

32nd Annual Report
1998-99



Applying Science for a healthier life



RPG LIFE SCIENCES LIMITED

[Formerly SEARLE (INDIA) LIMITED]



VISION

We at
RPG Life Sciences
are committed to
creating a world class,
customer focused,
innovative organisation
continuously improving
quality of life.

BOARD OF DIRECTORS

Mr. H.V. Goenka Chairman
Mr. R.A. Shah
Mr. S. Ranji
Mr. C.L. Jain
Dr. Kamal K. Sharma
Mr. K.R.V. Subrahmanian
Mr. Ajit Gulabchand
Mr. Niraj Bajaj

PRESIDENT

Mr. V.P. Sadekar

AUDITORS

Lovelock & Lewes

BANKERS

Union Bank of India
 State Bank of India
 Canara Bank
 Corporation Bank
 Banque Nationale de Paris

SOLICITORS

Crawford Bayley & Co.
 Kanga & Co.
 M & M Legal Venture

REGISTERED OFFICE

21, Damodardas Sukhadvala Marg,
 Mumbai - 400 001.
 Tel : 2077731/32
 Fax : 2077009

CORPORATE OFFICE

Ceat Mahal
 463, Dr. Annie Besant Road,
 Worli, Mumbai - 400 025.
 Tel : 4981650/51/52
 Fax : 4970127
 E-mail : info@rpglifesciences.com

REGISTRARS & SHARE TRANSFER AGENTS

Intime Spectrum Registry Pvt. Ltd.
 260, Shanti Industrial Estate,
 Sarojini Naidu Road, Mulund (West),
 Mumbai - 400 080.
 Tel : 5647731/5672716/ 5684590
 Fax : 5672693
 E-mail : isrl@vsnl.com

SENIOR MANAGEMENT TEAM

Mr. V. P. Sadekar
 President
 Mr. P. S. Lahiri
 Executive Director - Agrochemicals
 Mr. R. K. Nagpal
 Vice President - Finance
 Dr. T. V. Radhakrishnan
 Vice President - R & D
 Mrs. S. Crishna
 Vice President - Pharma Marketing
 Mr. K. J. Gupta
 General Manager - Pharma Manufacturing
 Mr. R. R. Dalvi
 General Manager - Projects

COMPANY SECRETARY

Mr. M. C. Mehta

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RPG LIFE SCIENCES LIMITED



NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY-SECOND ANNUAL GENERAL MEETING OF THE MEMBERS OF RPG LIFE SCIENCES LIMITED WILL BE HELD ON FRIDAY, SEPTEMBER 10, 1999 AT 3.00 P.M. AT M.C. GHIA HALL, BHOGILAL HARGOVINDAS BUILDING, 2ND FLOOR, 18/20, KAJKHUSHRU DUBASH MARG (BEHIND PRINCE OF WALES MUSEUM), MUMBAI - 400 001 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 1999, the Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend for the year ended March 31, 1999.
3. To appoint a Director in place of Mr. R.A. Shah who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Kamal K. Sharma who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

6. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Niraj Bajaj who was appointed as an Additional Director by the Board of Directors of the Company and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, but who is eligible for re-appointment, and in respect of whom the Company has received a notice in writing, pursuant to Section 257 of the Companies Act, 1956, from a member of the Company, proposing his appointment as a Director of the Company, and who has consented, if appointed, to act as Director of the Company, be and is hereby appointed as a Director of the Company."

7. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 387 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956, and subject to such approvals as may be necessary, the Company hereby accords its approval to the appointment of Mr. V. P. Sadekar as Manager (designated as President) of the Company for a period of 5 years w.e.f. 16-10-98.

RESOLVED FURTHER THAT Mr. V. P. Sadekar, President, be paid such remuneration as may be determined by the Board of Directors from time to time within the maximum limits as under:

- (a) By way of salary, allowances, commission on profits, performance linked incentive or bonus subject to maximum of Rs.50 lacs per annum.
- (b) In addition to the above remuneration, he shall also be entitled to perquisites like rent free furnished accommodation, leave travel concession / allowance, medical re-imbursement, furnishings, gas, electricity, water, club fees, personal accident insurance, medical insurance for self and family etc., as per the Company's rules subject to a maximum of Rs.25 lacs per annum.
- (c) Provision for use of the Company's cars and telephones at residence for official purposes shall not be included in the ceiling of perquisites specified hereinabove.
- (d) Company's contribution to provident fund and superannuation fund not exceeding 27% of the salary, and gratuity as per the Company's rules shall also not be included in the maximum limits of remuneration specified hereinabove.

RESOLVED FURTHER THAT pursuant to the aforesaid provisions of the Companies Act, 1956, and subject to such approvals as may be necessary under any law, the remuneration of Mr. V. P. Sadekar - President as determined by the Board of Directors from time to time be paid to Mr. V. P. Sadekar - President as minimum remuneration in the event of loss or inadequacy of profits in any year subject to such limits as may be prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956, or any statutory modification thereto or re-enactment thereof.

AND RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary or expedient to give effect to this resolution."

8. To consider, and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered in the following manner, that is to say :

- (i) by incorporating the following definitions at the appropriate place in the existing Article 2.

"Member"	means a person as defined by Section 41 of the Act.
"Beneficial Owner"	means a person whose name is recorded as such with a Depository.
"Depository"	means a Depository as defined under the Depositories Act.

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"Depositories Act" means Depositories Act, 1996 and shall include any statutory modification thereto or re-enactment thereof.

"The Register or Register of Members" means the register of members maintained by the Company under the Act and shall include the register of beneficial owners maintained by a Depository.

- (ii) by incorporating the following in place of existing Article 17(2).

Unless prohibited by any provision of law or any order of any court, tribunal or other authority, the Company shall, within 3 (three) months after the allotment of any of its shares, debentures or debenture stock and within 2 (two) months after the application for the registration of the transfer of any such shares, debentures or debenture stock, deliver in the prescribed manner, the certificates of all shares, debentures and the debenture stocks allotted or transferred. The transfer for the purpose of this Article means a transfer duly stamped and otherwise valid and does not include any transfer which the Company is for any reasons entitled to refuse to register and does not register.

Provided that notwithstanding anything contained in the Act or in these Articles, where the securities of the Company are dealt with in a Depository, the Company shall intimate the details of allotment of the relevant securities to the Depository on allotment of such securities.

Provided further that where a person subscribing to the securities offered by the Company opts to hold such securities with a Depository instead of receiving the certificates for them, the Company shall intimate such Depository the details of allotment of the securities.

- (iii) by incorporating the following Heading and Article alongwith marginal notes as Article 22A after existing Article 22.

DEMATERIALIZATION OF SECURITIES

Company to recognise interest in dematerialised securities under the Depositories Act

Either the Company or the Member / investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised pursuant to the Depositories Act in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto, shall be governed by the provisions of the Depositories Act.

Dematerialisation of Securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities, rematerialise its securities held in the

Rights of Depositories and Beneficial Owners

Depositories and/or offer its fresh securities in a dematerialised form pursuant to the Depositories Act, and the rules framed thereunder, if any.

- (a) Notwithstanding anything to the contrary contained in any other law or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of a Beneficial Owner.
- (b) Save as otherwise provided in (a) above, and notwithstanding anything contained in these Articles, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of a Depository shall be deemed to be a Member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

Cancellation of certificates upon surrender by a person

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with a Depository through a depository participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities.

Option to opt out in respect of any security

If a Beneficial Owner seeks to opt out of a Depository in respect of any security, then the Company shall, in the manner and within the time prescribed in this behalf, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

Security

For the purpose of this Article and other Articles having reference to Depository or dematerialisation, security shall mean such security as may be specified by the Securities and Exchange Board of India for the purposes of the Depositories Act.

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- (iv) by incorporating the following Proviso at the end of the existing Article 45.

Provided that nothing contained in this Article shall apply to transfer of shares effected by the transferor and the transferee both of whom are Beneficial Owners in the records of a Depository.

- (v) by incorporating the following Proviso at the end of the existing Article 46.

Provided that nothing contained in this Article shall apply to transfer of shares effected by the transferor and the transferee both of whom are Beneficial Owners in the records of a Depository.

- (vi) by incorporating the following Proviso at the end of the existing Article 52.

Provided further that in case of nomination made by a holder or all joint holders of shares in the manner prescribed under the Act, then the Company shall, notwithstanding anything contained in these Articles, recognise such nominee on the death of such holder or all such joint holders notwithstanding anything contained in any other law or in any disposition, testamentary or otherwise.

- (vii) by deleting the existing Articles 200, 201, 202, and 203 and incorporating the following as new Article 200.

The Company has entered into an Agreement dated 23rd day of June, 1999 with RPG Enterprises Limited (RPG), whereby, it is inter alia, agreed that upon the happening of any of the events specified therein (a copy of Agreement is annexed to the Article) RPG shall be entitled by a written notice to the Company to require the Company to discontinue the use of the letters 'RPG' in any language, script or alphabet in relation to or in connection with the activities of the Company or its business or trade for any purpose whatsoever or as part of its corporate or trade name or trading style and not to use or employ any name, letters, words or expression closely similar in sound, appearance or meaning to the aforesaid name, as may be likely to cause confusion or detract from and/or adversely affect the right, title or interest of RPG therein or thereto and the Company shall, within 90 days of the date of the receipt of such notice, comply with the requirement thereof and shall take all such steps as may be necessary under the Act for the purpose of changing its corporate name as aforesaid. All members of the Company shall be deemed to have expressly undertaken to exercise their rights as shareholders and specifically their voting right in such manner as would enable the Company to comply fully with, effectuate and implement the provisions of the said agreement and this Article and shall be deemed to have become members of the Company on this basis."

9. To consider, and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 163 and other applicable provisions, if any, of the Companies Act, 1956, the approval of the Company be and is hereby accorded to keep the Register of Members, Index of Members, the Register of Debentureholders, Index of Debentureholders, other related books and copies of all annual returns prepared under Section 159 of the Companies Act, 1956, together with the copies of the certificates and documents required to be annexed thereto under Section 161 of the said Act, or any one or more of them, at the premises of Intime Spectrum Registry Pvt. Ltd., having its office at 260, Shanti Industrial Estate, Sarojini Naidu Road, Mulund (West), Mumbai - 400 080."

10. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, and subject to such consents, approvals and permissions as may be required, the consent and approval of the Company be and are hereby accorded to the Board of Directors to the creation of mortgages and/or charges and/or hypothecation in addition to the existing mortgages, charges and hypothecation created by the Company on the whole or substantially the whole of the undertakings of the Company on such terms and conditions as the Board of Directors of the Company may consider to be in the interest of the Company with authority to the Board of Directors to do all such acts, deeds, matters and things as may be necessary or expedient to give effect to this resolution."

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Explanatory Statement setting out the material facts concerning the special business mentioned under item nos. 6 to 10 of the Notice as required under Section 173(2) of the Companies Act, 1956, is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, August 23, 1999 to Friday, September 10, 1999 (both days inclusive).
4. Dividend, if declared at the meeting, will be paid within the prescribed period to the members whose names appear in the Register of Members of the Company as on September 10, 1999.
5. The Company has transferred unclaimed dividend relating to the financial year ended on March 31, 1995 to the General

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Revenue Account of the Central Government. Members who have not encashed their dividend warrant for the aforesaid financial year are requested to claim the same from the Registrar of Companies, Maharashtra, Hakoba Mill Compound, 2nd floor, Dattaram Lad Marg, Kalachowkie, Mumbai - 400 033 in the prescribed manner.

The unclaimed dividend pertaining to the financial year 1995-96 will be transferred in October 2003 to Investor Education and Protection Fund in terms of amended Section 205A of the Companies Act, 1956.

6. Members are requested to immediately notify the change, if any, in their address and bank mandate details to the Registrars

and Share Transfer Agents M/s. Intime Spectrum Registry Pvt. Ltd., 260, Shanti Industrial Estate, Sarojini Naidu Road, Mulund (West), Mumbai-400 080.

Registered office :
21, D.Sukhadvala Marg,
Mumbai - 400 001

**By Order of the Board of
Directors**

Place : Mumbai
Date : July 9, 1999

M. C. Mehta
Company Secretary

ANNEXURE TO NOTICE

Explanatory Statement as required under Section 173(2) of the Companies Act, 1956

ITEM NO. 6 :

Mr. Niraj Bajaj was appointed as an Additional Director of the Company on October 29, 1998. Pursuant to Section 260 of the Companies Act, 1956, Mr. Niraj Bajaj holds office only upto the date of the ensuing Annual General Meeting.

Notice under Section 257 of the Companies Act, 1956, has been received from a member of the Company proposing the name of Mr. Niraj Bajaj for appointment to the office of Director of the Company. Mr. Niraj Bajaj is a renowned industrialist and your Board is of the opinion that the continued association of Mr. Niraj Bajaj with the Company would be the beneficial to the Company.

Your Directors accordingly recommend the resolution mentioned at item no. 6 for your approval.

None of the Directors of the Company, except Mr. Niraj Bajaj, is concerned or interested in the said resolution.

ITEM NO. 7 :

Consequent to the retirement of Dr. K. K. Maheshwari, the Board of Directors has appointed Mr. V. P. Sadekar as Manager (designated as President) of the Company within the meaning of Section 269 of the Companies Act, 1956, at its meeting held on September 8, 1998. Mr. V. P. Sadekar is a Chemical Engineer and has over 20 years of experience in the industry. Prior to joining the Company, Mr. V. P. Sadekar was President of BTP (India) Limited, a joint venture of BTP Plc. of UK. The appointment of Mr. V. P. Sadekar as Manager will be immensely useful to the Company.

Your Directors accordingly recommend the resolution mentioned at item no. 7 for your approval.

None of the Directors of the Company is concerned or interested in the said resolution.

ITEM NO. 8 :

Consequent to the introduction of the Depository System and setting up of National Securities Depository Ltd (NSDL) and considering the benefits of holding of securities in electronic form and scripless trading, your Company, with a view to provide better services to investors, has entered into an agreement with NSDL to have electronic depository facilities for the equity shares of the Company.

With enactment of the Depositories Act, 1996, and amendment to certain provisions of the Companies Act, 1956, including provisions relating to issue, holding and transfer of shares and other securities have been amended to facilitate the implementation of the Depository System. Therefore, it is proposed to suitably alter the Articles of Association of the Company, as set out in item no. 8 (i) to (v) of the Notice.

The Companies (Amendment) Act, 1999 has introduced facility of nomination for holders of shares and debentures. Thus, in order to bring the existing Article 52 in line with the new provision, it is proposed to suitably alter the Articles of Association of the Company as set out in item no. 8(vi) of the Notice.

The existing Articles 200 to 203 were inserted in the Articles of Association as a condition of Name Licence Agreement with G.D. Searle & Co., USA for use of name "Searle" as part of corporate name by the Company. Since the Company has now changed its name from Searle (India) Limited to RPG Life Sciences Limited, the said existing Articles 200 to 203 are proposed to be deleted. The Company has been licenced the use of name "RPG" as a part of its corporate name by RPG Enterprises Limited. As required by the Name Licence Agreement entered into by the Company, the Company needs to amend its Articles of Association to include a new Article as set out in item no. 8 (vii) of the Notice.

A copy of the Articles of Association of the Company and the Name Licence Agreement with RPG Enterprises Limited are open for inspection by the members at the registered office of the





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Company between 10.00 a.m. and 1.00 p.m. on any working day.

Your Directors accordingly recommend the resolution mentioned at item no. 8 for your approval.

None of the Directors of the Company is concerned or interested in the said resolution.

ITEM NO. 9 :

Under the provisions of the Companies Act, 1956, the Register of Members, Index of Members, the Register and Index of Debentureholders, copies of Annual Returns and other related certificates and documents are required to be kept at the registered office of the Company or at such other place within the city, town or village in which the registered office of the Company is situated if such other place has been approved by the members by Special Resolution.

Since the Company has now appointed M/s. Intime Spectrum Registry Pvt. Ltd. as its Registrars and Share Transfer Agents, the Company now wishes to keep the aforesaid documents at the premises of the said Registrars and Share Transfer Agents of the Company.

Your Directors accordingly recommend the resolution mentioned at item no. 9 for your approval.

None of the Directors of the Company is concerned or interested in the said resolution.

ITEM NO. 10 :

In order to meet the long term financial requirements of the Company, it is proposed to tap various sources for obtaining loans

on such terms and conditions and on such security as may be finalised by the Board with the Lenders.

Any security, that may be required to be created for this purpose, may include legal mortgage in English Form on assets of the undertakings of the Company which may include power to the security holders for the take over or disposal of the whole or substantially the whole of any of the undertakings of the Company.

As creation of such securities may attract the provisions of Section 293(1)(a) of the Companies Act, 1956, it is proposed to obtain the consent of the members for creation of such securities as requested for in the resolution proposed at item no. 10 of the Notice.

Your Directors accordingly recommend the resolution mentioned at item no.10 for your approval.

None of the Directors of the Company is concerned or interested in the said resolution.

Registered office :
21, D.Sukhadvala Marg,
Mumbai - 400 001.

**By Order of the Board of
Directors**

Place : Mumbai
Date : July 9, 1999

M. C. Mehta
Company Secretary

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DIRECTORS' REPORT

Your Directors have pleasure in presenting their Thirty-Second Annual Report and the Audited Statement of Accounts of the Company for the year ended March 31, 1999.

1. FINANCIAL RESULTS

	(Rs. in lacs)	
	1998-99	1997-98
Total Income	25115.10	22373.20
Profit before interest, depreciation and tax	3444.27	2562.36
Less: Interest	1736.96	1497.98
Less : Depreciation	629.26	554.49
Profit before tax	1078.05	509.89
Less : Provision for tax for the year	210.00	50.00
Profit after tax for the year	868.05	459.89
Less : Provision for tax for earlier years	496.82	—
Add : Balance brought forward from previous year	459.53	749.73
Balance available for appropriation	830.76	1209.62
Appropriations :		
Debenture Redemption Reserve	440.00	440.00
Proposed Dividend	261.90	240.08
Tax on Proposed Dividend	28.81	24.01
General Reserve	37.12	46.00
Balance carried forward to Balance Sheet	62.93	459.53
	830.76	1209.62

2. DIVIDEND

Your Directors recommend a dividend of Rs. 2.40 per share (Rs. 2.20 per share in the previous year) on the paid-up equity share capital of the Company as on March 31, 1999.

3. OPERATIONS

The operations during the year under review witnessed consolidation of marketing and distribution activities and exercise of tighter controls over working capital, field force optimisation and other business parameters which resulted in cost containment.

PHARMACEUTICALS

Formulations

The domestic sales of formulations increased by 11% at Rs. 91.43 crores and enjoyed an improved secondary sales. The Acumed division registered a sales growth of 14%. In particular, the product 'Wincip' in the anti-infective segment has registered robust growth of 260% and is expected to maintain its pace in the current year. The products 'Artispar' (anti-bacterial) and 'Helibact' (anti-peptic ulcerant) also introduced in the previous year have also met with good success. In this division, the Company plans to introduce

two new products in gastro-intestinal segment in the current year.

In Sertec division, the products 'Azoran', 'Acedip' and 'Spiromide' in chronic illness segment are on the fast track and are expected to maintain their current growth rate of over 30%. In order to harness the potential of cardiovascular and psychiatry segment, the Company plans to launch formulations of Losartan, Carvedilol and Sertraline in the current year.

In addition to renewed focus on acute and chronic illness areas, the Company has decided to make forays in the area of critical illness segment through launch of wide range of products in the next few years.

The products 'Lomotil' and 'Lomofen' continue to maintain their leadership in anti-diarreahal therapeutic segment.

Bulk Drugs

In order to strengthen and broad base the existing product portfolio, your Company has entered the business of high value bulk drugs based on fermentation technology. The plant commissioned towards the end of the year and manufacture of Doxorubicin (anti-cancer) and Cyclosporin (immuno-suppressant) bulk drugs commenced in the last quarter. The sales during the year stood at Rs. 3.73 crores. Your Company is the first in India to manufacture these drugs and these have been received very well by all domestic customers who were hitherto importing these products from Japan, China etc.

During the current year, the Company proposes to venture into manufacture of other drugs like Lovastatin and Simvastatin in anti-cholesterol segment.

The Company has also tied up for the technology for manufacture of Vitamin B₉ and Vitamin B₁₂ which the Company hopes to start manufacturing in the year 2000.

AGROCHEMICALS

The division achieved a sales growth of 16% at Rs.118.31 crores in domestic market but margins remained under pressure during the year and this is being adequately addressed during the current year.

During the year, the Company has launched several new products like 'Rampage' (a soyabean herbicide), 'Rapigro' (a biological plant rejuvenator), 'Forward' (a new generation cotton insecticide) and 'Terror-RL' (a combination insecticide) all of which have been received very well by the market.

The Company, during the year, received original registration for indigenous manufacture and marketing of Etofenprox, a new generation rice insecticide. This is a significant achievement for the Company. The Company has already commenced marketing of the formulation of Etofenprox under the brand name 'Primo' which is expected to do very well in the coming years.



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The Company has already planned to launch during the current year 'Blokade', an eco-friendly neem based insecticide, used on variety of crops. The Company also proposes to launch "Kocide", a broad spectrum fungicide, under strategic alliance with Griffin Corporation of USA.

Despite negative growth in synthetic pyrethroids and decline in the sales of Fenvalerate molecule, the Company's primary brand 'Fenval' has maintained its leadership position in the segment with increase in its market share.

The investment made by the Company in setting up of an integrated agrochemical plant at Panoli has started bearing fruits as the Company has been able to manufacture D.V.Acid Chloride, in addition to Permethrin, Alphacypermethrin, High Cis Cypermethrin in a cost effective manner.

The agrochemical plant at Panoli has been awarded ISO-9002 certification by SGS Yarsely International. This certifies the stringent and internationally acceptable norms followed by the Company at the stage of processing, manufacture and service.

EXPORTS

The Company's exports during the year stood at Rs. 27.09 crores against Rs. 26.63 crores in the previous year.

The Company is placing renewed thrust on exports across all its product groups. In pharmaceuticals, the Company has initiated registration of its several formulations in South East Asia, South America and various African countries. On the bulk drugs front, the Company has made a successful entry in South American and African markets and plans to strengthen its presence in this region through new tie-ups and marketing arrangements.

In Agrochemicals, exports continued to make good contributions and is expected to improve its trend in the current year. The customer base was enhanced considerably and the Company exported new products like Alphacypermethrin, Permethrin, High Cis Cypermethrin etc., apart from new formulations and intermediates. The Company has also obtained registrations for several of its products in UK, Thailand, Taiwan and Indonesia which is expected to fuel future growth.

4. LICENCE AGREEMENTS WITH G.D. SEARLE & CO.

The Licence Agreements with G.D. Searle & Co., USA have been renewed for a period of 50 years. Thus, the Company will continue to manufacture and market existing 8 pharmaceutical brands of G.D. Searle & Co. upto 2048. The consumer product 'EQUAL' continues to be manufactured by the Company which is now marketed in India and South Asia by Monsanto Enterprises Limited.

5. CHANGE OF NAME

With a view to create a separate corporate identity, the Company has changed its name from Searle (India) Limited to RPG Life Sciences Limited as approved by the members at the Annual General Meeting held on September 5, 1997.

6. ISSUE OF SHARES

Subsequent to the balance sheet date, the Company has allotted 15,17,153 equity shares of Rs.10/- each at premium of Rs.15/- per share. These shares have been issued against applications received from warrant holders in exercise of their right attached to the warrants issued alongwith 17% secured redeemable non-convertible debentures issued by the Company vide Letter of Offer dated January 2, 1996. The paid-up capital of the Company thus stands increased to Rs.12.43 Crores. These shares will become eligible for dividend in the current year on pro-rata basis.

7. YEAR 2000 (Y2K) PREPAREDNESS

The Company recognises the criticality of the year 2000 (Y2K) issue and has accordingly set up an internal task force to focus on achieving full Y2K compliance. The Company does not foresee any disruption in the systems used internally. The Company is in the process of finalising a contingency plan if any external agency associated with the Company fails to achieve Y2K compliance. The level of internal compliance achieved is around 95% and by the end of August 1999, the Company expects to be fully Y2K compliant. The total cost involved in these efforts is estimated around Rs. 25 lacs, of which an amount of Rs. 21 lacs has already been committed as on date.

8. SAFETY AND ENVIRONMENTAL PROTECTION

Your Company continued to accord high priority to the health and safety of its employees and environment. Periodic safety inspections were carried out and safety audits were continued.

9. FIXED DEPOSITS

Your Company has been accepting fixed deposits from the public and shareholders. Total amount of such deposits as on date is Rs.18.21 crores. Deposits amounting to Rs. 9.91 lacs remained unclaimed by the depositors at the end of the year. Out of this, deposits amounting to Rs. 2.13 lacs have since been renewed /claimed by the depositors.

10. SUBSIDIARIES

Pursuant to the provisions of Section 212 of the Companies Act, 1956, the audited accounts as of March 31, 1999, together with report of the Directors and Auditors of the subsidiaries namely Sarala Pharmaceuticals Limited, Instant Trading and Investment Company Limited and Rainbow Investments Limited are attached.

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

The particulars as required under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are attached and forms part of this report.

12. PERSONNEL

Employee relations continued to be cordial across the Company. Information as per Section 217 (2A) of the

