



# Science for Life

**RPG Life Sciences Limited**  
Annual Report 2019-20

# 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 the early 19th century. Today, the group has several companies in diverse sectors and the most prominent among them being Zensar Technologies, CEAT, 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

Happiness is intrinsic to life at RPG. Be it in our product innovations, business challenges, people policies or in our community outreach programmes. Our Vision tenets clearly outline the path we collectively traverse – to be an organisation where dreams are not constrained by fences, and each one of us is encouraged to reach for happiness that is within our grasp.

**“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, and work collectively towards a common goal that makes each of us rise beyond our limitations.

**BOARD OF DIRECTORS**

Mr. H. V. Goenka	Chairman
Dr. Lalit S. Kanodia	
Mr. Manoj K. Maheshwari	
Mr. Mahesh S. Gupta	
Mr. Narendra Ambwani	
Ms. Zahabiya Khorakiwala	
Mr. Bhaskar Iyer	
Mr. Sachin Nandgaonkar	
Mr. Yugal Sikri	Managing Director

**MANAGEMENT TEAM**

Mr. Yugal Sikri	Managing Director
Mr. Ramanathan Varadarajan	Chief Operating Officer
Mr. Samir Rane	Business Unit Head - Domestic Formulations (Main Division)
Mr. Mahesh Narayanaswamy	Vice President - Finance
Mr. Manoj Muthiyar	Vice President - New Product Development & Regulatory Affairs
Mr. Milind Gujar	Chief Quality Officer
Ms. Suchitra Tiwari	Head- Regulatory & Project Management
Mr. Tushar Joshi	Head - Human Resources
Mr. Kartick Patra	Head - API Operations & Procurement
Mr. Himmat Patel	Head-Domestic Manufacturing
Mr. Rajesh Chopra	Site Head - International Formulations

**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](http://www.rpglifesciences.com)

**REGISTRARS**

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

Index			
02	Notice	61	Auditors' Report
11	Directors' Report	68	Balance Sheet
36	Management Discussion and Analysis Report	69	Statement of Profit and Loss
39	Corporate Governance Report	70	Cash Flow Statement
54	Business Responsibility Report		



Scan this code with a QR reader app on your smartphones or tablets and know more about us.

[www.rpglifesciences.com](http://www.rpglifesciences.com)



## NOTICE

**NOTICE IS HEREBY GIVEN THAT THE THIRTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF RPG LIFE SCIENCES LIMITED WILL BE HELD ON THURSDAY, AUGUST 20, 2020 AT 3:00 P.M. (IST) THROUGH VIDEO CONFERENCING (“VC”) / OTHER AUDIO VISUAL MEANS (“OAVM”), TO TRANSACT THE FOLLOWING BUSINESS:**

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2020 and the Report of the Directors and Auditors’ thereon.
2. To confirm payment of Interim Dividend of ₹ 4.00 per equity share paid during the financial year 2019-20 as final dividend on equity shares of the Company for the financial year ended March 31, 2020.
3. To appoint a Director in place of Mr. Sachin Nandgaonkar (DIN:03410739), who retires by rotation, and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

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

“RESOLVED THAT Mr. Bhaskar Iyer (DIN:00480341), who was appointed as an Additional Director of the Company by the Board of Directors with effect from October 30, 2019 and who holds office up to the date of the forthcoming Annual General Meeting under Section 161 of the Companies Act, 2013, (“the Act”) and Articles of Association of the Company, and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a shareholder proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Regulation 16 (1)(b) and other relevant provisions of the SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. Bhaskar Iyer (DIN:00480341), 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 appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years from October 30, 2019 to October 29, 2024.

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 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, 2021, 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 severally 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. In view of the outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, (hereinafter referred to as ‘MCA Circulars’), physical attendance of the Members at the Annual General Meeting (AGM) is not required and AGM be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Further, the Securities and Exchange Board of India (‘SEBI’) vide its circular dated May 12, 2020 (‘SEBI Circular’) has also granted certain relaxations. In compliance with the provisions of the Companies Act, 2013 (‘Act’), SEBI (Listing Obligations and Disclosure Requirements)





Regulations, 2015 ('Listing Regulations') and MCA Circulars, the AGM of the Company is being held through VC/OAVM. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. The relative Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the business under item no. 4 set out above and details under Regulations 26(4) and 36(3) of the Listing Regulations and Paragraph 1.2.5 of the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Directors seeking re-appointment at the AGM are annexed hereto.
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote instead of himself/herself and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
4. Institutional Members are encouraged to attend and vote at this AGM through VC/OAVM. Institutional/ Corporate Shareholders (i.e. other than individuals/ HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM or to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [rppls.scrutinizer@gmail.com](mailto:rppls.scrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
5. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled commencement time of the Meeting and window for joining the Meeting shall be kept open throughout the proceedings of the AGM. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders

Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. As per the provisions of Clause 3.A.III. of the General Circular No. 20/2020 dated May 5, 2020, the matter of Special Business as appearing at item nos. 4 & 5 of the accompanying Notice, is considered to be unavoidable by the Board and hence, forming part of this Notice.
8. 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.
9. 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 at email ID: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)
10. In case of joint holders, 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.
11. The details of shares in Unclaimed Suspense Account and dematerialized are as follows:

Particulars	Number of Shareholders	Number of Shares
Aggregate no. as at April 1, 2019	85	9,053
No. of Shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year	0	0
No. of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	0	0



No. of Shareholders whose shares were transferred to Investor Education and Protection Fund during the year	13	1,045
Aggregate no. as at March 31, 2020	72	8,008

The voting rights on the shares outstanding in the suspense account as on March 31, 2020 shall remain frozen till the rightful owner of such shares claims the shares.

12. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can inspect the same by sending an email to [cosec@rpqsl.com](mailto:cosec@rpqsl.com)
13. Shareholders who have not encashed their dividend warrant for the previous years, may approach the Company or the Registrar & Share Transfer Agent and submit their claim for the said dividend. The amount of dividend remaining unclaimed for a period of seven (7) years shall be transferred to the Investor Education and Protection Fund as per the provisions of Section 125 of the Companies Act, 2013. The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).
14. 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.
15. To support the "Green Initiative", we request Members, holding shares in demat form, to kindly register/update your email address with your respective Depository Participates. Further Members, holding shares in physical form, can kindly register/update your email address with the Registrar and Share Transfer Agents of the Company at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). The registered email address will be used for sending future communications.
16. Instructions for e-voting and joining the AGM are as follows:
  - A. Voting through electronic means (Remote e-voting):**
    - I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
    - II. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, The Notice of the AGM along with the Annual Report 2019-20 is being sent by electronic mode to those shareholders whose e-mail addresses are registered with the Company / Depositories. The shareholders may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.rpqlifesciences.com](http://www.rpqlifesciences.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - B. The instructions for shareholders voting electronically are as under:**
    - I. The remote e-voting period begins on Monday, August 17, 2020 (09.00 a.m. IST) and ends on Wednesday, August 19, 2020 (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 Thursday, August 13, 2020 may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.



- II. The details of the process and manner for remote e-Voting are explained herein below
- Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>
- Step 2: Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1 are mentioned below:**

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - i. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - ii. If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - iii. How to retrieve your ‘initial password’?
    - a) If your email ID is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - b) If your email ID is not registered, please follow steps mentioned below in process for those members whose email IDs are not registered.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password :
  - i. Click on “Forgot User Details/ Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - ii. Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - iii. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/





folio number, your PAN, your name and your registered address.

- iv. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 are given below:**

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
  2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
  3. Select “EVEN” of RPG Life Sciences Limited which is 113189.
  4. Now you are ready for e-Voting as the Voting page opens.
  5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and “Confirm” when prompted.
  6. Upon confirmation, the message “Vote cast successfully” will be displayed.
  7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- III. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders

available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), or contact Ms. Pallavi Mhatre, Manager, NSDL at the designated e-mail ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or at telephone number + 91 22 24994545 or Ms. Sarita Mote, Assistant Manager, NSDL at the designated e-mail ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [SaritaM@nsdl.co.in](mailto:SaritaM@nsdl.co.in) or at telephone number + 91 22 24994890.

**C. Process for those shareholders whose email IDs are not registered with the depositories for procuring user ID and password and registration of e mail IDs for e-voting for the resolutions set out in this notice :**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)
2. In case shares are held in demat mode, please register / update the email address with the relevant Depository Participants. In case of difficulties in registering the email address, members may temporarily get their e-mail addresses registered with Link Intime India Pvt. Ltd. at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) by providing details such as Name, DPID/Client ID, PAN, mobile number and e-mail ID.

**D. The instructions for members for e-voting on the day of the AGM are as under:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.



3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**E. Instructions for members for attending the AGM through VC/OAVM are as under:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views/ask questions during the AGM may register themselves as a speaker by sending their request from their registered Email ID

mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at [cosec@rpgls.com](mailto:cosec@rpgls.com) between 9.00 a.m. (IST) on Friday, August 14, 2020 and 5.00 p.m. (IST) on Sunday, August 16, 2020. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

6. The shareholders who do not wish to speak during the AGM but have queries on accounts or any matter to be placed at the AGM may send the same latest by Monday, August 17, 2020 mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at [cosec@rpgls.com](mailto:cosec@rpgls.com). These queries will be replied by the Company suitably either at the AGM or by email.

**F. Other Guidelines for Members**

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Ms. Pallavi Mhatre, Manager, NSDL at the designated e-mail ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or at telephone number +91 22 24994545 or Ms. Sarita Mote, Assistant Manager, NSDL at the designated e-mail ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [SaritaM@nsdl.co.in](mailto:SaritaM@nsdl.co.in) or at telephone number + 91 22 24994890.



17. Mr. P. N. Parikh (FCS 327 CP 1228) or failing him Mr. Mitesh Dhaliwala (FCS 8331 CP 9511) of Parikh Parekh & Associates, Practicing Company Secretaries, have been appointed as the Scrutinizers for conducting the remote e-voting and the e-voting during the AGM in a fair and transparent manner.
18. The results declared along with the Scrutinizer's Report shall be placed on the Company's website ([www.rpglifesciences.com](http://www.rpglifesciences.com)) and on the website of NSDL e-voting i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com) 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 : June 05, 2020

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 4**

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on October 30, 2019 appointed Mr. Bhaskar Iyer (DIN: 00480341) as an Additional Director who shall hold office on the Board of the Company till the date of the ensuing Annual General Meeting pursuant to the provisions of Section 161 of the Act and rules made thereunder and the Articles of Association of the Company.

The Company has received declarations from the Director confirming that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and that he is eligible to be appointed as an "Independent Director" of the Company and that he is not disqualified from being appointed as an Independent Director. The Company has also received notice from a shareholder under Section 160 of the Act proposing his appointment as Independent Director.

In the opinion of the Board, Mr. Bhaskar Iyer fulfills the criteria specified in the Act read with the rules made thereunder and Listing Regulations for being appointed as an Independent Director of the Company and is independent of the management. He does not hold any share in the Company.

The brief profile of the Independent Director is provided separately in this Notice.

A copy of the draft letter of appointment of the Independent Director setting out the terms and conditions would be available for inspection without any fee by the shareholders in electronic mode, basis the request being sent on [cosec@rpgls.com](mailto:cosec@rpgls.com). The details of attending the Board Meeting, amount of sitting fees paid during the year and membership/ chairmanship of committees of other boards of the Independent Director are provided in Corporate Governance Report forming part of this annual report.

Accordingly, it is proposed to appoint Mr. Bhaskar Iyer as an Independent Director for a term of 5 (five) consecutive years effective from October 30, 2019 to October 29, 2024, not being liable to retire by rotation.

In view of skills, expertise and experience of Mr. Bhaskar Iyer and upon recommendation of Nomination and Remuneration Committee, the Board recommends the ordinary resolution, as set out at item no. 4 of accompanying Notice, for approval by the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Mr. Bhaskar Iyer and his relative(s), is in any way concerned or interested, financially or otherwise, in the proposed ordinary resolution set out at item no. 4 of the Notice.

**Item No. 5:**

The Board on recommendation of the Audit Committee, has approved the appointment of 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, 2021, on a remuneration not exceeding ₹ 2,95,000/- p.a., exclusive of all taxes and out of pocket expenses. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the shareholders is sought for passing an Ordinary Resolution as set out at item no. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021.

The Board recommends the ordinary resolution, as set out at item no. 5 of accompanying Notice, for approval by the shareholders.

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 ordinary resolution set out at item no.5 of the Notice.

**By Order of the Board of Directors**

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

**Registered office:**

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

Place : Mumbai

Date : June 05, 2020


**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]**

<b>Name of Director</b>	<b>Mr. Sachin Nandgaonkar</b>	<b>Mr. Bhaskar Iyer</b>
<b>Date of Birth &amp; Age</b>	04/12/1969 - 50 years	07/03/1956 - 64 years
<b>Date of First Appointment on Board</b>	23/01/2015	30/10/2019
<b>Qualification</b>	B.Tech. in Electrical Engineering from IIT, Bombay and MBA from IIM, Ahmedabad	Bachelor's degree in Science and MBA in Marketing Management from the Bombay University
<b>Expertise</b>	<p>Mr. Sachin Nandgaonkar is a Member of the Management Board of the RPG Group. He is Sector Head for the Specialty Sector comprising of Harrisons Malayalam, Raychem RPG, and RPG Life Sciences. He is also responsible for evangelizing RPG's efforts in Digital, Business Excellence, Innovation and New Ventures.</p> <p>Mr. Nandgaonkar joined the RPG Group in Jan 2015. Prior to that he had spent 22 years in management consulting across Boston Consulting Group and Accenture.</p>	<p>Mr. Bhaskar Iyer is a strategic business leader with over 40 years of experience in pharmaceutical and healthcare industry spanning country management, global leadership and Board Directorship. Mr. Iyer worked for Abbott as Vice President, and was Abbott Management Representative for India responsible for overall pharmaceuticals business in the Country, managing teams comprising of MDs and Function Heads. Mr. Iyer managed a team of 12000 employees and a turnover of a billion dollars. Prior to joining Abbott, Mr. Iyer was the President (India and Emerging Markets) with Wockhardt Limited. Mr. Iyer has held global leadership positions with AstraZeneca in Asia-Pacific based at Singapore and country management positions in AstraZeneca, Nicholas Piramal India Limited, ICI Pharmaceuticals and progressively senior roles in Glaxo India Limited.</p> <p>Mr. Iyer is currently working as Operating Partner in Advent International, a global private equity firm and is on Governance and Advisory Board of start-up Companies. Mr. Iyer is on the Board of Pharmarack Technologies Pvt. Ltd. and Bharat Serums and Vaccines Ltd, as a Non-Executive Director. He also works as an Operating Advisor for Quadria Capital, a Singapore headquartered healthcare-focussed PE firm.</p>
<b>Membership of Committees in other listed entities (includes only Audit &amp; Stakeholders' Relationship Committee)</b>	1	1
<b>No of Shares held in the Company</b>	7,606	Nil
<b>Relationship with other Directors &amp; KMPs</b>	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 financial statements of the Company for the financial year ended on March 31, 2020.

### 1. FINANCIAL RESULTS

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

(₹ in crores)

Particulars	2019-20	2018-19
<b>A Operations</b>		
Total Income	<b>376.30</b>	330.96
Profit before depreciation, interest and tax	<b>59.88</b>	34.36
Less: Interest	<b>1.75</b>	3.99
Less: Depreciation	<b>16.36</b>	15.32
Profit before exceptional item for the year before tax	<b>41.77</b>	15.05
Exceptional item Gain/(Loss)	<b>(5.32)</b>	0
Profit before tax	<b>36.45</b>	15.05
Tax (including deferred tax)	<b>7.44</b>	4.24
<b>B Profit for the year after tax</b>	<b>29.01</b>	10.81
<b>C Other Comprehensive Income net of tax</b>	<b>(0.17)</b>	(0.27)
<b>D Total Comprehensive Income</b>	<b>28.84</b>	10.54
<b>E Appropriations:</b>		
Interim Dividend paid	<b>6.62</b>	-
Tax on Interim dividend paid	<b>2.18</b>	-
Final Dividend Proposed	-	3.97*
Tax on dividend proposed	-	0.81*

\*Paid in 2019-20

### 2. DIVIDEND

For the financial year under review, an Interim Dividend of ₹ 4.00 (50%) per equity share was paid in the month of March 2020. Your Directors recommend the aforesaid Interim Dividend as the final dividend for the financial year ended March 31, 2020.

### 3. OPERATIONS

The Company earned a total income of ₹ 376.30 crores for the year as compared to ₹ 330.96 crores during the previous year and a profit after tax from existing operations of ₹ 29.01 crores, as against ₹10.81 crores during the previous year. The increase in sales and net profit was mainly due to improved performance of Domestic Formulations division and the Rest of the World division.

The Company's Formulation facility at Ankleshwar, Plant (F1) has WHO GMP, Nigeria and Kenya Health Authority certifications and Plant (F2) has WHO GMP, EU GMP, TGA Australia GMP, Health Canada, Kenya, Ethiopia, Nigeria and Sudan Health Authority certifications. API facility at Navi Mumbai plant has WHO GMP and TGA Australia certifications.

#### Domestic Formulations Business:

##### Performance

During the year under review, the Domestic Formulations business achieved sales revenue of ₹ 232.02 crores, higher by 23.10% over the previous year. The division's performance improvement was a result of prescription generation, augmented product portfolio through new product launches and line extensions and control on sales hygiene and market inventories. Sales of legacy products in anti-diarrheal, anti-ulcerant, pain management and cardiovascular therapeutic areas, amongst others, which constitute 63% of the Domestic formulations division turnover, grew by 28%.

Specialty business which contributes 37% of domestic formulations, grew by 16% with help of greater digital reach and connect with specialty customers. Focus brands of the Company viz. 'Darba', 'Mofetyl', 'RPO' and 'Azoran' showed good growth. The Company also focused on launching new products and driving active promotion in the immunosuppressant range of products and strengthened the oncology portfolio basket by introducing two new monoclonal antibodies.

As per the data compiled by Pharmatrac, a market researcher, the Company achieved 68th rank in sales value terms in the country during the year.



### Outlook

In the current year, the Company will continue its emphasis on strengthening its Focus brands. The Company will continue its strategy of demand generation, introducing of new products and line extensions, identifying alternate therapies for existing products, skill building of field force and control of sales hygiene parameters.

### **Global Generics Business:**

#### Performance

The Global Generics business achieved sales revenue of ₹ 38.91 crores in FY 20, registering degrowth of 9.6% mainly on account of lower orders from a key customer and a sharp drop in price of a product which impacted product viability. Our customers in Canada, Europe and Australia continued to maintain order levels in line with the past. The Company has re-evaluated its US market plans and due to the significantly higher costs and price scenarios has decided to continue its focus on non-US markets as a medium term strategy.

#### Outlook

The Global Generics business is focused on increasing the penetration of existing products in multiple countries within EU along with UK, Australia and Canada. The Company is also actively scouting for opportunities in geographic expansion through strategic partnerships in various international markets.

### **Rest of the World (RoW) Business:**

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

#### Performance:

During the year, RoW division earned a revenue of ₹ 30.86 crores, a growth of 28% over the previous year, primarily driven by SEA countries. Sales in Myanmar almost doubled over the previous year with Siloxogene maintaining its leadership position with a major market share in the antacid segment. Other markets like Vietnam also performed better than previous year due to higher orders.

#### Outlook:

The business will focus on B2C geographies, such as Myanmar, Philippines, Vietnam, Egypt and Kenya. Therapy-wise, the focus will be to leverage the strengths in domestic immunosuppressant business to grow in the RoW markets and to

continue to explore opportunistic businesses in new markets such as Sri Lanka, Sudan, Mauritius, Algeria and Nigeria along with new product introduction.

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

#### Performance

With sales of ₹ 67.34 crores, API business was marginally down by 1% as against the previous year, due to lower orders from a Mexican customer. However, the short fall was compensated by higher sale of other APIs like Azathioprine, Propantheline Bromide, Risperidone and Pantoprazole to both our domestic and international customers.

#### 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 and external environment. The Government's focus on developing API's and reducing the dependence on imports, further augments the strategic importance of the business. The Company is also working on scouting opportunities in Russia, South Korea, China, Brazil and MENA markets.

Post COVID-19, this business could see increase with overseas companies looking at India as a global hub for supply of APIs.

### **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 (Amendment) Act, 2017, 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.rpoglifesciences.com](http://www.rpoglifesciences.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. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors confirm that –

- a) in the preparation of the annual accounts for the financial year ended March 31, 2020, 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, 2020 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. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity.

The Independent Directors have confirmed that they have registered their names in the data bank maintained with the Indian Institute of Corporate Affairs ('IICA'). In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA within a period of one year from the date of inclusion of their names in the data bank. The Independent Directors to whom the provisions of proficiency test are applicable, will take the said online proficiency self-assessment test in due course.

**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 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 AUDITORS' 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](http://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, 2020.

#### 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, 2020 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 helps 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](http://www.rpglifesciences.com) under 'Investors' tab.

During the year under review, the Company has contributed the entire amount of ₹ 34.00 lakhs to RPG Foundation, the implementing agency towards CSR activities. 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

During the year under review, Dr. Lalit Kanodia, Mr. Narendra Ambwani, Mr. Mahesh Gupta and Mr. Manoj Maheshwari were re-appointed as Independent Directors by the Members at the Annual General Meeting of the Company held on July 30, 2019, for their second term of five consecutive years from September 25, 2019 to September 24, 2024.

Mr. Bhaskar Iyer was appointed as an Additional Director on the Board of the Company w.e.f. October 30, 2019. In the opinion of the Board he possesses requisite qualifications, experience and expertise and holds highest standards of integrity.

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

Mr. C. L Jain retired as Independent Director of the Company on September 24, 2019 upon expiry of his tenure of appointment.



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.

## 22. SUBSIDIARY COMPANIES

There were no Companies which have become or ceased to be 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, 2020, no deposit was lying unclaimed or unpaid with the Company.

## 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 Report which forms part of this annual report.

## 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)	0.98
		Mr. C. L. Jain	0.77
		Dr. Lalit S. Kanodia	1.04
		Mr. Manoj Maheshwari	0.98
		Mr. Mahesh Gupta	1.59
		Mr. Narendra Ambwani	1.53
		Ms. Zahabiya Khorakiwala	0.75
		Mr. Bhaskar Iyer	0.61
		Mr. Sachin Nandgaonkar	1.57
		Mr. Yugal Sikri (Managing Director)	55.20
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Mr. H. V. Goenka (Chairman)	Nil
		Mr. C. L. Jain	Nil
		Dr. Lalit S. Kanodia	Nil
		Mr. Manoj Maheshwari	Nil
		Mr. Mahesh Gupta	Nil
		Mr. Narendra Ambwani	Nil
		Ms. Zahabiya Khorakiwala	Nil
		Mr. Bhaskar Iyer	Nil
		Mr. Sachin Nandgaonkar	Nil
		Mr. Yugal Sikri	Nil
	Mr. Mahesh Narayanaswamy	8%	
	Mr. Rajesh Shirambekar	6%	





3	The percentage increase in the median remuneration of employees in the financial year;	7.5%*
4	The number of permanent employees on the rolls of Company;	1144 employees as on March 31, 2020
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"> <li>• Average Salary increase of non-managerial employees is around 7%.</li> <li>• Average Salary increase of managerial employees is around 7.5%.</li> <li>• There are no exceptional circumstances in increase of managerial remuneration.</li> </ul>
6	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration paid during the year ended March 31, 2020 is as per the Remuneration Policy of the Company.

**Notes:**

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

## 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](http://www.rpglifesciences.com).

## 29. FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS

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

[https://www.rpglifesciences.com/website/code\\_policies\\_forms.php](https://www.rpglifesciences.com/website/code_policies_forms.php)

## 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. The Board has carried out annual performance evaluation of its own performance, the Directors individually and of its Committees as mandated under the Act and Listing Regulations.

## 31. AUDITORS

### Statutory Auditors:

The members of the Company at the 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, 2020. 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, 2019 was filed with the Central Government on August 28, 2019.

**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) (g) 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. Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

**34. MANAGEMENT DISCUSSION AND ANALYSIS REPORT, BUSINESS RESPONSIBILITY REPORT AND CORPORATE GOVERNANCE REPORT**

In compliance with Regulation 34 read with Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis Report, Business Responsibility Report 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 2019-20, the Company has not received any complaints of sexual harassment.

**36. MATERIAL TRANSACTIONS WITH RELATED PARTIES**

The Company has not entered into 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 organizes various safety awareness programmes to impart safety training to its employees.

**38. AWARDS**

The Company was conferred 3 awards by Indian Drug Manufacturer's Association (IDMA) namely - Gold – IDMA Quality Excellence Award 2019, IDMA Margi Patel Choksi Memorial Best Patent Award 2019 and IDMA Corporate Citizen Award 2019. The Company also won a prestigious award for Excellence in Anti-Counterfeiting Packaging 2019 at Innopack Annual India Packaging Awards 2019.

The Company won an award for leveraging technology for integrated digital marketing 2019 at Digital India Health Summit & Innovation Awards 2019.

**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 : June 05, 2020

**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, 2020

[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: <a href="http://www.rpglifesciences.com">www.rpglifesciences.com</a>
vi.	Whether listed company	Yes (BSE Limited and National Stock Exchange of India Limited)
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 Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>

#### 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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a. Individual/HUF	88,71,609	-	88,71,609	53.63	88,71,649	-	88,71,649	53.64	0.01
b. Central Govt	-	-	-	-	-	-	-	-	-
c. State Govt	-	-	-	-	-	-	-	-	-
d. Bodies Corp	28,69,289	-	28,69,289	17.35	30,47,570	-	30,47,570	18.43	1.08
e. Banks/FI	-	-	-	-	-	-	-	-	-
f. Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (1)</b>	<b>1,17,40,898</b>	<b>-</b>	<b>1,17,40,898</b>	<b>70.99</b>	<b>1,19,19,219</b>	<b>-</b>	<b>1,19,19,219</b>	<b>72.07</b>	<b>1.08</b>
<b>(2) Foreign</b>									
a. NRIs- Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corp	-	-	-	-	-	-	-	-	-
d. Banks/FI	-	-	-	-	-	-	-	-	-
e. Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A) = (A)(1) + (A) (2)</b>	<b>1,17,40,898</b>	<b>-</b>	<b>1,17,40,898</b>	<b>70.99</b>	<b>1,19,19,219</b>	<b>-</b>	<b>1,19,19,219</b>	<b>72.07</b>	<b>1.08</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Banks/FI	42,826	2,124	44,950	0.27	59,879	2,124	62,003	0.37	0.10
c. Central Govt	-	-	-	-	-	-	-	-	-
d. State Govts	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B) (1)</b>	<b>42,826</b>	<b>2,124</b>	<b>44,950</b>	<b>0.27</b>	<b>59,879</b>	<b>2,124</b>	<b>62,003</b>	<b>0.37</b>	<b>0.10</b>
<b>2. Non-Institutions</b>									
a. Bodies Corp									
i Indian	10,55,537	2,201	10,57,738	6.40	7,65,642	2,201	7,67,843	4.64	(1.76)
ii Overseas	-	-	-	-	1,459	-	1,459	0.01	0.01
b. Individuals									
i Individual shareholders holding nominal share capital upto ₹ 1 lakh	26,98,538	2,80,599	29,79,137	18.01	27,79,229	2,56,043	30,35,272	18.35	0.34
ii Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,52,000	-	1,52,000	0.92	2,38,844	-	2,38,844	1.44	0.52
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
NBFCs registered with RBI	31,446	-	31,446	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	55,964	-	55,964	0.34	26,065	-	26,065	0.16	(0.18)
ii. NRI (Repatriable)	56,808	297	57,105	0.35	65,516	297	65,813	0.40	0.05
iii. NRI (Non-Repatriable)	48,388	-	48,388	0.29	48,191	-	48,191	0.29	-
iv. Trusts	-	-	-	-	-	-	-	-	-
v. Hindu Undivided Family	2,44,218	14	2,44,232	1.48	2,38,888	14	2,38,902	1.44	(0.04)
vi. IEPF	1,24,307	-	1,24,307	0.75	1,32,554	-	1,32,554	0.80	0.05
vii. Foreign Companies	-	2,850	2,850	0.02	-	2,850	2,850	0.02	-
<b>Sub-Total (B)(2)</b>	<b>44,67,206</b>	<b>2,85,961</b>	<b>47,53,167</b>	<b>28.74</b>	<b>42,96,388</b>	<b>2,61,405</b>	<b>45,57,793</b>	<b>27.55</b>	<b>(1.19)</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B) (2)</b>	<b>45,10,032</b>	<b>2,88,085</b>	<b>47,98,117</b>	<b>29.01</b>	<b>43,56,267</b>	<b>2,63,529</b>	<b>46,19,796</b>	<b>27.93</b>	<b>(1.08)</b>
<b>C. Shares held by the Custodian for GDRs and ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>1,62,50,930</b>	<b>2,88,085</b>	<b>1,65,39,015</b>	<b>100.00</b>	<b>1,62,75,486</b>	<b>2,63,529</b>	<b>1,65,39,015</b>	<b>100.00</b>	-

**ii) Shareholding of promoters**

Sr. No.	Shareholder's 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	362	-	-	362	-	-	-
2	Instant Holdings Limited	97	-	-	97	-	-	-
3	Summit Securities Limited	398	-	-	398	-	-	-
4	STEL Holdings Limited	5,02,550	3.04	-	5,25,369	3.18	-	0.14
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.	501	-	-	501	-	-	-
8	Ektara Enterprises LLP	23,58,831	14.26	-	25,14,293	15.20	-	0.94
9	Atlantus Dwellings And Infrastructure LLP	10	-	-	10	-	-	-
10	Malabar Coastal Holdings LLP	10	-	-	10	-	-	-
11	Sofreal Mercantrade Pvt. Ltd.	10	-	-	10	-	-	-
12	Vayu Udaan Aircraft LLP	10	-	-	10	-	-	-
13	Mr. Harsh Vardhan Goenka <sup>[1]</sup>	88,35,944	53.42	-	88,35,944	53.42	-	-
14	Mr. Harsh Vardhan Goenka	26,913	0.16	-	26,913	0.16	-	-
15	Ms. Mala Goenka	8,747	0.05	-	8,747	0.05	-	-
16	Mr. Harsh Vardhan Goenka <sup>[2]</sup>	1	-	-	1	-	-	-
17	Mr. Harsh Vardhan Goenka <sup>[3]</sup>	1	-	-	1	-	-	-
18	Mr. Harsh Vardhan Goenka <sup>[4]</sup>	1	-	-	1	-	-	-
19	Mr. Harsh Vardhan Goenka <sup>[5]</sup>	1	-	-	1	-	-	-
20	Mr. Harsh Vardhan Goenka <sup>[6]</sup>	1	-	-	1	-	-	-





Sr. No.	Shareholder's 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	
21	Mr. Anant Vardhan Goenka <sup>[7]</sup>	-	-	-	10	-	-	-
22	Mr. Harsh Vardhan Goenka <sup>[8]</sup>	-	-	-	10	-	-	-
23	Mr. Harsh Vardhan Goenka <sup>[9]</sup>	-	-	-	10	-	-	-
24	Mr. Anant Vardhan Goenka <sup>[10]</sup>	-	-	-	10	-	-	-
	<b>Total</b>	<b>1,17,40,898</b>	<b>70.99</b>	<b>-</b>	<b>1,19,19,219</b>	<b>72.07</b>	<b>-</b>	<b>1.08</b>

[1] Trustee of Nucleus Life Trust.

[2] Trustee of Crystal India Tech Trust.

[3] Trustee of Monitor Portfolio Trust.

[4] Trustee of Stellar Energy Trust.

[5] Trustee of Secura India Trust.

[6] Trustee of Prism Estates Trust.

[7] Trustee of AVG Family Trust.

[8] Trustee of Ishaan Goenka Trust.

[9] Trustee of Navya Goenka Trust.

[10] Trustee of RG Family 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
	<b>At the beginning of the year</b>		<b>1,17,40,898</b>	<b>70.99</b>	<b>1,17,40,898</b>	<b>70.99</b>
1	Ektara Enterprises LLP					
	03.05.2019	Market Purchase	7,489	0.05	1,17,48,387	71.03
	06.05.2019	Market Purchase	6,639	0.04	1,17,55,026	71.07
	07.05.2019	Market Purchase	15,900	0.10	1,17,70,926	71.17
	08.05.2019	Market Purchase	8,794	0.05	1,17,79,720	71.22
	09.05.2019	Market Purchase	3,622	0.02	1,17,83,342	71.25
	14.05.2019	Market Purchase	609	0.00	1,17,83,951	71.25
	15.05.2019	Market Purchase	116	0.00	1,17,84,067	71.25
	16.05.2019	Market Purchase	1,497	0.01	1,17,85,564	71.26
	17.05.2019	Market Purchase	2,617	0.02	1,17,88,181	71.27
	20.05.2019	Market Purchase	4,965	0.03	1,17,93,146	71.31
	21.05.2019	Market Purchase	4,774	0.03	1,17,97,920	71.33
	22.05.2019	Market Purchase	147	0.00	1,17,98,067	71.33
	23.05.2019	Market Purchase	5,359	0.03	1,18,03,426	71.37
	24.05.2019	Market Purchase	1,547	0.01	1,18,04,973	71.38
	27.05.2019	Market Purchase	2,619	0.02	1,18,07,592	71.39
	28.05.2019	Market Purchase	931	0.01	1,18,08,523	71.40



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
	29.05.2019	Market Purchase	2,687	0.02	1,18,11,210	71.41
	30.05.2019	Market Purchase	4,028	0.02	1,18,15,238	71.44
	31.05.2019	Market Purchase	4,157	0.03	1,18,19,395	71.46
	03.06.2019	Market Purchase	8,057	0.05	1,18,27,452	71.51
	04.06.2019	Market Purchase	5,480	0.03	1,18,32,932	71.55
	06.06.2019	Market Purchase	3,010	0.02	1,18,35,942	71.56
	07.06.2019	Market Purchase	6,540	0.04	1,18,42,482	71.60
	10.06.2019	Market Purchase	9,800	0.06	1,18,52,282	71.66
	11.06.2019	Market Purchase	2,244	0.01	1,18,54,526	71.68
	12.06.2019	Market Purchase	1,727	0.01	1,18,56,253	71.69
	13.06.2019	Market Purchase	3,287	0.02	1,18,59,540	71.71
	14.06.2019	Market Purchase	5,771	0.03	1,18,65,311	71.74
	17.06.2019	Market Purchase	2,130	0.01	1,18,67,441	71.75
	18.06.2019	Market Purchase	492	0.00	1,18,67,933	71.76
	19.06.2019	Market Purchase	12,699	0.08	1,18,80,632	71.83
	20.06.2019	Market Purchase	5,470	0.03	1,18,86,102	71.87
	21.06.2019	Market Purchase	788	0.00	1,18,86,890	71.87
	25.06.2019	Market Purchase	6,173	0.04	1,18,93,063	71.91
	26.06.2019	Market Purchase	627	0.00	1,18,93,690	71.91
	27.06.2019	Market Purchase	2,670	0.02	1,18,96,360	71.93
2	STEL Holdings Limited					
	10.05.2019	Market Purchase	6,163	0.04	1,19,02,523	71.97
	13.05.2019	Market Purchase	4,000	0.02	1,19,06,523	71.99
	14.05.2019	Market Purchase	3,364	0.02	1,19,09,887	72.01
	15.05.2019	Market Purchase	1,943	0.01	1,19,11,830	72.02
	16.05.2019	Market Purchase	5,091	0.03	1,19,16,921	72.05
	17.05.2019	Market Purchase	1,288	0.01	1,19,18,209	72.06
	21.05.2019	Market Purchase	970	0.01	1,19,19,179	72.07
3	AVG Family Trust					
	20.06.2019	Market Purchase	10	0.00	1,19,19,189	72.07
4	Ishaan Goenka Trust					
	22.11.2019	Market Purchase	10	0.00	1,19,19,199	72.07
5	Navya Goenka Trust					
	22.11.2019	Market Purchase	10	0.00	1,19,19,209	72.07
6	RG Family Trust					
	22.11.2019	Market Purchase	10	0.00	1,19,19,219	72.07
	<b>At the End of the year</b>		<b>1,19,19,219</b>	<b>72.07</b>	<b>1,19,19,219</b>	<b>72.07</b>


**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	Authum Investment And Infrastructure Limited	-	-	3,27,584	1.98
2	Neville Jijibhoy Mistry	1,52,000	0.92	1,52,000	0.92
3	Globe Capital Market Limited	20,209	0.12	72,269	0.44
4	ICICI Bank Limited	5,876	0.04	59,728	0.36
5	Zen Securities Ltd.	33,794	0.20	54,079	0.33
6	Nisarg Ajaykumar Vakharia	-	-	53,517	0.32
7	Edelweiss Custodial Services Limited	29,323	0.18	46,073	0.28
8	K. Satish	-	-	33,327	0.20
9	Singhi Dinesh Kumar HUF	40,000	0.24	28,000	0.17
10	Axis Bank Limited	36,799	0.22	8,188	0.05
11	Arihant Capital Markets Ltd.	39,081	0.24	145	0.00

**Notes:**

- In case of joint holding, the name of first holder has been considered.
- 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.
- 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
	<b>Shareholding of Directors:</b>				
	At the beginning of the year				
1	Mr. H.V. Goenka, Chairman	26,913	0.16	26,913	0.16
2	Mr. Narendra Ambwani, Director	1,000	-	1,000	-
3	Mr. Sachin Nandgaonkar, Director	7,606	0.04	7,606	0.04
4	Mr. Yugal Sikri, Managing Director	-	-	-	-
	At the end of the year	35,519	0.21	35,519	0.21
	<b>Shareholding of KMP:</b>				
	At the beginning of the year	-	-	-	-
1	Mr. Mahesh Narayanaswamy, Vice President - Finance	-	-	-	-
2	Mr. Rajesh Shirambekar, Company Secretary	-	-	-	-
	At the end of the year	-	-	-	-

**Notes:**

- Apart from above no other Director and KMP holds any shares at the beginning and end of the financial year 2019-20 in the Company.
- 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
<b>Indebtedness at the beginning of the Financial year</b>				
i. Principal Amount	1,387	2,237	-	3,624
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,387</b>	<b>2,237</b>	<b>-</b>	<b>3,624</b>
<b>Change in Indebtedness during the Financial year</b>				
• Addition	-	-	-	-
• Reduction	(735)	(1,717)	-	(2,452)
<b>Net Changes</b>	<b>(735)</b>	<b>(1,717)</b>	<b>-</b>	<b>(2,452)</b>
<b>Indebtedness at the end of the Financial year</b>				
i. Principal Amount	652	520	-	1,172
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not paid	3	-	-	3
<b>Total (i +ii +iii)</b>	<b>655</b>	<b>520</b>	<b>-</b>	<b>1,175</b>

**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	Name of Managing Director: Mr. Yugal Sikri
1	Gross Salary a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 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	2,13,65,328
2	Stock Option	-
3	Sweat Equity	-
4	Commission • As % of profit • Others, specify	-
5	Other please specify: • Performance Bonus • Retiral Benefits	- 8,10,000
	<b>Total (A)</b>	<b>2,21,75,328</b>
	Ceiling as per the Act	As per Section 197 of Companies Act, 2013



## B. Remuneration to other Directors

(Amount in ₹)

Sr. No.	Particulars of Remuneration	H.V. Goenka	C.L.Jain	Lalit S. Kanodia	Manoj Maheshwari	Mahesh Gupta	Narendra Ambwani	Zahabiya Khorakiwala	Bhaskar Iyer	Sachin Nandgaonkar	Total
		1	2	3	4	5	6	7	8	9	
1.	Independent Directors Fee for attending board committee meetings	-	3,15,000	4,25,000	4,00,000	6,48,000	6,23,000	3,05,000	2,50,000	-	29,66,000
	Commission &	-	-	-	-	-	-	-	-	-	-
	Other, please specify	-	-	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	-	<b>3,15,000</b>	<b>4,25,000</b>	<b>4,00,000</b>	<b>6,48,000</b>	<b>6,23,000</b>	<b>3,05,000</b>	<b>2,50,000</b>	-	<b>29,66,000</b>
2.	Other Non-Executive Directors	4,00,000	-	-	-	-	-	-	-	6,40,000	10,40,000
	Fee for attending board committee meetings	-	-	-	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>4,00,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,40,000</b>	<b>10,40,000</b>
	<b>Total (B)= (1+2)</b>	<b>4,00,000</b>	<b>3,15,000</b>	<b>4,25,000</b>	<b>4,00,000</b>	<b>6,48,000</b>	<b>6,23,000</b>	<b>3,05,000</b>	<b>2,50,000</b>	<b>6,40,000</b>	<b>40,06,000</b>
Total Managerial Remuneration											40,06,000
Overall Ceiling as per the Companies Act, 2013 is											₹ 1 lakh per meeting

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

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	44,66,888	44,91,834	89,58,722
	b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	15,498	49,122	64,620
	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	-	-	-
5	• Others, specify	-	-	-
	Other please specify	-	-	-
	<b>Total (A)</b>	<b>44,82,386</b>	<b>45,40,956</b>	<b>90,23,342</b>

## 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)
<b>A. Company</b>					
<b>B. Directors</b>					
<b>C. Other officers in Default</b>					
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 Obligations 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:

- i. Appointment and remuneration of the Directors, KMP and SMP;
- ii. 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;
- iii. Formulating the criteria for performance evaluation of all Directors;
- iv. 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

1. Chief Executive Officer or the Managing Director or the Manager;

2. Whole-time Director(s);
3. Chief Financial Officer;
4. Company Secretary; and
5. 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 Officer/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 with LED.
- II. Maintaining Power factor unity and incentives from power supply authorities.
- III. Minimise water consumption.
- IV. Increase in rain water harvesting coverage area.
- V. Energy efficient pump replaced for air compressor cooling water
- VI. Optimized usages of Non-critical HVAC
- VII. Installation of automatic control valve for the saving of the heat load of HVAC.

**(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 ₹ 38.67 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 equipment:**

Various energy conservation equipments were added to the production facilities across all Plant locations with approximate cost of ₹10.91 lakhs.

**B. TECHNOLOGY ABSORPTION:****1. Efforts made towards technology absorption:**

Development of solid dosage forms (tablets, capsules) for India, EU and RoW markets. Process excellence projects aimed at meeting current quality and regulatory expectations.

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

- a) Completion of pilot BE study of immunosuppressant capsules - for RoW/EU market, to proceed for exhibit/submission batches manufacturing at F2 site.
- b) MHRA (Medicines and Healthcare Products Regulatory Agency) UK approved prolonged release anti-epileptic drug with 30M stability data.
- c) Laboratory development, with 6M stability and pilot BE study completed for immunosuppressant capsules for RoW/EU market.
- d) Prototype development for a Statin Tablet is completed for RoW/EU market.
- e) Regulatory filling of immunosuppressant drug for new strengths to be marketed with EU has been done.

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

No new technology has been imported during the year 2019 – 2020.



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

Item	(₹ in lakhs)
(a) Capital	101.18
(b) Recurring	760.55
(c) Total	861.73
(d) Total R & D expenditure as a percentage of total turnover	2.33%

#### i. Specific areas in which 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.
- Solvent & Solid Waste Reduction
- Recovery & recycling of solvents used in several APIs
- Alternate Vendor development for Key Starting Materials & critical raw materials

#### ii. 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.

Research is focused on developing new products and also on optimizing existing processes to make them environment-friendly and cost effective. During the year non-infringing indigenous technology for

Anti-Cancer drug, Anti-arrhythmic agent, Anti-hypertensive drug and anti-inflammatory drug has been developed and made ready for commercialization at Plant level. Process excellence with one Anti-muscarinic and one Anti-arrhythmic were established at lab scale and implemented at Plant trial. Solvent and Solid waste reduction was successfully done for Anti-diarrheals, Antiamebics and Anticonvulsants at lab scale and has been implemented at Plant level. Recovery and recycling of solvents used in an Antiamebic drug was established at lab as well as Plant level.

#### iii. Future plan of action

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

At Formulation R&D, in-house manufacturing of currently outsourced products viz. Antacid product, Haematinic syrup and Anti-diarrheal tablets for domestic market, cost reduction projects for existing products and development of products for EU/RoW markets would be a focus.

#### iv. Patent Filing/ Grant

There was no patent filing /grant during the year under review.

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

During the year under review, Foreign Exchange earned in terms of actual inflows was ₹11,914 lakhs and the Foreign Exchange outgo in terms of actual outflow was ₹1,497 lakhs.



**Annexure ‘D’ to the Directors’ Report**

**ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2019-20**

<p>1.</p>	<p>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 our initiatives under Corporate Social Responsibility (“CSR”) and RPG Life Sciences Limited’s (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> <p><b>1. Vision/Eye Care (Project-Netranjali)</b> – RPGLS through the 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. In FY 2019-20 the program pivoted its target to focus on bus drivers specifically, to enhance safe working conditions and prolong employability. Our comprehensive three stage (promotive, preventive and curative) intervention module impacted bus drivers through 6 camps in different bus depots throughout Navi Mumbai. 536 beneficiaries were screened, 405 received free spectacles.</p> <p><b>2. Healthcare Sector Skilling (Project Sanjeevani):</b> RPGLS through the RPG Foundation works towards the critical need for trained skilled healthcare professionals. The core aim of the project is to create a cadre of dedicated &amp; 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 and patient care assistants.</p> <p>35 women who had started training as Patient Care Assistants in July 2018, completed their training in FY 2019-20 and are awaiting certificates from Yashwant Rao Chavan Maharashtra Open University. 35 more women enrolled for the same program in FY 2019-2020 and are undergoing training. The training program and certification shall be completed by August 2020.</p> <p>Under Project Sanjeevani, three months Bed Side Assistant programme is also being undertaken in the Koparkhairne location. 95 women have completed the training course and have been certified. 30 women have been placed with different health institutions. The project shall be completed by August 2020.</p> <p><b>3. Education (Pehlay Akshar-Training):</b> Pehlay Akshar- Training is a unique intervention that trains government school teachers and encourages them to create ‘Magic Classrooms’, where children feel safe, appreciated, motivated and more engaged towards their learning. This year through workshops and weekly sessions we trained approximately 52 government school teachers and conducted 185 weekly sessions for teacher’s continued learning.</p> <p>4. The CSR Policy is available on the Company’s website and can be accessed at <a href="http://www.rpqlifesciences.com">http://www.rpqlifesciences.com</a> under policies tab.</p>
<p>2.</p>	<p>The Composition of the CSR Committee</p>	<p>I. Narendra Ambwani (Chairman)</p> <p>II. Zahabiya Khorakiwala</p> <p>III. Yugal Sikri</p>





3.	Average net profit of the Company for last three financial years.	₹17.00 Crores
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 34.00 Lakhs
5.	Details of CSR spent during the financial year	
	a. Total amount to be spent for the financial year	₹ 34.00 Lakhs (Amount contributed to RPG Foundation, the Implementing Agency)
	b. Amount unspent, if any	Nil
	c. Manner in which the amount spent during the financial year	The Company has spent ₹ 34.00 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)

**Narendra Ambwani**  
Chairman of CSR Committee  
(DIN: 00236658)

Place : Mumbai  
Date : June 05, 2020

## Annexure

### Details of the CSR activities of the Company for the Financial Year 2019-20:

(₹ in lakhs)

(1) Sr. No.	(2) CSR Project or Activity Identified	(3) Sector in which the Project is Covered	(4) Location of Projects or Programs undertaken		(5) Amount Outlay (Budget) Project or Program wise	(6) Amount Spent on Projects or Programs Direct Expenses	(7) Cumulative Expenditure up to the reporting period	(8) Amount Spent: Direct or through Implementing Agency.
			Local Area or Other	District (State)				
1	Project Netranjali	Vision – Eye Care	Mumbai	Maharashtra	10.98	1.61	1.61	Implementing agency (IA) – RPG Foundation
2	Project Sanjeevani	Healthcare Sector Skilling			17.32	17.90	17.90	
3	Pehlay Akshar	Education			4.89	3.34	3.34	
4	Community Development	Community Development, Sanitation, Environment			0.81	--	--	
<b>Total CSR Spent</b>					<b>34.00*</b>	<b>22.85**</b>	<b>22.85</b>	

**Notes :** \*Due to the outbreak of COVID-19 pandemic, the amount of ₹12.24 lakhs remains with RPG Foundation and the same will be spent in FY 2020-21.

\*\*Includes amount of ₹1.09 lakhs paid at the end of previous year and that was spent on CSR activities by Implementing Agency during the year under review.

**Annexure 'E' to the Directors' Report**

FORM No. MR-3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

[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 to the extent 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 and considering the relaxations granted by the Ministry of Corporate Affairs and the Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020, 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 31<sup>st</sup> March, 2020 according to the applicable 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, 2018 and amendments from time to time; (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, 2018; (Not applicable to the Company during the audit period)
- (vi) Other laws applicable specifically to the Company namely:-
  - a. Drugs & Cosmetics Act, 1940
  - b. The Environment (Protection) Act, 1986
  - c. Manufacture, Storage & Import of Hazardous Chemicals Rules, 2000
  - d. Narcotic Drugs and Psychotropic Substances Act, 1985
  - e. Poisons Act, 1919
  - f. Food Safety and Standards Act, 2006
  - g. The Patents Act, 1970
  - h. The Trademarks 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 National Stock Exchange of India Limited and BSE 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 for meetings other than those held at shorter notice, 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 etc.

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, standards etc.

**For Parikh Parekh & Associates**  
Company Secretaries

**Mitesh Dhaliwala**

Partner

Place: Mumbai

Date : June 05, 2020

FCS No: 8331 CP No: 9511

UDIN: F008331B000319554

*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 Dhaliwala**  
Partner

Place : Mumbai

Date : June 05, 2020

FCS No: 8331 CP No: 9511  
UDIN: F008331B000319554



## 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 domestic pharmaceutical market turnover reached ₹1,43,738 crores in FY20, growing 9.8% year-on-year (in rupee terms) from ₹1,30,909 crores in FY19. 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 which is expected to register a near 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. Exports touched a figure of USD 19.13 billion in FY 19 a growth of 10.7% over the previous year and are expected to continue strong growth.

### 2) Opportunities and Threats

The Indian market has certain unique characteristics. Branded generics constitute greater than 70% of the retail market and prices are low due to high level of competition. Early incumbents have dominated due to formulation development capacities. Though India's rank is much lower in value terms, we rank 3<sup>rd</sup> in volume terms.

India is expected to break into top 10 countries in terms of spend on medicines as the spending is expected to grow at about 10% annually over the next five years. The Government has emphasised on cost reduction to make healthcare more affordable and generic drugs have remained in focus. This augers well for the domestic industry.

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

The industry growth is largely driven by chronic disease segments viz. cardiovascular, diabetes, derma, 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.



COVID-19 has had a deep impact on the Indian and World economy. The impact has been felt across manufacturing, selling, supply chain and safety and well-being of people. It has challenged the way of life including conduct of business. The Govt. of India unveiled a package and has indicated its focus to promote API to reduce dependence on imports. This could lead to opportunities for the Indian Pharma sector in the future.

### 3) Segment wise performance

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

During the year under review, the Domestic Formulations business achieved sales revenue of ₹ 232.02 crores, higher by 23.10% over the previous year. The division's performance improvement was based on prescription generation, augmented product portfolio through new product launches and line extensions and control on sales hygiene and market inventories. The Company is working to strengthen the chronic portfolio and in this direction launched two anti-diabetics (gliptins) one of which went out of patent in November 2019 and the Company was among the first to launch the branded generic. Further, work is on to extend legacy brand portfolio with extensions in hypertension segment and migraine management. 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 International Formulations business comprising of Global Generics (Regulated Markets) and RoW business showed a growth of 4% over the previous year. The Global Generics business achieved sales of ₹ 38.91 crores, while RoW markets contributed sales of ₹ 30.86 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 along with UK,

Australia and Canada. This business of the company is also actively scouting for geographic expansion to newer markets through strategic partnership and strengthening presence in existing markets. The RoW business will continue to explore opportunistic businesses in new markets such as Sri Lanka, Sudan, Mauritius, Algeria and Nigeria along with new product introduction.

The API business performed well and achieved sales of ₹ 67.34 crores. The performance was marginally down by 1% as against the previous year, due to lower orders from certain regions. However, the short fall was compensated by higher sale of other APIs like Azathioprine, Propantheline Bromide, Risperidone and Pantoprazole to both our domestic and international customers.

### 4) Outlook

The growth estimate for the domestic Formulation Industry is positive. 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, i.e. Plant (F1) has WHO GMP and certification issued by Kenya and Nigeria and Plant (F2) has EU GMP, WHO GMP, Health Canada and TGA Australia GMP Clearance certifications and accreditations by 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.





The impact that COVID-19 has been felt across manufacturing, selling, supply chain and raw material availability among other things. The disruptions caused by the pandemic could affect growth in the near term.

## 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 ₹ 376.30 crores. EBITDA (Earnings Before Interest, Tax, Depreciation and exceptional item) was ₹ 59.88 crores. After deducting, Finance Cost of ₹ 1.75 crores, Depreciation of ₹ 16.36 crores, exceptional item ₹ 5.32 crores and Taxes, the Profit After Tax (PAT) was at ₹ 29.01 crores.

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

The Company was conferred 3 awards by Indian Drug Manufacturer's Association (IDMA) namely; Gold – IDMA Quality Excellence Award 2019, IDMA Margi Patel Choksi Memorial Best Patent Award 2019 and IDMA Corporate Citizen Award 2019. The Company also won a prestigious award for Excellence in Anti-Counterfeiting Packaging 2019 at Innopack Annual India Packaging Awards 2019.

The Company won an award for leveraging technology for integrated digital marketing 2019 at Digital India Health Summit & Innovation Awards 2019.

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	2019-20	2018-19	Change (%)
Debtors Turnover	5.94	8.49	-30.04%
Inventory Turnover	8.06	8.04	0.25%
Interest Service Coverage Ratio	31.18	8.61	262.14%
Current Ratio	1.52	1.25	21.60%
Debt Equity Ratio	0.01	0.04	75.00%
Operating Profit Margin %	14.53%	10.41%	39.58%
Net Profit Margin %	7.71%	3.27%	135.78%
Return on Net Worth %	16.41%	6.74%	143.47%

- Debtors Turnover Ratio has reduced on account of delays in collections both domestic and exports on account COVID-19.
- Debt Equity Ratio has improved due to increase in Net Worth and reduction of debt on account of increase in repayment of Term Loan.
- Change in Return on Net Worth is mainly on account of higher net profit.
- Change in Operating Profit Margin and Net Profit Margin is mainly on account of higher sales.
- 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, four meetings of the Board of Directors were held on April 29, 2019, July 30, 2019, October 30, 2019 and January 31, 2020.



**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, 2020 are as under:

Name	Category	No. of Board meetings held	No. of Board meetings attended	Whether attended last AGM held on 30.07.2019	No. of directorship in other public limited companies	Committee positions in other companies <sup>1</sup>		Directorship in other Listed entities
						Chairman	Member	
Mr. H. V. Goenka <i>Chairman</i>	Non-Executive <i>(Promoter)</i>	4	4	YES	6	0	0	<ul style="list-style-type: none"> <li>• CEAT Limited- Non Executive Director (Chairman)</li> <li>• KEC International Limited - Non Executive Director (Chairman)</li> <li>• Bajaj Electricals Limited- Independent Director</li> <li>• Zensar Technologies Limited- Non Executive Director (Chairman)</li> </ul>
Mr. C.L. Jain <sup>3</sup>	Non-Executive & Independent	4	2	YES	0	0	0	-
Dr. Lalit S. Kanodia	Non-Executive & Independent	4	4	YES	6	0	0	• Datamatics Global Services Limited- Executive Director
Mr. Manoj Maheshwari	Non-Executive & Independent	4	4	YES	3	1	2	<ul style="list-style-type: none"> <li>• Mahindra CIE Automotive Limited- Independent Director</li> <li>• Ador Welding Limited- Independent Director</li> </ul>
Mr. Mahesh S. Gupta	Non-Executive & Independent	4	4	YES	5	2	3	<ul style="list-style-type: none"> <li>• Peninsula Land Limited- Non Executive Director</li> <li>• CEAT Limited- Independent Director</li> <li>• Morarjee Textiles Limited- Non Executive Director</li> <li>• Shree Digvijay Cement Co Limited- Independent Director</li> </ul>
Ms. Zahabiya Khorakiwala	Non-Executive & Independent	4	3	NO	3	1	1	• Wockhardt Limited- Non Executive Director
Mr. Bhaskar Vemban Iyer <sup>2</sup>	Non-Executive & Independent	4	2	NO	1	0	2	-
Mr. Sachin Nandgaonkar	Non-Executive	4	4	YES	2	0	1	-
Mr. Yugal Sikri Managing Director	Executive	4	4	YES	0	0	1	-

1. Only Audit Committee and Stakeholder's Relationship Committee positions are considered as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. Mr. Bhaskar Iyer was appointed as an Additional and Independent Director on the Board of the Company and also as a member of Audit Committee w.e.f. October 30, 2019.
3. Mr. C. L. Jain retired as a Director of the Company and also ceased to be Chairman of Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Corporate Social Responsibility Committee w.e.f. September 24, 2019.

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



### 3.8 Skills/expertise/competence of the Board:

The Directors on the Board are eminent industrialists/ professionals and have expertise in their respective functional areas, which bring with them the reputation of independent judgement and experience which adds value to the Company’s business. Directors are inducted on the Board basis the possession of the skills identified by the Board as below and their special skills with regards to the industries/fields they come from.





















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

**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.

The skills/expertise/ competencies have been further elaborated as under:

Name of Director	Skills / Expertise / Competence			
Mr. H. V. Goenka	 Global Business	 Industry Experience	 General Management	 Strategy, M&A
	 Thought Leadership	 Senior Management Experience	 Risk Management	 Corporate Governance
	 Human Resources	 Public Policy		
Dr. Lalit S. Kanodia	 Global Business	 Business Development	 General Management	 Strategy, M&A
	 Thought Leadership	 Senior Management Experience	 Risk Management	 Corporate Governance
	 Accounting, Finance, Legal	 Human Resources		



Name of Director	Skills / Expertise / Competence			
Mr. Manoj Maheshwari				
	Global Business	Industry Experience	Business Development	General Management
	Strategy, M&A	Senior Management Experience	Risk Management	Corporate Governance
	Accounting, Finance, Legal			
Mr. Mahesh S. Gupta				
	Global Business	Business Development	General Management	Strategy, M&A
	Thought Leadership	Senior Management Experience	Risk Management	Corporate Governance
	Accounting, Finance, Legal	Human Resources	Public Policy	
Mr. Narendra Ambwani				
	Global Business	Industry Experience	Business Development	General Management
	Strategy, M&A	Thought Leadership	Senior Management Experience	Corporate Governance
	Human Resources			
Ms. Zahabiya Khorakiwala				
	Global Business	Industry Experience	Business Development	General Management
	Strategy, M&A	Thought Leadership	Senior Management Experience	Risk Management
	Corporate Governance	Accounting, Finance, Legal	Human Resources	



Name of Director	Skills / Expertise / Competence			
Mr. Bhaskar Iyer				
	Global Business	Industry Experience	Business Development	General Management
	Strategy, M&A	Thought Leadership	Senior Management Experience	Corporate Governance
	Human Resources			
Mr. Sachin Nandgaonkar				
	Global Business	Business Development	General Management	Strategy, M&A
	Thought Leadership	Senior Management Experience	Risk Management	Corporate Governance
	Human Resources			
Mr. Yugal Sikri				
	Global Business	Industry Experience	Business Development	General Management
	Strategy, M&A	Thought Leadership	Senior Management Experience	Risk Management
	Corporate Governance	Human Resources	Public Policy	

### 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 18, 2020 for reviewing the performance of Non-Independent Directors, Board as a whole, the Chairperson of the Company as well as for assessing the quality, quantity and timeliness of flow of information between the Company management and the Board. Majority of Independent Directors were present at the meeting.

### 4. Audit Committee

The Audit Committee consists of three Independent Directors and one non-executive director, namely, Mr. Mahesh S. Gupta, Mr. Narendra Ambwani, Mr. Bhaskar Iyer and Mr. Sachin Nandgaonkar. Mr. Mahesh Gupta 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 April 29, 2019, July 29, 2019, October 30, 2019 and January 31, 2020. 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. Mahesh S. Gupta	4
Mr. C. L. Jain	2
Mr. Narendra Ambwani	4
Mr. Bhaskar Iyer*	1
Mr. Sachin Nandgaonkar	4

\* Mr. Bhaskar Iyer has become member of the Committee with effect from October 30, 2019.

## 5. Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of two Independent and a Non-Executive Director, namely, Dr. Lalit S. Kanodia, Mr. Mahesh Gupta and Mr. Sachin Nandgaonkar respectively. Dr. Lalit Kanodia 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 April 29, 2019, June 25, 2019 and March 6, 2020.

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
Dr. Lalit S. Kanodia	3
Mr. C. L. Jain	2
Mr. Mahesh Gupta*	1
Mr. Sachin Nandgaonkar	3

\*Mr. Mahesh Gupta has become member of the Committee with effect from September 25, 2019.



## 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. During the year sitting fees has been revised by Board and accordingly, each Non-Executive Director is paid a sitting fee of ₹ 1,00,000/- per Board Meeting, ₹ 50,000/- per Audit Committee Meeting, ₹ 15,000/- per Nomination and Remuneration Committee Meeting, Corporate Social Responsibility Committee Meeting, Risk Management Committee Meeting and 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 2019-20 are as under:

Name of the Director	Sitting Fees (₹)
Mr. H. V. Goenka	4,00,000
Mr. C. L. Jain	3,15,000
Dr. Lalit S. Kanodia	4,25,000
Mr. Manoj Maheshwari	4,00,000
Mr. Mahesh S. Gupta	6,48,000
Mr. Narendra Ambwani	6,23,000
Ms. Zahabiya Khorakiwala	3,05,000
Mr. Bhaskar Iyer	2,50,000
Mr. Sachin Nandgaonkar	6,40,000

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 and 10 equity shares each as a Trustee of Navya Goenka Trust, Ishaan Goenka Trust, AVG Family Trust and RG Family 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 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 and Rules made thereunder.

The elements of remuneration paid to Mr. Yugal Sikri, Managing Director during the financial year 2019-20 are as under:

(₹ in lakhs)

Name	Salary	Performance Bonus	Perquisite	Retiral Benefits
Mr. Yugal Sikri – Managing Director	213.65	-	-	8.10

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

## 7. Stakeholders Relationship Committee

The Stakeholders Relationship Committee consists of three Directors, namely, Mr. Narendra Ambwani, Mr. Mahesh Gupta and Mr. Yugal Sikri. Mr. Narendra Ambwani 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 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 April 29, 2019, July 29, 2019, October 30, 2019 and January 31, 2020.

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. Narendra Ambwani	4
Mr. Mahesh S. Gupta	4
Mr. Yugal Sikri	4

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 with effect from December 5, 2018 in pursuance of amendment to Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors has delegated the power to the Company Secretary to expedite transmission, replacement, transposition and issue of duplicate shares in physical form.

Statement of the various complaints received and resolved by the Company during the year ended March 31, 2020 are as under:

Type of complaints	Number of Complaints
No. of complaints pending at the beginning of the financial year 2019-20	Nil
No. of complaints received during the financial year 2019-20	3
No. of complaints resolved to the satisfaction of Shareholders during the financial year 2019-20	3
No. of complaints pending to be resolved at the end of the financial year 2019-20	Nil

## 8. Corporate Social Responsibility Committee

Corporate Social Responsibility Committee (CSR) consists of three Directors, namely, Mr. Narendra Ambwani, Ms. Zahabiya Khorakiwala and Mr. Yugal Sikri. Mr. Narendra Ambwani 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, one meeting of the Corporate Social Responsibility Committee was held on April 29, 2019.



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

Name of Director	No. of meetings attended
Mr. Narendra Ambwani	1
Mr. C. L. Jain	1
Ms. Zahabiya Khorakiwala	1
Mr. Yugal Sikri	1

## 9. Risk Management Committee

Risk Management Committee consists of three Directors, namely, Mr. Mahesh Gupta, Mr. Yugal Sikri and Mr. Sachin Nandgaonkar. Mr. Mahesh Gupta 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 29, 2019 and January 31, 2020. .

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. Mahesh Gupta	2
Mr. C. L. Jain	1
Mr. Sachin Nandgaonkar	2
Mr. Yugal Sikri	2

## 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
10 <sup>th</sup> 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 <sup>th</sup> 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**
12 <sup>th</sup> AGM March 31, 2019	Ravindra Natya Mandir P.L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai 400 025	July 30, 2019	2.30 p.m.	4***

\* The details of Special Resolution passed at the 10<sup>th</sup> 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 11<sup>th</sup> 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.



\*\*\* The details of Special Resolutions passed at the 12<sup>th</sup> AGM are as under:

1. Re-appointment of Dr. Lalit Kanodia (DIN:00008050) as Independent Director for second consecutive term of five years
2. Re-appointment of Mr. Narendra Ambwani (DIN:00236658) as Independent Director for second consecutive term of five years
3. Re-appointment of Mr. Mahesh Gupta (DIN:00046810) as Independent Director for second consecutive term of five years
4. Re-appointment of Mr. Manoj Maheshwari (DIN:00012341) as Independent Director for second consecutive term of five years

None of the items transacted at the Annual General Meeting held on July 30, 2019 were required to be passed by postal ballot nor any resolution requiring a postal ballot is being proposed at the ensuing Annual General Meeting.

## 11. Disclosures

- (i) The Company has not entered into any materially significant related party transaction that may have potential conflict with the interest of the Company at large. The Company has received disclosures from the Senior Management Personnel confirming that they have not entered into any financial or commercial transaction, which may have potential conflict with the interest of the Company. The policy on dealing with Related Party Transactions is posted on the Company's website [www.rpglifesciences.com](http://www.rpglifesciences.com).
- (ii) To the best of the Company's knowledge, there has neither been any incidence of non-compliance with laws governing capital market nor has any penalty or stricture been imposed on the Company by the Stock Exchanges, SEBI or any statutory authority on any matter related to capital market.
- (iii) The Board of Directors has laid down the Code of Conduct for Board Members and Senior Management, which they are bound to observe in the course of conduct of business of the Company. The Code of Conduct has also been posted on the website of the Company. Each Director and Senior Management Personnel including all functional heads, to which the code has been made applicable, have affirmed their compliance with the Code. A declaration by Mr. Yugal Sikri, Managing Director, to this effect forms part of this report.
- (iv) The Managing Director and Vice President- Finance of the Company have submitted the certificate as required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the Board of Directors.
- (v) The Company has adopted a Vigil Mechanism/ Whistle Blower Policy and confirms that no personnel was denied access to the Audit Committee.
- (vi) The Company is in compliance with all the mandatory requirements of Regulation 17 to 27 and Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The status on adoption of non-mandatory requirement is set out in this report.
- (vii) The details of shares in Unclaimed Suspense Account are provided in notes to Notice of Annual General Meeting of the Company included in this Annual Report.
- (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	34



- (x) Disclosures in relation to the 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 off 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 'Business Standard' and 'Mumbai Lakshadeep' newspapers. The financial results and official news releases are also available on the Company's website [www.rpglifesciences.com](http://www.rpglifesciences.com).

## 13. General Shareholder Information

(i)	<b>AGM: Date, time and venue</b>	13th Annual General Meeting on August 20, 2020 at 3.00 p.m. through Video Conferencing
(ii)	<b>Financial Year</b>	April 1 - March 31
(iii)	<b>Dividend Payment Date</b>	The Company has paid an Interim Dividend on March 30, 2020 which was recommended as the final dividend by the Board of Directors subject to approval of the shareholders.
(iv)	<b>Listing on Stock Exchanges</b>	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 2020-21.
(v)	<b>Stock Code</b>	BSE – 532983 NSE – RPGLIFE
(vi)	<b>ISIN Code</b>	INE105J01010

### (vii) Market Price Data

Month	BSE		NSE		SENSEX	
	High	Low	High	Low	High	Low
April 2019	287.00	232.00	288.80	231.55	39,487.45	38,460.25
May	259.85	219.95	262.00	219.70	40,124.96	36,956.10
June	265.55	243.40	265.00	244.00	40,312.07	38,870.96
July	250.50	176.70	256.90	176.00	40,032.41	37,128.26
August	204.00	155.00	203.70	151.40	37,807.55	36,102.35
September	222.75	159.00	224.00	158.95	39,441.12	35,987.80
October	254.70	176.55	254.50	176.40	40,392.22	37,415.83
November	319.00	255.00	319.00	255.00	41,163.79	40,014.23
December	335.00	263.45	334.95	263.20	41,809.96	40,135.37
January 2020	351.00	291.45	351.45	285.55	42,273.87	40,476.55
February	308.00	236.00	307.70	236.00	41,709.30	38,219.97
March	248.85	146.00	246.95	142.95	39,074.90	25,650.80

### (viii) Registrar and Share Transfer Agents

#### Link Intime India Pvt. Ltd.

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](mailto:rnt.helpdesk@linkintime.co.in)

Contact Person: Ms. Udaya Rao





**(ix) Grievance Redressal**

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

**(x) Share Transfer System**

Pursuant to the amendment to the Listing Regulations effective from April 1, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. Members holding shares in physical form are therefore requested to convert their holdings to dematerialized mode.

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

**(xi) Distribution of Shareholding**

- The distribution of shareholding as on March 31, 2020 was as under:

Nominal Value of Shareholding	No. of Shareholders	% of Shareholders	Share Amount (₹)	% of Share Amount
Upto 5000	15,438	94.28	1,43,64,640	10.86
5001 to 10000	524	3.20	38,11,072	2.88
10001 to 20000	217	1.32	31,82,616	2.41
20001 to 30000	71	0.43	16,93,648	1.28
30001 to 40000	49	0.30	17,02,880	1.29
40001 to 50000	11	0.07	4,94,392	0.37
50001 to 100000	39	0.24	26,23,384	1.98
100001 and above	26	0.16	10,44,39,488	78.93
<b>Total</b>	<b>16,375</b>	<b>100.00</b>	<b>13,23,12,120</b>	<b>100.00</b>

- Shareholding Pattern as on March 31, 2020

Category	No. of Shares	%
Promoters	1,19,19,219	72.07
Insurance Companies	-	-
Foreign Institutional Investors	-	-
Mutual Funds/Banks	-	-
Non Resident Indians	1,14,004	0.69
Public	45,05,792	27.24
<b>Total</b>	<b>1,65,39,015</b>	<b>100.00</b>

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

Category	No. of Shares	% of shares	No. of Shareholders	% of Shareholders
Electronic Form	1,62,75,486	98.41	14,311	87.40
Physical Form	2,63,529	1.59	2,064	12.60
<b>Total</b>	<b>1,65,39,015</b>	<b>100.00</b>	<b>16,375</b>	<b>100.00</b>

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

The Company has not issued any GDRs/ADRs. As of March 31, 2020, the Company does not have any outstanding convertible instruments, which are likely to have an impact on the equity of the Company.



**(xiv) 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. 28 to the Financial Statements.

**(xv) 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).

**(xvi) Address for Correspondence**

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

**(xvii) List of all credit ratings obtained by the Company along with 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	Rating
Long-term loans	₹ 35 crores	[ICRA]A- (Stable); Re-affirmed
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 majority of Independent Directors on the Board is less than five years. The Board ensures before appointment of Independent Directors that they have the requisite qualifications and experience that would be of use to the Company and would enable them to contribute effectively to the Company in their capacity as Independent Directors.

**2. Shareholders' Rights**

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

**3. Audit Qualification**

The financial statements for the year ended March 31, 2020 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 present the Internal Audit Report at the meeting of the Audit Committee every quarter.

**CERTIFICATE**

To,  
The Members of  
**RPG LIFE SCIENCES LIMITED**  
RPG House, 463, Dr. Annie Besant Road,  
Worli, Mumbai- 400 030.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of RPG Life Sciences Limited having CIN L24232MH2007PLC169354 and having registered office at RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai 400 030 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of Appointment in Company*</b>
1.	Mr. Harsh Vardhan Goenka	00026726	06/02/2008
2.	Dr. Lalit S. Kanodia	00008050	06/02/2008
3.	Mr. Manoj Maheshwari	00012341	06/02/2008
4.	Mr. Mahesh S. Gupta	00046810	06/02/2008
5.	Mr. Narendra Ambwani	00236658	24/07/2014
6.	Ms. Zahabiya Khorakiwala	00102689	29/10/2015
7.	Mr. Bhaskar Iyer	00480341	30/10/2019
8.	Mr. Sachin Nandgaonkar	03410739	23/01/2015
9.	Mr. Yugal Sikri	07576560	01/10/2018

\*the date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh Parekh & Associates**  
Practising Company Secretaries

Place : Mumbai  
Date : June 05, 2020

**Mitesh Dhaliwala**  
FCS: 8331 CP: 9511  
UDIN: F008331B000319884



## **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, 2020.

Place : Mumbai  
Date : June 05, 2020

**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, 2020 as per relevant provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period April 1, 2019 to March 31, 2020.

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**  
Practising Company Secretary

**Vijay Kumar Mishra**  
Partner

Place : Mumbai  
Date : June 05, 2020

Membership No.: F5023 C.P. No.: 4279  
UDIN: F005023B000319469



## BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L24232MH2007PLC169354
2. Name of the Company	RPG LIFE SCIENCES LIMITED
3. Registered address	RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai 400 030.
4. Website	<a href="http://www.rpglifesciences.com">www.rpglifesciences.com</a>
5. E-mail id	<a href="mailto:investorservices@rppls.com">investorservices@rppls.com</a>
6. Financial Year reported	2019-20
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Pharmaceuticals : NIC Code 210
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	Lomotil, Azoran and Aldactone
9. Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (b) Number of National Locations	The Company has manufacturing facilities situated at Navi Mumbai in Maharashtra and at Ankleshwar in Gujarat. Registered office is in Mumbai. The Company has 20 Carrying & Forwarding Agents, 4 Warehouses in the Country.
10. Markets served by the Company – Local/State/ National/International	In addition to serving the Indian market, the Company exports to around 22 countries worldwide across South East Asia, MENA, United Kingdom, EU, Canada, Australia, China, Latin America, Africa and Russia.

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR)	13.23 crores
2. Total Turnover (INR)	376.30 crores
3. Total profit after taxes (INR)	29.01 crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹ 34 lakhs (3.15% of the profit after tax for the year) spent during FY 2019-20
5. List of activities in which expenditure in 4 above has been incurred:-	The CSR spent for the year under review includes mainly the following: <ul style="list-style-type: none"> <li>• Vision/Eye Care</li> <li>• Healthcare Sector Skilling</li> <li>• Education</li> </ul> For details please refer to the CSR section of the Board's Report of the Company.

### SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?	No
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such Subsidiary Company(s)	Not Applicable
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

### SECTION D: BR INFORMATION

#### 1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1. DIN Number : 07576560
2. Name : Mr. Yugal Sikri
3. Designation : Managing Director



(b) Details of the BR head

No.	Particulars	Details
1	DIN	07576560
2	Name	Mr. Yugal Sikri
3	Designation	Managing Director
4	Telephone number	022 2498 1650
5	Email Address	investorservices@rppls.com

## 2. Principle-wise as per National Voluntary Guidelines (NVGs) / Business Policy

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, the policies conform to the principles laid down under NVG on Social, Environmental and Economic Responsibilities of Business and other relevant regulations as applicable to the respective policies								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	All the policies except HR policies can be viewed at <a href="https://www.rpplifesciences.com">https://www.rpplifesciences.com</a> . HR policies are restricted to employees of the Company and uploaded on Company's Intranet.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									



**3. Governance related to Business Responsibility (BR)**

- (a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

The Audit Committee, Risk Management Committee and Corporate Social Responsibility Committee meet in a year at regular interval.

- (b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

BR Report of the Company forms part of Annual Report and the same can be accessed on the website of the Company i.e. [www.rpglifesciences.com](http://www.rpglifesciences.com)

**SECTION E: PRINCIPLE-WISE PERFORMANCE****Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

The Company has adopted RPG Code of Corporate Governance and Ethics ('RPG Code') which *inter-alia* covers the issues, related to ethics, conflict of interest and so on. Besides, the RPG Code ensures that every transaction is transparent. Every employee of the Company is required to mandatorily adhere to the RPG Code. It does not extend to joint ventures/ suppliers/ contractors/ NGOs/ others.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

The Company has received three complaints from investors and twenty-three complaints from customers. These complaints were resolved to the satisfaction of the Stakeholders. The Company has a robust mechanism in place to respond to investor and customer complaints within an appropriate time frame.

**Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

Lomotil, Azoran and Aldactone

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

- (a) **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

The Company manufactures and distributes at its manufacturing facilities a wide range of branded formulations, generics and active pharmaceutical ingredients. As consumption per unit depends on the product mix, there are no specific standards to ascertain reduction achieved at product level.

- (b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The Company's products do not have any broad-based impact on energy and water consumption by consumers. However, the Company has taken several ongoing measures to reduce consumption of water and energy.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

- (a) **If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company has standard operating procedures for approving vendors. Materials are procured from approved vendors both local and international. The Company's quality assurance team conducts periodic audits of vendors, especially those who supply key materials. The Company has long standing business relations with regular vendors. The Company enters into freight contracts with leading transporters for movement of materials. The Company continues to receive unrelenting support from its vendors.



**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

**(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company procures goods and avail services from local and small vendors, particularly those located around its manufacturing locations. As a result of procurement of goods from local vendors, the Company saves on transportation as also inventory carrying costs. The Company provides technical support and guidance to vendors in developing products.

**5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The pharmaceutical products cannot be recycled. All effluents generated at the said facility are treated and recycled back. Waste is segregated into hazardous and non-hazardous waste and managed through a robust waste management system. All the non-hazardous waste generated at the manufacturing facility is sent for recycling through authorized recyclers. The hazardous waste is sent for incineration to authorized vendors.

**Principle 3 : Businesses should promote the wellbeing of all employees**

**1. Please indicate the Total number of employees.**

The Company has 1144 permanent employees as on March 31, 2020.

**2. Please indicate the Total number of employees hired on temporary / contractual / casual basis.**

358

**3. Please indicate the Number of permanent women employees.**

55

**4. Please indicate the Number of permanent employees with disabilities**

Nil

**5. Do you have an employee association that is recognized by management.**

Yes, we have employee association at our plant locations in Navi Mumbai & Ankleshwar.

**6. What percentage of your permanent employees is members of this recognized employee association?**

11%

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Type of employees	Skill Upgradation Training (%) **	Safety Training (%)*
Permanent Employees	100%	100%
Permanent Women Employees	100%	100%
Casual / Temporary / Contractual Employees	100%	100%
Employees with Disabilities	Not Applicable	Not Applicable

\*Considered only employees based at Factory locations

\*\*On-the-job training is given to all the employees



**Principle 4 : Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

**1. Has the company mapped its internal and external stakeholders? Yes/No**

Yes, the Company has mapped its internal and external stakeholders.

**2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

Yes, the Company identifies underprivileged communities in and around its plants, business locations. The Company conducts various activities, which upholds its philosophy and values towards underprivileged communities.

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

The Company has undertaken special initiatives for the development of underprivileged communities in and around its plants, business locations and project sites. These initiatives are in the areas of preventive healthcare, education, drinking water, sanitation, employability, skill development, health care skilling and digital literacy.

**Principle 5 : Businesses should respect and promote human rights**

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Human rights are given utmost respect and promoted in the Company. These rights are covered in the RPG Code and various human resource practices and policies.

Equal opportunity is given to all the employees of the Company based on merits. It regards them with dignity, apart from maintaining a congenial work environment free from all sorts of harassment (physical, verbal or psychological).

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The Company has not received any complaint of human rights violation.

**Principle 6 : Business should respect, protect, and make efforts to restore the environment**

**1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

The Environmental, Health and Safety (EHS) Policy of the Company covers all employees and contractors of the Company.

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

The Company ensures reduction of environmental degradations and promotion of 3Rs (Reduce, Reuse and Recycle) to help combat the perils of climate change and optimise utilisation of resources to help safeguard the environment. The Company focuses on minimum use of fossil fuel and hydrocarbon material to minimize the impact on global warming. The Company has planted 3600 trees at its plant location & 2600 trees at Forest land to reduce carbon effect. This information is not separately placed on the Company's website.

**3. Does the company identify and assess potential environmental risks? Y/N**

Yes, The Company on a continuous basis assesses and identifies potential environmental risks and takes adequate measures and precautions by engineering control measures like gas scrubbers and exhaust air passing through filter to minimise any potential damage to the environment. There are periodic environment audits and checks to sustain the same. The company's plant at Navi Mumbai having full-fledge Effluent Treatment Plant (ETP) which involves Primary, Secondary & Tertiary system to treat process & sewage water. RTOEMS- Real Time Online Effluent Monitoring System installed at ETP outlet for monitoring & continuous data transmission to CPCB & MPCB.

The Company's plant at Ankaleshwar, Gujarat having full-fledge Effluent Treatment Plant (ETP) which involves Primary & Secondary to treat Industrial Waste Water and treated industrial waste discharge to Final Effluent Treatment Plant of the vendor.



**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

Yes, The Company adheres to all rules, regulations, standards framed by Ministry of Environment, Forest & Climate Change (MoEF&CC), Central Pollution Control Board (“CPCB”), Gujarat Pollution Control Board (“GPCB”) and Maharashtra Pollution Control Board (“MPCB”). Compliances of these rules, regulations and standards are being checked by internal auditors. Moreover, independent assessors review these compliances, when needed. Environment Clearance is in place & periodical compliance reports, as applicable, are submitted to MoEF&CC, CPCB and SPCB on half yearly basis.

**5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

Yes, The Company has installed energy efficient lighting across factory premises for energy conservation. In addition, it invests in various Research and Development initiatives to make its manufacturing process more energy efficient. The Company has taken various initiatives like installation of Rainwater harvesting unit for water conservation. The Company is using Pipeline Natural Gas as a clean fuel to minimise air pollution.

**6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes, all the air emissions/ waste water generation/ waste generation are within permissible limits given by the CPCB/SPCB.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

No show cause/legal notice from CPCB/SPCB is received or pending.

**Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

**1. Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:**

- (a) Pharmaceuticals Export Promotion Council of India (Pharmexcil)
- (b) Bombay Chamber of Commerce and Industry (BCCI)
- (c) Federation of Indian Export Organisation (FIEO)

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

No

**Principle 8 : Businesses should support inclusive growth and equitable development**

**1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

In pursuit of its Corporate Social Responsibility (“CSR”) Policy, the Company undertakes various programmes and initiatives such as Vision/Eye Care (Project Netranjali), Healthcare Sector Skilling (Project Sanjeevani) and Education (Pehlay Akshar-Training). Details of these programmes are enumerated in **Annexure ‘D’** (CSR Section) of the Directors’ Report.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

All the CSR programmes of the Company are undertaken through RPG Foundation, an Implementation Agency.

**3. Have you done any impact assessment of your initiative?**

The Company undertakes impact assessment on a continuous basis and monitors gains to the community arising out of all its CSR activities.



**4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

During the year under review, the Company spent ₹ 34 lakhs towards various CSR projects. The details of these projects are given in **Annexure 'D'** (CSR section) of the Directors' Report.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

The Company has taken adequate steps to ensure that the development initiatives are successfully adopted by the community. Data provided in **Annexure 'D'** (CSR Section) of Directors' Report endorses successful adoption of initiatives by the community.

**Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

Total 23 complaints were received from customers and disposed off during the year and no complaint was pending as on the end of the financial year.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

The Company complies with all the legal statutes regarding display of product information on labels.

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

No.



## 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, 2020, 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, 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Description of Key Audit Matter

Intangible assets under development	
Refer note 2 B (b) to accounting policies	
The key audit matter	How the matter was addressed in our audit
<p>The Company has product related intangible assets as at March 31, 2020 aggregating Rs. 2.7 cr. which primarily comprise internally generated intangibles. During the year, the Company has charged off Rs. 5.32 cr. of intangible asset under development.</p> <p>The commencement of capitalisation of development cost involves judgment. The key risk is the ability to successfully develop and subsequently commercialize the asset concerned. Development risks include the Company's inability to achieve desired clinical trial results and / or obtain regulatory approvals.</p> <p>There is also a risk of impairment in the event the carrying amount of intangible asset is lower than its recoverable value. Company's assessment of recoverable value to test for impairment contain a number of parameters which involve significant judgements and estimates including weighted average cost of capital, revenue growth, expected market share and price erosion.</p> <p>Changes in these assumptions could lead to an impairment to the carrying value of these intangible assets. Accordingly, we have focused our audit work in these areas.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Understanding the design and implementation of the Company's processes surrounding intangible asset capitalization;</li> <li>Evaluating assumptions used in assessing the recoverability of intangible assets, in particular revenue and cash flow projections;</li> <li>Evaluating the probability of obtaining regulatory approval for assets under development;</li> <li>Testing the internal costs capitalized by selecting samples of transactions on sample basis and assessed the nature of costs with key operational personnel;</li> <li>Assessing the Company's assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates;</li> <li>We also interviewed Company's senior personnel in order to understand and challenge those assumptions.</li> </ul>

### 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 on the financial statements.

### 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.





<b>Revenue recognition</b>	
Refer note 2 B (q) to accounting policies and note 14 to the financial statements	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>The timing of revenue recognition is relevant to the reported performance of the Company. We identified revenue recognition as a key audit matter because of the quantum of revenue in the financial statements and possible impact on revenue due to COVID-19.</p> <p>As disclosed in the financial statements revenue is recognized net of sales returns. Estimation of sales returns involves significant judgement.</p>	<p><b>Our procedures included the following:</b></p> <ul style="list-style-type: none"> <li>• Assessing compliance of the Company's revenue recognition and sales returns accounting policies with applicable accounting standards.</li> <li>• We evaluated the design and operating effectiveness of the relevant key financial controls with respect to revenue recognition on selected transactions.</li> <li>• We analysed quarterly and annual sales performance with prior periods and made enquiries to understand trends in sales performance.</li> <li>• Substantive testing (including year-end cutoff testing) of selected samples of revenue transactions recorded during and after the year with the underlying documentation.</li> <li>• Understanding the process followed by the Company for identifying and the value of sales return accrual.</li> <li>• We evaluated the design and tested the operating effectiveness of the relevant key financial controls with respect to recognition and accrual of sales returns.</li> <li>• We assessed manual journal entries to revenue for unusual or irregular items.</li> </ul>

## 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 and Board of Directors' 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 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 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, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The 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 in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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.
2. (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 accounts 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 accounts.
  - 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, 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2020 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 does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2020.
- (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 remuneration paid to any Director is not in excess of the limit laid down under Section 197 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

**Himanshu Chapsey**

*Partner*

Membership No: 105731

UDIN: 20105731AAAACR1245

Mumbai  
05 June, 2020

**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.
- 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, Duty of Customs, Professional Tax, Cess and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.



(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income-Tax, 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, 2020 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount Rs. in lakhs*	Period to which the amount relates (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 – upto Commissioner's level
The Finance Act, 1994	Service tax including interest and penalty as applicable	96	April 2006 to May 2015	Customs, Excise & Service Tax Appellate Tribunal
The Central Excise Act, 1944	Excise duty including interest and penalty as applicable	9	1994 to 1996	Appellate Authority – upto Commissioner's level

\*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

**Himanshu Chapsey**  
Partner

Mumbai  
05 June, 2020

Membership No: 105731  
UDIN: 20105731AAAACR1245





## **Annexure B to the Independent Auditors' report**

**Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph 2 (A) f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **Opinion**

We have audited the Internal Financial Controls with reference to financial statements of RPG Life Sciences Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such Internal Financial Controls were operating effectively as at March 31, 2020, based on the Internal Financial Controls 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 (the "Guidance Note").

### **Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the Internal Financial Controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 Companies Act, 2013 (hereinafter referred to as "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 and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls with reference to financial statements. 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 were established and maintained and whether 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 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 such Internal Financial Controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control 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 Controls with reference to financial statements.

Annexure B to the Independent Auditors' report on the financial statements of RPG Life Sciences Limited for the period ended March 31, 2020. (Continued)

### **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 include 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 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 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.

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

*Chartered Accountants*

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

**Himanshu Chapsey**

*Partner*

Membership No: 105731

UDIN: 20105731AAAACR1245

Mumbai  
05 June, 2020





## BALANCE SHEET AS AT MARCH 31, 2020

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

ASSETS	Note	March 31, 2020	March 31, 2019
<b>Non-current assets</b>			
Property, plant and equipment	3	8,372	8,251
Capital work-in-progress	3	728	1,012
Intangible assets	4	3,917	4,513
Intangible assets under development		270	705
Financial assets			
i. Loans	5(a)	18	10
ii. Other financial assets	5(b)	28	30
Current Tax asset (Net)	24(e)	190	125
Deferred tax assets (Net)	24(d)	460	618
Other non-current assets	6	112	151
<b>Total Non-Current Assets</b>		<b>14,095</b>	<b>15,415</b>
<b>Current assets</b>			
Inventories	7	4,661	4,104
Financial assets			
i. Trade receivables	5(c)	6,333	3,890
ii. Cash and cash equivalents	5(d)	54	37
iii. Bank balances other than (ii) above	5(e)	57	40
iv. Other financial assets	5(b)	113	96
Other current assets	6	1,360	1,542
<b>Total current assets</b>		<b>12,578</b>	<b>9,709</b>
<b>Total assets</b>		<b>26,673</b>	<b>25,124</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	8(a)	1,323	1,323
Other equity	8(b)	16,334	14,727
<b>Total equity</b>		<b>17,657</b>	<b>16,050</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	10(a)	152	658
ii. Other financial liabilities	10(c)	333	299
Provisions	12	272	335
<b>Total non-current liabilities</b>		<b>757</b>	<b>1,292</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	10(a)	512	2,904
ii. Trade payables	10(b)		
(a) total outstanding dues of micro enterprises and small enterprises		396	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		4,045	2,513
iv. Other financial liabilities	10(c)	1,514	823
Provisions	12	1,276	1,033
Other current liabilities	11	516	509
<b>Total current liabilities</b>		<b>8,259</b>	<b>7,782</b>
<b>Total liabilities</b>		<b>9,016</b>	<b>9,074</b>
<b>Total equities and liabilities</b>		<b>26,673</b>	<b>25,124</b>
Significant accounting policies	1-2		

The notes are integral part of these financial statements.  
In terms of our report of even date attached.

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

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

**Himanshu Chapsey**  
Partner  
Membership No. 105731

**H. V. Goenka**  
Chairman  
DIN:00026726

**Mahesh S. Gupta**  
Director  
DIN:00046810

**Yugal Sikri**  
Managing Director  
DIN:07576560

**Mahesh Narayanaswamy**  
Vice President - Finance

**Rajesh Shirambekar**  
Company Secretary

Mumbai, June 05, 2020

Mumbai, June 05, 2020



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

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

	Note	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations	14	37,557	33,016
Other income	15	73	80
<b>Total Income</b>		<b>37,630</b>	<b>33,096</b>
<b>Expenses</b>			
Cost of Materials Consumed	16(a)	7,513	5,117
Purchases of Stock-in-Trade		5,861	4,516
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	16(b)	(598)	1,371
Employee benefits expense	17	9,590	8,993
Finance costs	18	175	399
Depreciation and amortisation expense	19	1,636	1,532
Other expenses	20	9,276	9,663
<b>Total expenses</b>		<b>33,453</b>	<b>31,591</b>
<b>Profit before exceptional items and tax</b>		<b>4,177</b>	<b>1,505</b>
Exceptional Items Gain/(Loss)	32	(532)	-
<b>Profit before tax</b>		<b>3,645</b>	<b>1,505</b>
Income tax expense	24(a)		
-Current tax		1,010	284
-Deferred tax		(266)	140
<b>Income tax expense</b>		<b>744</b>	<b>424</b>
<b>Profit for the year</b>		<b>2,901</b>	<b>1,081</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	13(b)	(24)	(41)
Income tax relating to the above		7	14
<b>Other comprehensive income for the year, net of tax</b>		<b>(17)</b>	<b>(27)</b>
<b>Total comprehensive income for the year</b>		<b>2,884</b>	<b>1,054</b>
<b>Earnings per equity share (of face value of Rs. 8 each)</b>			
Basic earnings per share attributable to the equity holders of the company		17.54	6.54
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

**Himanshu Chapsey**  
Partner  
Membership No. 105731

Mumbai, June 05, 2020

**H. V. Goenka**  
Chairman  
DIN:00026726

**Mahesh S. Gupta**  
Director  
DIN:00046810

Mumbai, June 05, 2020

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, 2020**

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

	Note	Year ended March 31, 2020	Year ended March 31, 2019
<b>A Cash Flow from operating activities</b>			
<b>Profit before income tax</b>		3,645	1,505
Adjustments for			
<b>Add:</b>			
Depreciation and amortisation expenses	19	1,636	1,532
Finance costs	18	175	399
Loss on disposal of property, plant and equipment	20	11	6
Unrealised exchange rate difference	15	(80)	25
Provision for Doubtful Debts and Advances (Net)	20	-	60
Interest received	15	(17)	(12)
Provisions no longer required and written back	15	(5)	(2)
Exceptional Items (Gain)/Loss	32	532	-
		<u>5,897</u>	<u>3,513</u>
<b>Working capital adjustments:</b>			
(Increase)/Decrease in trade receivables	5(c)	(2,353)	2,860
(Increase) in financial assets - Loans	5(a)(b)	(6)	(3)
Decrease in other non-current assets	6	-	6
(Increase) in other financial assets	5(b)	(17)	(8)
Decrease in other current assets	6	182	334
(Increase)/Decrease in inventories	7	(557)	1,265
Increase/(Decrease) in trade payables	10(b)	1,933	(2,673)
Increase/(Decrease) in other financial liabilities	10(c)	418	(332)
Increase/(Decrease) in provisions	12	156	(177)
Increase in other current liabilities	11	7	165
<b>Cash generated from operations</b>		<u>5,660</u>	<u>4,950</u>
Income taxes paid	24(e)	(643)	(372)
<b>Net cash inflow from operating activities</b>		<u>5,017</u>	<u>4,578</u>
<b>B Cash flow from investing activities:</b>			
Acquisition of property, plant and equipment and Intangible assets	3/4	(1,074)	(1,968)
Proceeds from sale of property, plant and equipment and Intangible assets		4	11
Bank deposits	5(e)	(17)	43
Interest received	15	17	12
<b>Net cash (outflow) from investing activities</b>		<u>(1,070)</u>	<u>(1,902)</u>
<b>C Cash flow from financing activities</b>			
Proceeds from long term borrowings		-	311
Repayment of long term borrowings		(21)	(1,195)
Proceeds from / (Repayment of) Short-term Borrowings (Net)		(2,392)	(888)
Interest paid	18	(148)	(399)



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

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

	Note	Year ended March 31, 2020	Year ended March 31, 2019
Repayment of principal portion of lease liability		(68)	-
Interest paid on lease liability	18	(24)	-
Dividend paid including dividend distribution tax thereon	9	(1,277)	(479)
<b>Net cash (outflow) from financing activities</b>		<b>(3,930)</b>	<b>(2,650)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>17</b>	<b>26</b>
Add: Cash and cash equivalents at the beginning of the financial year	5(d)	<b>37</b>	<b>11</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>54</b>	<b>37</b>
<b>Cash and cash equivalents</b>	5(d)	<b>54</b>	<b>37</b>
Bank overdrafts		-	-
<b>Balances as per statement of cash flows</b>		<b>54</b>	<b>37</b>

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 are integral part of these financial statements.  
In terms of our report of even date attached.

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

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

**Himanshu Chapsey**  
Partner  
Membership No. 105731

**H. V. Goenka**  
Chairman  
DIN:00026726

**Yugal Sikri**  
Managing Director  
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**Mahesh S. Gupta**  
Director  
DIN:00046810

**Mahesh Narayanaswamy**  
Vice President - Finance

**Rajesh Shirambekar**  
Company Secretary

Mumbai, June 05, 2020

Mumbai, June 05, 2020



## Statement of Changes in Equity for the Year Ended March 31, 2020

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

<b>(A) Equity share capital</b>		
As at March 31, 2019		1,323
Changes in equity share capital		-
As at March 31, 2020		<b>1,323</b>

**(B) Other equity**

	Reserves and Surplus					Total
	Notes	Capital Reserve	General Reserve	Securities Premium Reserve	Retained Earnings	
<b>Balance as at April 1, 2019</b>	8(b)	5	863	3,446	10,413	<b>14,727</b>
Profit for the year		-	-	-	2,901	<b>2,901</b>
Other Comprehensive Income		-	-	-	(17)	<b>(17)</b>
<b>Total comprehensive income for the years</b>		5	863	3,446	13,297	<b>17,611</b>
Dividend paid including dividend tax		-	-	-	(1,277)	<b>(1,277)</b>
<b>Balance as at March 31, 2020</b>		5	863	3,446	12,020	<b>16,334</b>

The notes are integral part of these financial statements.

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

**Himanshu Chapsey**  
Partner  
Membership No. 105731

Mumbai, June 05, 2020

For and on behalf of the Board of Directors  
**RPG Life Sciences Limited**  
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Mumbai, June 05, 2020

**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, 2020**

(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 116 'Leases' 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 the issue by the Company's Board of Directors on June 5, 2020.

**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 Ind AS 116 Leases using the modified retrospective approach (for all leases other than short-term leases and leases of low-value assets) i.e. by recognising the cumulative effect of initially applying Ind AS 116 as an adjustment to the opening balance of equity as at April 1, 2019. Due to transition method chosen by the Company in applying this standard, comparative information throughout these standalone financial statements has not been restated and continues to be reported under Ind AS 17.

Ind AS 116 introduces a single, on-balance sheet lease accounting model for leases. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities.

**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:





## Notes to the Financial Statements as at and for the year ended March 31, 2020

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

- 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.

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

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

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

**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

**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:

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

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

**c. Impairment of Non-Financial Assets:**

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

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

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

**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

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 applied when the related deferred income tax assets is realized or the deferred income tax liability is settled.

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

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

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

*Minimum Alternate Tax ("MAT")*

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

**e. Financial Instruments:**

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

**Financial Assets**

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the

**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

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:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

**Debt instrument at FVTOCI**

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

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

**Debt instrument at FVTPL**

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

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

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

**Equity instruments**

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

Changes in the fair value of financial assets at fair value 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.

**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

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
- c) Lease receivables under Ind AS 116 and 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.

**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

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:

- 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.

**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

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 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



**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

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.

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".

**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

**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.

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.

**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

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.

**l. Leases :**

*Policy applicable before April 1, 2019*

**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.

**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

*Policy applicable after April 1, 2019*

The Company has adopted Ind AS 116 effective from April 1, 2019 using modified retrospective approach. For the purpose of preparation of Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended March 31, 2020.

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Company assesses whether: (i) the contact involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

As a lessee, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of- use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including insubstance fixed payments. The lease liability is measured at amortised cost using the effective interest method. The Company has used number of practical expedients when applying Ind AS 116:- Short-term leases, leases of low-value assets and single discount rate.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straightline basis over the lease term. The Company applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

The Company's leases comprise leasehold land and computers.

**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

**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

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.

**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.

**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

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.

*Defined benefit plan - Gratuity Obligations:*

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

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

*Defined Contribution Plan*

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

**p. 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.

*Sale 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.



**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

*Rendering of Services*

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

*Interest income*

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

*Dividend income*

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

*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:**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

**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 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 [5]

Estimation of Defined Benefit Obligation [13]

Estimation of Provision and Contingent Liabilities [25]

Estimation of useful life of Property, Plant and Equipment [3]

Estimate of useful life of Intangible Assets [4]

Recognition of revenue [14]

Recognition of deferred tax assets for computation of losses [24]

Estimates and judgements are continually evaluated.




**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

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.

**u. Estimation of uncertainties relating to the global health pandemic from COVID-19:**

The Ministry of Home Affairs on March 24, 2020 notified a nation-wide lockdown in India to contain the outbreak of the COVID-19 pandemic due to which there have been several restrictions imposed by the Governments across the globe on the travel, movement of goods and transportation considering public health and safety measures. The Company is in the business of manufacturing and supplying pharmaceutical products which are categorised under essential goods and the production facilities of the Company remain operational following enhanced internal safety guidelines. The Company has considered internal and external information while finalizing various estimates and recoverability of assets in relation to its financial statement captions as at the date of approval of these financial statements by the Board of Directors. During this period, sales of the Company's products continue and it does not expect any material financial impact at this point of time on the demand of its products, its liquidity, assets, debt servicing abilities and supply chain operations. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

**3 Property, plant and equipment**

	Leasehold		Plant and	Furniture		Office		Total
	Land	Buildings	equipments	and fittings	Vehicles	Equipments	Computers	
<b>Year ended March 31, 2019</b>								
<b>Gross carrying amount</b>								
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)
<b>Closing gross carrying amount</b>	<b>2,018</b>	<b>2,888</b>	<b>4,287</b>	<b>358</b>	<b>105</b>	<b>100</b>	<b>337</b>	<b>10,093</b>
<b>Accumulated depreciation</b>								
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)
<b>Closing accumulated depreciation</b>	<b>117</b>	<b>335</b>	<b>1,052</b>	<b>131</b>	<b>28</b>	<b>41</b>	<b>138</b>	<b>1,842</b>
<b>Net carrying amount March 31, 2019</b>	<b>1,901</b>	<b>2,553</b>	<b>3,235</b>	<b>227</b>	<b>77</b>	<b>59</b>	<b>199</b>	<b>8,251</b>
<b>Year ended March 31, 2020</b>								
<b>Gross carrying amount</b>								
Opening gross carrying amount	2,018	2,888	4,287	358	105	100	337	10,093
Additions	2	291	553	22	-	14	222	1,104
<b>Disposals</b>	<b>-</b>	<b>(19)</b>	<b>(32)</b>	<b>-</b>	<b>(9)</b>	<b>-</b>	<b>-</b>	<b>(60)</b>
<b>Closing gross carrying amount</b>	<b>2,020</b>	<b>3,160</b>	<b>4,808</b>	<b>380</b>	<b>96</b>	<b>114</b>	<b>559</b>	<b>11,137</b>
<b>Accumulated depreciation</b>								
Opening accumulated depreciation	117	335	1,052	131	28	41	138	1,842
Depreciation charge during the year	39	133	583	51	19	20	113	958
Disposals	-	(10)	(20)	-	(5)	-	-	(35)
<b>Closing accumulated depreciation</b>	<b>156</b>	<b>458</b>	<b>1,615</b>	<b>182</b>	<b>42</b>	<b>61</b>	<b>251</b>	<b>2,765</b>
<b>Net carrying amount March 31, 2020</b>	<b>1,864</b>	<b>2,702</b>	<b>3,193</b>	<b>198</b>	<b>54</b>	<b>53</b>	<b>308</b>	<b>8,372</b>



## Notes to the Financial Statements as at and for the year ended March 31, 2020

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

<b>Capital work-in-progress</b>	
Net carrying amount March 31, 2019	1,012
Net carrying amount March 31, 2020	728

### NOTES:

- (i) Effective April 1, 2019 the Company has adopted Ind AS 116 “Leases” using the modified retrospective approach. This has resulted in recognising right of use assets and lease liability as on April 1, 2019. The adoption of the standard did not have any material impact on the financial results. The Company leases computers with lease term of 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. Previously these leases were classified as operating leases under Ind AS 17. Property, plant and equipment includes right of use of assets of Rs. 1,864 lakhs related to lease hold that do not meet the definition of investment property and Rs. 205 lakhs related to leased computers.

	<u>Leasehold Land</u>	<u>Computers</u>
Balance as at April 1, 2019	2,018	107
Additions to right to use assets	2	163
Accumulated depreciation	156	65
<b>Net carrying amount as at March 31, 2020</b>	<b><u>1,864</u></b>	<b><u>205</u></b>

**(ii) Property, plant and equipment (classified as finance lease as under Ind AS 17)**

The net carrying amount of leased equipment held under finance lease was ₹ 107 lakhs as at March 31, 2019.

**(iii) 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 ₹ 186 lakhs.

**(iv) Contractual obligations**

Refer to note 10d for disclosure of contractual commitments for the Right-of-use assets (Previous year: Leased Assets)

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

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

**(vi) Additions to Plant and equipment and office equipment include ₹ NIL (Previous year ₹ 37 lakhs) and ₹ NIL (Previous year - ₹ 2 lakh) respectively pertaining to Research and Development activities.**

**(vii) 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.**


**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

**4 Intangible assets**

	Trade Marks	Technical Knowhow	Computer Software	Total
<b>Year ended March 31, 2019</b>				
<b>Gross carrying amount</b>				
Balance as at April 1, 2018	4,273	1,498	289	6,060
Additions	-	-	102	102
<b>Balance as at March 31, 2019</b>	<b>4,273</b>	<b>1,498</b>	<b>391</b>	<b>6,162</b>
<b>Accumulated amortisation</b>				
Balance as at April 1, 2018	617	256	101	974
Amortisation charge for the year	427	173	75	675
<b>Closing accumulated amortisation</b>	<b>1,044</b>	<b>429</b>	<b>176</b>	<b>1,649</b>
<b>Balance as at March 31, 2019</b>	<b>3,229</b>	<b>1,069</b>	<b>215</b>	<b>4,513</b>
<b>Year ended March 31, 2020</b>				
<b>Gross carrying amount</b>				
Balance as at April 1, 2019	4,273	1,498	391	6,162
Additions	-	-	82	82
<b>Balance as at March 31, 2020</b>	<b>4,273</b>	<b>1,498</b>	<b>473</b>	<b>6,244</b>
<b>Accumulated amortisation</b>				
Balance as at April 1, 2019	1,044	429	176	1,649
Amortisation charge for the year	427	172	79	678
<b>Closing accumulated amortisation</b>	<b>1,471</b>	<b>601</b>	<b>255</b>	<b>2,327</b>
<b>Balance as at March 31, 2020</b>	<b>2,802</b>	<b>897</b>	<b>218</b>	<b>3,917</b>

(i) Computer software includes software licenses.

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

**(iii) Computer software (classified as finance lease as under Ind AS 17)**

The net carrying amount of leased computer software held under finance lease was ₹ 6 lakhs as at March 31, 2019.

**(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 Right-of-use assets (Previous year: Leased Assets)


**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

**5 Financial assets**
**a) Loans**

	March 31, 2020		March 31, 2019	
	Current	Non-current	Current	Non-current
Loan to employees	-	18	-	10
<b>Total loans</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>10</b>

**b) Other financial assets**

	March 31, 2020		March 31, 2019	
	Current	Non-current	Current	Non-current
Security Deposits	98	28	64	30
Less: Allowance for Doubtful Security Deposit	(44)	-	(47)	-
Employee Advances	62	-	103	-
Less: Allowance for doubtful Employee advances	(3)	-	(24)	-
<b>Total other financial assets</b>	<b>113</b>	<b>28</b>	<b>96</b>	<b>30</b>

**c) Trade receivables**

	March 31, 2020	March 31, 2019
<b>Trade receivables</b>	<b>6,430</b>	<b>3,990</b>
Receivables from related parties	-	-
Less: Allowance for doubtful debts	(97)	(100)
<b>Total receivables</b>	<b>6,333</b>	<b>3,890</b>
<b>Breakup of securities details</b>		
Secured, considered good	18	15
Unsecured, considered good	6,315	3,875
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	97	100
<b>Total</b>	<b>6,430</b>	<b>3,990</b>
Less: Allowance for credit impairment	(97)	(100)
<b>Total trade receivables</b>	<b>6,333</b>	<b>3,890</b>

**Significant estimate:**

The Company has used practical expedient by computing the expected credit loss allowance for doubtful trade receivables based on a provision matrix. 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.



## Notes to the Financial Statements as at and for the year ended March 31, 2020

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

### d) Cash and cash equivalents

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Balances with banks		
- in current accounts	51	35
-Cash on hand	3	2
<b>Total cash and cash equivalents</b>	<u>54</u>	<u>37</u>

### e) Bank balances other than cash and cash equivalents

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Deposits with original maturity of more than 3 months but less than 12 months*	12	-
Unpaid Dividend accounts	36	34
Margin money balances	9	6
<b>Total bank balances other than cash and cash equivalents</b>	<u>57</u>	<u>40</u>

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

## 6 Other assets

	<u>March 31, 2020</u>		<u>March 31, 2019</u>	
	<u>Current</u>	<u>Non-current</u>	<u>Current</u>	<u>Non-current</u>
Capital advances	-	66	-	105
Export Benefits receivable	359	-	348	-
Balances with Government Authorities	538	46	849	46
Prepaid/Advance to suppliers	463	-	345	-
<b>Total other assets</b>	<u>1,360</u>	<u>112</u>	<u>1,542</u>	<u>151</u>

## 7 Inventories

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Raw Materials	733	802
Work-in-Progress	939	730
Finished Goods	1,252	1,239
Stock-in-Trade	1,460	1,084
Stores and Spares	113	95
Packing Materials	164	154
<b>Total Inventories</b>	<u>4,661</u>	<u>4,104</u>

- a) The write down of inventories to net realisable value during the year amounted to Rs. Nil (Previous year: 1 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, 2020

(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, 2020</u>	March 31, 2019
<b>Authorised Equity Share capital</b>		
1,87,50,000 equity shares of Rs. 8 each	1,500	1,500
Issued, Subscribed and Paid-up Capital		
1,65,39,015 equity shares of Rs. 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, 2019		1,65,39,015	1,323
<b>As at March 31, 2020</b>		<b>1,65,39,015</b>	<b>1,323</b>

#### Terms and rights attached to equity shares

The Company has only one class of shares i.e. equity shares having a face value of Rs. 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, 2020</u>		March 31, 2019	
	<u>Number of shares</u>	<u>% holding</u>	Number of shares	% holding
Ektara Enterprises LLP	25,14,293	15.20	23,58,831	14.26
Nucleus Life Trust	88,35,944	53.42	88,35,944	53.42

#### b) Reserves and surplus

	<u>March 31, 2020</u>	March 31, 2019
Securities Premium Reserve	3,446	3,446
Capital Reserve	5	5
General Reserve	863	863
Retained earnings	12,020	10,413
<b>Total Reserves and Surplus</b>	<b>16,334</b>	<b>14,727</b>

#### (i) Securities premium reserve

	<u>March 31, 2020</u>	March 31, 2019
Opening balance	3,446	3,446
<b>Closing Balance</b>	<b>3,446</b>	<b>3,446</b>

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.



## Notes to the Financial Statements as at and for the year ended March 31, 2020

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

### (ii) Capital reserve

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Opening balance	5	5
<b>Closing Balance</b>	<b><u>5</u></b>	<b><u>5</u></b>

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

### (iii) General reserve

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Opening balance	863	863
<b>Closing Balance</b>	<b><u>863</u></b>	<b><u>863</u></b>

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

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Opening balance	<b>10,413</b>	9,838
Add: profit for the year	<b>2,901</b>	1,081
<i>Items of other comprehensive income recognised directly in retained earnings:</i>		
Remeasurements of post-employment benefit obligation, net of tax	<b>(17)</b>	(27)
Dividend Paid	<b>(1,059)</b>	(397)
Tax on Dividend	<b>(218)</b>	(82)
<b>Closing Balance</b>	<b><u>12,020</u></b>	<b><u>10,413</u></b>

## 9 Distribution made and proposed

### Cash dividends on equity shares declared and paid

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

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Final dividend for the year ended on March 31, 2019 (Rs. 2.40 per share)	397	397
Interim dividend for the year ended on March 31, 2020 (Rs. 4.00 per share)	662	-
Dividend Distribution tax (DDT) on interim & final dividend	218	82
<b>Total</b>	<b><u>1,277</u></b>	<b><u>479</u></b>





## Notes to the Financial Statements as at and for the year ended March 31, 2020

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

### 10 Financial liabilities

#### a) Borrowings

##### Non-current borrowings

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
<b>Secured</b>		
Vehicle loans from Bank : Refer Note (i)	38	58
Term loan from Bank : Refer Note (ii)	428	425
<b>Unsecured</b>		
Lease liabilities (Previous year: Finance lease obligations) : Refer Note (iii)	194	263
<b>Total borrowings</b>	<u>660</u>	<u>746</u>
Less: Current maturities of long term debt	(444)	(20)
Less: Current maturities of long term lease liabilities (Previous year: finance lease obligations)	(64)	(68)
<b>Non-Current borrowings (as per balance sheet)</b>	<u>152</u>	<u>658</u>

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

<u>Nature of Security</u>	<u>Terms of Repayment</u>
Vehicle loans from a Bank is secured by hypothecation of vehicles purchased under loan.	Repayable in 36 to 48 Equated Monthly Instalments beginning from the time loan is taken and carries an interest rate ranging from 8.50% to 10.25% per annum.

ii) Particulars and Terms of repayment for secured term loan from a bank

<u>Nature of Security</u>	<u>Terms of Repayment</u>
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 carries an interest rate of 9.55% per annum.

iii) Terms of repayment for unsecured lease liabilities

Repayable in 36 Equated monthly and 12 to 20 Equated quarterly Installments beginning from taking of the lease and carries an interest rate ranging from 11.00% to 14.36% per annum. In the previous year, lease liabilities were recognised as finance lease obligations as per Ind AS 17.


**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

**Current borrowings**

	<b>March 31, 2020</b>	March 31, 2019
<b>Secured working Capital loans</b>		
From Banks	<b>186</b>	904
From Financial Institution	-	-
Total secured borrowings	<b>186</b>	904
<b>Unsecured working Capital loans</b>		
From Banks	<b>326</b>	2,000
<b>Total unsecured borrowings</b>	<b>326</b>	2,000
<b>Current borrowings (as per balance sheet)</b>	<b>512</b>	2,904

***Secured borrowings and assets pledged as security***

Total Working Capital Loans Rs. 186 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.

	<b>March 31, 2020</b>	March 31, 2019
Cash and cash equivalents	<b>54</b>	37
Current borrowings and current maturity of long term borrowings	<b>(1,020)</b>	(2,992)
Non current borrowings	<b>(152)</b>	(658)
<b>Net debt</b>	<b>(1,118)</b>	(3,613)

	<u>Other Assets</u>	<u>Liabilities from financing activities</u>			<u>Total</u>
	<u>Cash and cash equivalents</u>	<u>Lease liabilities (Previous year: Finance lease obligation)</u>	<u>Non current borrowings</u>	<u>Current borrowings</u>	
<b>Net debt as at March 31, 2019</b>	37	(263)	(463)	(2,924)	(3,613)
Cash flows	17	69	441	1,968	2,495
Interest expense	-	31	46	75	152
Interest paid	-	(31)	(46)	(75)	(152)
<b>Net debt as at March 31, 2020</b>	<b>54</b>	<b>(194)</b>	<b>(22)</b>	<b>(956)</b>	<b>(1,118)</b>

**b) Trade payables**

	<b>March 31, 2020</b>	March 31, 2019
Trade payables other than acceptances	4,441	2,513
Payable to related party	-	-
<b>Total trade payables</b>	<b>4,441</b>	<b>2,513</b>

- (i) No interest is paid/payable during the year to any micro or small enterprise registered under the MSMED.
- (ii) 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, 2020**

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

**c) Other financial liabilities**

	March 31, 2020		March 31, 2019	
	Current	Non-current	Current	Non-current
Deposits from Dealers	-	333	-	299
Current Maturity of Long Term Borrowings	444	-	20	-
Current maturities of long term lease liabilities (Previous year: finance lease obligations)	64	-	68	-
Interest accrued but not due on Borrowings	3	-	-	-
Unpaid Dividends*	36	-	33	-
Unpaid Matured Fixed Deposits*	-	-	1	-
Employee Benefits Payable	886	-	505	-
Payables on purchase of capital assets	81	-	196	-
<b>Total other financial liabilities</b>	<b>1,514</b>	<b>333</b>	<b>823</b>	<b>299</b>

\* 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) Lease liabilities (Previous year: finance lease obligations)**

Lease liabilities (Previous year: finance lease obligations) are payable as follows:

	March 31, 2020			March 31, 2019		
	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	86	22	64	99	31	68
Between one and five year	159	29	130	239	44	195
After more than 5 years	-	-	-	-	-	-

**11 Other liabilities**

	March 31, 2020		March 31, 2019	
	Current	Non-current	Current	Non-current
Advances received from customers	272	-	293	-
Statutory dues	244	-	216	-
<b>Total other liabilities</b>	<b>516</b>	<b>-</b>	<b>509</b>	<b>-</b>


**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

**12 Provisions**

	March 31, 2020		March 31, 2019	
	Current	Non-current	Current	Non-current
<b>Provision for Employee benefits</b>				
Compensated absences	96	272	69	335
Gratuity	37	-	48	-
<b>Others</b>				
Provision for Sales Return/Spoilages	1,143	-	916	-
<b>Total provisions</b>	<b>1,276</b>	<b>272</b>	<b>1,033</b>	<b>335</b>

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

<b>As at April 1, 2018</b>	1,077
Additional provisions recognised	-
Amount utilised during the year	(161)
<b>As at March 31, 2019</b>	<b>916</b>
<b>As at April 1, 2019</b>	<b>916</b>
Additional provisions recognised	227
Amount utilised during the year	-
<b>As at March 31, 2020</b>	<b>1,143</b>

**13 Post employment benefit obligations**
**a) Defined Contribution Plans**

Expenses recognised for defined contribution plans are summarised below:

	March 31, 2020	March 31, 2019
(a) Contribution to Provident Fund	148	129
(b) Contribution to Employee's Superannuation Fund	13	17
(c) Contribution to Employees' State Insurance Scheme	10	22
(d) Contribution to Employees' Pension Scheme	162	125
<b>Total</b>	<b>333</b>	<b>293</b>

**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, 2020 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.


**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

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, 2020

	Present value of obligation	Fair value of plan assets	Net amount
<b>March 31, 2019</b>	763	717	46
Current service cost	81	-	81
Interest expense/(income)	55	52	3
<b>Total amount recognised in profit and loss</b>	<b>136</b>	<b>52</b>	<b>84</b>
<i>Remeasurements</i>			
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	44	-	44
Experience (gains)/losses	(20)	-	(20)
<b>Total amount recognised in other comprehensive income</b>	<b>24</b>	<b>-</b>	<b>24</b>
Employer contributions	(70)	48	(118)
Assets/Liability Transferred In/Acquisitions	-	-	-
Benefit payments	-	-	-
<b>March 31, 2020</b>	<b>853</b>	<b>816</b>	<b>37</b>

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

	March 31, 2020	March 31, 2019
Present value of funded obligations	853	763
Fair value of plan assets	(816)	(717)
<b>Deficit of funded plan</b>	<b>37</b>	<b>46</b>
Unfunded plans	-	-
<b>Deficit of gratuity plan</b>	<b>37</b>	<b>46</b>

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

	March 31, 2020	March 31, 2019
Fixed Deposit	362	290
Corporate Bonds	-	-
Insurance fund (LIC)	443	413
Other Net Assets	11	14
<b>Total</b>	<b>816</b>	<b>717</b>

**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

**Significant Estimates: Actuarial assumptions and sensitivity**

The significant actuarial assumptions were as follows:

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Discount rate	<b>6.24%</b>	7.22%
Expected Return on Plan Assets	<b>6.24%</b>	7.22%
Rate of Employee Turnover		
-Sales Employees	<b>30.00%</b>	30.00%
-Other than Sales Employees	<b>8.00%</b>	8.00%
<b>Salary growth rate</b>	<b>8.50%</b>	8.50%

**Sensitivity analysis**

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

	<b>Impact on defined benefit obligation</b>					
	<b>Change in assumption</b>		<b>Increase in assumption</b>		<b>Decrease in assumption</b>	
	<b>March 31, 2020</b>	March 31, 2019	<b>March 31, 2020</b>	March 31, 2019	<b>March 31, 2020</b>	March 31, 2019
Discount rate	<b>1.00%</b>	1.00%	<b>(44)</b>	(39)	<b>48</b>	43
Salary growth rate	<b>1.00%</b>	1.00%	<b>47</b>	42	<b>(43)</b>	(39)
Employee Turnover	<b>1.00%</b>	1.00%	<b>(4)</b>	(4)	<b>5</b>	4

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

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

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

**Description of risk exposures**

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

**Interest rate risk**

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

**Concentration Risk**

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





## Notes to the Financial Statements as at and for the year ended March 31, 2020

(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, 2020</u>	<u>March 31, 2019</u>
<b>Sale of products</b>	<b>36,914</b>	32,383
<b>Other Operating Revenue</b>		
- Scrap Sales	66	85
- Export Incentives	576	539
- Miscellaneous Income	1	9
<b>Revenue from operations</b>	<b><u>37,557</u></b>	<b><u>33,016</u></b>

### 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 Rs. 1,143 lakhs as at March 31, 2020 (March 31, 2019 - Rs. 916 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, 2020</u>	<u>March 31, 2019</u>
Revenue as per contracted price	40,472	36,215
<b>Adjustments</b>		
Discounts	2,380	2,089
Sales return & Expiries	1,178	1,743
Revenue from contract with customers	<b><u>36,914</u></b>	<b><u>32,383</u></b>

## 15 Other income

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Interest Income	17	12
Provision no longer required, written back	5	2
Net Gain on Foreign Exchange Transaction and Translation	49	29
Insurance Claims	2	-
Sales Tax Refund	-	37
<b>Total other income</b>	<b><u>73</u></b>	<b><u>80</u></b>


**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

**16 Cost of Materials Consumed**

a)	<b>March 31, 2020</b>	March 31, 2019
Raw material Consumed	<u>6,700</u>	4,506
Packaging material consumed	<u>813</u>	611
<b>Total cost of Material consumed</b>	<b><u>7,513</u></b>	<b><u>5,117</u></b>

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

	<b>March 31, 2020</b>	March 31, 2019
<b>Opening Stock</b>		
Work in progress	730	899
Finished goods	1239	1,896
Stock in Trade	<u>1084</u>	<u>1,629</u>
	<b><u>3,053</u></b>	<b><u>4,424</u></b>
<b>Closing Stock</b>		
Work in progress	939	730
Finished goods	1,252	1,239
Stock in Trade	<u>1,460</u>	<u>1,084</u>
	<b><u>3,651</u></b>	<b><u>3,053</u></b>
<b>Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</b>	<b>(598)</b>	<b>1,371</b>

**17 Employee benefits expense**

	<b>March 31, 2020</b>	March 31, 2019
Salaries, wages, bonus, etc.	<u>8,665</u>	7,967
Contribution to provident and other funds	<u>333</u>	293
Gratuity	<u>83</u>	86
Compensated Absences	<u>46</u>	89
Staff welfare expenses	<u>463</u>	558
<b>Total</b>	<b><u>9,590</u></b>	<b><u>8,993</u></b>

**18 Finance costs**

	<b>March 31, 2020</b>	March 31, 2019
Interest expense on financial liabilities measured at amortised cost (other than lease liabilities)	<u>151</u>	399
Interest expense on lease liabilities	<u>24</u>	-
<b>Total</b>	<b><u>175</u></b>	<b><u>399</u></b>

**19 Depreciation and amortisation expense**

	<b>March 31, 2020</b>	March 31, 2019
Depreciation on Property, plant and equipment	<u>958</u>	857
Amortisation of Intangible Assets	<u>678</u>	675
<b>Depreciation and amortisation expense</b>	<b><u>1,636</u></b>	<b><u>1,532</u></b>



## Notes to the Financial Statements as at and for the year ended March 31, 2020

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

### 20 Other expenses

	March 31, 2020	March 31, 2019
Consumption of Stores and Spares	692	664
Power and Fuel	1,154	1,038
Rent	82	115
Repairs and Maintenance		
- Buildings	157	179
- Plant and Machinery	213	131
- Others	49	85
Insurance	357	357
<u>Rates and Taxes</u>		
- Others	165	158
Processing Charges	261	228
Legal and Professional Charges	893	558
Travelling and Conveyance	1,001	1,234
License Fees	153	93
Directors' Fees	40	55
Printing and Stationery	87	90
Postage and Telephone	229	237
Freight and Distribution	583	593
Loss on sale of Assets (Net)	11	6
Commission on Sales	682	534
Expenditure towards Corporate Social Responsibility (CSR) Activities [Refer note 22]	34	31
Sales Promotion	748	734
Bad Debts and Advances written off	26	-
Less: Provision	(26)	-
Allowance for Doubtful Debts and Advances (Net)	-	60
Conference	143	344
Misc Service Purchases	307	713
Training	93	157
Bank charges	101	87
Subscription	87	94
Payments to auditors (Refer note 21)	34	35
Miscellaneous Expenses	920	1,053
<b>Total</b>	<b>9,276</b>	<b>9,663</b>

### 21 Details of payments to auditors

	March 31, 2020	March 31, 2019
a) Audit fees	27	27
b) Taxation matters	5	5
c) Other services*	*1	*1
d) Reimbursement of Expenses	1	2
<b>Total</b>	<b>34</b>	<b>35</b>

\*Other services of Rs. 50,000



## Notes to the Financial Statements as at and for the year ended March 31, 2020

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

### 22 Corporate social responsibility expenditure

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
a) Gross amount required to be spent by the Company during the year	34	31
b) Amount spent during the year (in cash)		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	<u>34</u>	<u>31</u>

### 23 Research and Development expenditure

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Salaries and Wages	539	481
Consumable Stores	108	98
Utilities	35	27
Others	79	144
Capital expenditure	5	61
Intangibles under Research and Development	96	312
	<u>862</u>	<u>1,123</u>

### 24 Income tax expense

#### a) Income tax expense

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
<i>Current tax</i>		
Current tax on profits for the year	1,010	284
<i>Deferred tax</i>		
(Decrease) increase in deferred tax liabilities	(266)	140
<b>Income tax expense</b>	<u>744</u>	<u>424</u>

#### 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, 2020</u>		<u>March 31, 2019</u>	
<b>Total profit for the year</b>	-	3,645	-	1,505
<b>Tax using the Company's domestic tax rate 29.12% (Previous year 34.94%)</b>	29.12%	1,061	34.94%	526
<b>Differences due to:</b>				
<i>Expenses not deductible for tax purposes</i>	0.44%	16	1.46%	22
Additional allowances under income tax in respect of Section 35(2AB)	-2.99%	(109)	-10.56%	(159)
Changes in WDV of the assets	0.00%	-	0.40%	6
Effect on account of tax rate difference	-5.84%	(213)	0.00%	-
Others	-0.30%	(11)	1.93%	29
<b>Current and Deferred Tax expenses as per note 24 (a)</b>	20.42%	<u>744</u>	28.16%	<u>424</u>


**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

**c) Deferred tax liabilities (net)**

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Property, plant and equipment	985	1,308
Total deferred tax liabilities	985	1,308
Provision for Employee Benefits	103	136
Provision for Doubtful Debts and Advances	42	60
Provision for sales return and spoilages	333	321
Statutory Liabilities	34	45
MAT Entitlement	933	1,364
<b>Total deferred tax assets</b>	<u>1,445</u>	<u>1,926</u>
<b>Net</b>	<u>(460)</u>	<u>(618)</u>

**Significant estimate:**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**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>
<b>At March 31, 2019</b>	1,364	562	-	(1,308)	618
(Charged)/credited:					
- to profit or loss	(431)	(57)	-	323	(165)
- to other comprehensive income	-	7	-	-	7
<b>At March 31, 2020</b>	<u>933</u>	<u>512</u>	<u>-</u>	<u>(985)</u>	<u>460</u>

**e) Current tax Assets/(liabilities)**

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Opening balance Asset (net)	125	37
Less: Current tax payable for the year	(578)	(284)
Add: Taxes paid	643	372
<b>Closing balance Asset (net)</b>	<u>190</u>	<u>125</u>

**25 Contingent liabilities and contingent assets**
**a) Contingent liabilities**

The Company had contingent liabilities at March 31, 2020 in respect of:

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
<b>(a) Bank Guarantees</b>		
Bank Guarantees given on behalf of the Company for various parties	252	388
<b>(b) Claims against the Company not acknowledged as debts</b>		
Sales Tax, Service Tax and Excise Duty	234	245

**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

- b) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani 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 this 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.

c) **Significant estimate:**

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallising or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have a materially adverse impact on our financial position or profitability.

## 26 Commitments

a) **Capital commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances Rs. 161 lakhs [Previous year Rs. 199 lakhs]) Rs. 776 lakhs [Previous year Rs. 326 lakhs].

b) **Other Commitments**

	<b>March 31, 2020</b>	March 31, 2019
(i) Guarantee given to Gujarat Industrial Development Corporation	15	15

c) **Non - Cancellable Operating lease as per Ind AS 17**

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:

	<b>March 31, 2020</b>	March 31, 2019
Commitments for MLP in relation to non-cancellable operating lease are payable as follows:		
Within one year	-	11
Later than one year but not later than five years	-	-
Later than five years	-	-

## 27 Earnings per share

(a) **Profit attributable to equity share holders**

	<b>March 31, 2020</b>	March 31, 2019
Profit attributable to the equity holders of the company	<b>2,901</b>	1,081
	<b>2,901</b>	1,081


**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

**(b) Weighted average number of equity shares**

	<b>March 31, 2020</b>	March 31, 2019
	<b>No. of shares</b>	No. of shares
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	<b>1,65,39,015</b>	1,65,39,015
<b>Earnings per share</b>		
<b>Basic EPS-From continuing operations attributable to equity holders</b>	<b>17.54</b>	6.54
Basic EPS-From discontinued operations	-	-
Total basic earnings per share attributable to the equity holders of the company	<b>17.54</b>	6.54

**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.

**(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.





## Notes to the Financial Statements as at and for the year ended March 31, 2020

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

	<u>Current</u>	<u>0-30 days</u>	<u>31-180 days</u>	<u>181-365 days</u>	<u>More than 365 days</u>
Default Rate	0.12%	1.16%	1.66%	22.91%	22.91%

### Cash and cash equivalents

As at the year end, the Company held cash ₹ 54 lakhs (March 31, 2019 - ₹ 37 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.

#### Security Deposits

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Gross carrying amount	98	64
Expected credit losses	(44)	(47)
<b>Carrying amount net of impairment provision</b>	<b>54</b>	<b>17</b>

- Reconciliation of loss allowance provision - Security Deposits

<b>Reconciliation of loss allowance as per life time expected credit loss</b>	<b>Loss Allowance measured at life time expected losses *</b>
Loss Allowance on March 31, 2019	(47)
Add: Decrease in loss allowances	3
<b>Loss Allowance on March 31, 2020</b>	<b>(44)</b>

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

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

Loss Allowance as on March 31, 2019	(100)
Changes in loss allowance	3
<b>Loss Allowance as on March 31, 2020</b>	<b>(97)</b>

### 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.


**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

<b>Contractual maturities of financial liabilities March 31, 2020</b>	<b>Carrying Amount</b>	<b>Less than 12 months</b>	<b>More than 12 months</b>	<b>Total</b>
<u>Non Derivative</u>				
Borrowings	981	959	22	981
Lease liabilities	194	64	130	194
Trade payables	4,045	4,045	-	4,045
Other financial liabilities	1,336	1,003	333	1,336
	<b>6,556</b>	<b>6,071</b>	<b>485</b>	<b>6,556</b>
<b>March 31, 2019</b>				
<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
	<b>7,197</b>	<b>6,240</b>	<b>957</b>	<b>7,197</b>

**(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:**

	<b>As at March 31, 2020</b>			<b>As at March 31, 2019</b>		
	<b>US Dollar</b>	<b>Euro</b>	<b>GBP</b>	<b>US Dollar</b>	<b>EUR</b>	<b>GBP</b>
<b>Financial Assets</b>						
Trade Receivables	2,821	97	455	2,048	37	360
<b>Derivative Assets</b>						
Foreign Exchange forward contracts	(97)	-	-	42	-	-
<b>Financial Liabilities</b>						
Trade Payables	(7)	-	(27)	(70)	-	-
<b>Net Exposure to foreign Currency risk</b>	<b>2,717</b>	<b>97</b>	<b>428</b>	<b>2,020</b>	<b>37</b>	<b>360</b>

**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.


**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

	Change in assumptions	Increase in assumptions		Decrease in assumptions	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
USD	+/- 5%	141	99	(141)	(99)
EURO	+/- 5%	5	2	(5)	(2)
GBP	+/- 5%	21	18	(21)	(18)

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.

**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, 2020</u>	<u>March 31, 2019</u>
<b>Net debt</b>	<b>1,064</b>	3,573
<b>Total Equity</b>	<b>17,657</b>	16,050
<b>Net debt to equity ratio</b>	<b>0.06</b>	0.22

**30 Fair value measurements**
**a) Financial instruments by category**

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
<b>Financial assets (at amortised cost)</b>		
Cash and cash equivalents	54	37
Bank Balances	57	40
<b>Other financial assets (at amortised cost)</b>		
Loans	18	10
Trade receivables	6,333	3,890
Deposits	82	47
Other financial assets	59	79
<b>Total financial assets</b>	<u><b>6,492</b></u>	<u><b>4,026</b></u>



## Notes to the Financial Statements as at and for the year ended March 31, 2020

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

	March 31, 2020	March 31, 2019
<b>Financial liabilities ( at amortised cost)</b>		
Borrowings	1,172	3,650
Deposits	333	299
Other financial liabilities	1,003	735
<b>Trade payables</b>	<b>4,441</b>	<b>2,513</b>
<b>Total financial liabilities</b>	<b>6,949</b>	<b>7,197</b>

### b) Fair value of financial assets and liabilities measured at amortised cost

	March 31, 2020		March 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>				
Loans	18	18	10	10
Deposits	3	3	8	8
<b>Financial liabilities</b>				
Borrowings	428	405	425	402
Deposits	333	333	299	299

#### 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 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.

4 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.

#### 5 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.

**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

**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.

<b>Revenue from external customers</b>	<b>March 31, 2020</b>	March 31, 2019
India	<b>24,804</b>	20,163
Outside India	<b>12,753</b>	12,853
<b>Total</b>	<b>37,557</b>	33,016

**c) Segment Assets**

<b>Non-current assets*</b>	<b>March 31, 2020</b>	March 31, 2019
India	<b>13,399</b>	14,632
Outside India	-	-
<b>Total</b>	<b>13,399</b>	14,632

\*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.

**32** Exceptional items for the year ended March 31, 2020 relates to write off of an intangible asset under development. The Company does not expect any future economic benefits to flow to the Company hence the cost incurred till date have been charged off during the year.

**33 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 being an entity where control exists:**

- Nucleus Life Trust
- Ektara Enterprises LLP

**b) Related parties with whom the Company had transactions during the year****Key Management Personnel**

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

**Non-Executive Directors**

- H.V. Goenka - Chairman
- C.L. Jain - (till September 24, 2019)
- Lalit S. Kanodia



## Notes to the Financial Statements as at and for the year ended March 31, 2020

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

- Manoj Maheshwari
- Mahesh S. Gupta
- Narendra Ambwani
- Zahabiya Khorakiwala
- Bhaskar Iyer (w.e.f October 30, 2019)
- Sachin Nandgaonkar

### Entities where control / significant influence by KMPs 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

### c) Key Management Personnel - Compensation

	March 31, 2020	March 31, 2019
Short-term employee benefits	214	436
Post-employment benefits #	8	11
<b>Total</b>	<b>222</b>	<b>447</b>

# 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.

### d) Transactions with the other related parties:

The following transactions occurred with the other related parties:

	March 31, 2020	March 31, 2019
(i) Purchase of Intangibles assets - Zensar Technologies Limited	-	8
(ii) License fees - RPG Enterprises Limited	150	93
(iii) Payments made/expenses incurred on behalf of related party		
- Ceat Limited	13	25
- RPG Enterprises Limited	56	62
- KEC International Limited	1	2
- Zensar Technologies Limited	-	17
(iv) Service charges - Ceat Limited	117	103
(v) Sitting Fees paid to Chairman and Non-executive directors		
- H.V. Goenka	4	6
- C.L. Jain	3	8
- Lalit S. Kanodia	4	6
- Manoj Maheshwari	4	6
- Mahesh S. Gupta	6	7
- Narendra Ambwani	6	7
- Zahabiya Khorakiwala	3	4
- Bhaskar Iyer	3	-
- Sachin Nandgaonkar	6	8
- Yugal Sikri	-	3
(vi) Contribution made to Trusts		
- Searle (India) Limited Management Staff Superannuation Fund	13	17
- Searle (India) Limited Staff Gratuity Fund	107	127

**Notes to the Financial Statements as at and for the year ended March 31, 2020**

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

**e) 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, 2020</u>	<u>March 31, 2019</u>
(Advance) / Trade Payables	<b>(2)</b>	1
Post Employment Benefit Plan	<b>37</b>	46

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

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

**Himanshu Chapsey**  
Partner  
Membership No. 105731

**H. V. Goenka**  
Chairman  
DIN:00026726

**Mahesh S. Gupta**  
Director  
DIN:00046810

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, June 05, 2020

Mumbai, June 05, 2020



### **Forward-looking statements**

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.



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