



RPG LIFE SCIENCES LIMITED

36TH ANNUAL REPORT 2003-04



BOARD OF DIRECTORS

Mr. H. V. Goenka Chairman
 Mr. S. Ranji
 Mr. R. A. Shah Alternate to Mr. S. Ranji
 Mr. C. L. Jain
 Mr. Ajit Gulabchand
 Mr. Niraj Bajaj
 Dr. Lalit S. Kanodia
 Mr. Murli Ramachandran Managing Director
 Mr. Mahesh S. Gupta
 Mr. Manoj K. Maheshwari (w.e.f. 8.7.2004)

MANAGEMENT TEAM

Murli Ramachandran
 Managing Director

 Mr. M. H. Narasimhan
 Chief Executive - Pharmaceuticals

 Mr. R. R. Dalvi
 Vice President - Fermentation Business & Projects

 Mr. S. Balasubramaniam
 Vice President - Finance

AUDIT COMMITTEE

Mr. C. L. Jain
 Mr. Niraj Bajaj
 Mr. Mahesh S. Gupta

Mr. G. Srinivas
 Head - API Business

Mr. Rajiv Nambiar
 General Manager - Human Resources

COMPANY SECRETARY

Mr. M. C. Mehta

SOLICITORS

Crawford Bayley & Co.

REGISTERED OFFICE

Ceat Mahal,
 463, Dr. Annie Besant Road,
 Worli, Mumbai - 400 030.
 Tel : 2498 1650/51/52
 Fax : 2497 0127
 E-mail : info@rpglifesciences.com
 Website : www.rpglifesciences.com

BANKERS

Union Bank of India
 State Bank of India
 Canara Bank
 Corporation Bank

REGISTRARS

Intime Spectrum Registry Ltd.
 C-13, Pannalal Silk Mills Compound,
 L.B.S. Marg, Bhandup (West),
 Mumbai - 400 078.
 Tel.: 5555 5454 Fax: 5555 5353

AUDITORS

Lovelock & Lewes

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RPG LIFE SCIENCES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY-SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF RPG LIFE SCIENCES LIMITED WILL BE HELD ON THURSDAY, AUGUST 19, 2004 AT 3.00 P.M. AT M.C.GHIA HALL, BHOGILAL HARGOVINDAS BUILDING, 18/20, KAIKHUSHRU 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, 2004, 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 appoint a director in place of Mr. S. Ranji who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Ajit Gulabchand who retires by rotation and, being eligible, offers himself for re-appointment.
4. 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

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

"RESOLVED THAT Mr. Mahesh S. Gupta who was appointed by the board of directors of the company as a director in casual vacancy, and who holds office upto the date of this annual general meeting, and in respect of whom the company has received a notice in writing, under section 257 of the Companies Act, 1956, from a member of the company, proposing candidature of Mr. Mahesh S. Gupta to the office of 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 liable to retire by rotation".

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

"RESOLVED THAT Mr. Murli Ramachandran 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, and in respect of whom the company has received a notice in writing, under section 257 of the Companies Act, 1956, from a member of the company, proposing candidature of Mr. Murli Ramachandran to the office of 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 liable to retire by rotation, subject to the articles of association 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, 309 and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as "the said Act" which shall include any statutory modification or re-enactment thereof) read with schedule XIII to the said Act and subject further to the approval of the Central Government, if and as and when required, the consent of the members of the company be and is hereby accorded to the appointment of Mr. Murli Ramachandran as managing director of the company for a period of five (5) years with effect from September 1, 2003, on the terms and conditions as set out in the agreement dated August 26, 2003 ("the said agreement") submitted to this meeting which agreement is hereby specifically approved and approves of the payment of remuneration fixed by the chairman vide letter dated September 1, 2003 pursuant to the authority conferred by the board and also approves of any increase therein provided the total remuneration at any point of time is within the limit specified in section I of part II of schedule XIII to the said Act as presently in force, with liberty to the board of directors to alter and vary the terms and conditions of the said appointment or the said agreement.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, the remuneration determined by the chairman from time to time, be paid to Mr. Murli Ramachandran as the minimum remuneration subject to the ceiling limit specified in sub-paragraph (A) of paragraph I of section II of part II of schedule XIII to the said Act for the time being in force

RESOLVED FURTHER THAT the board of directors be and is hereby authorized 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 an Ordinary Resolution :

"RESOLVED THAT Mr. Manoj K. Maheshwari 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, and in respect of whom the company has received a notice in writing, under section 257 of the Companies Act, 1956, from a member of the company, proposing candidature of Mr. Manoj K. Maheshwari to the office of director of the company, and who has consented, if appointed,



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to act as director of the company, be and is hereby appointed as a director of the company liable to retire by rotation".

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 said Act"), the approval of the company be and is hereby accorded to keep the register of members, the index of members, the register and index of debenture holders and copies of all annual returns prepared under section 159 of the said Act, 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 the registrar and share transfer agent M/s Intime Spectrum Registry Ltd., having its office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400 078.

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. 5 to 9 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 16, 2004 to Thursday, August 19, 2004 (both days inclusive).
4. The members who have not encashed their dividend warrants for the financial year 1996-97 onwards, may write to registrars and share transfer agent of the company. The members are requested to note that the dividend for the aforesaid years which remains unclaimed for a period of seven from the date of transfer to the unpaid dividend account will be transferred to the Investor Education and Protection Fund as per section 205A of the Companies Act, 1956, and thereafter no claim shall lie against the said fund or the company. The members are also requested to note that unclaimed dividend pertaining to financial year 1996-97 will be transferred to the Investor Education and Protection Fund on or before 08/11/2004.

5. Re-appointment of directors retiring by rotation.

Mr. S. Ranji

Mr. S. Ranji is MBA and MS in Engineering from the University of California, Berkeley. Mr. Ranji has over 25 years of diversified international pharmaceutical experience in general management, strategic alliances, licensing and finance. As a Vice President of Latin America and Pacific Rim at G.D. Searle, USA, Mr. Ranji directed marketing, finance and manufacturing activities at ten subsidiaries. He grew G.D. Searle's Latin American business from \$40 million in sales to highly profitable \$200 million in sales through acquisition, new product launches and efficient management. Mr. Ranji has negotiated complex acquisitions and divestitures in Brazil, Argentina, France, India and other countries, as well as numerous product licenses with leading US and European companies. He also served as G.D. Searle's international finance director and European business director. Mr. Ranji does not hold directorship in any other Indian company.

Mr. Ajit Gulabchand

Mr. Ajit Gulabchand is a B.Com. (Hons.) from Mumbai University. He is an industrialist and chairman and managing director of Hindustan Construction Co. Ltd. He has substantial experience in business. He has been on the board of directors of the company since June 25, 1997.

He is also a director of Hindustan Finvest Ltd., HCC Infotech Ltd., Hicon Technoconsult Ltd., Hicon Holdings Ltd., the Indian Hume Pipe Co.Ltd., Bajaj Electricals Ltd., Ucchar Investments Ltd., Western Securities Ltd., LAVASA Corporation Ltd., Constructmall.com Pvt. Ltd., Champali Garden Pvt.Ltd., Shalaka Investment Pvt.Ltd. and Gulabchand Foundation. He is a member of shareholders/investors grievance committee of Hindustan Construction Co. Ltd. and the Indian Hume Pipe Co.Ltd.

Mr. Ajit Gulabchand is also the chairman of the Board of Governors and member of the Board of Trustees of National Institute of Construction Management and Research (NICMAR); Governor of the World Economic & Construction Forum, Geneva; Founding Member of the World Economic Forum's Disaster Resource Network and a member of the National Council of Confederation of Indian Industry (CII).

6. Appointment of directors.

Mr. Mahesh S. Gupta

Mr. Mahesh S Gupta, 47 has an Honours Degree in B.Com; L.L.B. (Gen.) F.C.A., F.C.S. He has an outstanding academic record: a Rank Holder and a Silver Medallist in Company Secretaries final examination.

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Mr. Gupta has over two decades of professional experience in all aspects of finance function including treasury, mergers & acquisitions, strategic planning, taxation etc.

Mr. Gupta worked with 'Piramal Group' for 17 years including last 9 years as Group CFO. His last assignment at Piramals was as Wholetime Director of Nicholas Piramal India Ltd. and Group CFO. Presently, Mr. Gupta is working as Group CFO and Management Board Member with the RPG Group.

He has also been associated with a number of professional bodies and currently he is a member on various committees such as – (i) Corporate Laws Committee of the Institute of Chartered Accountants of India and (ii) National Committee on Corporate Disclosures and Accounting Standards of CII (iii) Governing Council of Indian Association of CFOs and Treasurers (InAct).

He was awarded the CFO of the Year Award, Special Commendation for Financial Excellence (Mergers & Acquisitions Category) by IMA India (formerly known as EIU), New Delhi.

Mr. Mahesh S. Gupta is also a director of Ceat Ltd., RPG Itochu Finance Ltd., RPG Industries Pvt. Ltd. and RPG Cellular Investments & Holdings Pvt. Ltd. He is also a member of audit committee and shareholders/ investors grievance committee of Ceat Limited.

Mr. Murli Ramachandran

Mr. Murli Ramachandran has a B.E. (Honours) degree in Mechanical Engineering and an M.M.S. from BITS, Pilani. He also has a M.S. degree in Industrial Engineering from Columbia University, New York, USA.

Mr. Murli Ramachandran has about twenty years of experience as part of leading Indian and multinational organizations spanning the manufacturing and the management consulting industries. In early part of his career, Mr. Murli Ramachandran worked in companies such as Eicher, Colgate-Palmolive and Johnson & Johnson in the areas of industrial engineering and projects. As a consultant with Accenture and then KPMG, Mr. Murli Ramachandran has advised clients in the pharmaceuticals, automotive, engineering, FMCG, food / beverages, chemicals, textiles, paper, publishing and petrochemical industries among others. He has significant experience in the areas of strategy, change management, business performance improvement, supply chain management and information technology both at the boardroom and the operational levels.

Prior to joining the company, Mr. Murli Ramachandran was the President – Business Improvement, Strategy and IT at RPG Enterprises Ltd. where he was responsible

for supporting business improvement initiatives, strategy development & deployment and information technology implementation at the RPG Group companies. His earlier career includes holding positions of Executive Director / Partner at KPMG Consulting and Associate Partner at Accenture.

Mr. Murli Ramachandran is a director on the board of KEC International Ltd. and also on the advisory board of ICFAI Business School at Mumbai.

Mr. Manoj K. Maheshwari

Mr. Manoj K. Maheshwari is a second generation entrepreneur with interests in the information technology, marketing and chemical industries. He is a graduate from the Mumbai University with a major in chemistry and has done his post-graduation in Industrial Management. Mr. Maheshwari's work experience encompasses the project management, production, marketing, financial and general management areas of medium sized companies.

He is also a director of Mirc Electronics Ltd., Hind Syntex Ltd., RPG Cables Ltd., Madan Investments Pvt. Ltd., Maheshwari Investors Pvt. Ltd., Maheshwari Intrafin (India) Pvt. Ltd., Karjan Investments Pvt. Ltd., Bombay Gas Cablecom Pvt. Ltd., Gopal Traders Pvt. Ltd., MW.Com Pvt. Ltd., Hamilton & Co. Ltd., DGP Hinoday Industries Ltd., Tujan Investments Pvt. Ltd. and Tukar Investments Pvt. Ltd.

He is a member of audit committee of Mirc Electronics Ltd., RPG Cables Ltd., Hind Syntex Ltd., Hamilton & Co. Ltd. and DGP Hinoday Industries Ltd. He is a member of remuneration committee of Mirc Electronics Ltd. and RPG Cables Ltd. He is also a member of investors grievance committee of Hind Syntex Ltd.

7. Members holding shares in physical form are requested to notify the change, if any, in their address to the registrars and share transfer agent M/s. Intime Spectrum Registry Ltd., C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai - 400 078.

By Order of the Board of Directors

M. C. Mehta
Company Secretary
& Controller-Legal

Registered Office :
Ceat Mahal,
463, Dr. Annie Besant Road,
Worli, Mumbai- 400 030

Place : Mumbai
Date : July 8, 2004

RPG LIFE SCIENCES LIMITED**Annexure to Notice****Explanatory Statement as required under section 173(2) of the Companies Act, 1956.****ITEM NO. 5:**

The board of directors at its meeting held on October 20, 2003 appointed Mr. Mahesh S. Gupta as a director in casual vacancy caused by the resignation of Mr. K.R.V. Subrahmanian. Mr. Mahesh S. Gupta holds office upto the date of ensuing annual general meeting as Mr. K.R.V. Subrahmanian would have held office upto that date had he not resigned from the office of director.

A notice under section 257 of the Companies Act, 1956, has been received from a member of the company proposing candidature of Mr. Mahesh S. Gupta to the office of director of the company. A brief profile of Mr. Mahesh S. Gupta has been provided under note 6 above.

Your directors believe that continued association of Mr. Mahesh S. Gupta would be immensely beneficial to the company and accordingly recommend the resolution mentioned at item no.5 of the notice for your approval.

None of the directors, except Mr. Mahesh S. Gupta, is in any way concerned or interested in the resolution.

ITEM NO. 6:

Mr. Murli Ramachandran was appointed as an additional director of the company on August 25, 2003. Pursuant to section 260 of the Companies Act, 1956, Mr. Murli Ramachandran holds office only upto the date of the ensuing annual general meeting.

A notice under section 257 of the Companies Act, 1956, has been received from a member of the company proposing candidature of Mr. Murli Ramachandran to the office of director of the company. A brief profile of Mr. Murli Ramachandran has been provided under note 6 above.

Mr. Murli Ramachandran is also managing director of the company. Your directors believe that continued association of Mr. Murli Ramachandran would be immensely beneficial to the company and accordingly recommend the resolution mentioned at item no.6 of the notice for your approval.

None of the directors, except Mr. Murli Ramachandran, is in any way concerned or interested in the resolution.

ITEM NO. 7:

Consequent to resignation of Dr. Kamal K. Sharma, the board of directors at its meeting held on August 25, 2003 appointed Mr. Murli Ramachandran as managing director for a period of five (5) years w.e.f. September 1, 2003, subject to approval of the shareholders of the company.

The company has entered into an agreement, as submitted to this meeting, with Mr. Murli Ramachandran on August 26, 2003 for his appointment and payment of remuneration as managing director of the company. The said agreement dated August 26, 2003 as well as letter dated September 1, 2003 setting out his remuneration as fixed by the chairman pursuant to authority of the board are open for inspection at the registered office of the company between 11.00 a.m.

to 1.00 p.m. on all working days except Saturdays up to the date of the ensuing annual general meeting.

Your directors recommend the resolution mentioned at item no.7 of the notice for your approval.

Mr. Murli Ramachandran is deemed to be concerned or interested in the resolution as it relates to his appointment and remuneration payable to him. None of the other directors is, in any way, concerned or interested in the resolution.

ITEM NO. 8:

Mr. Manoj K. Maheshwari was appointed as an additional director of the company on July 8, 2004. Pursuant to section 260 of the Companies Act, 1956, Mr. Manoj K. Maheshwari holds office only upto the date of the ensuing annual general meeting.

A notice under section 257 of the Companies Act, 1956, has been received from a member of the company proposing candidature of Mr. Manoj K. Maheshwari to the office of director of the company. A brief profile of Mr. Manoj K. Maheshwari has been provided under note 6 above.

Your directors believe that continued association of Mr. Manoj K. Maheshwari would be immensely beneficial to the company and accordingly recommend the resolution mentioned at item no.8 of the notice for your approval.

None of the directors, except Mr. Manoj K. Maheshwari, is in any way concerned or interested in the resolution.

ITEM NO. 9:

Under the provisions of the Companies Act 1956, the register of members, index of members, the register and index of debenture holders and copies of annual returns together with copies of certificates and documents required to be annexed thereto are required to be kept at the registered office of the company or at such other place within the city in which registered office of the company is situated if such other place has been approved by the members by the special resolution.

The members have approved of keeping the aforesaid documents at the premises of the registrar and share transfer agent. As the registrar and share transfer agents has shifted their office premises to the place mentioned in the resolution mentioned at item no.9, the company now proposes to keep those documents at that place of the registrar and share transfer agent.

Your company proposes to keep those documents at the said premises of the registrar and share transfer agent for convenience of all. Your directors accordingly recommend the resolution mentioned at item no.9 of the notice for your approval.

None of the directors is, in any way, concerned or interested in the resolution.

By Order of the Board of Directors

M. C. Mehta
Company Secretary
& Controller-Legal

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DIRECTORS' REPORT

Your directors present their thirty-sixth annual report and the audited statement of accounts of the company for the year ended March 31, 2004.

1. FINANCIAL RESULTS

	(Rs. in lacs)	
	2003-2004	2001-2003 (18 months)
Total Income	12540.65	17141.89
Profit before depreciation, interest and tax	1784.70	1593.60
Less: Interest	1958.85	2856.89
Less : Depreciation	712.14	827.20
Loss for the period before prior period, extraordinary items and tax	(886.29)	(2090.49)
Less: Prior period items	—	282.95
Less: Extraordinary items	—	1527.06
Loss for the period before tax	(886.29)	(3900.50)
Add: Deferred tax	207.98	1230.44
Loss for the period after tax	(678.31)	(2670.06)
Add : Balance brought forward	—	870.11
Add: Transfer from debenture redemption reserve	400.00	472.00
Add: Transfer from general Reserve	278.31	1327.95
Balance available for appropriation	—	—

2. DIVIDEND

In view of loss during the year, your directors regret their inability to recommend dividend for the year ended March 31, 2004.

3. OPERATIONS

The net sales during the year under review amounted to Rs.119 crores against Rs.106 crores in the corresponding period in the previous year. The year under review ended with loss mainly due to delay in stabilisation of production processes at bulk drugs facilities at Pune for most part of the year. The products at this facility are manufactured using complex fermentation technology that is known to take longer time in stabilization.

However, the company's relentless focus on profitability and cost containment resulted in significant improvement in overall performance compared to the previous period.

The sales in domestic formulation business marginally increased over sales in corresponding period in the previous year. The Acumed division, catering to acute diseases, registered increase in sales mainly due to good performance of new products, while sales in the Sertec division, catering to chronic diseases, were in line with the sales in the corresponding period in the previous year. During the year, the focus remained on consolidation of products introduced in last several years, and will continue to remain during the current year too. The thrust areas identified for consolidation and growth during the current year are nephrology, cardiovascular and pain management wherein your company has good basket of products. The company plans to set up a dedicated team to cater exclusively to nephrology segment wherein your company has unique and high value products such as Azoran and Arpimune ME.

The synthetic bulk drugs business registered handsome growth of 48% over corresponding period in the previous year. Your company's decision to diversify into high value synthetic bulk drugs has paid rich dividends that are reflected in impressive sale of Pantaprazole, Clopidogrel, Quinamide and Ticlopidine, both in domestic as well as international market. The company will continue to focus on these high value drugs during the current year too and also plans to add more products. Further, the company continues to remain focussed on the global generics business and has identified several new products and is in discussion with its business partners for marketing the same.

The experience in bulk drugs business based on fermentation technology was mixed. While the drugs Doxorubicin and Cyclosporin manufactured at Ankleshwar plant continued to perform exceedingly well, the drugs Spironolactone and Vitamin B 12 manufactured at Pune plant continued to face problems in stabilisation of production processes. Due to time over run in commercialization of Spironolactone and Vitamin B12, the profitability of the company has been adversely affected. However, in later part of the year under review, the company has been able to successfully commercialize Spironolactone and has launched the product. The company has also retained a team of experts to assist the company in scaling up the technology and improving the yield of Vitamin B12 and significant progress has been in made in this respect. The company hopes to commercialize this product during the current year.



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In addition, the company also plans to introduce a new drug Epirubicin (anti-neoplastic), a very high value bulk drug not manufactured in India as yet. Further, in order to fully exploit the potential of drug Doxorubicin, the company plans to upgrade its manufacturing facility at Ankleshwar to US FDA standards. Your company firmly believes that product portfolio in this business has huge potential and will help company improve performance.

EXPORTS

The exports during the year amounted to Rs.29 crores. The company has set the target of doubling the exports during current year. The company has put enhanced focus on registration of drug master files and product dossiers in various markets. The company has stepped up its efforts for export of cyclosporine formulation in Latin American markets as there is substantial demand for this product. Though the company faces stiff competition, the company hopes to succeed in its efforts as it enjoys unique price advantage over others with quality being the same.

Keeping in view the enhanced focus on core areas, a robust product portfolio and containment of costs on all fronts, your company expects to do better during the current year.

4. RESPONSIBILITY STATEMENT

The directors confirm:

- (i) That in the preparation of the annual accounts for the year under review, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (ii) That they have selected appropriate accounting policies and applied them consistently and made judgements 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 March 31, 2004 and of the loss incurred by the company for that period;
- (iii) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- (iv) That they have prepared the annual accounts on going concern basis.

5. 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.

6. PARTICULARS OF EMPLOYEES

A statement of particulars of employee of the company, in terms of section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is annexed hereto and forms part of this report.

7. SUBSIDIARIES

During the year, Sarala Pharmaceuticals Limited and Rainbow Investments Limited ceased to be subsidiaries of the company. The accounts as of March 31, 2004 and the report of the directors and auditors of Instant Trading and Investment Company Limited, a subsidiary of the company, are not attached pursuant to exemption granted by the Central Government. The members are informed that annual accounts of the said subsidiary and the related detailed information will be made available on request at any point of time. The accounts of the said subsidiary for the year ended March 31, 2004 are also open for inspection to any member at Ceat Mahal, 463, Dr. Annie Besant Road, Worli, Mumbai 400 030.

8. CORPORATE GOVERNANCE

As required by the listing agreement, certificate of auditors on compliance of conditions of corporate governance is annexed to this report. The management discussion and analysis report and compliance report on corporate governance as required by clause 49 of the listing agreement form part of the annual report for the year ended March 31, 2004.

9. FIXED DEPOSITS

Your company accepts fixed deposits from public and the shareholders and the total amount of such deposit as on date is Rs.11.29 crores. Deposits amounting to Rs.26.75 lacs remained unclaimed by the depositors at the end of the year under review. Out of this, deposits amounting to Rs.14.64 lacs have since been renewed / claimed by the depositors.

RPG LIFE SCIENCES LIMITED**10. DIRECTORS**

Mr. S.Ranji and Mr. Ajit Gulabchand retire by rotation at the ensuing annual general meeting, and being eligible, offer themselves for re-appointment. During the year under review, Mr. K.R.V. Subrahmanian resigned from the board and Mr. Mahesh S. Gupta was appointed as a director in casual vacancy caused by resignation of Mr. K.R.V. Subrahmanian. Dr. Kamal K.Sharma also resigned from the board during the year. The board at its meeting held on August 25, 2003 appointed Mr. Murli Ramachandran as an additional director and also appointed him as managing director for period of five years with effect from September 1, 2003, whose appointment and remuneration payable to him is being placed before you at the ensuing annual general meeting for your approval. The board has also appointed Mr. Manoj K. Maheshwari as an additional director of the company on 8-7-04.

Notices have been received under section 257 of the Companies Act, 1956 from members of the company along with requisite deposit for appointment of Mr. Mahesh S. Gupta, Mr. Murli Ramachandran and Mr. Manoj K. Maheshwari to the office of director of the company. The resolutions for their such appointment are being placed before you at the ensuing annual general meeting.

11. AUDITORS

Lovelock & Lewes, Auditors of the company, hold office until the conclusion of the ensuing annual general meeting. Lovelock & Lewes, being eligible, have offered themselves for re-appointment and have confirmed that their appointment, if made, would be within the limits prescribed under section 224 (1B) of the Companies Act, 1956.

12. AUDITORS' REPORT

As regards auditors comments vide paragraph 4(a) and 4(b) of their report, your directors request you to refer to notes 2,3 and 15 of schedule 21 to the accounts, which are self-explanatory.

As regards the comment of auditors contained in clause (iv) of annexure to their report, your directors have to inform you that internal control measures suggested by internal auditor in those areas are being implemented to further strengthen the internal controls system established by the company. The internal controls system established protects the interest of the company and there has been no material failure in functioning thereof.

13. APPRECIATION

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

For and on behalf of Board of Directors

H.V.Goenka
Chairman

Place : Mumbai
Date : July 8, 2004

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