

NOTICE

Notice is hereby given that the Eleventh Annual General Meeting of AHLCON PARENTERALS (INDIA) LIMITED will be held on Tuesday, the 30th Day of September, 2003 at 4.00 P.M. at the Ahlcon Public School, Mayur Vihar, Phase-I, Delhi-110091 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2003 and Profit & Loss Account for the year ended on that date together with Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. V. K. Sachdeva, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. M. K. G. Pillai, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Bikramjit Ahluwalia, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and authorise the Board of Directors to fix their remuneration.

M/s. Arun K. Gupta & Associates, Chartered Accountants, are the retiring Auditors and being eligible, offer themselves for re-appointment.

Special Business

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

"RESOLVED that pursuant to the provisions of Section 257 and other applicable provisions of the Companies Act, 1956, Dr. S. C. L. Gupta, Additional Director of the Company who hold office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member proposing his appointment as Director of the Company along with a deposit of Rs.500/-, be and is hereby appointed a Director of the Company, and that Dr. S. C. L. Gupta's period of office shall be liable to determination by retirement by rotation.

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 the following clause, be and is hereby added after Clause 77 to the Articles of Association of the Company.

77A : Passing of Resolution by Postal Ballot

"Notwithstanding anything contained in the Articles of the Association of the Company, the Company do adopt the mode of passing a resolution by the members of the Company by means of a postal ballot and / or other ways as may be prescribed by the Central Government in this behalf."

- 8 To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956, the Corporate Guarantee given by the Board of Directors of the company in favour of Allahabad Bank towards due payment of principal, interest and other dues of Allahabad Bank for the financial assistance of Rs.24.50 Crores (Rs. 20 Crores non- fund-based and Rs.4.50 crores fund based) granted to M/s Ahluwalia Contracts (India) Limited, be and is hereby confirmed."

By order of the Board
For **AHLCON PARENTERALS (INDIA) LIMITED**

New Delhi-110017
Dated: 30. 07. 2003

Nilanchal Pradhan
Company Secretary

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/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN, 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The resolution stated at item no. 8 for approving extension of corporate guarantee requires consent of the members through postal ballot.
3. The Register of Members and Share Transfer Books of the company shall remain closed from 16th. September to 30th. September 2003 (both days inclusive).
4. All documents referred in the notice are open for inspection at the Registered Office of the company between 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the Annual General Meeting.
5. Members/ Proxies should bring the attendance slips duly filled in for attending the meeting. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
6. It will be appreciated that queries, if any, on accounts and operations of the company, are sent to the corporate office of the company ten days in advance of the meeting so that the information may be made readily available.

7. Shareholders are requested to intimate the change in address, if any, to the Company's Registrar and Share Transfer Agent M/s Mas Services Pvt. Ltd, at AB-4, Safdarjung Enclave, New Delhi-110029.
8. Shareholders are requested to bring their copy of Annual Report to the meeting.
9. At the ensuing Annual General Meeting Mr. V K Sachdeva, Mr. M K G Pillai, and Mr. Bikramjit Ahluwalia shall retire by rotation and being eligible, offer themselves for re-appointment. Dr. S C L Gupta, who was appointed as an Additional Director on dated 29.01.2003 shall hold office upto to the date of ensuing Annual general Meeting and being eligible, offers himself to be appointed as a regular Director. Pursuant to Clause 49 of the Listing Agreement the particulars of above said Directors are given below:

Mr. V K Sachdeva

Mr. Sachdeva is having the qualification of M.A. (Economics) and LL.B. He was a privileged member of the Indian Revenue Service with Income Tax Department and retired in 1991 as a Chief Commissioner / Director General Administration. Presently he is working as a Tax Consultant.

He joined the Board of your Company as a Director on 16-08-1993 and serving your company continuously till date.

Other Directorship : 1. Ahluwalia Contracts (India) Limited 2. CostPlus Credit Capital limited

He has been holding membership of Audit Committee and Remuneration Committee and Chairman of Shareholders Grievance Committee in Ahluwalia Contracts (India) Limited

Mr. M K G Pillai

Mr. Pillai is M.Com with LL.B, having specialisation in business Management. He is having more than 40 years of experience to his credit. Before inception of the pharmaceutical business of your company, he was the Managing Director for more than 10 years, of a well known EOU Company namely JV Electronic Limited in collaboration with Slumbreger, a big name in South Carolina, USA with head quarters in France.

He has been appointed as the Managing Director of your Company in the year 1993 and continuing in the same position, with your approval, till date.

Mr. Bikramjit Ahluwalia

Mr. Ahluwalia, a Civil Engineer by qualification and having more than four decades experience in various business segment. He has himself promoted the Ahluwalia Contracts (India) Limited in the year 1979, which has become a pioneer in the construction and engineering industry. He is also the founder Chairman of Ahlcon Public School and Ahlcon International School in New Delhi. He has been honoured with many prestigious awards for his contribution to the Society in general. He is serving your Board in the capacity of Chairman since its inception.

Other Directorship : 1. Ahluwalia Contracts (India) Limited, 2. Ahluwalia Builders and Development Group (P) Limited, 3. Capricorn Industrials Limited

Dr. S C L Gupta

Mr. Gupta, having qualifications of M.S, M.I.S, C.O., is a well known doctor in the Medical profession in New Delhi. He is presently serving as senior consultant Surgeon and Oncologist at Batra Hospital Medical research Center. He is also in the panel of Surgeon for many well-reputed hospitals and Companies like NTPC and Indian Airlines.

He has joined your company as an additional director on the Board on dated 29.01.2003. He is not holding directorship in any other company.

Annexure to Notice: Explanatory Statement u/s 173(2) of the Companies, Act, 1956.

Item No. 6

Pursuant to Article 80 of the Articles of Association of the Company Dr. S. C. L. Gupta was appointed as Additional Director by the Board at their meeting held on 29.01.2003. In terms of provisions of Section 260 of the Companies Act 1956, the Additional Director cease to hold office at Annual General Meeting unless re-appointed by the shareholders. Your Company has received in writing from a member of the Company along with Rs.500/- proposing appointment of Dr. S. C. L Gupta as Director on the Board under Section 257 of the Companies Act 1956.

In view of the valuable guidance that can be lent to the Company by Dr. S. C. L Gupta as director on the Board, your directors recommend passing of the resolution set out at item No. 6 of this notice.

None of the Director except Dr. S. C. L. Gupta, is interested in the above said resolution as appointee.

Item. No. 7

As per the Provisions of Section 192A of the companies Act, 1956, the company may be required to pass resolutions through postal ballot at any point, if any of the transactions as provided by the Companies (Passing Of Resolution By Postal Ballot) Rules, 2001 has to be carried out. Hence, the existing Articles of the company has to be amended by incorporating a relevant clause therein.

As per the provisions of Section 31 of the Companies Act, 1956, any amendment in the Articles of Association has to be approved by the members through a special resolution. Hence the Board recommends the same to be approved by a special resolution.

None of the Directors are interested in the above said resolution.

Item No. 8.

M/s Ahluwalia Contracts (India) Limited, besides being the promoter company, also has played a vital role for the existence and survival of your company at many times. The said Ahluwalia Contracts (India) Limited was sanctioned by the Allahabad Bank a financial assistance of Rs.24.50 Crores (Rs. 20 Crores non- fund-based and Rs.4.5 crores fund based) on dated 30.04.2003. As a precondition for disbursement of the financial assistance, the bank had put a condition for extension of Corporate Guarantee by your company, being a group company and accordingly, it was requested to your company for issuance of a Corporate Guarantee in favour of the said bank.

That as per the provisions of Section 372A of the Companies Act, 1956, a company can make loan, give any guarantee or provide security or invest in securities, aggregating to the extent of 60% of the paid up capital and free reserves or 100% of its free reserves whichever is more with the consent of the Board. But when such limit exceeds the above said limit, it can do so with the consent of the shareholders by way a of previously authorised special resolution. However, the Board can give such guarantee, without being previously authorised by a special resolution, if the resolution of the Board is confirmed within 12 months, in a general meeting of the Company or the Annual General Meeting held immediately after passing of the resolution, whichever is earlier.

As the Corporate Guarantee for Rs.24.50 Crores was more than 60% of the paid-up capital and free reserves of the Company, it was not feasible at that time to take previous approval of the shareholders. Keeping in view the help and support extended by the Ahluwalia Contracts (India) Limited to your company, the Board extended the Corporate guarantee in favour of Allahabad Bank for the financial assistance granted by them, by way of a resolution passed in their meeting which was subject to the further approval by the shareholders in a general meeting, through a special resolution.

As per the provisions of Rule 4 (g) of the Companies (Passing of Resolution By Postal Ballot) Rules, 2001, giving loans or extending guarantee or providing security in excess of the limit prescribed under sub-section (1) of Section 372A has to be approved by the members through the system of postal ballot.

Accordingly, the ballot forms are being posted to all the eligible members of the Company. The members are requested to send the ballot form duly filled up within a period of 30 days from the date of dispatch of the notice.

The Board therefore, recommends confirming the above resolution for your confirmation.

None of the Directors except Mr. Bikarmjit Ahluwalia, Ms. Sudarshan Walia, Mr. Arun Kumar Gupta and Mr. V K Sachdeva being common directors, are interested in the above said resolution.

By order of the Board
For **AHLCON PARENTERALS (INDIA) LIMITED**

New Delhi-110017
Dated: 30.07.2003

Nilanchal Pradhan
Company Secretary

DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in presenting their 11th Annual Report on the business and operation of your Company for the year ended 31st March 2003.

Financial Results**(Rs. in Lacs)**

For the year ended	31.03.2003 (Current Year)	31.03.2002 (Previous year)
Sales and other Income	1663.71	1465.73
Gross operating Profit	381.21	429.43
Financial Charges	106.94	35.76
Cash Profit	274.27	393.67
Depreciation	223.86	200.82
Misc. expenditure written off	3.98	3.98
Profit before Tax	46.43	188.87
Provision for deferred Tax	21.31	42.07
Provision for Current Tax	3.50	13.00
Income Tax for Earlier Years	1.62	—
Profit after Tax	20.00	133.80
Provision for doubtful debt/advances written back	0.54	13.29
Balance brought forward from previous year	(14.26)	(161.35)
Profit / (Loss) carried forward	6.28	(14.26)

Operations and performance

During the year under review, the Company has carried out expansion by creating additional capacity of 180 lacs bottles in LVP line and 200 lacs bottles in SVP line. Due to such additional capacity, the Company achieved a sales turnover of Rs. 1663.71 lacs, a growth of 13.42 % over the previous year's figure of Rs. 1465.73 lacs. However the net profitability of the Company declined to Rs. 46.43 lacs as compared to the previous year's figure of Rs. 188.87 lacs, which is mainly due to the interest burden on debts raised for successive expansion for creation of additional capacities.

CORPORATE REVIEW

As reported earlier year, your company has achieved the most desired standard GMP (Good Manufacturing Practice) Standard to get its products of international recognition with highest quality. After achieving the benchmark, the demand for the products of your company has considerably increased in both the domestic and international market. Keeping in view the quality concept, which has undergone major changes globally for pharma products of your directors are totally committed to improve and maintain its quality consciousness only because of which it has sustained in the market in difficult times.

Expansion

It was the essence of the time to increase the range of products and volume to sustain in the niche market, which your company has developed and also to meet the demand of the valued customers whose numbers are growing day by day. Being alive to changed industrial scenario, your company has already diversified into ophthalmic / Ear care products by creating additional capacities of 200 Lacs bottles in SVP (Small Volume Parenterals) whereby the products range has also increased to a great extent. Your company has also carried on a 2nd phase of expansion in both LVP and SVP line by creating further additional capacity of 180 Lacs bottles and 480 Lacs bottles respectively. The commercial production in these products line has already been started.

Exports

Due to the improvement in the international business scenario, the Company has been able to earn Rs.133.15 Lacs in comparison to Rs. 40.78 Lacs in the Previous year. In addition to the direct exports, the company has achieved indirect export through third parties Rs.35 Lacs, making the total exports, to Rs.168.15 Lacs. The company has developed third parties in India, for export of the products, who have a better marketing network internationally. In such practice, apart from assured payment, your company is also benefited by getting credit for its export obligations under the EPCG Scheme and in some cases, the DEPB benefits also. Your directors are continuously exploring the possibilities to increase the export earnings.

Directors

Simultaneously with the growth of the Company in the upward direction, the rate of environmental challenges are also growing. To face such challenges in the highly competitive industry, the Directors are continuously exploring to inculcate to their Board, persons with high perspective and skills.

The Board has inducted Dr. S. C. L. Gupta, a well known physician and having enough experience in the pharmaceutical field, as additional director to sub serve above purposes. The Board hopes that he shall be appointed as regular director with your approval.

In accordance with the provisions of the Companies, Act, 1956 and Articles of Association of the Company, Mr. V. K. Sachdeva, Mr. M. K. G. Pillai and Mr. Bikramjit Ahluwalia, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment. Keeping in view the longstanding service provided by them, your directors hope for their re-appointment to the Board.

Directors' Responsibility Statement : Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed :

- (i) That the applicable accounting standards have been followed alongwith proper explanation relating to material departures in the preparation of annual accounts;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 and of the profit or loss of the Company for the year under review;

- (iii) That the Directors 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;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2003 on a 'going concern' basis.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section titled "Report on Corporate Governance" has been annexed to this Annual Report.

Auditor's Report

The notes on accounts referred to the Auditors Report are self-explanatory and therefore do not call for any further comments.

Auditors

M/s Arun. K. Gupta & Associates, statutory auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

Conservation of Energy, Technology absorption, Foreign Exchange Earnings/Outgo

The information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is furnished in the Annexure forming part of this report.

Particulars of employees: During the year under review, no employee was in receipt of remuneration exceeding the specified limits. Hence, no disclosure under 217(2A) of the Companies Act, 1956, is required to be made

Industrial Relation

The Company continued to maintain very healthy, cordial and harmonious industrial relations at all levels and the Directors wish to place on record their appreciation for the contributions made by the employees at all levels and take this opportunity to thank all employees for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of employees have enabled the Company to remain at the forefront of the industry despite severe competition.

Acknowledgements

Your Directors would like to express their grateful appreciation to the Allahabad Bank for their timely financial help and assistance at all phases of working to make it successful.

They also express their grateful appreciation for the assistance and cooperation received from the shareholders, RIICO and various government authorities. Last but not the least, the Directors wish to place on record their deep sense of appreciation for the devoted service of the Executives, Staff and workers of the company for its success.

For and on behalf of the Board of Directors

New Delhi - 110017
Date : 30.07.2003

Bikramjit Ahluwalia
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

I - Conservation of Energy

The following measures have been undertaken by your company during the year for conservation of energy.

1. General reduction in energy consumption level by installing most modern power saving equipments and by minimum use of lighting and fans in the production/ packing area, stores, office and corridors and area outside the plant.
2. Timely preventive maintenance of Electrical motors and accessories.

(A) 1 Electricity, Power and Fuel consumption	Current Year	Previous Year
(a) Purchased:		
Units	2070928	1530948
Total amount (Rs.)	91,11,887	71,20,534
Average Rate per Unit	4.40	4.65
(b) Own Generation :		
Units Generated	326306	274166
Units generated per liter of Diesel oil	2.97	2.89
Average Cost per Unit (Rs.)	5.55	5.47
2 Fuel (Furnace Oil/ LDO) :		
Units (Litrs.)	619145	484520
Total amount (Rs.)	71,66,979	41,70,277
Average Rate/Unit (Rs.)	11.57	8.61
(B) Average Consumption (value) per unit of production :		
Electricity	0.307	0.267
Fuel (Furnace Oil/ LDO)	0.201	0.129

II- Technology absorption, adoption and innovation:

The Company manufactures IV Fluids using the FFS (Form-Fill-Seal) technology, imported from Rommelag AG of Switzerland which is fully absorbed and as a result of which the company is able to derive the benefits of import substitution of materials and superior quality products.

III - Foreign Exchange Earnings and Outgo:

	Current Year	(Rs. In Lacs) Previous Year
Foreign Exchange Earnings	133.15	40.78
Foreign Exchange Outgo :		
(a) Foreign Travel	16.79	10.16
(b) Imports - Machinery and Spares	31.41	17.42
(c) Imports - Raw Materials	189.83	181.54
(d) Commission	1.11	0.35
(e) Bank Charges	0.31	0.46
(f) Registration Charges	4.13	-
(g) Capital goods	1057.91	-

For and on behalf of the Board of Directors

New Delhi - 110017
Dated: 30.07.2003

Bikramjit Ahluwalia
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**INDUSTRY STRUCTURE & DEVELOPMENTS**

India, with a population of over 1 billion, is the 2nd largest pharmaceutical market in the world with respect to volumes and is one of the top fifteen pharmaceutical markets in terms of sales. It is also among the top twenty pharmaceutical exporters in the world and among the top five manufacturers of bulk drugs in the world. Indian pharmaceutical market is highly fragmented with about 22,000 players forming Rs. 20 billion in revenues and growing at a rate of 13%. The organized sector comprises about 260 players and the top ten companies account for one-third of the market. This primarily consists of branded generic products offering 30,000 brands in over 110 therapeutic segments.

OUTLOOK ON OPPORTUNITIES

The Indian pharmaceutical industry is undergoing a sea change in its structure (Mergers, Acquisition, marketing alliances etc) as well as in composition (shift in therapeutic mix). The quality concept of pharmaceutical industry also has undergone major changes calling for new technologies to meet the quality of international standard. The same things are equally applicable on the I V Fluids segments of the pharmaceutical industry. With 2005 round the corner the larger pharmaceutical companies are also spearheading the change with greater emphasis towards drug discovery and development and synergies through enhanced reach, economies in scale of operations and in R & D. The New DPCO is also likely to affect the domestic Indian market positively, with greater flexibility and control on its products in the market. Internationally, expiry of product patents in regulated market will be the key growth driver.

As per the latest ORG Report, Ophthalmic segment in India is growing at rate of more than 15 percent per annum which provides enough scope for growth of new players.

OUTLOOK ON THREATS, RISK AND CONCERNS

Intravenous infusion industry has always had a very typical dynamics in Indian scenario. The industry is suffering from cutthroat competition because of over capacities and pricing based strategy of some of the large players. This has had a negative affect on all companies operating in this segment. With WTO on the anvil, competition on existing and new products has further increased the pricing pressures. But to counter these challenges, your company designed a strategy which initially was a survival strategy in a declining industry. However, the same ultimately proved to become the basis of growth strategy for the Company.

The vision of your company always was to provide quality products and services of the highest standard. This differentiation set your company apart from the competition and in an industry, which is having an installed capacity of more than 150 percent of the requirements, your company could achieve annual capacity utilization of close to 90 percent.

To hedge its risk and diversification your company decided to enter the ophthalmic market by installing state-of-the-art Form-Fill-Seal (FFS) ophthalmic filling lines. In spite of several constraints, your company has achieved the position of one of the four major manufacturers of Intravenous fluids/Ophthalmic in India. This step will certainly help your company to enter branded segment in the pharmaceutical industry and shall also help achieving higher value additions both in terms of turn over and profitability.

EXPANSION

It was the essence of the time to increase the range of products and volume to sustain in the niche market, which your company has developed and also to meet the demand of the valued customers whose numbers are growing day by day. Being alive to changed industrial scenario, your company has already diversified into ophthalmic / Ear care products by creating additional capacities of 200 Lacs bottles in SVP (Small Volume Parenterals) whereby the products range has also increased to a great extent. Your company has also carried on a 2nd phase of expansion in both LVP and SVP line by creating of further additional capacity of 180 Lacs bottles and 480 Lacs bottles respectively. The commercial production in these products lines has already been started.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has adequate internal control procedures commensurate with its size and nature of the business. These business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures and statutes. The internal control system provide for well-documented policies, guidelines, authorisations and approval procedures. The Company has an Internal Audit Department, which carries out audits extensively throughout the year. The prime objective of such audits is to test the adequacy and effectiveness of all internal controls laid down by the management and to suggest improvements.

FINANCIAL AND OPERATIONAL PERFORMANCE

The same has been discussed elaborately in the Directors Report.

HUMAN RESOURCES

The Company regards its human resources amongst its most valuable assets and proactively reviews and evolves policies and processes to attract and retain its substantial pool of scientific, technical and managerial resources through a work environment that encourages initiative, provides challenges and opportunities. Adequate facilities and opportunities are also being provided to the technical and professional staffs to update themselves in the fast changing era of technologies.

CAUTIONARY NOTE

Certain statements in the above report may be forward looking and are stated as required by legislations in force. The actual results may be affected by many factors, which may be different from what the Directors/Management envisage in terms of future performance and outlook.

REPORT ON CORPORATE GOVERNANCE

Ahlon's Corporate Governance Principles uphold its ethics of best corporate governance practices. It continuously reviews its corporate governance practices to ensure that they adhere to the latest corporate developments and conform to the best corporate governance practices.

In accordance with Clause 49 of the listing agreement with the Stock Exchanges, the details of compliance by the Company are as under:

1 Board of Directors

The Board is having a Non-Executive Chairman and appropriate composition of Executive and Non- Executive Directors conforming to specification provided in the Listing Agreement. The Directors are equipped with variety of perspectives and skills.

The Board of Directors consists of 9 Directors and the composition and category of Directors are as follows:

Name of Director	Category	Board Meeting Attended	Attendance at the Last AGM held on 30/09/02	No. of Directorship in other Companies	Number of Committee membership held in other Companies		Remarks
					Chairman	Member	
Mr. Bikramjit Ahluwalia	Chairman (promoter) Non Executive	6	Yes	3	NL	NL	Since Incorporation
Mr. M.K.G.Pillai	Managing Director (Executive)	5	Yes	1	NL	NL	20.5.99 for 5 years
Mrs. Sudarshan Walia	Director (Promoter) Non Executive	6	Yes	3	NL	1	Since Incorporation
Dr. Rhini S. Ahluwalia	Whole Time Director (Promoter & Executive)	6	Yes	2	NL	NL	01.04.99 for 5 years
Mr. Arun Kumar Gupta	Independent Director Non Executive	5	Yes	2	1	2	15.03.93
Mr. V. K. Sachdeva	Independent Director Non Executive	5	No	2	1	3	16.08.93
Dr. S. S. Arora	Independent Director Non Executive	3	No	NL	NL	NL	30.01.02
Dr. G. P. Talwar	Independent Director Non Executive	5	No	NL	NL	NL	30.01.02
Dr. S.L.C Gupta	Independent Director Non Executive	1	No	NL	NL	NL	29.01.03

Six Board Meetings of the Company were held during the year on the following dates :

I	22-04-2002	II	26.07.2002	III	29.08.2002	IV	28.10.2002
V	18.12.2002	VI	29.01.2003				

None of the Directors on the Board hold directorship in more than fifteen companies and no Director is a member of more than 10 Committee and Chairman of more than 5 Committee (as specified in Clause 49), across all the Companies of which he is a Director. The necessary disclosures regarding committee positions have been made by the Directors.

There are no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company.

2 Board and its subordinate Committees

With a view to sub serve the functions specifically prescribed by Clause 49 of the Listing Agreement, the company has constituted an Audit Committee, Remuneration Committee and Shareholders Grievance Committee. The following report depicts the composition of the committees and also the nature of functions performed by them during the year under report:

Audit Committee

The Board has constituted an Audit Committee on dated 30th April 2002 and nominated Mr. Arun Kumar Gupta, an Independent Director and a Chartered Accountant by profession, as the Chairman of the Committee. The role and powers of the audit committee as stipulated by the Board are in accordance with the items listed in Clause 49 (II) (C) & (D) of the Listing Agreement and as per Section 292A of the Companies Act, 1956.

The composition and other details of the committee are as follows.

Name of the Director	Designation	Nature of Directorship	No of Meetings	
			Held	Attended
Mr. Arun Kumar Gupta	Chairman	Independent Director	3	3
Mr. V K Sachdeva	Member	Independent Director	3	3
Dr. S.S.Arora	Member	Independent Director	3	1
Dr. Rohini S Ahluwalia	Member	Whole Time Director	3	3

Mr. Nilanchal Pradhan, The Company Secretary of the Company, acts as the Secretary of the Committee.

The Statutory Auditors and the Internal Auditors of the Company were also invited to attend the Audit Committee meetings along with the Director in charge of Finance. As per the need, other key functionaries of the Company were also invited to attend the meetings.

Three Audit Committee meetings were held during the year on the following dates : I. 29.04.2002, II. 29.08.2002, III. 21.03.2002.

3. Board Procedure

The Chairman of the Board and the Company Secretary in consultation with other concerned persons in the senior management, finalise the agenda papers for the Board Meetings. All divisions/departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion/approval/decision in the Board/ Committee Meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board Meetings. Agenda papers are circulated to the Directors, in advance, in the defined Agenda format. All material information is incorporated in the Agenda Papers for facilitating meaningful, informed and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same are placed on the table at the meeting with specific reference to this effect in the Agenda.

4 Compliance

The Company Secretary while preparing the agenda, notes on agenda, minutes etc. of the meeting(s) and holding and conducting the meetings, is responsible for and is required to ensure adherence to all the applicable provisions of law including the Companies Act, 1956 and the Secretarial Standards recommended by the Institute of Company Secretaries of India, New Delhi.

5 Details of remuneration to Directors for the year

The aggregate value of salary and perquisites including commission payable for the year ended 31st March, 2003 to the Managing Director/Wholetime Director is as follows:

Shri M K G Pillai, Managing Director : Salary & Allowances Rs. 3,69,360; Perquisites Rs.1,38,274

Dr. Rohini S Ahluwalia, Whole Time Director : Salary & Allowances Rs. 2,70,000; Perquisites Rs.1,00,856

Sitting Fees to Non- Executive Directors (from 01.04.2002 to 31.03.2003)

Non Executive Director	No. of Board/ Committee Meeting attended	Sitting Fees (Rs.)
Mr. Arun Kumar Gupta	8	8000
Mr. V. K. Sachdeva	7	7000
Dr. S. S. Arora	2	2000
Prof. G .P. Talwar	5	5000
Dr. S.C. L. Gupta	1	1000

REMUNERATION COMMITTEE

Composition, Name of Members and Chairman of the Committee

Name of the Director	Designation	Category
Mr. V.K.Sachdeva	Chairman	Independent Director
Mr. Arun Kumar Gupta	Member	Independent Director
Dr. S.S.Arora	Member	Independent Director
Mr. M.K.G. Pillai	Member	Managing Director

Since there was no proposal for enhancement in the remuneration of the Directors, the Committee did not meet any time during the year under review.

Shareholders' / Investors' Grievance Committee

The Board of Directors of the Company has constituted a Shareholders' /Investors' Grievance Committee, comprising of Shri G P Talwar, Chairman, Shri M K G Pillai, Member, Dr. Rohini S Ahluwalia, Member. The Committee, *inter alia* approves issue of duplicate certificates and oversees and reviews all matters connected with the securities transfers. The Committee also looks into redressal of shareholders' complaints like transfer of shares, non-receipt of balance sheet etc. The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services. The Board of Directors have delegated the power of approving transfer of securities to the Company Secretary.

The Board has designated Shri Nilanchal Pradhan, Company Secretary, as the Compliance Officer. Ten complaints were received and replied to the satisfaction of shareholders during the year under review and there were no complaints outstanding to be resolved as on 31st March, 2003.

6 Annual General Meetings

Location and time for last 3 Annual General Meetings were as follows:

Year Location Date Time

1999-00 Ahlcon Public School Auditorium, 29th September 2000 at 4.30 p.m. Mayur Vihar, Phase-I, Delhi-91.

2000-01 Same as above on 28th September 2001 at 3.30 p.m.

2001-02 Same as above on 30th September 2002 at 3.00 p.m.

During the year ended 31st March, 2002, there have been no resolutions passed by the Company's shareholders through postal ballot. At the ensuing Annual General Meeting, one resolution seeking confirmation of extension of Corporate Guarantee u/s 372A is proposed to be passed by Postal Ballot. The Company has appointed Mr. Lalit Dhingra, Proprietor, Lalit Dhingra & Associates, Practising Company Secretaries, as Scrutiniser for conducting the Postal Ballot process in a fair and transparent manner.

7. a **Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.**

None of the transactions with any of the related parties were in conflict with the interest of the Company.

- b **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.**

No penalty or strictures had been imposed on the company by any regulatory authorities relating to capital market during the last three years.

8. Means Of Communication:-

The quarterly/six monthly results of the company were published during the financial year under review in leading national newspaper namely, The pioneer in English and Veer Arjun in Hindi.

9 The Management Discussion and Analysis Report forms part of this Annual Report.

10. General Shareholder Information

10.1 Annual General Meeting

The 11th Annual General Meeting of the company will be held on 30th. September, 2003 at Ahlcon Public School Auditorium, Mayur Vihar, Phase-I, Delhi-91 at 4.00 p.m.

10.2. Financial Calendar (tentative)

Results for the quarter ending June 30, 2003 : Last week of July, 2003

Results for the quarter ending September 30, 2003 : Last week of October, 2003 Results for the quarter ending December 31, 2003 : Last week of January, 2004, Results for the year ending March 31, 2004 : Last week of April, 2004.

Annual General Meeting : September, 2004

10.3. Book closure date : Tuesday, the 16th September, 2003 to Tuesday, the 30th September, 2003 (both days inclusive), for the purpose of Annual General Meeting.

10.4. Dividend payment date : No dividend has been recommended by the Board for distribution.

10.5. Listing of Equity Shares on Stock Exchanges at : Mumbai, Calcutta, Delhi and Jaipur.

The Company has paid Annual Listing Fee to each of these Stock Exchanges and their respective addresses have been given in the 11th Annual Report.

10.6 (a) Stock Code : Trading Symbol - Bombay Stock Exchange : '524448' Ahlcon Paren

(b) Demat ISIN Numbers in NSDL & CDSL for Equity Shares : ISIN No. INE027C01011.

(c) Stock Market Data (In Rs./per share) Month Bombay Stock Exchange (BSE) Month's High Month's Low

April, 2002	9.31	4.60
May, 2002	7.41	5.50
June, 2002	6.60	5.00
July, 2002	7.91	5.55
August, 2002	7.91	6.00
September, 2002	8.81	5.05
October, 2002	7.21	5.55
November, 2002	7.50	5.75
December, 2002	6.50	4.41
January, 2003	6.91	4.16
February, 2003	6.25	4.05
March, 2003	11.00	4.10

10.7. Registrars and Transfer Agents :

M/s MAS Services Pvt. Ltd.

AB-4, Safdarjung Enclave

New Delhi-110 029

Tel. No.-011-26104142, 26104326

Fax No.- 011-26180181

e.mail: masserv@giasdl01.vsnl.net.in

10.8. Share Transfer System

The Company is offering the facility of transfer-cum-demat as per the SEBI Guidelines. Under the said system, after the share transfer is effected, an option letter is sent to the transferee indicating the details of the transferred shares and requesting him in case he wishes to demat the shares, to approach a Depository Participant (DP) with the option letter. The DP, based on the option letter, generates a demat request and sends the same to the Company along with the option letter issued by the Company. On receipt of the same, the Company dematerialise the shares. In case the transferee does not wish to dematerialise the shares, he need not exercise the option and the Company will despatch the share certificates after 30 days from the date of such option letter.

10.9. Distribution of Shareholding as on 31st March, 2003

Shareholding of nominal Value of		Number of Share	Shareholders		Share Amount	
Rs.	Rs.		Number	% to Total	(inRs.)	% to Total
Upto	5,000	872609	5357	93.64	8726090	12.12
5,001	10,000	186564	221	3.86	1865640	2.59
10,001	20,000	93200	57	1.00	932000	1.29
20,001	30,000	45075	18	0.31	450750	0.63
30,001	40,000	45400	12	0.21	454000	0.63
40,001	50,000	48910	10	0.17	48910	0.68
50,001	1,00,000	164565	19	0.33	1645650	2.29
1,00,001	and above	5743827	27	0.47	57438270	79.77
TOTAL		72,00,150	5721	100.00	7,20,01,500	100.00

Shareholding Pattern as on 31st March 2003

Sl. No.	Category	No of Shares held	% of Shareholding
1.	Promoters	36,52,113	50.723
2.	Persons acting in concert	30,900	0.429
3.	NRI's, OCB's etc.	3,50,000	4.861
4.	Mutual Funds, Banks, FII's	4,00,000	5.555
5.	Bodies Corporate	9,43,334	13.101
6.	Indian Public	18,23,803	25.331
	Total	72,00,150	100.00

10.10. Dematerialisation of Shares

80.42% of the Company's paid-up equity share capital has been dematerialised as on 31st March, 2003. Trading in Equity Shares of the Company is permitted only in dematerialised form as per notification issued by the Securities and Exchange Board of India (SEBI).

Liquidity

The shares of the Company are being regularly traded in the Bombay Stock Exchange.

10.11. Plant Locations- Bhiwadi

SP- 918, Phase-III, Bhiwadi, Dist- Alwar, Rajasthan

10.12 Address for Correspondence

For share transfer, transmission and dematerialisation request

M/s MAS Services Pvt. Ltd.

AB-4, Safdarjung Enclave, New Delhi-110 029

Tel. No.-011-26104142,26104326

Fax No.- 011-26180181

e.mail: masserv@giasdl01.vsnl.net.in

Any assistance relating to such matters or Annual Report may be taken up with Mr. Nilanchal Pradhan, Company Secretary.

AUDITORS' CERTIFICATE

TO
THE MEMBERS OF
AHLCON PARENTERALS (INDIA) LIMITED

We have examined the compliance of conditions of Corporate Governance by Ahlcon Parenterals (India) Limited (the Company) for the year ended on March 31, 2003, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange (s).

The Compliance of conditions 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 conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

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

We state that no investor grievance is pending for a period of exceeding one month against the Company as per the records maintained by the Shareholders / Investor Grievance Committee.

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 **Arun K. Gupta & Associates**
Chartered Accountants

New Delhi
Date : 30.07.2003

Ashok Agrawal
Partner

AUDITORS' REPORT

TO,
THE MEMBERS OF
AHLCON PARENTERALS (INDIA) LIMITED

1. We have audited the attached Balance Sheet of Ahlcon Parenterals (India) Limited, as at March 31, 2003 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and the cash flow statement for the period ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on the test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
 - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - d) In our opinion the Balance Sheet & Profit and Loss account dealt with by this report comply with all Accounting Standards referred to in sub-section (3-C) of Section 211 of the Companies Act, 1956.
 - e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2003;
 - ii) In the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date; and
 - iii) In case of Cash Flow Statement, of the cash flows for the year ended othe that date.
5. As per the information and explanations given to us none of the Directors are disqualified from being appointed as a Director as per clause (g) of Section 274 Sub-Section (1) of the Companies Act, 1956.

For **ARUN K. GUPTA & ASSOCIATES**
Chartered Accountants

New Delhi
Date : 30-06-2003

Ashok Agrawal
Partner

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph (3) of our report of even date)

As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Central Government under Section 227 (4A) of the Companies Act, 1956 and in terms of the information and explanations given to us and also on the basis of such checks as we considered appropriate, we further state that :

- i) The Company has maintained proper records of fixed assets showing full particulars including quantitative details and locations thereof. In our opinion the frequency of verification of fixed assets by the management is reasonable, having regard to the size of the Company and the nature of its assets. We have been informed that the fixed assets have been physically verified during the year and no discrepancy was found.
- ii) None of the fixed assets have been revalued during the year.
- iii) We have been explained by the management that the stocks of finished goods, stores, spare parts and raw materials except those in transit and lying with third parties, have been physically verified at reasonable intervals during the year.
- iv) In our opinion, the procedure of physical verification of stocks, followed by the management is reasonable and adequate in relation to the size of the Company, and the nature of its business.
- v) No material discrepancies have been noticed on verification of the stocks as compared to the book records.
- vi) On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper and in accordance with the normally accepted accounting principles and is on the same basis as was in the preceding year.
- vii) In our opinion, the terms and conditions of interest free loans obtained from the companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and from the Company under the same Management as defined under Section 370 (1-B) of the Companies Act, 1956, are not prima-facie prejudicial to the interest of the Company.
- viii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to any company, firm or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, and/or to the Company under the same management as defined under Section 370 (1-B) of the Companies Act, 1956.
- ix) The Company has given interest-free loans to its employees which are being recovered regularly as per the stipulated terms, wherever, made.
- x) In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials including components, plant & machinery, equipment and other assets and for sale of goods during the year.

- xj) In our opinion and according to the information and explanations given to us, transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, and aggregating during the year to Rs. 50,000 or more in respect of each party, are reasonable having regard to prevailing market prices for such goods, materials or services, wherever available, or the prices at which transactions for similar goods, materials or services have been made with other parties.
- xii) As explained to us, the Company has determined the stock of unserviceable or damaged stores, raw materials and finished goods and necessary provisions have been made in the accounts.
- xiii) No deposits within the meaning of Section 58 A of the Companies Act, 1956 and rules framed thereunder have been accepted by the Company during the year.
- xiv) In our opinion, reasonable records have been maintained by the Company for the sale and disposal of realisable production scrap. The Company has no by-products.
- xv) The Company has an internal audit system during the year to commensurate with the size and nature of its business.
- xvi) The Central Government has prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956. We have broadly reviewed the records as maintained. In our opinion, the Company has prima-facie maintained the cost records. We have, however not made a detailed examination of the records with a view to determine whether they are accurate and complete.
- xvii) As per the records, the Company is regular in depositing Employees State Insurance and Provident Fund dues with the appropriate authorities.
- xviii) As per the information and explanations given to us, there is no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty which were outstanding for a period of more than six months from the date they become payable as on the balance sheet date.
- xix) According to the information and explanations given to us and the records of the Company examined by us, no personal expenses have been charged to revenue account other than those payable under contractual obligations or those in accordance with generally accepted practices.
- xx) The Company is not a Sick Company within the meaning of section 3(i) (o) of the Sick Industrial Company (Special Provisions) Act, 1985.
- xxi) In respect of trading activities, we have been explained that there was no damaged goods.

For **ARUN K. GUPTA & ASSOCIATES**
Chartered Accountants

New Delhi
Date : 30-06-2003

Ashok Agrawal
Partner

BALANCE SHEET AS AT 31ST MARCH 2003

Particulars	Schedule	As at 31-03-2003		As at 31-03-2002	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
SOURCES OF FUNDS					
<i>Shareholders Funds :</i>					
Share Capital	1		81,001,500		81,001,500
Reserves and Surplus	2		2,382,049		1,754,246
<i>Loan Funds :</i>	3				
Secured Loans			120,100,066		25,719,827
Unsecured Loans			78,149,870		60,366,000
Deferred Tax Liability			6,337,845		4,207,139
TOTAL			287,971,330		173,048,712
APPLICATION OF FUNDS					
<i>Fixed Assets :</i>	4				
Gross Block		352,135,148		194,408,895	
Depreciation		100,971,996		78,586,039	
Net Block			251,163,152		115,822,856
<i>Current Assets, Loans & Advances</i>					
<i>Inventories</i>	5	35,604,106		25,091,962	
Sundry Debtors	6	34,060,816		26,991,385	
Cash & Bank Balances	7	12,820,977		15,240,494	
Loans & Advances	8	12,354,787		10,396,437	
		94,840,686		77,720,278	
Less: Current Liabilities & Provisions	9	58,691,976		22,978,211	
Net Current Assets			36,148,710		54,742,067
Miscellaneous Expenditure (to the extent not written off or adjusted)	10		659,468		1,058,008
Profit & Loss account			-		1,425,781
TOTAL			287,971,330		173,048,712

As per our report of even date
For **Arun K. Gupta & Associates**
Chartered Accountants

Ashok Agrawal
Partner

Bikramjit Ahluwalia
Chairman

M.K.G. Pillai
Managing Director

Dr. Rohini S. Ahluwalia
Whole Time Director

New Delhi
Date : 30-06-2003

Nilanchal Pradhan
Company Secretary

Rajeev Kumar Walia
Deputy General Manager (F & A)

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2003

Particulars	Schedule	Current Year (Rs.)	Previous Year (Rs.)
INCOME			
Sales	11	162,340,540	144,526,136
Other Income	12	4,030,708	2,046,784
Increase / (Decrease) in Stock	13	1,697,478	52,639
Total		168,068,726	146,625,559
EXPENDITURE			
Material	14	45,448,457	30,653,463
Personnel	15	19,027,923	13,655,655
Expenses	16	65,471,264	59,373,369
Financial Charges	17	10,693,970	3,575,569
Depreciation		22,385,957	20,081,705
Miscellaneous expenditure written off		398,540	398,540
Total		163,426,110	127,738,301
Net Profit		4,642,616	18,887,258
Provision for Deferred Tax		2,130,706	4,207,139
Provision for Current Tax		350,000	1,300,000
Income tax for the earlier years		161,997	
Provision for doubtful debts/ advances written back		53,671	1,329,503
Balance brought forward from previous year		(1,425,781)	(16,135,404)
Balance carried to Balance Sheet		627,803	(1,425,781)

Earning per shares (EPS) Basic / Diluted 0.29 2.04

Notes on Accounts 18
As per our report of even date
For **Arun K. Gupta & Associates**
Chartered Accountants

Ashok Agrawal
Partner

Bikramjit Ahluwalia
Chairman

M.K.G. Pillai
Managing Director

Dr. Rohini S. Ahluwalia
Whole Time Director

New Delhi
Date : 30-06-2003

Nilanchal Pradhan
Company Secretary

Rajeev Kumar Walia
Deputy General Manager (F & A)

SCHEDULE 01 - SHARE CAPITAL				
Particulars	As at 31.03.2003 (Rs.)		As at 31.03.2002 (Rs.)	
Authorised				
80,00,000 Equity Shares of Rs. 10/- each	80,000,000		80,000,000	
30,00,000 Preference Shares of Rs.10/- each	30,000,000		30,000,000	
	<u>110,000,000</u>		<u>110,000,000</u>	
Issued & Subscribed				
72,00,150 Equity Shares of Rs. 10/- each	72,001,500		72,001,500	
9,00,000 - 0% Redeemable Preference Shares of Rs.10/- each	9,000,000		9,000,000	
	<u>81,001,500</u>		<u>81,001,500</u>	
Paid up				
7200150 (Previous year 7200150) Equity Shares of Rs.10/- each fully paid up	72,001,500		72,001,500	
900000, 0% Redeemable Preference Shares of Rs.10/- each fully paid up (The preference shares issued on 5-6-2000 are redeemable at par after 5 years from the date of issue at the call and put option at one month's notice)	9,000,000		9,000,000	
	<u>81,001,500</u>		<u>81,001,500</u>	
	81,001,500		81,001,500	
SCHEDULE 02 - RESERVES AND SURPLUS				
Particulars	As at 31.03.2003 (Rs.)		As at 31.03.2002 (Rs.)	
Capital Reserve				
State Subsidy on Fixed Capital Investment	1,721,246		1,721,246	
Surplus on Reissue of Forfeited Shareholders	33,000	1,754,246	33,000	1,754,246
Profit / (Loss) A/c		627,803		-
		<u>2,382,049</u>		<u>1,754,246</u>
		2,382,049		1,754,246
SCHEDULE 03 - LOAN FUNDS				
Particulars	As at 31.03.2003 (Rs.)		As at 31.03.2002 (Rs.)	
A. Secured Loans (Refer note no 5 in Schedule 18)				
Working Capital Loan				
From Bank	34,202,972		24,363,705	
Term Loan				
From Allahabad Bank	85,000,000		-	
Vehicle Loan : From Bank	897,094		1,316,517	
From Others	-		39,605	
	<u>120,100,066</u>		<u>25,719,827</u>	
B. Unsecured Loans from:				
(i) Bodies Corporate	77,596,870		60,366,000	
(ii) Interest accrued & due	553,000		-	
	<u>78,149,870</u>		<u>60,366,000</u>	
	78,149,870		60,366,000	

**SCHEDULE 04
FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRICIATION				NET BLOCK	
	Cost as at 1-04-2002 (Rs.)	Additions during the period (Rs.)	Adjustments during the period (Rs.)	Cost as at 31-03-2003 (Rs.)	Up to 31-03-2002 (Rs.)	For the period (Rs.)	Adjustments (Rs.)	Up to 31-03-2003 (Rs.)	AS AT 31-03-2003 (Rs.)	As at 31-03-2002 (Rs.)
Land (Leasehold)	4,988,663	-	-	4,988,663	498,791	50,390	-	549,181	4,439,482	4,489,872
Buildings	26,790,438	-	-	26,790,438	6,959,242	894,801	-	7,854,043	18,936,395	19,831,196
Plant & Machinery	148,713,494	70,078,620	-	218,792,114 [@]	67,371,000	20,360,490	-	87,731,490	131,060,624	81,342,494
Furniture & Fixtures	2,909,761	395,685	-	3,305,446	1,639,648	240,878	-	1,880,526	1,424,920	1,270,113
Office Equipment	5,167,637	629,552	-	5,797,189	1,643,294	543,802	-	2,187,096	3,610,093	3,524,343
Vehicles	3,115,157	-	-	3,115,157*	474,064	295,596	-	769,660	2,345,497	2,641,093
	191,685,150	71,103,857	-	262,789,007	78,586,039	22,385,957	-	100,971,996	161,817,011	113,099,111
Capital Working Progress										
Plant & Machinery Under Erection	2,723,745	73,392,985	2,723,745	73,392,985	-	-	-	-	73,392,985	2,723,745
Building Under Construction	-	15,953,156	-	15,953,156	-	-	-	-	15,953,156	-
	2,723,745	89,346,141	2,723,745	89,346,141	-	-	-	-	89,346,141	2,723,745
Total (Current Year)	194,408,895	160,449,998	2,723,745	352,135,148	78,586,039	22,385,957	-	100,971,996	251,163,152	115,822,856
Total (Previous Year)	185,597,765	8,811,130	-	194,408,895	58,504,334	20,081,705	-	78,586,039	115,822,856	

* Includes Rs. 1822390/- , purchased on hire purchase basis.

@ Includes Rs.1,24,53,077 (Previous Year Rs.1,24,53,077) on account of exchange fluctuation.

SCHEDULE 05 - INVENTORIES

(Taken as valued and certified by the management)

Particulars	As at 31.03.2003 (Rs.)	As at 31.03.2002 (Rs.)
Raw Materials	8,549,810	7,168,287
Fuel	597,993	379,312
Goods in Transit	3,172,664	3,139,110
Goods for resale	382,320	-
Finished Goods	1,320,538	4,440,820
Stores & Spares	10,089,939	6,063,233
Packing Material	4,488,260	1,716,378
Work in Progress	6,905,692	2,066,521
Scrap	96,890	118,301
	35,604,106	25,091,962

SCHEDULE 06 - SUNDRY DEBTORS

Particulars	As at 31.03.2003 (Rs.)	As at 31.03.2002 (Rs.)
(Unsecured, considered good, unless otherwise stated)		
Debts Outstanding		
For more than six months	5,101,693	2,749,871
Less :provision for doubtful debts	<u>1,460,902</u>	<u>1,514,573</u>
Others	30,420,025	25,756,087
	34,060,816	26,991,385

SCHEDULE 07 - CASH & BANK BALANCES

Particulars	As at 31.03.2003 (Rs.)	As at 31.03.2002 (Rs.)
Cash in hand	45,928	122,892
Balances with Scheduled Banks		
i) In Current Accounts	11,745,049	1,408,102
ii) In Fixed Deposit (pledged with the bank as margin money)	1,030,000	13,709,500
	12,820,977	15,240,494

SCHEDULE 08 - LOANS & ADVANCES

Particulars	As at 31.03.2003 (Rs.)	As at 31.03.2002 (Rs.)
(Unsecured, considered good unless otherwise stated)		
Loans to Staff	379,300	146,959
Advances recoverable in cash or in kind or for value to be received	6,329,192	6,218,447
Balance with Excise Department	2,516,201	1,328,360
Income tax deducted at source	3,130,094	2,702,671
	12,354,787	10,396,437

SCHEDULE 9 - CURRENT LIABILITIES AND PROVISIONS

Particulars	As at 31.03.2003 (Rs.)		As at 31.03.2002 (Rs.)	
Current Liabilities				
Sundry Creditors for Materials	22,720,355		9,979,669	
Sundry Creditors for Capital Goods	21,070,336		905,101	
Sundry Creditor for Services & Others	<u>9,518,532</u>	53,309,223	<u>7,576,284</u>	18461054
Interest Accrued but not due	-		34,520	
Advance from customers	1,257,441		678,839	
Statutory Liabilities	2,065,697		2,043,170	
Due to Directors	<u>56,763</u>	3,379,901	<u>25,477</u>	2,782,006
Provisions				
Provision for Taxation		1,716,607		1,300,000
Provision for Terminal Benefits to Employees		286,245		435,151
		58,691,976		22,978,211

SCHEDULE 10 - MISCELLANEOUS EXPENDITURE

(to the extent not written off or adjusted)

Particulars	As at 31.03.2003 (Rs.)		As at 31.03.2002 (Rs.)	
Preliminary Expenses		4,272		8,557
Share Issue Expenses		655,196		1,049,451
		659,468		1,058,008

SCHEDULE 11 - SALES

Particulars	Current Year (Rs.)		Previous Year (Rs.)	
Sales	72,520,837		42,238,773	
Less : Excise Duty	5,665,552		4,286,263	
Net Sales		66,855,285		37,952,510
Contract Packaging Revenue	130,234,787		138,905,218	
Less : Excise Duty	34,749,532		32,331,592	
Net Contact Packing Revenue		95,485,255		106,573,626
		162,340,540		144,526,136

SCHEDULE 12 - OTHER INCOME

Particulars	Current Year (Rs.)		Previous Year (Rs.)	
Interest received (Tax deducted at source Rs.2,37,940/- Previous Year Rs.17,322/-)		872,166		461,504
Insurance Claim Received		23,894		1,863
Export Benefit		924,018		759,727
Exchange Fluctuation		--		194,650
Miscellaneous Income		361,958		192,689
Excess Provision / Liabilities written back		1,848,672		436,351
		4,030,708		2,046,784

SCHEDULE 13 - INCREASE / (DECREASE) IN STOCK

Particulars	Current Year (Rs.)		Previous Year (Rs.)
CLOSING STOCK			
Finished Goods	1,320,538		4,440,820
Work in progress	6,905,692		2,066,521
Scrap	<u>96,890</u>	8,323,120	<u>118,301</u>
			6,625,642
OPENING STOCK			
Finished Goods	4,440,820		4,059,381
Work in progress	2,066,521		2,393,997
Scrap	<u>118,301</u>		<u>119,625</u>
		6,625,642	6,573,003
		1,697,478	52,639

SCHEDULE 14 - MATERIAL

Particulars	Current Year (Rs.)		Previous Year (Rs.)
Raw Material Consumed :			
Opening Stock	10,295,957		9,747,118
Add: Purchases	<u>38,530,960</u>		<u>30,911,888</u>
	48,826,917		40,659,006
Less: Closing Stock	<u>11,722,474</u>	37,104,443	<u>10,295,957</u>
			30,363,049
Goods for Resale :			
Opening Stock	--		2,040
Add: Purchases	<u>8,726,334</u>		<u>288,374</u>
	8,726,334		290,414
Less: Closing Stock	<u>382,320</u>	8,344,014	<u>--</u>
			290,414
		45,448,457	30,653,463

SCHEDULE 15 - PERSONNEL

Particulars	Current Year (Rs.)		Previous Year (Rs.)
Salaries , Wages and Other benefits	16,970,707		11,687,911
Contribution to Provident Fund and Other Funds	1,145,776		1,113,209
Employees Welfare Expenses	911,440		854,535
		19,027,923	13,655,655

SCHEDULE 16 - EXPENSES

Particulars	Current Year (Rs.)		Previous Year (Rs.)
Manufacturing :			
Stores consumed	4,623,455		3,137,765
Power , fuel & water	18,188,236		13,027,606
Laboratory expenses	46,469		62,970
Testing fees	689,590		564,755
Repairs to Plant & Machinery	4,343,218		5,321,032
Lease Rent / Machinery Hire Charges	10,800,000		7,600,000
		38,690,968	29,714,128

Administration :	Current Year (Rs.)	Previous Year (Rs.)
Rent	1,042,400	997,200
Rates & Taxes	251,079	140,241
Insurance	550,461	435,224
Directors Sitting Fees	23,000	23,000
Travelling and Conveyance	4,292,204	4,967,817
Printing and Stationery	641,867	558,567
Postage & Telephone	1,602,672	1,100,503
Electricity & Water charges	157,496	175,522
Vehicle Running and Maintenance	1,080,287	534,893
Auditors Remuneration	241,607	142,000
Legal and Professional charges	1,849,396	2,124,272
Registration Charges	363,740	326,404
Repairs to Building	341,075	4,904,694
Repairs to Other assets	837,651	732,870
Membership & Subscription	112,730	75,427
Miscellaneous expenses	899,148	243,639
Exchange Fluctuation	370,043	1,336,117
Watch & Ward	337,855	364,579
	14,994,711	19,182,969
Selling and Distribution		
Advertisement & Sales promotion expenses	828,086	1,280,943
Freight & carriage outward	1,578,276	1,256,580
Commission & discount on Sales	254,818	76,281
Packing material consumed	9,110,734	7,861,378
Bad Debts written off	13,671	1,090
	11,785,585	10,476,272
Total Expenses	65,471,264	59,373,369
SCHEDULE 17 - FINANCIAL CHARGES		
Particulars	Current Year (Rs.)	Previous Year (Rs.)
Interest on Term Loans	4,214,980	53,546
Interest on working capital Loans	4,043,434	3,081,692
Interest - others	1,733,001	34,520
Bank Charges	702,555	405,811
	10,693,970	3,575,569

SCHEDULE 18**Significant Accounting Policies and Notes to Accounts****1 Significant Accounting Policies****(a) Basis of Accounting**

† The Accounts of the Company are prepared under the historical cost convention. For recognition of income and expenses, accrual basis of accounting is followed except for Claims not accepted / acknowledged, which are accounted for on cash basis on account of uncertainties.

† Gratuity liability is accounted for on accrual basis as per the Actuarial Valuation determined by LIC, at the end of accounting year. Liability for leave encashment is valued on the basis of accrued liability on an annual basis.

(iii) MODVAT benefit on the raw material stocks is accounted for on the basis of production plan for excisable and non - excisable products .

(b) Revenue Recognition

Revenue from the sale / Contract Packaging of goods is recognised upon dispatch of goods to the customers and shown net of Sales Tax.

(c) Depreciation

† Depreciation on all completed Fixed Assets is provided on the Straight Line Method in accordance with the Schedule XIV of Companies Act, 1956. However, in respect of Plant and Machinery installed and put to use in 1994 whose residual life, has been determined 5 years (including the first year ending 31.03.2002) as against the then residual life of 11 years as per the schedule XIV of the Companies Act, 1956. Accordingly, depreciation on plant & machinery put to use upto 1994 and on additions thereto is provided on the basis of remaining useful life of the assets .

† Lease hold land has been amortised over the period of lease.

(d) Fixed Assets

Fixed Assets have been shown at cost of acquisition, comprising of purchase price (net of rebates and discounts) levies and any other directly attributable cost and indirect expenditure for bringing the asset to its working condition for the intended use less accumulated depreciation.

(e) Borrowing Cost

Borrowing costs specifically relatable to acquisition of fixed assets are capitalised as part of the cost of fixed assets. Other borrowing costs are charged to revenue.

† Inventories are valued at the lower of cost computed on first in first out basis and net realisable value .

(g) Foreign Currency Transactions

The current assets and current liabilities on foreign currency transactions (not covered under forward contracts) are converted into Indian Rupees at the exchange rates prevailing on the date of Balance Sheet. The exchange difference on such conversion is adjusted in the respective assets/liabilities and income/expenditure.

- (h) Preliminary and share issue expenses are amortised in 10 equal yearly installment
 (i) Current Tax is being provided as per the prevailing provisions of Income Tax Act, 1961.
 (j) Deferred Taxation

Deferred tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the substantively enacted rate of tax on the balance sheet date, to the extent that the timing differences are expected to crystallise / capable of reversal as deferred tax charge / benefit in the profit and loss account and as deferred tax liability / asset in the balance sheet.

1. Contingent Liabilities not provided for in respect of :-

	<u>Current Year</u> Rs.	<u>Previous Year</u> Rs.
(a) Unexpired letter of Credits	-	5,30,47,000
(b) Disputed Income Tax demand	17,164	17,164
(c) Disputed Excise demand	*2,88,914	-
(d) Capital contracts remaining to be executed.	250,05,926	3,08,81,107
(e) Duty exemption availed on import of machinery under EPCG Scheme.	5,51,54,703	1,33,16,000

* Excluding the disputed excise demand on company amounting to Rs. 2,86,73,994/- being the amount recoverable from customers in case of acceptance

2. Sundry Debtors and Creditors are subject to confirmation.
 3. On the basis of the information obtained from the suppliers by the company, there has been no dues to SSI units as at the Balance Sheet date.

4. Secured Loans

Working capital facility / Term loans from Allahabad Bank are secured by way of exclusive hypothecation of Stocks, Raw-Material, Finished Goods, Semi-Finished Goods, Stores and Spares, Consumables, Book Debts and other current assets held by the company both present and future in the ordinary course of business and further secured by way of First and exclusive charge on all Fixed Assets (movable & immovable) of the company both present & future. The said loan is further secured by the personal guarantee of the Chairman and three Directors in their personal capacity.

5. Term loans (vehicles) are secured by hypothecation of specified assets.
 6. The Company has extended Corporate Guarantee of Rs. 24.50 crores in favour of Allahabad Bank for the Financial Assistance granted by them to the Promoter Company M/s Ahluwalia Contracts (India) Limited, which is also supported by extension of charge on the fixed assets of the Company.
 7. Unsecured Loans includes short term loan of Rs.1,02,30,870 (previous year Rs. 1,50,00,000) guaranteed by the personal guarantee of the Chairman and three Directors in their personal capacity.
 8. In the opinion of the Management and to the best of their knowledge and belief, the value of current assets, loans and advances if realised in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

9 Prior period adjustments amounting to Rs. 13,94,582/- (Credit) (Previous Years Nil) have been considered in respective heads of account.

10. (a) Provision for current taxation of Rs. 3.5 lacs (Previous year Rs. 13 Lacs) represents 'Minimum Alternate Tax' pursuant to the provisions of Section 115 JB of the Income Tax Act., 1961.

(b) Calculation of Deferred Tax Liability/ (Assets) is as follows :

Particulars	31.03.2003 Rs.	31.03.2002 Rs.
<u>Deferred Tax Liabilities</u>		
Diference between the book value on depreciable assets as per books and as per Income Tax Act	8,39,99,654	7,12,17,374
Total Deferred Liability	8,39,99,654	7,12,17,374
Total Deferred Tax Liability	3,01,34,876	2,54,24,603
<u>Deferred Assets</u>		
Unabsorbed depreciation	6,54,34,483	5,91,77,993
Disallowance u/s 43B	8,98,703	2,54,679
Total Deferred Assets	6,63,33,186	5,94,32,672
Total Deferred Tax Assets	2,37,97,031	(2,12,17,464)
Net Deferred Liability	63,37,845	42,07,139
Net Deferred Tax Liability during the year	21,30,706	68,29,900

11. Related Party disclosures

a) **List of Related Parties (As ascertained by the management)**

1. Enterprises under common control

Ahluwalia Contracts (India) Ltd
 Ahluwalia Builders and Development Group (P) Ltd
 Tidal Securities Pvt Ltd
 Capricorn Industrials Ltd
 Ahlcon India (P) Ltd

2. Key Management Personnel

Mr. Bikramjit Ahluwalia Chairman
 Mr. M.K.G Pillai Managing Director
 Dr. Rohini S. Ahluwalia Whole time Director

3. Relative of the key management personnel with whom the transactions have taken place during the year

Mrs. Geetah Gopalakrishnan Spouse of Managing Director

4. Non Executive Directors

Mrs. Sudarshan Walia Director
 Mr. Arun Kumar Gupta Director
 Mr. Virender Kumar Sachdeva Director
 Dr. S.S.Arora Director
 Prof. G.P.Talwar Director
 Dr. S. C. L. Gupta Director

Transactions with Related Parties		Current Year (Rs.)	Previous Years Rs.
i)	<u>Sale of goods</u> Company under common control	9,29,171	6,70,171
ii)	<u>Purchase of Materials</u> Company under common control	20,51,107	12,87,779
iii)	<u>Loan taken during the year</u> Company under common control	3,20,00,000	50,00,000
	Key Management personnel	-	15,00,000
iii)	<u>Repayment of Loan</u> Company under common control	1,00,00,000	4,10,00,000
	Key Management Personnel	-	95,00,000
iv)	<u>Advance against Capital Contracts</u> Company under common control	-	11,70,000
v)	<u>Rent Paid</u> Company under common control	5,60,400	5,60,400
	Spouse of Managing Director	2,16,00	1,84,800
vi)	<u>Lease Rent Paid</u> Company under common control	1,08,00,000	76,00,000
vii)	<u>Managerial Remuneration</u> Key Management Personnel	8,78,490	6,42,324
viii)	<u>Re-Issue of Forfeited Shares Issued</u> Key Management Personnel	-	66,000
ix)	<u>Director Sitting Fees</u> Non Executive Directors	23,000	23,000
x)	<u>Capital Contracts</u> Company under common control	1,25,00,000	-
xi)	<u>Donation</u> Party under common control	40,000	-
xii)	<u>Advertisement</u> Party under common control	20,000	-
Amount Due from / to related parties			
i)	<u>Due from related parties included in loans & advances</u> Company under common control	-	3,61,477
ii)	<u>Due to related parties</u> Included in unsecured loans Company under common control	6,23,66,000	4,03,66,000
	Included in Current Liabilities Company under common control	1,34,50,792	41,765
	Due to key management personnel	56,763	25,477
12. Earnings Per Share			
a)	Weighted average number of equity shares outstanding during the year	72,00,150	71,96,300
b)	Net profit after tax available for equity shareholders	20,53,584	1,47,09,623
c)	Basic and diluted earning (in Rupees) per share of Rs. 10 each	0.29	2.04

B. Segment Reporting

The Company is a focused Company operating in Pharmaceutical fluids i.e Intravenous / Ophthalmic Fluid only, and hence the segment reporting as defined by AS 17 (Segmental Reporting), issued by ICAI is not applicable.

14. **Disclosure for operating leases**

a) The total of future minimum lease payments under non-cancellable operating leases for each of the following periods:	Current Year	Previous Year
i) not later than one year;	1,20,00,000	1,08,00,000
ii) later than one year and not later than five years;	2,40,00,000	3,60,00,000
b) lease payments recognized in the statement of profit and loss for the period,	1,08,00,000	76,00,000
c) The lease agreement is entered into for a period of five years w.e.f 1.4.2001. The agreement shall be automatically renewed for a further period of two years unless otherwise mutually agreed by and between the parties in writing.		

15. **Auditor's Remuneration**

	Current Year	Previous Year
	Rs.	Rs.
a) For Statutory audit	1,08,000	73,500
b) For Tax Audit	54,000	31,500
c) Certification and other matters	52,500	37,000
d) Out of pocket expenses	27,107	—
	<u>2,41,607</u>	<u>1,42,000</u>

(ii) **Director's Remuneration**

	Current Year	Previous Year
	Rs.	Rs.
(a) Salaries and allowances	6,30,000	5,00,710
(b) Contribution to Provident Fund	9,360	9,000
(c) Perquisites	2,39,130	1,32,614
(d) Director Sitting Fees	23,000	23,000
Total	<u>9,01,490</u>	<u>6,65,324</u>

Note : The aforesaid amount does not include Gratuity as the same is being calculated as per actuarial valuation on overall basis.

16. Additional information required under Part II of Schedule VI of the Companies Act, 1956 (To the extent applicable to the Company and as certified by the Management.)

(a) **Details of Licensed Capacity, Installed Capacity & Production.**

				Figures in Lacs
Description	Unit Nos	Licensed Capacity	Installed Capacity	Actual Production
I. V.Fluids	Bottles in Lacs	420	140	*150.88
	Previous Year	420	140	** 156.71
Injectables	Vials in Lacs	N.A	590	204.70
	Previous Year	N.A	200	166.10

*Includes 137.39 Lac Bottles (Previous Year 139.17 Lac bottles) on job basis.

** Includes 181.57 Lac Vials (Previous Year 101.37 Lac Vials) on job basis.

(b) Raw Material Consumed

	Current Year		Previous Year	
	M.T	Rs.	M.T	Rs.
PE Granules	# 587,061	2,66,21,502	#428.560	\$26969647
Dextrose	80,040	26,36,182	77.790	221,070
Chemicals	—	78,46,759	—	3146671
		<u>3,71,04,443</u>		<u>30337388</u>

Includes consumption on 318.96 Lac bottles (*Previous Year 240.54 Lac bottles) produced on job basis.

(c) Stock and Turnover (as certified by the Management)**Stock**

Description	Opening Stock		Closing Stock	
	Nos.	Rs.	Nos.	Rs.
I.V. Fluids & Injectables (Nos)	1185903	4440820	520021	1320538
	(745301)	(4059381)	(1185903)	(4440820)
Goods for resale	—	—	217368	382320
	(534)	(2040)	∅	(—)
TOTAL	1185903	4440820	737389	1702858
	(745835)	(4061421)	(1185903)	(4440820)

Turnover

Description	Purchases		Sales	
	Nos.	Rs.	Nos.	Rs.
I.V. Fluids & Injectables (Nos)	—	—	3,62,10,993	14,86,48,066
(Including Contract packaging)	∅	∅	(31840537)	(142085690)
Goods for resale	11,85,456	8726334	**9,68,088	96,43,302
	(80100)	(288374)	(80000)	(413160)
TOTAL	11,85,456	87,26,334	3,71,79,081	15,82,91,368
	(80100)	(288374)	(31920537)	(142498850)

* excluding 2768 nos. (Previous Year 633 nos.) of Samples & 9293 nos. destroyed.

**excluding Nil nos (Previous year 634 nos) of samples.

	Current Year Rs.	Previous Year Rs.
(d) Expenditure in Foreign Currency (Payment basis)		
Travelling	16.79 Lacs	10.16 Lacs
Bank Charges	0.31 Lacs	0.46 Lacs
Commission & Discount	1.11 Lacs	0.35 Lacs
Registration Charges	4.13 Lacs	-
(e) Earning in Foreign Currency		
FOB Value of Exports	133.15 Lacs	40.78 Lacs
(f) Value of Imports calculated on CIF basis		
Raw materials	189.83 Lacs	181.45 Lacs
Stores & Spares	31.41 Lacs	17.42 Lacs
Capital Goods	1057.91 Lacs	-

(g) Value of Raw Materials, Stores & spares Consumed

	Current Year		Previous Year	
	Value	%	Value	%
<u>Raw Material</u>				
Imported	2,10,39,652	56.70	2,52,66,091	83.28
Indigenous	1,60,64,791	43.30	50,71,297	16.72
	3,71,04,443	100.00	3,03,37,388	100.00
(h) Stores & Spare				
Imported	5,32,036	6.73	25,64,994	33.94
Indigenous	73,70,011	93.27	49,91,780	66.10
	79,02,047	100.00	75,56,774	100.00

17. Previous year figures have been regrouped and / or rearranged wherever considered necessary.

As per our report of even date
For **Arun K. Gupta & Associates**
Chartered Accountants

Ashok Agrawal
Partner

Bikramjit Ahluwalia
Chairman

M.K.G. Pillai
Managing Director

Dr. Rohini S. Ahluwalia
Whole Time Director

New Delhi
Date : 30-06-2003

Nilanchal Pradhan
Company Secretary

Rajeev Kumar Walia
Deputy General Manager (F & A)

CASH FLOW STATEMENT for the year ended on 31st March, 2003

Particulars	Current Year (Rs.)	Previous Year (Rs.)
A Cash Flow from Operating Activities		
Net Profit/(Loss) before tax, interest & extraordinary items	14,687,702	23,386,519
Adjustment for :		
Depreciation	22,385,957	20,081,705
Interest Inflow	872,166	(461,504)
Lease Rent Received	—	—
Miscellaneous Expenditure Written Off	398,540	398,540
Loss on sale of Fixed Assets	—	—
Operating Profit (Loss) before Working Capital Changes	38,344,365	43,405,260
Adjustment for :		
Trade Receivable & Others	(9,027,781)	(15,443,008)
Trade Payable and Others	35,713,764	10,718,825
Inventory	(10,512,144)	(1,141,222)
Cash generated from operations	54,518,204	37,239,855
Interest Paid	(9,991,415)	(3,169,758)
Direct Taxes Paid	(511,997)	(1,300,000)
Net Cash from Operating Activities A :	44,014,792	32,770,097
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	(157,726,253)	(8,811,130)
Sale / Adjustment of Fixed Assets	(872,166)	—
Interest Received	—	461,504
Lease Rent Received	—	—
Share issue expenses	—	—
Net Cash from Investing Activities B:	(158,598,419)	(8,349,626)
C Cash Flow from Financing Activities		
Issue of forfeited shares	—	66,000
Preference Share Capital	—	—
Long Term Loans received	90,000,000	—
Long Term Loans repaid	(5,000,000)	—
Short Term Loans	9,380,239	21,980,871
Unsecured Loans Received	42,000,000	(34,000,000)
Unsecured Loan Repaid	(24,769,130)	—
Interest accrued & Due	553,000	—
Net Cash from Financing Activities C:	112,164,109	(11,953,129)
Net Increase/(Decrease) in Cash & Cash Equivalents (A + B +C)	(2,419,518)	12,467,342
Cash & Cash Equivalents as at 1st April (Opening Balance)	15,240,494	2,773,152
Cash & Cash Equivalents as at 31st March (Closing Balance)	12,820,977	15,240,494

New Delhi **Bikramjit Ahluwalia** M.K.G. Pillai Dr. Rohini S. Ahluwalia
 Nilanchal Pradhan Rajeev Kumar Walia
 30-06-2003 Chairman Managing Director Whole Time Director Company Secretary
 Deputy General Manager (F&A)

AUDITOR'S CERTIFICATE

We have examined the above Cash Flow Statement of Ahlcon Parenterals (India) Limited which has been prepared by the said Company and is based on the Audited Profit & Loss Account and Balance Sheet as at the end of the relevant Financial Year and the said statement is in accordance with the requirements of Clause 32 of the Listing Agreement with the Stock Exchanges.

For Arun K. Gupta & Associates
 Chartered Accountants

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(I)

(i) Registration Details

Registration No. : 47245 State Code : 55
 Balance Sheet Date : 31-03-2003

(ii) Capital raised during the year : Nil

(iii) Position of mobilisation and deployment of Funds

**(Amount in Rs.
Thousands)**

Total Liabilities	287,971	Total Assets	287,971
Sources of Funds			
Paid up Capital	81,001	Unsecured Loans	78,150
Reserves & Surplus	2,382	Secured Loans	120,100
		Deferred Tax Liability	6,338
Application of Funds			
Net Fixed Assets	251,163	Misc. Expenditure	659
Net Current Assets	36,149	Profit & Loss A/c	--
(iv) Performance of Company			
Turnover including other income	166,371	Total Expenditure	161,675
Profit /(Loss) before Tax	4,696	Profit/(Loss) after Tax	2,054
Earning/(Loss) per share in Rs.	0.29	Dividend rate	NIL

(v) Generic names of principal products/services of Company (as per monetary terms)

Product Description	Item Code No.
1 Large Volume Parenterals	300320
2 Small Volume Parenterals	300320

As per our report of even date
 For **Arun K. Gupta & Associates**
 Chartered Accountants

Ashok Agrawal
Partner

Bikramjit Ahluwalia
Chairman

M.K.G. Pillai
Managing Director

Dr. Rohini S. Ahluwalia
Whole Time Director

New Delhi
 Date : 30-06-2003

Nilanchal Pradhan
Company Secretary

Rajeev Kumar Walia
Deputy General Manager (F & A)

ATTENDANCE SLIP

AHLCON PARENTERALS (INDIA) LIMITED

Regd. Off. : 4, Community Centre, Saket, New Delhi - 110 017

PLEASE FILL ATTENDENCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Client ID NO. *	
DPID No. *	

Regd. Folio No.	
-----------------	--

NAME AND ADDRESS OF THE SHAREHOLDER
No. of Share(S) held :

I hereby record my presence at the **Eleventh Annual General Meeting** of the Company held on Tuesday, the 30th September, 2003 at 4.00 P.M. at Ahlocon Public School, Mayur Vihar, Phase 1, New Delhi - 110091

Signature of the shareholder or proxy

* Applicable for investors holding shares in electronic form.

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AHLCON PARENTERALS (INDIA) LIMITED

Regd. Off. : 4, Community Centre, Saket, New Delhi - 110 017

PROXY FORM

Client ID NO. *	
DPID No. *	

Regd. Folio No.	
-----------------	--

I/we.....of
..... being a member/members of Ahlcon Parenterals (India) Ltd. here by appoint
.....of
.....or failing him
.....of
as my/our proxy to vote for me/us and on my/our behalf at the Eleventh Annual General Meeting
to be held on Tuesday, the 30th September, 2003 at 4.00 p.m. or at any adjournment thereof.

Signed this day of 2003

Rs. 1/- Revenue Stamp

* Applicable for investors holding shares in electronic form.

Note :

1. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered office of the company not less than 48 hours before the time of holding the aforesaid meeting. The proxy need not be a member of the Company.
2. Members holding shares under more than one folio may use photocopy of the proxy form for other folios. The company shall provide additional forms on request.

BOARD OF DIRECTORS

Mr. Bikramjit Ahluwalia
Chairman

Mr. M. K. G. Pillai
Managing Director

Dr. Rohini S. Ahluwalia
Whole Time Director

Directors :

Mrs. Sudarshan Walia

Mr. Arun Kumar Gupta

Mr. V. K. Sachdeva

Prof. G. P. Talwar

Dr. S. S. Arora

Dr. S. C. L. Gupta

Mr. Nilanchal Pradhan
Company Secretary

BANKERS

Allahabad Bank
State Bank of Bikaner & Jaipur

AUDITORS

Arun K. Gupta & Associates
D-58, East of Kailash,
New Delhi - 110065

REGISTRAR & SHARE TRANSFER AGENTS

MAS Services Pvt. Ltd.
AB-4, Safdarjung Enclave
New Delhi - 110029

For Dematerialisation of Shares
ISIN No. INE 027C01011

REGISTERED OFFICE

4, Community Centre
Saket, New Delhi - 110 017

WORKS

SP-918, Phase-III,
Bhiwadi-301019,
Distt. Alwar (Rajasthan)

STOCK EXCHANGES

(Where the Company's equity shares are listed) :

1. **The Delhi Stock Exchange Association Ltd.**
DSE House
3/1, Asaf Ali Road,
New Delhi - 110002
2. **The Stock Exchange, Mumbai**
Phiroza Jeejeebhoy Towers,
25th Floor, Dalal Street
Mumbai - 400 001
3. **Jaipur Stock Exchange Ltd.**
Stock Exchange Building,
Jawaharlal Nehru Marg,
Malviya Nagar,
Jaipur - 302017
4. **The Calcutta Stock Exchange Association Ltd.**
Calcutta Stock Exchange Building,
7, Lyons Range,
Calcutta - 700 001

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Note : Annual listing fee for the year 2003-2004 has been paid to all the Stock Exchanges.

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