



Ahlcon Parenterals (India) Limited

21st ANNUAL REPORT 2012-13

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Anand Chandrashekhar Apte, Chairman

Mr Arun Mudgal, Managing Director

Mr. Manfred Gregor Mahrle, Director

Mr. Arun Kumar Gupta, Director

Dr. S.C.L. Gupta, Director

Dr. S.S. Arora, Director

REGISTERED OFFICE

Unit No. 201- 205, IIInd Floor,
ND Mall- 1,Plot No. 2- 4, Wazirpur District Centre,
Netaji Subhash Place,
Delhi- 110034
Tel No.+91-11-42344234,

COMPANY SECRETARY

Mr. Ranjan Kumar Sahu

BANKERS

Punjab & Sind Bank

Deutsche Bank

HDFC Bank Ltd.

Syndicate Bank

State Bank of Bikaner & Jaipur

MANUFACTURING FACILITIES

SP-917 & 918, Phase III, Industrial Area,
Bhiwadi - 301019

Dist. Alwar, Rajasthan

Tel: +91- 01493 - 305300,

Fax: +91-01493 - 221045

AUDITORS

M/s. Arun K. Gupta & Associates

Chartered Accountants,

D-58, East of Kailash,

New Delhi - 110065

WEBSITE

www.ahlconindia.com

email: cssahu@ahlconindia.com

CONTENTS

Notice....	01	Directors' Report....	06	Management Discussion & Analysis Report....	10
Report on Corporate Governance....	13	Auditors' Report....	19	Balance Sheet....	22
Statement of Profit & Loss....	23	Notes....	24	Cash Flow Statement .. .	44



NOTICE

Notice is hereby given that the 21st Annual General Meeting of Ahlcon Parenterals (India) Limited will be held on Friday the 20th day of September 2013 at 03.00 P.M. at FICCI Golden Jubilee Auditorium, 1, Tansen Marg, New Delhi-110001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2013, Statement of Profit & Loss and Cash Flow Statement 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 Dr. S. C. L. Gupta, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Dr S. S. Arora, who retires by rotation and being eligible, offers himself for reappointment.
4. 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/ Audit Committee to fix their remuneration.

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

SPECIAL BUSINESS

5. 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, Mr. Anand Chandrashekar Apte, 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 him proposing his appointment as Director of the Company along with a deposit of ₹500/-, be and is hereby appointed a Director of the Company, and that Mr. Apte's period of office shall be liable to determination by retirement by rotation."
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, Mr. Arun Mudgal, 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 him proposing his appointment as Director of the Company along with a deposit of ₹500/-, be and is hereby appointed a Director of the Company, and he shall continue to hold the office as Managing Director of the Company and that Mr. Mudgal'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 an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 257

and other applicable provisions of the Companies Act 1956, Mr. Manfred Gregor Mahrle, 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 him proposing his appointment as Director of the Company along with a deposit of ₹500/-, be and is hereby appointed a Director of the Company, and that Mr. Mahrle's period of office shall be liable to determination by retirement by rotation."

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

"RESOLVED THAT in suppression of the resolution passed by the company in the General Meeting held on 30th September, 2005 and pursuant to the provision of Section 293 (1) (d) and applicable provisions, if any, of the Companies Act 1956 (including any statutory modifications or re-enhancement thereof) and pursuant to Articles 52 and 53 of Articles of Association of the Company, consent of the company be and hereby accorded to the Board of Directors of the Company (hereinafter referred to as the Board) to borrow money from time to time from banks, Financial Institution, or any other Lending Institution or Lenders- whether Government or Private- or from any other persons on such terms and conditions as the Board may consider suitable, upto a limit not exceeding ₹500 crores. notwithstanding that the monies, to be borrowed together with monies already borrowed by the Company by way of Loans (apart from temporary loans obtained by the Company in the ordinary course of business) will exceed the aggregate of the paid up capital and free reserves of the company."

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

Confirmation of the Appointment and payment of Remuneration to Managing Director

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII of the said Act, (including any statutory modification(s), or re-enactment thereof for the time being in force) and pursuant to Article 108 of the Articles of Association of the Company and subject to the approvals of the Central Government, if required, Mr. Arun Mudgal be and is hereby appointed as the Managing Director of the Company for a period of five years with effect from 28.09.2012 and authorized to exercise substantial powers of management subject to superintendence, control and direction of Board of Directors.

"RESOLVED FURTHER THAT notwithstanding anything contained herein above where, if in any financial year during the term of employment of Mr. Arun Mudgal, the Company has no profits or its profits are inadequate, the Company will pay remuneration to Mr. Arun Mudgal as specified in the employment agreement as minimum remuneration subject to compliance with the applicable laws and the approval of the appropriate authorities if and to the extent necessary and applicable under the applicable laws; notwithstanding that the same is in excess of the maximum



remuneration permitted to be paid to Mr. Arun Mudgal as the Managing Director of the Company under the applicable provisions of the Companies Act.

"RESOLVED FURTHER THAT any one of the Directors and/or the Company Secretary of the Company be and is hereby severally authorized to sign and file the prescribed forms with the Registrar of Companies along with the requisite fees and to comply with all other provisions of the applicable laws including without limitation with the provisions of Section 302 of the Companies Act, 1956 in respect of this appointment."

By order of the Board

For AHLCON PARENTERALS (INDIA) LIMITED

Place : New Delhi
Dated : 12.08.2013

Ranjan Kumar Sahu
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. Proxies shall not have any voting rights except on a poll.
3. Only bonafide members of the company whose names appear on the Register of Members/ Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The company reserves its right to take all steps as may be deemed necessary to restrict non members (excluding valid proxy holder) from attending the meeting.
4. The Register of Members and Share Transfer Books of the company shall remain closed from 13th September 2013 to 20th September 2013 (both days inclusive) for the purpose of Annual General Meeting.
5. While approving the Final Accounts Statements for the year ended on 31st March 2013, the Board has not recommended any dividend on the Equity shares and has approved for payment of due dividend only on the 6% Cumulative, Redeemable Preference Shares amounting to ₹ 5,40,000/- (excluding tax on dividend) for the year 2012-13.
6. Those members who have so far not encashed their dividend warrants for the below mentioned financial years, may claim or approach the company for the payment thereof as the same will be transferred to the Investor Education and Protection Fund of the Central Government, pursuant to section 205C of the Companies Act, 1956 on the respective dates mentioned there against. Intimation in this regards is being sent to the concerned shareholders periodically. Kindly note that after such dates, members will lose their right to claim such dividend.

FINANCIAL YEAR ENDED	AGM DATE	DUE DATE
31.03.2006	30.09.06	05.11.2013
31.03.2007	29.09.07	04.11.2014
31.03.2008	30.09.08	05.11.2015
31.03.2009	30.09.09	05.11.2016
31.03.2010	17.09.10	23.10.2017
31.03.2011	30.09.11	05.11.2018
FINANCIAL YEAR ENDED	BOARD MEETING DATE	DUE DATE
31.03.2012	13.02.2012	20.03.2019

7. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the unpaid/unclaimed Dividend for the year 2004-05 was transferred to the Investor Education and Protection Fund of the Central Government on 05.11.2012 and the unpaid/unclaimed Dividend for the year 2005-06 will be transferred to Investor Education and Protection Fund of the Central Government on the due date.
8. Members those who may not have received/ encashed the dividend warrants for the year 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and Interim Dividend 2011-12 may claim it/ apply for revalidation either to the RTA or the Secretarial Department of the company.
9. All documents referred in the notice are open for inspection at the Registered Office of the company at : Unit No. 201-205, IInd Floor, ND Mall-1, Plot No. 2-4, Wazirpur District Centre, Netaji Subhash Place, Delhi-110034 between 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the Annual General Meeting.
10. 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.
11. It will be appreciated that queries, if any, on accounts and operations of the company are sent to the Registered Office of the company ten days in advance of the meeting so that the information may be made readily available.
12. Shareholders are requested to immediately intimate the change in email address, correspondence address and bank details, if any, to the Company's Registrar and Share Transfer Agent M/s MAS Services Ltd, T- 34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110020 for payment of dividend, Annual Report and other documents from time to time. Those who are holding their shares in dematerialized form should notify to their Depository Participants, change/ correction in their address/ bank account particulars etc.
13. Shareholders are requested to bring their copy of Annual Report to the meeting.



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

Item No. 5

Pursuant to Article 80 of the Articles of Association of the Company Mr. Anand Chandrashekhar Apte was appointed as an Additional Director by the Board at their meeting held on 28.09.2012. In terms of provisions of Section 260 of the Companies Act 1956, the Additional Director appointed by the Board of Directors shall hold office only upto the date of the next Annual General Meeting of the company. Accordingly, Mr. Anand Chandrashekhar Apte shall cease to hold office at the conclusion of this Annual General Meeting unless re-appointed by the shareholders. Your Company has received in writing from him along with ₹ 500/- for his appointment as a 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 Mr. Anand Chandrashekhar Apte as director on the Board, your directors recommend passing of the resolution set out at item No. 5 of this notice.

None of the Directors except Mr. Anand Chandrashekhar Apte, is interested in the above said resolution.

Item No. 6

Pursuant to Article 80 of the Articles of Association of the Company Mr. Arun Mudgal was appointed as an Additional Director by the Board at their meeting held on 28.09.2012 and further appointed as Managing Director of the Company w.e.f. 28th September, 2012. In terms of provisions of Section 260 of the Companies Act 1956, the Additional Director appointed by the Board of Directors shall hold office only upto the date of the next Annual General Meeting of the company. Accordingly, Mr. Arun Mudgal shall cease to hold office at the conclusion of this Annual General Meeting unless re-appointed by the shareholders. Your Company has received in writing from him along with ₹ 500/- for his appointment as a Director on the Board under Section 257 of the Companies Act 1956 and he shall continue to act as the managing Director of the Company.

In view of the valuable supervision and control that can be lent to the Company by Mr. Arun Mudgal as director on the Board, your directors recommend passing of the resolution set out at item No. 6 of this notice.

None of the Directors except Mr. Arun Mudgal is interested in the above said resolution.

Item No. 7

Pursuant to Article 80 of the Articles of Association of the Company Mr. Manfred Gregor Mahrle was appointed as an Additional Director by the Board at their meeting held on 28.09.2012. In terms of provisions of Section 260 of the Companies Act 1956, the Additional Director appointed by the Board of Directors shall hold office only upto the date of the next Annual General Meeting of the company. Accordingly, Mr. Manfred Gregor Mahrle shall cease to hold office at the conclusion

of this Annual General Meeting unless re-appointed by the shareholders. Your Company has received in writing from him along with ₹ 500/- for his appointment as a Director on the Board under Section 257 of the Companies Act 1956.

In view of the valuable leadership that can be lent to the Company by Mr. Manfred Mahrle as director on the Board, your directors recommend passing of the resolution set out at item No. 7 of this notice.

None of the Directors except Mr. Manfred Gregor Mahrle, is interested in the above said resolution.

Item No. 8

Extension of Borrowing Power Limit:

Encouraged by the overwhelming results of the past successful expansions in the business, your company has already started working on plans to grow further. It is imperative that the requirements of increased borrowing funds will be a pre requisite to give effect.

The Company has envisaged to enhance its existing production capacity by addition of Rommelag FFS Technology - High capacity Machines, with a mission to achieve and further addition of value added products in its products portfolio to meet the incremental demand of local and international markets.

In the earlier mandate given by the shareholders the borrowing power of the company was restricted upto ₹100 crores as per resolution passed in the AGM held on 30.09.2005.

For taking recourse to such kind of activities, the existing borrowing limit of the company is proposed to be increased to ₹ 500 crores from the existing ₹ 100 Crores.

As per the provisions of sections 293(1) (d) of the Companies Act, 1956, the borrowing powers of the Board of directors of the Company in excess of the paid up capital and free reserve of the company has to be approved by an ordinary resolution in the general meeting.

Therefore, board recommends approving item no.8 by way of passing an ordinary resolution.

None of the Directors of the company are interested in the resolution.

Item No. 9

Confirmation of the Appointment and payment of Remuneration to Managing Director

Mr Arun Mudgal, Managing Director is a seasoned professional being Master in Pharma as well as Master in International Business by qualification and having more than 26 years of rich experience in operation of pharmaceutical, healthcare business segment in India and abroad. His expertise is in specific functional areas i.e: Operations Management Business Managements, Project Managements, etc.



In consequence of Change of Management and Control from the erstwhile Promoters to B. Braun Singapore PTE Limited, Mr. Arun Mudgal, Director of the Company was appointed by the Board at their meeting held on 28.09.2012, as Managing Director.

As required under Section 302 of the Companies Act, 1956 (the Act), the main terms and conditions of appointment together with the memorandum of concern or interest are as per abstract:

Name of Director	Arun Mudgal
Designation	Managing Director
Terms and conditions including remuneration per month:	(₹)
Basic Salary	137026/-
Perquisites	12836/-
Others	191306/-
Total remuneration per month	341168/-
Other terms , if any	Payment of remuneration as per agreement dated 01.10.2012
Tenure of appointment	28.09.2012 to 27.09.2017

The Remuneration Committee and Board of directors of the company considered and approved the Managing Director agreement dated 01.10.2012 in accordance with Schedule XIII of Companies Act, 1956 subject to approval by the Shareholders of the Company in the ensuing Annual General Meeting.

MINIMUM REMUNERATION

If in any financial year during the term of employment of Mr. Arun Mudgal, the Company has no profits or its profits are inadequate, the Company will pay remuneration to Mr. Arun Mudgal as specified in the employment agreement as minimum remuneration subject to compliance with the applicable laws and the approval of the appropriate authorities if and to the extent necessary and applicable under the applicable laws; notwithstanding that the same is in excess of the maximum remuneration permitted to be paid to Mr. Arun Mudgal as the Managing Director of the Company under the applicable provisions of the Companies Act.

MEMORANDUM OF CONCERN OR INTEREST

None of the Directors are interested in the resolution except Mr. Mudgal, as a beneficiary.

Your directors passed the resolution for his appointment as a Managing Director.

15. INFORMATION REQUIRED TO BE FURNISHED IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES

The particulars of the Directors who are proposed to be appointed / reappointed are as given below:

- a. **Dr. S. C. L. Gupta,** **Director**
 DOB: 21.07.1953, Age: 60 years
 Qualification: MBBS, M.S, M.I.S.C.O.

Dr. Gupta is an M.S, M.I.S.C.O. Standing Member of Delhi Legislative Assembly. He has to his credit a very rich experience in the Medical Profession and has been bestowed with many prestigious awards for his outstanding performance in his field. He is presently serving many reputed hospitals as consultant surgeon and oncologist.

He was inducted to the Board of your company on 29th January, 2003 as Independent Director and till then serving continuously.

He is not holding any shares and directorship in any other company

- b. **Dr. S.S. Arora,** **Director**
 DOB: 16.01.1959, Age: 54 years,
 Qualification: MBBS, MD.

Dr. Arora is an MBBS, MD and having the Fellowship of American Association of Respiratory Care, USA. He is having a very large experience in the pharmaceutical field. Presently, he is a Senior Consultant, Batra Hospital, New Delhi.

Being a senior consultant for a large group of hospitals, he has his expertise in establishing strategies for marketing of pharmaceutical products. He possesses in-depth knowledge on analysis of pharmaceutical market data.

He was inducted to the Board of your company on 30th January, 2002 as Independent Director and till then serving continuously.

He is not holding any shares and directorship in any other company.

- c. **Mr Anand Chandrashekhar Apte,** **Non Executive Chairman**
 DOB: 30.4. 1971, Age: 42 years,
 Qualification: MSc in Microbiology, MBA with specialization in Marketing and Finance Post graduate diploma in Human Resource Management

Mr. Anand Chandrashekhar Apte is a seasoned healthcare professional by qualification and having more than 18 years of experience in operation of pharmaceutical and health care companies, management of various business segment in India and abroad.

Nature expertise: His expertise in specific functional areas: Business Management, Project Management, operation management etc.

He was inducted to the Board of your company on 28th September, 2012 in the capacity as Chairman of the Board and till then serving continuously.

**Other Directorship:**

1. B Braun Medical (India) Private limited
2. Oyster Medisafe Private Limited

Mr. Apte is member in one committee of Ahlcon Parenterals (India) Limited.

Mr. Apte was not holding any Equity Shares of Ahlcon Parenterals (India) Limited.

d. Mr Arun Mudgal,	Managing Director
Date of Birth: 06-08-1961,	Age: 51 years,
Qualification:	Master in Pharma, MBA (International Business)

Mr. Arun Mudgal is a seasoned healthcare professional by qualification and having more than 26 years of experience in operation of pharmaceutical and health care companies in India, management of various business segment in India and abroad.

Nature expertise: His expertise in specific functional areas: Operations Management, Business Management, Project Management, etc.

He was inducted to the Board of your company on 28th September, 2012 in the capacity as Managing Director of the Company and till then serving continuously.

Other Directorship:

Oyster Medisafe Private Limited

Mr. Mudgal is member in one committee of Ahlcon Parenterals (India) Limited

Mr. Mudgal was not holding any Equity Shares of Ahlcon Parenterals (India) Limited.

e. Mr. Manfred Mahrle ,	Non Executive Director
Date of Birth:	01.12.1971, Age: 41 years,
Qualification:	University Degree in Business Administration from Vienna University of Economics (Mag. rer. soc. oec.)

Experience: Mr. Manfred Gregor Mahrle is the Chief Financial Officer of B Braun's Asia Pacific Region since November 2011. He has been with B Braun for over 13 years developing B Braun's Avitum Service Provider Business in Europe. His prior experience as the Managing Director of B Braun Austria and Regional Head for B Braun Avitum in Central and Eastern Europe provides him with substantial expertise in the medical devices and services industry. Before B Braun, Mr Mahrle was working for one of the big four auditing companies.

He was inducted to the Board of your company on 28th September, 2012 as a director of the Company and till then serving continuously.

He is also serving other board of Private and Foreign Companies in the capacity of director:

Indian Private Companies:

1. B. Braun Medical (India) Pvt. Ltd.
2. Oyster Medisafe Pvt. Ltd.

Foreign Companies:

1. B. Braun Medical Supplies Inc.
2. B. Braun Avitum Philippines Inc.
3. B. Braun Singapore Pte Ltd.
4. B. Braun Singapore Holdings Pte Ltd.
5. B. Braun Pakistan Pvt. Ltd.
6. PTBB B. Braun Medical Indonesia
7. B. Braun (Thailand) Ltd.
8. B. Braun Medical Production Ltd.
9. B. Braun Vietnam Co Ltd.
10. B. Braun Korea Co Ltd.
11. B. Braun Australia Pty Ltd
12. B. Braun New Zealand Pty Ltd.
13. B. Braun Lanka Pvt Ltd
14. B. Braun Medical (Shanghai) International Co Ltd.
15. B. Braun Medical (Suzhou) Co Ltd
16. B. Braun (China) Investment Co Ltd
17. B. Braun Aesculap Japan Ltd
18. B. Braun Avitum Shanghai Trading Co Ltd
19. B. Braun Medical (HK) Ltd
20. B. Braun Medical Industries Sdn Bhd
21. B. Braun Medical Supplies Sdn Bhd
22. B. Braun Pharmaceutical Industries Sdn Bhd
23. B. Braun Needle Industries Sdn Bhd
24. B. Braun Surgical Sdn Bhd
25. B. Braun Precision Engineering Sdn Bhd
26. Aesculap Surgical Industries Sdn Bhd
27. Aesculap Scientific Tools Sdn Bhd
28. Promedipharma Sdn Bhd

Mr. Mahrle was not holding any Equity Shares of Ahlcon Parenterals (India) Limited

For AHLCON PARENTERALS (INDIA) LIMITED

Place: New Delhi
Dated: 12.08.2013

Ranjan Kumar Sahu
Company Secretary



DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 21st Annual Report on the business and operations of the Company for the financial year ended 31st March 2013.

FINANCIAL RESULTS

(₹ in lacs)

FOR THE YEAR ENDED	31.03.2013 CURRENT YEAR	31.03.2012 PREVIOUS YEAR
Sales (including excise) and other Income	11910.60	8707.78
Gross operating Profit	2594.30	1454.22
Financial Charges	295.37	369.91
Cash Profit	2298.93	1084.31
Depreciation	360.51	339.60
Provision for doubtful debts/ obsolete Stock	104.04	85.03
Provision for doubtful debts written back	(31.89)	(45.94)
Prior period Adjustments	(2.59)	(17.82)
Profit before Tax	1868.86	723.44
Provision for Deferred Tax	(56.36)	5.34
Provision for Current Tax	633.82	216.58
MAT Credit Entitlement	-	(5.85)
Income Tax Paid for earlier years	4.44	7.43
Profit after Tax	1286.96	499.93
Balance brought forward from previous year	2632.41	2282.44
Profit available for appropriation	3919.38	2782.37
Proposed Final Dividend on Preference Shares	5.40	1.35
Interim Dividend on Preference Shares	-	4.05
Tax on Interim Dividend on Preference Shares	-	0.66
Tax on Proposed Dividend on Preference Shares	0.81	0.22
Interim Dividend on Equity Shares	-	72.00
Tax on Interim Dividend on Equity Shares	-	11.68
Profits transferred to General Reserve	-	60.00
Profit carried forward	3913.17	2632.41

OPERATIONAL PERFORMANCE

Your Directors feels highly satisfied about Operational Performance of the company as it has continued to surpass all its previous records since

inception and has achieved a sales turnover of ₹10770 lacs as compared to the previous year sales turnover of ₹ 7970 lacs thereby registering a growth of 35%. The Company's Net Profit has recorded substantial growth of 157.42% by scaling up from the previous year figure of ₹ 499.93 lacs to ₹ 1286.96 lacs.

Directors are putting constant thrust on productivity, enhancement, cost optimization and customer satisfaction by producing their quality products enabling continuous growth track, in the Operational results of the Company

DIVIDEND

While approving the Final Accounts Statements for the year ended on 31st March 2013, the Board has not recommended any dividend on the Equity shares and has approved for payment of due dividend only on the 6% Cumulative, Redeemable Preference Shares amounting to ₹ 5,40,000/- (excluding tax on dividend) for the year 2012-13.

This is keeping in view of the Company's need for upgradation of existing facilities, its growth plans and the intent to finance such plans through internal accruals to the maximum. Your directors certainly believe that this would increase shareholder value and eventually lead to a higher return threshold.

EARNING PER SHARE

EPS (Earning Per Share) is ₹ 17.79, as compared to the previous year's figure of ₹ 6.94, growth of 156.34% as compared to the previous year.

MATERIAL CHANGES IN THE COMPANY DURING THE FINANCIAL YEAR TO WHICH THE BALANCE-SHEET RELATES:

NOTING OF CHANGE IN CONTROL OF THE COMPANY FROM THE ERSTWHILE PROMOTERS TO B. BRAUN SINGAPORE PTE. LIMITED

The open offer made by the acquirer company M/s B Braun Singapore PTE Ltd had been completed in accordance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The acquirer company, acquired 54,00,112 equity shares of ₹ 10 each aggregating to 75% of the paid up equity share capital of the Company out of which 15,80,811 equity shares of ₹ 10 each aggregating to 21.96% of the paid up equity share capital of the Company have been transferred from public shareholders and 38,19,301 equity shares of ₹ 10 each aggregating to 53.04% of the paid up equity share capital of the Company have been transferred from Mr. Bikramjit Ahluwalia and persons acting in concert with him to B. Braun Singapore PTE. Limited under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and recorded the relevant Forms FC-TRS in accordance with the applicable provisions under Foreign Exchange Management Act, 1999 and other applicable laws.

The Board of Directors at its meeting held on 28.09.2012 took on record the transfer of equity shares of 75% from the erstwhile promoters and



public shareholders to B. Braun Singapore PTE. Limited and effected the change of control and management of the company. B Braun Singapore PTE. Limited nominated directors to the Board of directors of the Company with immediate effect.

EXPANSION / PRODUCT DEVELOPMENT

The Company has envisaged enhancing its existing production capacity by addition of Rommelag FFS Technology – High capacity Machines, with a mission to achieve and further addition of value added products in its products portfolio to meet the incremental demand of local and international markets.

RESEARCH & DEVELOPMENT

The Company has Research & Development Division at Bhiwadi, duly recognized by the Government of India, Ministry of Science and Technology, Department of Scientific & Industrial Research (DSIR).

The Company's in house R & D Division is having a dedicated team of highly qualified, skilled scientists engaged in developing the formulations and products for its strategic portfolio management. R & D is also well on its way to realize the potential by innovating with various drug delivery technologies. The company is in the process of research to development of new formulations and registrations of products. The details of R & D is as per Form –B, forming part to the Annexure to the Director's Report.

In respect of weighted tax benefit under the R & D expenditure, the company has obtained the certificate from the prescribed authority under sec 35(2AB) of the Income tax Act, 1961.

EXPORTS

Your directors are putting constant efforts for increasing the export sales component on the total turnover to mitigate the risk posed by various domestic markets and factors, which are resulting into price discrimination, cut throat competition, entry of new entities in the market, government price regulatory mechanism.

Taking advantage of the increased demand of Indian pharmaceutical products, in the international market, the company has carried on registration and arrangement with several international agencies for increasing the base of export markets. Further plans are underway to increase the direct and indirect exports to various countries. As a result of this, during the year under review, the export sales were 2616 lacs as compared to the previous year's figure of ₹1519 lacs, achieving a growth of 72% approx.

As informed in our previous reports, to further expand the company's export activities, your company is in the process of registration of its new product dossiers, in both the regulated as well as unregulated markets and the registration formalities with number of countries are well in progress. We have obtained orders from some parties and as some countries registration process is in the pipe line and hence soon after these registration certificates are obtained, company shall be able to grab the export earnings by exporting to those countries.

BANKERS

We are banking with the Punjab & Sind Bank, Deutsche Bank which has been providing financial assistance to our company for various purposes and for which we express our hearty commends.

DIRECTORS

Mr Bikramjit Ahluwalia, Chairman, Dr Rohini Ahluwalia, Whole Time Director, Ms Sudershan Walia, director and Mr S K Sachdeva non executive director of the company had resigned from the directorship of the Company with effect from 28th September, 2012. The Board records its sincere appreciation of the valuable contribution and learned advice rendered by Mr Ahluwalia, Dr Rohini Ahluwalia, Ms Walia and Mr Sachdeva during their tenure as a director of the Company.

The Promoter Company M/s B Braun Singapore Pte Ltd nominated Mr Anand Chandrashekar Apte, Mr Arun Mudgal and Mr Manfred Gregor Mahrle as additional directors to the board of the Company with effect from 28th September, 2012.

Another long time member of the board, Professor G. P. Talwar, Independent Director has tendered his resignation due to personal reason effective from 15.10.2012 and the Board records its sincere appreciation and take on records, the resignation of Professor G P Talwar from the post of an Independent Director.

The present directors have vast experience in the industry & their timely directions/under executions shall provide long term benefits to the company.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the company, Dr S C L Gupta and Dr S S Arora Directors of the company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Necessary resolutions seeking the approval of the shareholders for the aforesaid appointment & reappointment of directors, form part of the notice, convening the Annual General Meeting. The details of the directors, seeking appointment/reappointment is provided under the "Report on Corporate Governance" forming part of this Annual Report.

ELEVATION:

Mr Anand Chandrashekar Apte, as an additional director, was elected as the Chairman of the board with effect from 28.09.2012. Mr. Apte is a seasoned professional, having a vast experience in this Industry & his guidance and directions are providing enduring benefits to the Company.



Mr Arun Mudgal, as an additional director with effect from 28.09.2012 was elevated with immediate effect as the Managing Director of the company. Mr Mudgal is a seasoned professional having more than 26 years of reach experience in operation of pharmaceutical, healthcare business segment in India and abroad. His expertise is in specific functional areas i.e: Operations Management, Business Managements, Project Managements, etc.

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 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, 2013 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 remarks referred to in the Auditors Report are self explanatory except on the observation of disputed tax / other demand mentioned at point no. 9 (ii) of the Annexure to their report, the company has already preferred appeals before the appellate authorities against the said demand of the respective departments. Company has strong grounds to believe that the appellate authorities shall pass orders in favour of the company.

AUDITORS: M/s Arun. K. Gupta & Associates, Chartered Accountants, Statutory Auditors of the company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. We recommend for their reappointment.

COST AUDITORS: The Board of Directors reappointed M/s Kabra and Associates, Cost Accountant, New Delhi, holding valid certificate of practice no.000075 as the Cost Auditor for conducting the Cost Audit for the financial year 2013-14 with a remuneration of ₹ 50,000/- settled mutually. The Audit Committee of the company recommended for their reappointment in accordance with Cost Audit Rules 2011 and relevant notification issued by the Ministry of Corporate Affairs.

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 section 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 your 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.

ACKNOWLEDGEMENTS:

Your Directors take this opportunity to offer their sincere thanks to various departments of the Central and State Governments, Banks and Investors for their unstinted support, assistance and valuable guidance. 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 at all levels.

For and on behalf of the Board of Directors

Place: New Delhi
Date: 12.08.2013

Anand Chandrashekhar Apte
Chairman



ANNEXURE TO THE DIRECTORS' REPORT

I - CONSERVATION OF ENERGY

Steps towards energy conservation are being continuously undertaken to reduce wastage and improve efficiency resulting in reduced energy cost. The company has regularly implement new and improved powers saving techniques to optimize the energy consumption and reduce cost on such account.

FORM - A

(A) 1. Electricity, power and fuel consumption:

	CURRENT YEAR	PREVIOUS YEAR
(a) Purchased:		
Units	7451330	7057700
Total amount (₹)	47018647	38079177
Average Rate per Unit	6.31	5.40
(b) Own Generation:		
Units Generated	958221	891266
Units generated per liter of Diesel oil	3.44	3.42
Average Cost per Unit (₹)	11.77	11.22
2. Fuel (Furnace Oil/LDO):		
Units (Ltrs.)	1139864	1335971
Total amount (₹)	47798628	51938678
Average Rate/Unit (₹)	41.93	38.88
B. AVERAGE CONSUMPTION (VALUE) PER UNIT OF PRODUCTION:		
Electricity	0.364	0.345
Fuel (Furnace Oil/ LDO)	0.299	0.373

II - TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:

The company manufactures I V Fluids and ophthalmic products using the FFS (Form-Fill-Seal) latest imported technology which is considered as the best technique world over.

FORM- B

1. Specific area in which R&D carried out by the Company.
 - a. To develop new products in different dosage form for Domestic and International market.
 - b. To develop new analytical methods and their validation
 - c. Improvement of existing products with the objective to reduce cost, improve process and quality
 - d. To develop new innovative products in novel drug delivery system

- e. To develop new innovative products for different segments where currently products are not available
- f. To develop 'ready to use' injectable dosage form
- g. To conduct stability study of development products as per ICH guidelines.

2. Benefits derived as results of the R&D process.

Twelve products are developed by R&D division and commercialized. Seven products are under different stages of development and a few more have been taken of for cost optimization.

3. Future plan of action

Your company has ambitious plans to invest further for enhancing in R & D capabilities.

4. Expenditure on Research and development :

	CURRENT YEAR (₹)	PREVIOUS YEAR (₹)
Capital Expenditure:	-	4,225,716
Revenue Expenditure:		
Material	857,105	1,326,711
Personnel	4,114,935	3,886,617
Printing & Stationery	280,505	1,021,87
	5,252,545	5,315,515
Depreciation (R & D Division)	251,060	211,910
	5,503,605	5,527,425
Total R & D Expenditure	5,503,605	9,753,141
As a percentage of total turnover	0.462%	1.12%

III - FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in lacs)

	CURRENT YEAR	PREVIOUS YEAR
Foreign Exchange Earnings	2649.56	1519.09
Foreign Exchange Outgo:		
(a) Imports- Machinery spares	39.64	15.62
(b) Imports - Raw Materials	1980.08	1459.11
(c) Bank Charges	2.97	3.18
(d) Registration Charges	1.56	2.06
(e) Business Promotion	10.81	35.78
	2035.06	1515.75

For and on behalf of the Board of Directors

Place: New Delhi

Date: 12.08.2013

Anand Chandrashekhar Apte

Chairman



MANAGEMENT DISCUSSION & ANALYSIS REPORT

To the Shareholders,

This report aims to be helpful to the Shareholders of the pharmaceutical and healthcare market and provide them with an in-depth analysis of the business prospects.

CAVEAT

This section of the 21st Annual Report has been included in adherence to the spirit enunciated in the Code of Corporate Governance approved by the Securities and Exchange Board of India. Shareholders are cautioned that certain data and information external to the Company is included in this section. Though these data and information are based on sources believed to be reliable, no representation is made on their accuracy or comprehensiveness. Further, though utmost care has been taken to ensure that the opinions expressed by the management herein contain their perceptions on most of the important trends having a material impact on the Company's operations, no representation is made that the following presents an exhaustive coverage on and of all issues related to the same. The opinions expressed by the management may contain certain forward-looking statements in the current scenario, which is extremely dynamic and increasingly fraught with risks and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein. Shareholders are hence cautioned not to place undue reliance on these statements, and are advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regard to their own specific objectives. Further, the discussion following herein reflects the perceptions on major issues as on date and the opinions expressed here are subject to change without notice.

The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this section, consequent to new information, future events, or otherwise.

OVERVIEW INDIAN PHARMA INDUSTRY

The Indian market offers unique advantages. India is one of the biggest democratic country for last 65 years in this globe. It has an educated workforce and English is the language of business in addition to Hindi, the basic national Language. It has a strong legal framework and strong financial markets. Professional services are easily available. There is already an established industry and international trade. It has a good network of educational institutions and world-class strengths in information technology. Indian participant players in the pharmaceutical industry in the future may continue to face the future with confidence. There are enormous opportunities for pharmaceutical players both nationally and globally, but the possibilities are challenges to be overcome to achieve sustainable growth in the future. The future is very promising with a lot of progress in the way the Indian pharmaceutical industry perceives.

India is now among the top five pharmaceutical emerging markets. The Indian pharma industry has been growing at a compounded annual

growth rate (CAGR) of more than 15 per cent over the last five years and has significant growth opportunities.

The Indian pharmaceutical sector is expected to grow five-fold to reach Rs 5 lakh crore (US\$ 91.45 billion) by 2020, as per, Department of Pharmaceuticals. The industry, particularly, has been the front runner in a wide range of specialties involving complex drugs' manufacture, development, and technology. With the advantage of being a highly organized sector, the numbers of pharmaceutical companies are increasing their operations in India.

The pharmaceutical industry in India is an extremely fragmented market with severe price competition and government price control. The industry meets around 70 per cent of the country's demand for bulk drugs, drug intermediates, pharmaceutical formulations, chemicals, tablets, capsules, orals, and injectables

Sector Structure/ Market Size

The domestic pharmaceutical market is expected to register a strong double-digit growth of 13-14 per cent in 2013 on back of increasing sales of generic medicines, continued growth in chronic therapies and a greater penetration in rural markets.

Generics

Generics will continue to dominate the market while patent-protected products are likely to constitute 10 per cent of the pie till 2015, according to McKinsey report 'India Pharma 2015.' Unlocking the potential of Indian Pharmaceuticals market'.

OVERVIEW AHLCON

Ahlcon Parenterals (India) Limited is one of the leading manufacturing Company in the Indian Pharmaceutical Industry. The Company's revenues are mainly from Contract Manufacturing, Institutional sales and ethical sale of branded-generic and unbranded-generic manufactured pharmaceutical products. A further break down of pharmaceutical sales can be done as, Domestic formulations (comprising branded pharmaceuticals formulations sold in the domestic market), Contract manufacturing (comprising sourcing, manufacturing and supplying pharmaceutical formulations to giant pharma company under their brand name) and direct export to International market comprising exports of branded and generic manufactured pharmaceutical formulations. The operating costs primarily comprise raw and packing materials, purchase of finished goods, staff cost, selling and marketing expenses, manufacturing, Research & Development expenses and general overheads.

OUTLOOK ON THREATS, RISK AND CONCERNS

Government Initiatives

FDI, up to 100 per cent, under the automatic route, would continue to be permitted for Greenfield investments in the Pharmaceuticals sector. 100 Per cent FDI is also permitted for Brownfield investment (i.e. investments in existing companies), under the Government approval route.



According to the Union Budget 2013-14, investment allowance of 15 percent on new plant and machinery has been allowed. The allowance is expected to increase investments in new projects while simultaneously providing tax benefit to the industry.

The Department of Pharmaceuticals has prepared a 'Pharma Vision 2020' document for making India one of the leading destinations for end-to-end drug discovery and innovation and for that purpose, the department provides requisite support by way of world class infrastructure, internationally competitive scientific manpower for pharma research and development (R&D), venture fund for research in the public and private domain and such other measures.

New Drug Pricing Policy

Recently, the Government of India cleared the way for the much awaited National Pharmaceutical Pricing Policy 2012. Unlike the current cost based pricing policy, this new policy is market based, and seeks to control prices of all strengths and dosages of 358 drugs and their combinations falling into the National List of Essential Medicines (NLEM). The price control will also be applicable to imported medicines, if these drugs also fall in the list of essential medicines.

In order to promote indigenous research, prices of original research products having a patent in India will be exempt from price control for five years. The ceiling price will be computed using the simple average method of all drugs with over 1% market share under a particular therapeutic area. The government is already amend the New Drug Price Control Order (DPCO) 2013.

The policy document on the website of the Department of Pharmaceuticals says that manufacturers will be free to fix any price for their products equal to or below the ceiling price. The controlled price will be revised every five years or as and when the NLEM is updated or revised. If there is a significant change in the market structure of a product, the government may revise the ceiling price even earlier.

The policy also allows an annual price increase of up to 10% for non-NLEM products, though the prices of existing price-controlled products not included in the NLEM 2011 will be frozen for one year and thereafter they will be allowed increases of up to 10% a year. The Department of Pharmaceuticals will monitor production and availability of all NLEM products. According to various industry analysts, the estimated impact of the proposed pricing policy on the top line drugs will be in the range of 3- 10% price cuts.

Pharmaceuticals Pricing:

One of the very serious concerns for the Pharmaceuticals division is Government regulation of prices of medicines and mounting pressure to reduce drug prices. The control extends two ways with the first being on the cost of inputs i.e raw materials , packing materials where the Government determines the fixation of prices and the second being

the conversion cost and packing cost which is yet again decided by the Government on the basis of studies carried out by them. The domestic market is subject to price control under DPCO, 1995. More and more products are being added to the list of controlled products and thereby, the profit margins could be significantly affected. The Company manages its product portfolio, product mix and value added products, so as to move away, reduce and minimize the product weightage of drugs under price control.

Competitive pressures:

Both the Pharmaceuticals and Chemicals segments operate in a highly competitive market scenario, making it necessary that they differentiate themselves from competition by offering better quality products at lower prices thus adding value to the customers.

Financial Risks:

With the high amount of imports of raw materials like granules and exports of finished goods transacted in foreign currencies the foreign exchange fluctuations have may an impact on the working of the Company. By way of hedging of foreign exchange transactions wherever found prudent, the Company minimizes the impact of foreign exchange loss. Due to the broad customer base in Pharmaceuticals segment, the Company is exposed to a low credit risk in its sales markets.

Weakness in domestic markets:

Fierce price competition has become the order of the day for the domestic pharma industry, which has restricted the ability of the domestic pharma market to grow in value terms. Due to its highly fragmented structure, the pricing power of the players has been pruned. The Indian markets have traditionally been and continue to remain price sensitive and premium pricing of products is extremely difficult to maintain .The new players in the industry are

resorting to the cutthroat price competition. However, the company has been able to increase its product ranges and able to maintain a balance for its existing profit percentage.

Challenges

Over the past decade, pharmaceutical companies have entered a difficult period where shareholders, the market and regulators have created significant pressures for change within the industry. The core issues for most of drug companies are declining productivity of in-house R & D, patent expiration of number of block buster drugs, increasing legal and regulatory concern, and pricing issue. As a result larger pharmaceutical companies are shifting to new business model with greater outsourcing of discovery services, clinical research and manufacturing.

Current global financial conditions and the threat of a broad recession accelerated the timetable for implementing transformational changes



in global organizations, as the industry confronts lower corporate stock prices and an increasingly cost-averse customer. Leaders of the largest global pharmaceutical companies recognize the need for transformational change in their organizations, but will need to move swiftly to ensure sustained growth.

Transformations in the business model of larger pharmaceutical industry spell more opportunities for Indian pharmaceutical companies. Pharmaceutical production costs are almost 50 percent lower in India than in western nations, while overall R&D costs are about one-eighth and clinical trial expenses around one-tenth of western levels.

At the same time, the Indian Pharma Industry would have to contend with several challenges particularly the :

- Effects of new product patent
- Drug price control
- Regulatory reforms
- Infrastructure development
- Quality management and
- Conformance to global standards.

(Sources: http://www.cci.in/pdf/surveys_reports/indias_pharmaceutical_industry.pdf)

• INTERNAL CONTROL SYSTEMS AND ADEQUACY

Your company has reviewed internal controls and its effectiveness through the internal audit process. Internal audits were undertaken for every operational department and all major corporate functions under the direction of the Internal Audit department. The focus of these reviews are to Identify weakness and areas of improvement; Compliance with defined policies and processes; Safeguarding of tangible and intangible assets; Management of business and

Operational risks; Compliance with applicable statutes and the Ahlcon's Code of Conduct. The internal control system provide for well-documented policies, guidelines, authorisations and approval procedures. The Companies internal control activities is headed by Managing Director, which carries out review and checks extensively each and every department throughout the year. The Internal Audit Department make a executive summary to the Managing Director, Audit Committee and Board on periodically basis. To make such control procedures a foolproof system, outside independent agencies are also employed to make test audit. 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.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

At AHLCON, we have been sharing expertise continuously, developing the internal potential of the employees from the present level to the desired level, to sustain the growth of our company. Regular and detailed

performance appraisal system is in place to evaluate the performance of all employees and the necessary steps are taken to strengthen the areas which need improvements. Regular Training programmes, were organized for the employees. 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.

AHLCON believes that its human assets give it the competitive edge. The definition and institutionalization of work ethics has resulted in creating a transparent, empowered and ownership driven culture in the organization. All efforts are being taken to ensure that people processes are aligned to business processes through key processes such as Talent Acquisition, Performance Management, KRA and Talent Development. Internal Communication continues to be the key engine to motivate and engage employees at the work place.

Adequate facilities and opportunities are also being provided to the technical and professional staff to update themselves in the fast changing era of technologies. More experienced technical manpower's are being taken at the senior and middle level to streamline the whole business process.

CORPORATE SOCIAL RESPONSIBILITY :

At Ahlcon, a large part of its commitment to caring for life comprises its commitment to think and make a difference beyond the world of business into the world of the under privileged and needy. It is in keeping with this core ideology of making a difference to communities and being at the forefront of corporate social responsibility that the AHLCON has always offered financial aid. Ahlcon recognizes the important responsibility towards society and has constantly endeavored and embarked on spreading awareness about social responsibility.

CAUTIONARY STATEMENT

The statements in this Report, particularly which relate to Management Discussion and Analysis describing the Company's objectives, plans, projections, estimates and expectations, may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied in the statement depending on the circumstances, which are beyond the control of the Company. The company assumes no responsibility in respect of forward looking statements which may be amended or modified in the future on the basis of subsequent developments, information or events.

For and on behalf of the Board of Directors

Place: New Delhi

Date: 12.08.2013

Anand Chandrashekhar Apte

Chairman



REPORT ON CORPORATE GOVERNANCE

The best corporate governance practices have been adopted by Ahlcon Parenterals (India) Ltd and the same is being continuously reviewed to ensure that they adhere to the latest corporate developments and conform to the best corporate governance ethics. 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 the specification provided in the Listing Agreement. All the Directors are equipped with variety of perspectives and skills, to ensure effectiveness of the Board, facilitating efficient discharge of duties and adding value in the context of the Company's circumstances.

As on 31st March, 2013, the composition and category of Board of Directors is as follows.

NAME OF DIRECTOR	CATEGORY	BOARD MEETING ATTENDED	ATTENDANCE AT THE LAST AGM HELD ON 27/09/2012	NO. OF DIRECTORSHIP IN OTHER COMPANIES	NUMBER OF COMMITTEE MEMBERSHIP HELD IN OTHER COMPANIES		DATE OF APPOINTMENT/ RESIGNATION
					CHAIRMAN	MEMBER	
Mr. Bikramjit Ahluwalia	Chairman (Promoter) Non Executive	4	Yes	3	NIL	NIL	Resigned on 28.09.2012
Dr. Rohini Ahluwalia	Vice Chairperson (WTD) (Promoter & Executive)	3	No	2	NIL	NIL	Resigned on 28.09.2012
Ms. Sudarshan Walia	Director (Promoter) Non Executive	3	No	3	NIL	1	Resigned on 28.09.2012
Mr. Arun Kumar Gupta	Independent Director Non Executive	6	Yes	3	2	2	Appointed on 15.03.1993
Prof. G.P. Talwar	Independent Director Non Executive	4	Yes	NIL	NIL	NIL	Resigned on 15.10.2012
Dr. S.S. Arora	Independent Director Non Executive	4	Yes	NIL	NIL	NIL	Appointed on 29.01.2003
Dr. S.C.L. Gupta	Independent Director Non Executive	6	Yes	NIL	NIL	NIL	Resigned on 28.09.2012
Mr. S.K. Sachdeva	Non Executive Director	4	Yes	1	NIL	NIL	Resigned on 28.09.2012
Mr. Anand Chandrashekhar Apte	Chairman Non Executive	2	NA	2	NIL	NIL	Appointed as an additional director and elevated as Chairman of the Board on 28.09.2012
Mr. Arun Mudgal	Managing Director	2	NA	1	NIL	NIL	Appointed as an additional director and elevated as Managing director on 28.09.2012
Mr. Manfred Gregor Mahrle	Non Executive Director	1	NA	30*	NIL	NIL	Appointed as an additional director on 28.09.2012

* 1. Out of 30, 28 companies are foreign companies and 2 private companies which is not a subsidiary of any public company.

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

I. 09-04-2012 II. 30-05-2012 III. 08-08-2012 IV. 28-09-2012 V. 09-11-2012 VI. 08-02-2013

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/she is a Director. The Directors have made



the necessary disclosures regarding directorship and committee positions in other companies.

2. BOARD AND ITS SUBORDINATE COMMITTEES

With a view to sub serve the functions specifically prescribed by Clause 49 of the listing agreements; 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 K. 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.

Four meetings of the Committee were held during the year on the following dates:

I.29.05.2012 II. 07.08.2012, III. 07.11.2012 IV.07.02.2013

The Committee has been reconstituted by the board and the composition and other details of the Audit Committee are as follows.

NAME OF THE DIRECTOR	DESIGNATION	NATURE OF DIRECTORSHIP	NO. OF MEETINGS ATTENDED
Mr. Arun Kumar Gupta	Chairman	Independent Director	4
Dr. S S Arora	Member	Independent Director	2
Dr. S C L Gupta	Member	Independent Director	4
Mr. Anand Chandrashekhar Apte	Member	Chairman, Non-Executive Director	2

The Managing Director, Statutory Auditors and the Internal Auditors of the Company were also invited to attend the Audit Committee meetings along with the Incharge of Finance (CFO) and Company Secretary. As per the need, other key functionaries of the company were also invited to attend the meetings.

Remuneration Committee

The Board has set up a Remuneration Committee to formulize company's policy on remuneration packages of the executive directors and determine the same from time to time.

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

The Committee has been reconstituted by the board and the composition and other details of the Remuneration Committee are as follows

NAME OF THE DIRECTOR	DESIGNATION	NATURE OF DIRECTORSHIP
Dr. S.C.L. Gupta	Chairman	Independent Director
Mr. Arun Kumar Gupta	Member	Independent Director
Dr. S. S. Arora	Member	Independent Director

One meeting was held on 20.12.2012 during the year 2012-13.

Details of remuneration paid to Directors for the year 2012-2013.

The details of the remuneration paid to the Executive Directors, as under:

EXECUTIVE DIRECTOR		DR. ROHINI AHLUWALIA, WHOLE TIME DIRECTOR (₹)
Salary and allowances		1186667
Contribution to P.F		164920
Total		1621118/-
EXECUTIVE DIRECTOR		MR ARUN MUDGAL, MANAGING DIRECTOR (₹)
Salary and allowances		2690359/-
Contribution to P.F		-
Perquisites		-
Total		2690359/-

Statement of sitting fees paid to Non-Executive Director for the year 2012-13 and their shareholding position as on 31.03.2013.

NON EXECUTIVE DIRECTOR	SITTING FEES (₹)	SHARE HOLDING
Mr. Anand Chandrashekhar Apte	NIL	NIL
Mr Manfred Gregor Mahrle	NIL	NIL
Mr. Bikramjit Ahluwalia*	NIL	911894
Ms. Sudarshan Walia*	NIL	NIL
Mr. Arun Kumar Gupta	130000	NIL
Dr. S. S. Arora	90000	NIL
Dr. G .P. Talwar**	60000	500
Dr. S.C. L. Gupta	130000	NIL
Mr.S.K .Sachdeva*	NIL	NIL

Resigned from the board of directors with w.e.f 28.09.2012* and 15.10.2012 **

The above figures are inclusive of fees paid for the attendance of the Committee meetings.



The above figures are inclusive of fees paid for the attendance of the Committee meetings.

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Board of Directors of the Company has constituted a Shareholders'/Investors' Grievance Committee, comprising of Mr. Arun Kumar Gupta, Chairman, Dr. S C L Gupta, Member, Mr. S.S. Arora, member and Mr. Arun Mudgal, Member 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 has delegated the power of approving transfer of securities to the Company Secretary. The Board has designated Shri Ranjan Kumar Sahu, Company Secretary & Sr. Manager-Legal, as the Compliance Officer.

During the last financial year, 22 investors' complaints were received including those received through the website :www.scores.gov.in, designated by SEBI for investor grievances, and all of them were resolved to the satisfaction of the shareholders.

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 and 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. CODE OF CONDUCT

A code of Conduct for the Board members and senior management of the company has been laid down by the Board and it is posted on the website of the company. The same has been circulated to all the concerned who have affirmed the compliance with it. The declaration by the Managing Director to that effect part of this report as Annexure-I.

6. CEO/CFO Certification

The CEO/CFO of the company have certified to the Board as required under Clause (V) of the Listing Agreement. A copy of the certificate is attached hereto.

7. GENERAL BODY MEETINGS

Annual General Meetings

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

I Year, Location, Date and Time:

2009-10: Ahlcon Public School Auditorium, Mayur Vihar, Phase-I, Delhi-92 on 17th September 2010 at 3.00 P.M.

2010-11: same as above 30th September, 2011 at 3.00 P.M.

2011-12: same as above 27th September, 2012 at 3.00 P.M.

II Special Resolutions passed in the previous three years Year 2009-10:

One resolution relating to increase of managerial remuneration of Whole Time Director.

Year 2010-11:

There was no special resolution passed during the year 2010-11.

Year 2011-12:

There was no special resolution passed during the year 2011-12.

III. Passing of postal ballot: No resolution was passed through postal ballot in the last year.

IV. No resolution is proposed to be conducted through postal ballot in the ensuing Annual General Meeting.

8. DISCLOSURES

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, and 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 markets in the last three years.

c) Whistle Blowing Policy Mechanism:

Considering the nature and size of the company, no such mechanism has been established as on date.

9. MEANS OF COMMUNICATION

The quarterly, half yearly and annual financial results of the company were published in leading national newspaper namely, Economics Times, Nav Bharat Times alongwith Business Standard/ The Pioneer in English and Veer Arjun, Hari Bhoomi in Hindi and Financial express. The same is displayed in the company's website www.ahlconindia.com for public information in compliance with listing agreements.

10. THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT FORMS PART OF THIS ANNUAL REPORT.

11. GENERAL SHAREHOLDER INFORMATION

11.1 21st Annual General Meeting

The 21st Annual General Meeting of Ahlcon Parenterals (India) Limited will be held on Friday, the 20th day of September 2013 at 03.00 P.M. at FICCI Golden Jubilee Auditorium, 1, Tansen Marg, New Delhi-110001 at 3.00 P.M.

11.2 Tentative Financial Calendar for the year 2013-2014:

Quarterly Results:

First Quarter Results	During August, 2013
Second Quarter Results	During November, 2013
Third Quarter Results	During February, 2014
Fourth Quarter Results	Before end of May, 2014

11.3 Date of Book closure

From 13th September, 2013 to 20th September, 2013 (both days inclusive), for the purpose of Annual General Meeting of the company.

11.4 Dividend payment date

While approving the Final Accounts statements for the year ended on 31st March 2013, the Board has not recommended any dividend on the Equity shares and has approved for payment of dividend only on the 6% Cumulative, Redeemable Preference Shares amounting to ₹ 5,40,000/- (excluding tax on dividend) for the year 2012-13.

11.5. Listing of Equity Shares on Stock Exchanges at:

Mumbai, Kolkata, New Delhi and Jaipur.

Note: The Company has paid Annual Listing Fee 2013-2014 to each of these Stock Exchanges and their respective addresses have been given in the Annual Reports sent to member's along with the notice of the 21st Annual General Meeting of the company.

11.6 a) Stock Code: Trading Symbol - Bombay Stock Exchange Ltd: '524448' Ahlcon Paren, DES : 101237. JSE: 294, CSE: 11084,

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

c) Stock Market Data (In ₹/per share) in the year in Bombay Stock Exchange Limited (BSE) with Month's High and Low:

MONTH	HIGH	LOW
April, 2012	442.65	415.50
May, 2012	438.00	424.00
June, 2012	431.95	422.00
July, 2012	449.00	401.00
August, 2012	440.00	308.85
September, 2012	384.00	328.90
October, 2012	400.00	323.30
November, 2012	413.00	291.70
December, 2012	396.00	312.00
January, 2013	401.10	315.05
February, 2013	450.00	330.00
March, 2013	409.00	291.00

11.7 Registrars and Transfer Agents:

M/s MAS Services Ltd.

T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110 020 Tel. No.-011-26387281/82/83

Fax No.- 011-26387384 e.mail: info@masserv.com

11.8 Share Transfer System

Presently, the share transfers which are received in physical form are processed and the share certificates returned within a period of 5 to 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The share Certificates are despatched within a period of 15 days from the date of its receipt. All the entire dematerialisation request received from the shareholders are confirmed within the specified period of 21 days from the date of its generation of DRN Number by the DPs and physically received in the office of the RTA.



11.9 Distribution of share holders as on 31st March, 2013

SHARE OR DEBENTURE HOLDING OF NOMINAL VALUE OF ₹ 10/- EACH		NUMBER OF SHARE	SHARE HOLDERS		SHARE AMOUNT	
₹	₹		NUMBER	% TO TOTAL	(IN ₹)	% TO TOTAL
Upto	5,000	331019	3237	97.149	3310190	4.597
5,001	10,000	54195	66	1.981	541950	0.753
10,001	20,000	16665	10	0.300	166650	0.231
20,001	30,000	11672	4	0.120	116720	0.162
30,001	40,000	11400	3	0.090	114000	0.158
40,001	50,000	10000	2	0.060	100000	0.139
50,001	1,00,000	25799	4	0.120	257990	0.358
1,00,001 and above		6739400	6	0.180	67394000	93.601
TOTAL		7200150	3332	100.000	72001500	100.000

Shareholding Pattern as at 31st March, 2013

SL. NO.	CATEGORY	NO OF SHARES HELD	% OF SHAREHOLDING
1	Promoters	5400112	75.00
2	NRI's, OCB's etc.	122	0.002
3	Mutual Funds, Banks, FII's	-	0.000
4	Bodies Corporate	430821	5.984
5	Indian Public	1368685	19.009
6	Clearing Member	410	0.005
	TOTAL	72,00,150	100.00

11.10 Dematerialisation of Shares

95.99% of the Company's paid-up equity share capital has been dematerialised as on 31st March, 2013. 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.

11.11 Plant Location- Bhiwadi

SP- 917 & 918, Phase-III, Bhiwadi, Dist- Alwar,Rajasthan-301019

11.12 Address for Correspondence

For share transfer, transmission and dematerialisation request M/s MAS Services Ltd. T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Ph:- 26387281/82/83,Fax:- 26387384,email:- info@masserv.com, website : www.masserv.com Any assistance relating to such matters or Annual Report may be

taken up with Mr. Ranjan Kumar Sahu, Company Secretary & Sr.Manager-Legal at the registered office of the company at Unit No. 201-205, IInd Floor,ND Mall-1,Plot No. 2-4,Wazirpur District Centre,Netaji Subhash Place, Delhi-110034,Tel No.011-42344234, email: cssahu@ahlconindia.com or info@ahlconindia.com.**Annexure 1 to the Corporate Governance Report**

To the Shareholders

Affirmation of compliance with Code of Business Conduct. I, Mr Arun Mudgal, Managing Director, declare that the Board of Directors of the Company has received affirmation on compliance with the Code of Business Conduct for the period from 1st April, 2012 or date of their joining the Company, whichever is later to 31st March, 2013 from all members of the Board and employees under Senior Management Cadre.

Place : New Delhi
Date: 12.08.2013

Arun Mudgal
Managing Director



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 for the year ended on March 31, 2013, 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 of the financial statement of the Company.

In our opinion and the 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 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
Firm Registration No. 000605N

SACHIN KUMAR
Partner
M.NO. 503204

Place: New Delhi
Dated: 12.08.2013

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

To
The Board of Directors,
Ahlcon Parenterals (India) Limited
Unit No. 201-205, IInd Floor, ND Mall-1,
Plot No. 2-4, Wazirpur District Centre,
Netaji Subhash Place, Delhi-110034

We hereby certify that for the financial year ending 31st March, 2013, on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:-

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended on 31st March 2013, which are fraudulent, illegal or violative of the Company's code of conduct.

Dated: 14.05.2013

4. We accept responsibility for establishing and maintaining internal controls. We have evaluated the effectiveness of the internal control system of the company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design of operation of the internal control systems and that we have taken the required steps to rectify there deficiencies.

5. We further certify that:-

- a) There have been no significant changes in internal control during this year.
- b) There have been no significant changes in accounting policies during this year.
- c) There have been no instances of significant fraud of which we have become aware and involvement therein, of management or an employee having a significant role in the company's internal control system.

Arun Mudgal
Managing Director (CEO)

Rajeev Kumar Walia
Chief Financial Officer



AUDITOR'S REPORT

To,
The Member of
AHLCON PARENTERALS (INDIA) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Ahlcon Parenterals (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2013
- b) In the case of Statement Profit & Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 those books;
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For ARUN K GUPTA & ASSOCIATES
Chartered Accountants
Firm Registration No.-000605N

SACHIN KUMAR
Partner
M.No. 503204

Place : New Delhi
Dated : 14.05.2013

Annexure referred to in paragraph 3 of our report of even date

Ahlcon Parenterals (India) Limited

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The management during the year has physically verified the

fixed assets and no material discrepancies have been noticed on such verification. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and the nature of its business. In our opinion the company has not



disposed of any substantial part of its fixed assets during the year and the going concern status of the company is not affected.

2. The management has conducted physical verification of inventory at reasonable intervals. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory except for work in progress, which has been determined on the physical verification at the year-end. No material discrepancies in inventory were noticed on physical verification.
3.
 - i. As informed to us, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - ii. As informed to us, the Company has not taken any loan, from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Accordingly the issue of continuing failure to correct

major weakness in internal control in these areas does not apply.

5. According to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.

According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register maintained under Section 301 of Companies Act 1956 have been made at a prices which are reasonable having regard to prevailing market prices wherever available at the relevant time.

6. The Company has not accepted any deposits from the public within the meaning of section 58A & 58AA of the Companies Act, 1956 and the rules made there under.
7. In our opinion, internal audit system of the company is commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however not made a detailed examination of the records.

9.
 - i. According to the records of the company, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of Wealth Tax, Sales Tax, Service Tax, Customs duty and Excise duty outstanding, as at 31st March 2013 for a period of more than six months from the date they became payable except for Entry Tax (Rajasthan) ₹ 96,917/- for F.Y 2007-08, ₹ 1,33,668/- for F.Y 2008-09 ₹ 2,51,496/- for F.Y. 2009-10 ₹ 1,89,805/- for F.Y. 2010-11, ₹ 6,92,615/- for F.Y 2011-12, ₹ 6,03,135/- for F.Y 2012-13 and Income Tax of ₹ 2,26,864/-, ₹ 1,04,936/-, ₹ 10,200/-, ₹ 86,260/-, ₹ 15589/- respectively for F.Y. 2000-02, F.Y. 2002-03, F.Y. 2007-08, F.Y. 2008-09, F.Y. 2009-10.
 - ii. According to the records of the Company, the dues outstanding of Income Tax, Sales Tax, Customs Duty, Wealth Tax, Excise Duty and Cess on account of any dispute are as under:

NATURE OF STATUTE	NATURE OF DUES	AMOUNT (₹)	PERIOD TO WHICH AMOUNT RELATES	FORUM WHERE DISPUTE IS PENDING
Central Excise	Excise Duty on Physician Sample	16,67,708/-	April 05 to March, 06	Customs, Excise and Service Tax appellate Tribunal, New Delhi
Central Excise	Service Tax on Foreign based services Penalty on above Interest on above	9,01,021/- 9,01,021/- 5,000/-	April 06 to August 09	Customs, Excise and Service Tax appellate Tribunal, New Delhi -do- -do-
Central Excise	Cenvat Credit on Photocopy of bill of entry Penalty on above	6,19,875/- 6,19,875/-	2009-2010	Joint Commissioner, Jaipur -do-
Central Excise	Modvat Reversed on Packing Material destroyed	1,04,170/-	April 06 to March, 07	Commissioner Appeal, Bhiwadi
Central Sales Tax	Service Tax Input outward freight	1,79,002/-	2006-2007	Commissioner Appeal
Central Sales Tax	Demand against non submission of Forms	3,10,561/-	2009-2010	Commercial Tax Officer, Bhiwadi, Rajasthan



-
10. The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
 11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or bank.
 12. According to the information and explanation given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. In our opinion and according to the information and explanation given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund, nidhi / mutual benefit fund and Societies.
 14. The Company has not dealt / traded in shares, securities, debentures and other investments.
 15. We have been informed that the company has not given any guarantee for loans taken by others from bank & financial institutions.
 16. Based on information and explanations given to us by the management the term loans were applied for the purpose for which loans were obtained.
 17. According to the information & explanation given and on the basis of overall examination of balance sheet of the company in our opinion no short term funds have been used for long term investments during the year.
 18. During the year the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
 19. During the period covered by our audit, the Company has not issued any debentures.
 20. The company has not raised any money through a public issue during the year.
 21. Based upon the audit procedures performed by us for expressing our opinion on these financial statements and as per information & explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
- For ARUN K. GUPTA & ASSOCIATES**
Chartered Accountants
Firm Registration No. 000605N
Sachin Kumar
- Place: New Delhi
Dated: 14.05.2013
- Partner
M.NO. 503204
-

**BALANCE SHEET** AS AT 31ST MARCH, 2013

PARTICULARS	NOTE	AS AT 31ST MARCH, 2013		AS AT 31ST MARCH, 2012	
		₹	₹	₹	₹
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	3	81,001,500		81,001,500	
Reserves and Surplus	4	468,849,922	549,851,422	340,995,614	421,997,114
Non-Current Liabilities					
Long Term Borrowings	5	29,163,292		70,144,447	
Deferred Tax Liabilities (net)	6	58,164,616		63,800,424	
Other Long Term Liabilities	7	2,191,009		801,116	
Long Term Provisions	8	4,843,399	94,362,316	3,910,368	138,656,355
Current Liabilities					
Short Term Borrowings	6	100,938,336		116,435,779	
Trade Payables	9	93,813,587		67,586,395	
Other Current Liabilities	10	94,733,872		78,888,786	
Short Term Provisions	8	13,352,403	302,838,198	7,362,291	270,273,251
TOTAL			947,051,936		830,926,720
ASSETS					
Non Current Assets					
Fixed Assets					
Tangible Assets	11	462,689,253		496,840,137	
Intangible Assets	11	2,285,614		2,955,325	
Capital Work-In-Progress	11	77,267,381		31,903,177	
Long-Term Loans and Advances	12	16,637,199	558,879,447	28,439,172	560,137,811
Current Assets					
Inventories	13	100,899,708		97,370,459	
Trade Receivables	14	256,949,075		129,980,519	
Cash and Bank Balances	15	5,799,812		19,036,958	
Short Term Loans and Advances	12	15,837,840		15,121,820	
Other Current Assets	16	8,686,054	388,172,489	9,279,153	270,788,909
TOTAL			947,051,936		830,926,720
Significant Accounting Policies Notes on Financial Statements	(1 to 36)				

As per our report of even date
For Arun K. Gupta & Associates
Chartered Accountants
Firm Registration No : 000605N

Sachin Kumar
Partner
M. No: 503204

Anand Chandrashekhar Apte
Chairman

Arun Mudgal
Managing Director

Place : New Delhi
Date : 14-05-2013

Rajeev Kumar Walia
Chief Financial Officer

Ranjan Kumar Sahu
Company Secretary



STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	NOTE	YEAR ENDED 31ST MARCH, 2013		YEAR ENDED 31ST MARCH, 2012	
		(₹)	(₹)	(₹)	(₹)
INCOME					
Revenue from Operations	17		1,182,101,930		866,407,011
Less: Excise duty	17		105,041,977		69,379,425
Revenue from Operations (Net)			1,077,059,953		797,027,586
Other Income	18		8,957,671		9,077,891
Total Revenue			1,086,017,624		806105477
EXPENDITURE					
Cost of Materials Consumed	19		392,668,857		310,571,323
Purchases of Stock-in-Trade	19		196,865		144,926
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20		26,304,505		(13,893,868)
Employee Benefits Expense	21		145,697,837		130,403,511
Finance Costs	22		29,536,571		36,991,401
Depreciation and Amortisation Expense	11		36,051,139		33,959,591
Other Expenses	23		268,674,885		235,585,116
Total expenses			899,130,659		733,762,000
Profit Before Tax			186,886,965		72,343,477
Tax Expenses:					
Current Tax Expense for current year		63,382,300		21,657,570	
MAT Credit Entitlement		-	63,382,300	(585,061)	21,072,509
Current Tax Expense Relating to Prior years			443,869		743,492
Net Current Tax Expense			63,826,169		21,816,001
Deferred Tax			(5,635,808)		534,408
			58,190,361		22,350,409
Profit for the Year			128,696,604		49,993,068
Earnings per Equity Share of - Face Value of ₹ 10 /- each					
Basic	24		17.79		6.94
Diluted			17.79		6.94
Significant Accounting Policies Notes on Financial Statements	(1 to 36)				

As per our report of even date
For Arun K. Gupta & Associates
Chartered Accountants
Firm Registration No : 000605N

Sachin Kumar
Partner
M. No: 503204

Place : New Delhi
Date : 14-05-2013

Anand Chandrashekhar Apte
Chairman

Rajeev Kumar Walia
Chief Financial Officer

Arun Mudgal
Managing Director

Ranjan Kumar Sahu
Company Secretary



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

1. Nature of Operations

Ahlcon Parenterals (India) Limited is the manufacturer of Pharmaceutical Intravenous Fluids and Ophthalmics/Ear drops.

2. Statement of Significant Accounting Policies

a. Basis of Accounting

- i 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.
- ii Gratuity and Leave encashment liability is accounted for on accrual basis as per the Actuarial Valuation determined, at the end of accounting year.
- iii Cenvat 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 is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. It includes excise duty but excludes sales return, volume discount and value added tax / sales tax. Excise Duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability that arose during the year.

Revenue from the sale / Contract Packaging of goods is recognised upon dispatch of goods to the customers and shown net of sales tax and excise duty.

In accordance with AS 9 on 'Disclosure of Revenue from Sales Transactions' issued by Institute of Chartered Accountants of India, excise duty on turnover has been reduced from turnover in Profit & Loss Account.

Export Benefit

Export Benefits constituting import duty benefits under Duty Draw Back & Focus Market are accounted for on accrual basis.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

c. 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.

d. Depreciation

- i Depreciation on all completed Fixed Assets is provided on the Straight Line Method in accordance with the Schedule XIV of Companies Act, 1956.
- ii Leasehold land is amortized over the period of lease.
- iii Software costs relating to acquisition and development are capitalized in the year of purchase and amortized on a straight- line basis over its useful life not exceeding 10 years.
- iv Improvement in Building is written off in three equal annual installments.
- v Telephones is written off in three equal annual installments.

e. Borrowing Cost

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

f. Inventories

Inventories are valued as follows :

Finished goods and Work in Progress	:	Lower of cost and net realizable value.
Scrap	:	Net Realisable value
Raw Material, Stores and Spare and others	:	Lower of cost and net realizable value. However materials and other items held for use in the production of inventories are not written down below cost if the finished products, in which they will be incorporated, are expected to be sold at or above cost. Cost of Raw materials is determined on a monthly moving weighted average basis and cost of stores and spares is determined on transaction moving weighted average.

h. Foreign Currency Transactions

The monetary items of 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 Income/Expenditure. Foreign Currency transactions are recognized at the exchange rate prevailing at the time of transaction.

In respect of Forward Exchange Contract entered into by the Company, the difference between the contracted rate and the rate at the date of



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

transaction is recognized as gain or loss over the period of contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or expense for the year.

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 crystallize / capable of reversal as deferred tax charge / benefit in the Profit and Loss Account and as deferred tax liability / asset in the Balance Sheet.

k. Impairment of Assets

Consideration is given at each balance sheet date to determine whether there is any indication of the impairment / loss of the fixed assets. If any indication exists, an asset recoverable amount is estimated and impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

l. Retirement and other Employee Benefits

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Retirement benefits in the form of Provident Fund (where contributed to the Regional PF Commissioner) is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the fund are due. There are no other obligations other than the contribution payable to the respective authorities.

Short term compensated absences are provided for on based on estimates. Long term compensated absences are provided for based on actuarial valuation carried by an actuary as at the end of the year.

Actuarial gains/losses are immediately taken to Profit and Loss account and are not deferred.

m. Segment Reporting

The activities of the Company relate to single segment i.e. pharmaceuticals business segment and has only one reportable segment. However, the analysis of Company's revenue generation is based on the geographical location of its customer's and does not have any identifiable 'Primary Segment' for reporting.

Accordingly, the geographical location segment have been considered for disclosure as follows:

For Sales Revenue :

Sales revenue with in india includes Sales to customers with in india.

Sales revenue outside india includes Sales to customers located outside india.

For Carrying Amount of Geographical Segment Assets (i.e. receivables);

Carrying amount (receivables) of Geographical segmented assets are as follows:

- Receivables within India
- Receivables outside India

For Common Fixed Assets:

The Company has common fixed assets for producing goods for domestic market and Overseas Market. Hence, segregated figures are not furnished.

NOTE - 3 - SHARE CAPITAL

PARTICULARS	AS AT 31ST MARCH, 2013 (₹)	AS AT 31ST MARCH, 2012 (₹)
Authorised Share Capital		
1,10,00,000 Equity Shares of ₹ 10/- each	110,000,000	110,000,000
70,00,000 Preference Shares of ₹ 10/- each	70,000,000	70,000,000
	180,000,000	180,000,000
Issued, Subscribed and fully paid up		
72,00,150 Equity Shares of ₹ 10/- each	72,001,500	72,001,500
9,00,000, 6% Redeemable Cumulative Preference Shares of ₹ 10/- each fully paid up	9,000,000	9,000,000
Total Share Capital	81,001,500	81,001,500

**NOTES** ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

	AS AT 31ST MARCH , 2013		AS AT 31ST MARCH, 2012	
	Number of shares	(₹)	Number of shares	(₹)
Equity Shares				
At the beginning of the year	7,200,150	72,001,500	7,200,150	72,001,500
Add: Shares issued during the year	-	-	-	-
Outstanding at the end of the year	7,200,150	72,001,500	7,200,150	72,001,500
6% Redeemable Cumulative Preference Shares				
At the beginning of the year	900,000	9,000,000	900,000	9,000,000
Add: Shares issued during the year	-	-	-	-
Outstanding at the end of the year	900,000	9,000,000	900,000	9,000,000

b) Terms / rights / preferences and restrictions attached to the each class of shares

(i) Terms/ rights attached to Equity Shares

The Company has fully paid up equity shares having a par value of Rs 10/- per share. Each holder of equity share is entitiled to one vote per share. The company declares and pays dividend in Indian rupee.

During the year ended March 31, 2013, no dividend was paid / distributed to Equity Shareholders (Previous year Final Dividend Rs 1.50 per share for 2010-11 and Interim dividend Rs 1.00 per share for 2011-12)

In the event of liquidation of the Company , the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. This distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Terms/ rights attached to Preference Shares

The Company has fully paid up 6% Redeemable cumulative preference shares having a par value of Rs 10/- per share. Each holder of redeemable preference shares entitled to one vote per share only on resolutions placed before the company which directly affect the rights attached to redeemable preference shares. The Company declares and pays preference dividend in Indian rupee.

The preference shares are non-convertible and non - participatory and are redeemable at par by way of a put and call options at any time after a period of two years from the date of their allotment i.e. 28.10.2006 by giving one month prior notice either by the Company or by preference shareholders.

During the year ended March 31, 2013, neither company nor preference shareholders have exercised the call / put option.

c) Details of shares held by each shareholder holding more than 5% shares in the Company

CLASS OF SHARES / NAME OF SHAREHOLDER	AS AT 31ST MARCH, 2013		AS AT 31ST MARCH, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity Shares				
M/s B Braun Singapore Pte Ltd	5,400,112	75	-	-
Mr. Bikramjit Ahluwalia	911,894	13	2,949,312	41
Mrs. Sudarshan Walia	-	-	709,610	10
Dr. Rohini Ahluwalia	-	-	469,710	7
Redeemable Preference Shares				
Mr. Chander P Sharma and Sneh L Sharma	430,000	48	430,000	48
Mrs. Sneh L Sharma and Chander P Sharma	470,000	52	470,000	52



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE 4: RESERVES AND SURPLUS

PARTICULARS	AS AT 31ST MARCH, 2013 (₹)		AS AT 31ST MARCH, 2012 (₹)	
Capital Reserve				
State Subsidy on Fixed Capital Investment	1,500,000		1,721,246	
Surplus on Reissue of Forfeited Shares	33,000	1,533,000	33,000	1,754,246
Capital Redemption Reserve		29,000,000		29,000,000
General Reserve				
Balance as per last financial statement	47000000		41,000,000	
Add: Transferred from Surplus in Statement of Profit and Loss	-	47,000,000	6,000,000	47,000,000
Surplus / (Deficit) in Statement of Profit and Loss				
Balance as per last financial statement	263,41,318		228,244,095	
Add: Profit for the year	128,696,604		49,993,068	
Less: Appropriations				
Interim Dividend distributed to Equity Shareholders	-		7,200,150	
Interim Dividend distributed to Preference Shareholders	-		405,000	
Dividend Proposed to be distributed to Preference Shareholders	540,000		135,000	
Tax on Interim Dividend	-		1,233,745	
Tax on Final Dividend	81,000		21,900	
Transferred to General Reserve	-		6,000,000	
Net Surplus in Statement of Profit & Loss		391,316,922		263,241,368
Total Reserves and Surplus		468,849,922		340,995,614

NOTE 5 BORROWINGS

Long-Term				
Secured				
Term loans from banks		71,267,471		112,937,947
Vehicle Loan		1,096,859		483,486
		72,364,330		113,421,433
Less: Current Maturities of Term Loans				
Term loans from banks		42,793,500		42,793,500
Vehicle Loan		407,538		483,486
(Amount disclosed under the head "other current liabilities" (note 7)		43,201,038		43,276,986
Total Long-Term Borrowings (A)		29,163,292		70,144,447
Short-Term				
Secured				
Working capital loan from a bank		66,851,852		116,435,779
Unsecured				
Credit facility from a bank		34,086,484		-
Total Short-Term Borrowings (B)		100,938,336		116,435,779
Total Borrowings (A+B)		130,101,628		186,580,226



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

I. Term loans

a) From Punjab & Sind Bank are secured by way of first and exclusive charge on the specific machinery purchased against the term loans and on other fixed assets including hypothecation and mortgage on land & building of the company as well as on all the current assets of the company. The term loans bears floating interest at the rate, base rate plus 2.75% p.a. The loans are repayable in quarterly installments of ₹ 28,23,375/- and ₹ 78,75,000/- respectively along with interest.

II. **Vehicle loan** is secured by hypothecation of specific vehicle acquired out of proceeds of the loan and carries interest at the rate 10.24% p.a.

III. Working capital loan

a) Working Capital facility from Punjab & Sind Bank is secured by way of first exclusive hypothecation charge on entire current assets (both present & future) including stock of raw materials, finished goods, work in progress, stores & spares etc and assignment of entire book debts of the Company and further secured by way of equitable mortgage of industrial land & building of the company at its Bhiwadi works, Rajasthan.

b) The Working Capital facility from Punjab & Sind Bank is repayable on demand and carries interest at base rate plus 2.75% p.a.

c) Unsecured Short Term facility for ₹ 40,00,00,000/- from Deutsche Bank is received under 'Master Arrangement Letter of Credit Facilities' dated 1st December 2010 between B. Braun Melsungen AG and Deutsche Bank AG, Mumbai supported by B. Braun Melsungen AG as Security party and Demand Promissory Note for INR ₹ 40,00,00,000/-.

d) The Short Term Credit facility from Deutsche Bank is repayable on demand and carries interest at base rate plus 2.00% p.a.

NOTE 6 -DEFERRED TAX LIABILITIES

PARTICULARS	AS AT	AS AT
	31ST MARCH, 2013	31ST MARCH, 2012
	(₹)	(₹)
Deferred Tax Liabilities		
Impact of difference between tax and book written down value of Assets.	69,532,367	70,893,187
Gross Deferred Tax Liability	69,532,367	70,893,187
Deferred Tax Assets ,		
Provision for doubtful debts	10,895,620	8,611,846
Provision for Obsolete Inventory	9,159,554	3,724,437
Disallowance U/S 43B	14,981,813	9,524,598
Effect of expenditure debited to statement of profit and loss in the current year but allowed for tax in the following years.	11,367,750	7,092,763
Gross Deferred Tax Assets	11,367,750	7,092,763
Net Deferred Tax Liability / (Assets)	58,164,616	63,800,424
Deferred Tax Liability / (Assets) for the year	(5,635,808)	534,408

NOTE 7- LONG TERM LIABILITY

Advances from Customers	2,191,009	801,116
Total advances from customers	2,191,009	801,116



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE 8 - PROVISIONS

PARTICULARS	AS AT 31ST MARCH, 2013 (₹)	AS AT 31ST MARCH, 2012 (₹)
Long-Term Provisions		
Provision for Leave Encashment	4,843,399	3,910,368
Total Long-Term Provisions (A)	4,843,399	3,910,368
Short-Term Provisions		
For Employee Benefits:		
Provision for Bonus	3,120,386	3,084,818
Provision for Leave Encashment	726,855	508,537
Provision for Gratuity (refer note 27)	1,512,406	1,092,615
Total Provision for Employee Benefits	5,359,647	4,685,970
Others:		
Provision for Taxation (Net of Advance Tax Rs 5,60,10,544/- Previous Year Rs 191,38,149/-)	7,371,756	2,519,421
Provision for Proposed Preference Dividend	540,000	135,000
Provision for Tax on Proposed Dividend	81,000	21,900
Total Others	7,992,756	2,676,321
Total Short-Term Provisions (B)	13,352,403	7,362,291
Total Provisions (A+B)	18,195,802	11,272,659

NOTE 9 -TRADE PAYABLES

Trade Payables		
Total Outstanding Dues of Micro, Small & Medium Enterprises (Refer Note 26)	3,691,696	2,188,976
Total Outstanding Dues other than Micro, Small & Medium Enterprises	90,121,891	65,397,419
Total Trade Payables	93,813,587	67,586,395

NOTE 10 -OTHER CURRENT LIABILITIES

Current Maturities of Term Loans from bank (refer note 5)	42,793,500	42,793,500
Current Maturities of Vehicle Loan from bank (refer note 5)	407,538	483,486
Interest Accrued and Due on Term loans	807,593	1,037,810
Unpaid Dividend	1,894,529	1,708,384
Trade / Security Deposits	710,000	660,000
Payables for Capital Goods	12,820,997	1,734,147
Advances from Customers	19,423,091	16,453,663
Due to Director	-	99,554
Due to Statutory Authorities	7,762,504	7,160,421
Others payables	8,114,120	6,757,821
Total Other Current Liabilities	94,733,872	78,888,786



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE 11 – FIXED ASSETS

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK		
	AS AT 01-04-2012	ADDITIONS DURING THE YEAR	ADJUSTMENTS DURING THE YEAR	AS AT 31-03-2013	AS AT 01-04-2012	FOR THE YEAR	ADJUSTMENTS	UP TO 31-03-2013	AS AT 31-03-2013	AS AT 31-03-2012
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
TANGIBLE ASSETS: *										
Land (Lease hold)	29,029,518	-	-	29,029,518	2,216,879	293,227	-	2,510,106	26,519,412	26,812,639
Buildings	89,074,262	-	-	89,074,262	30,823,590	2,975,080	-	33,798,670	55,275,592	58,250,672
Improvement in Building	11,792,599	-	-	11,792,599	7,632,348	1,795,730	-	9,428,078	2,364,521	4,160,251
Plant & Machinery	658,972,074	9,170,935	2,970,690	665,172,319	273,968,532	27,392,232	1,439,765	299,920,999	365,251,320	385,003,542
Furniture & Fixtures	8,215,072	328,562	-	8,543,634	6,087,576	213,428	-	6,301,004	2,242,629	2,127,495
Office Equipment	15,803,588	1,107,089	60,272	16,850,405	9,694,822	1,294,648	30,649	10,958,821	5,891,584	6,108,766
Vehicles	16,268,866	1,812,20	10,991,274	7,089,794	1,892,094	1,345,077	1,291,572	1,945,599	5,144,195	14,376,772
SUB TOTAL (A)	829,155,979	12,418,788	14,022,236	827,552,531	332,315,841	35,309,422	2,761,986	364,863,277	462,689,253	496,840,137
INTANGIBLE ASSETS										
Software	4,552,883	72,006	-	4,624,889	1,597,558	741,716	-	2,339,275	2,285,614	2,955,325
Sub Total (B)	4,552,883	72,006	-	4,624,889	1,597,558	741,716	-	2,339,275	2,285,614	2,955,325
Total (A)+(B)	833,708,862	12,490,794	14,022,236	832,177,420	333,913,400	36,051,139	2,761,986	367,202,552	464,974,868	499,795,462
Capital Work in Progress										
Plant & Machinery Under Erection	5,330,903	41,440,032	-	46,770,935	-	-	-	-	46,770,935	5,330,903
Building Under Construction	26,572,274	3,924,172	-	30,496,446	-	-	-	-	30,496,446	26,572,274
Sub Total (C)	31,903,177	45,364,204	-	77,267,381	-	-	-	-	77,267,381	31,903,177
Grand Total (Current Year)	865,612,039	57,854,998	14,022,236	909,444,800	333,913,400	36,051,139	2,761,986	367,202,552	542,242,248	531,698,639
Grand Total (Previous Year)	830,677,618	39,714,096	4,779,675	865,612,039	302,358,442	33,959,591	2,404,634	333,913,399	531,698,639	528,319,176

* Includes

1- Capital Expenditure on R & D Division:

Plant & Machinery	3,590,304
Furniture & Fixtures	365,422
Office Equipment	72,780
Computer	59,600
Intangible Asset	171,560
2- State subsidy Rs 2,21,246/-	



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE 12 - LOANS AND ADVANCES

PARTICULARS	AS AT 31ST MARCH, 2013 (₹)	AS AT 31ST MARCH, 2012 (₹)
Non-current		
Unsecured Considered Good		
Capital Advances	-	2,121,966
Security Deposits		
Earnest Money Deposits	736,800	400,000
Other Security Deposits	5,065,002	3,794,084
Loans and Advances to Employees	519,000	783,131
Advance Income Tax (Net of Provisions)	10,316,397	13,452,155
MAT Credit Entitlement		
Opening Balance	7,887,836	7,887,836
Less: Utilized during the year	(7,887,836)	-
Total Non-Current Loans & Advances (A)	16,637,199	28,439,172
Current		
Advances Recoverable in Cash or in Kind		
Earnest Money Deposits		
Unsecured Considered Good	1,641,000	889,000
Considered Doubtful	193,233	618,233
	1,834,233	1,507,233
Less: Provision for Doubtful	193,233	618,233
	1,641,000	889,000
Advance to Suppliers		
Unsecured Considered Good	3,578,950	836,072
Considered Doubtful	233,936	310,029
	3,812,886	1,146,101
Less: Provision for Doubtful	233,936	310,029
	3,578,950	836,072
Security Deposits	762,300	1,335,190
Loans and Advances to Employees	560,800	1,779,617
Prepaid Expenses	1,299,031	610,122
Balances with Government Authorities	7,995,759	9,671,819
Total Current Loans & Advances (B)	15,837,840	15,121,820
Total Loans & Advances (A+B)	32,475,039	43,560,992

**NOTES** ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**NOTE 13 - INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)**

PARTICULARS	AS AT 31ST MARCH, 2013 (₹)	AS AT 31ST MARCH, 2012 (₹)
Raw Materials (includes Rs 23,639,853 in-transit, previous year ₹ NIL)	58,856,731	26,778,441
Work-In-Progress	6,273,524	13,251,079
Finished Goods (other than those acquired for Trading)	12,974,122	31,946,074
Stock-In-Trade (acquired for Trading)	152,758	22,108
Stores and Spares	12,764,536	12,685,428
Scrap	176,480	662,128
Packing Materials	18,861,111	15,749,638
Gross total	110,059,262	101,094,896
Less Provision for Obsolete Stock	9,159,554	3,724,437
Total Inventory	100,899,708	97,370,459

NOTE 14 - TRADE RECEIVABLES

Receivables for a Period Exceeding Six Months from the date they are Due for Payment		
Unsecured, Considered Good	984,338	4,716,213
Considered Doubtful	10,895,620	8,611,846
	11,879,958	13,328,059
Less: Provision for Doubtful	10,895,620	8,611,846
	984,338	4,716,213
Other Receivables		
Unsecured, Considered Good	255,964,737	125,264,306
Total Receivable	256,949,075	129,980,519

NOTE 15 - CASH AND BANK BALANCE

Cash and Cash Equivalents		
Cash on Hand	154,800	117,969
Balances with Banks		
In Current Accounts	2,180,733	13,159,184
Unpaid Dividend Accounts*	1,894,529	1,708,384
Total Cash and Cash Equivalents	4,230,062	14,985,537
Other Bank Balances (A)		
Deposits with Original Maturity of More than 3 Months but Less than 12 Months (Pledged as Margin Money)	1,569,750	4,051,421
Total Other Bank Balances (B)	1,569,750	4,051,421
Total Cash and Bank Balances (A+B)	5,799,812	19,036,958

Notes: *These balances are not available for use by the company as they represent corresponding Unpaid Dividend Liabilities.

NOTE 16 - OTHER CURRENT ASSETS

Interest Receivable on deposits	349,404	495,600
Export Benefit Receivable	6,437,973	8,783,553
Other Assets	1,898,677	-
Total Other Current Assets	8,686,054	9,279,153



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE 17 - REVENUE FROM OPERATIONS

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2013 (₹)	FOR THE YEAR ENDED 31ST MARCH, 2012 (₹)
Sales	813,582,615	552,359,674
Sale Contract Packaging	353,996,737	290,062,760
Other Operating Revenues	2,08,57,007	2,39,84,577
Less: Discount on Sales	(6,334,429)	(2,320,417)
	1,182,101,930	864,086,594
Less: Excise Duty	105,041,977	69,379,425
Total	1,077,059,953	794,707,169

Excise duty on sales amounting to Rs 10,50,41,977/- (previous year Rs 6,93,79,425/-) has been reduced from sales in statement of profit & loss.

Excise duty differential of ₹ (5,86,387)/- on increase in stock in the current year and of ₹ 92,113/- on increase / (decrease) in finished goods and inventory in the previous year, has been shown under the manufacturing expense in note 23.

Detail of Goods Sold

Manufactured Goods		
IV Infusion, Ophthalmics, Injection & Respiratory	813,836,444	551,040,518
Total - Sale of Manufactured Goods	813,836,444	551,040,518
Contract Packaging		
IV Infusion, Ophthalmics, Injection & Respiratory	353,996,737	290,062,760
Total Sale of Contract Packaging	353,996,737	290,062,760
Traded Goods		
Ahlmo Eye Ointment & Eye Look Capsule	(253,829)	1,319,156
Total Traded Goods	(253,829)	1,319,156
Note: Other Operating Revenue Comprise:		
Sale of Scrap	11,993,583	15,036,123
Duty Drawback and Other Export Incentives	8,863,424	8,715,287
Others	-	233,167
Total - Other Operating Revenues	20,857,007	23,984,577

NOTE 18 - OTHER INCOME

Interest Income on Fixed Deposits	669,843	395,035
Foreign Exchange Fluctuation Gain	5,914,168	3,257,480
Prior Period Adjustments (Net)	258,526	1,782,496
Rent	-	36,000
Profit on Sale of Fixed Assets	-	2,430
Liabilities / Provisions Written Back	348,637	-
Modvat Settlement	1,056,544	18,130
Miscellaneous Income	709,953	661,941
Total Other Income	8,957,671	6,153,512

**NOTES** ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**NOTE 19 - COST OF MATERIALS CONSUMED**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2013 (₹)	FOR THE YEAR ENDED 31ST MARCH, 2012 (₹)
Raw Material		
Opening stock	24,772,630	21,022,148
Add: Purchases	297,374,874	219,911,205
Less: Closing Stock	322,147,504	240,933,353
	56,974,087	24,772,630
Raw Material Consumed	265,173,417	216,160,723
Packing Material Consumed	127,495,440	94,410,600
Total Cost of Material Consumed	392,668,857	310,571,323
Details of Raw Materials		
PE Granules, Dextrose, Chemicals and Others	265,173,417	216,160,723
Total	265,173,417	216,160,723
Details of Purchase of Traded Goods		
Ahlmo Eye Ointment, Eye Look Capsules & IV Fluids	196,865	144,926
Total	196,865	144,926

NOTE 20 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Inventories at the End of the Year:		
Finished Goods	12,974,122	31,946,074
Work-In-Progress	6,450,004	13,913,207
Stock-In-Trade	152,758	22,108
	19,576,884	45,881,389
Inventories at the beginning of the Year:		
Finished Goods	31,946,074	25,596,859
Work-In-Progress	13,913,207	6,167,151
Stock-In-Trade	22,108	223,511
	45,881,389	31,987,521
Net Increase / (Decrease) in Inventories	(26,304,505)	13,893,868
Details of Finished Goods -		
IV Infusion, Ophthalmics, Injection & Respiratory	12,974,121	31,946,039
Total	12,974,121	31,946,039
Details of Work-In-Progress		
IV Infusion, Ophthalmics, Injection & Respiratory	6,273,524	13,913,242
Total	6,273,524	13,913,242
Details of Stock-In-Trade		
Ahlmo Eye Ointment & Eye Look Capsule	152,758	22108
Total	152,758	22108

NOTE 21- EMPLOYEE BENEFIT EXPENSES

Salaries, Wages and Bonus	126,852,510	114,530,102
Contributions to Provident and other Funds	12,389,052	10,473,325
Staff Welfare Expenses	6,456,275	5,400,084
Total Employee Benefit Expenses	145,697,837	130,403,511



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE 22 – FINANCE COST

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2013 (₹)	FOR THE YEAR ENDED 31ST MARCH, 2012 (₹)
Interest Expense on:		
Term Loans	11,971,134	14,728,905
Working Capital	12,516,123	17,542,939
Others	1,732,465	2,960,562
Other Borrowing Cost	1,717,421	579,075
Bank Charges	1,599,429	1,179,921
Total Finance Cost	29,536,571	36,991,401

NOTE 23 – OTHER EXPENSES

Manufacturing Expenses		
Consumption of Stores and Spares	39,296,994	25,416,908
Increase / (Decrease) of Excise Duty on Inventory	(586,387)	92,113
Power and Fuel	107,421,884	100,016,305
Testing Fees	2,553,517	2,860,500
Repairs and Maintenance – Machinery	2,283,775	4,331,073
Sub Total (A)	150,969,783	132,716,899
Selling and Distribution Expenses		
Freight and Forwarding	33,707,473	28,856,796
Sales Commission	8,967,078	5,448,245
Advertisement	787,897	348,242
Business Promotion	2,976,496	6,059,191
Provision for Doubtful Receivables, Bad Trade and other Receivables, Loans and Advances Written Off	2,283,774	3,358,032
Registration Charges	4,050,062	3,494,982
	101,169	210,844
Sub Total (B)	52,873,949	47,776,332
Administrative and Other Expenses		
Rent	3,379,917	3,523,000
Repairs and Maintenance – Buildings	4,622,897	1,291,109
Repairs and Maintenance – Others	4,605,807	2,730,048
Vehical Running & Maintenance	2,202,631	2,151,745
Insurance	997,600	457,996
Rates and Taxes	2,251,144	2,817,764
Communication	2,099,271	2,458,955
Travelling and Conveyance	8,472,940	11,975,542
Printing and Stationery	1,968,749	2,048,317
Research & Development Expenses (Excluding Depreciation) (Refer note 34)	5,252,546	5,315,515
Sale Tax Demand	1,279,375	576,403
Watch & Ward	1,606,815	1,364,777
Electricity & Water Charges	613,837	722,831
Donations	314,500	600,000

**NOTES** ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2013 (₹)	FOR THE YEAR ENDED 31ST MARCH, 2012 (₹)
Legal and Professional	11,836,566	4,912,860
Director Sitting Fee	421,980	170,000
Membership & Subscription	293,936	274,593
Payments to Auditors	1,731,930	650,849
Loss on Fixed Assets Sold	3,707,655	10,928
AGM Expenses	671,078	438,264
Provision for Doubtful Advances (Includes Doubtful Advances written back ₹ 5,59,904/- in current year and ₹ 2,41,115/- in previous year)	(501,093)	611,788
(Provision for Obsolete Stock Includes Provision for Obsolete Stock written back NiL in current year and ₹ 34,76,183 in previous year)	5,435,117	(174,064)
Miscellaneous Expenses	1,565,955	1,352,877
Sub Total (C)	64,831,153	46,282,097
Total Other Expenses (A+B+C)	268,674,885	226,775,328

NOTE 24 - EARNING PER SHARE (EPS)

Profit for the Year	128,696,604	49,993,068
Less: Preference dividend and tax	621,000	621,000
Net Profit for Calculation of Basic / Diluted EPS	128,075,604	49,372,068
Weighted Average Number of Equity Shares for Calculating Basic & Diluted EPS	7,200,150	7,200,150
Basic (in ₹)	17.79	6.94
Diluted EPS (in ₹)	17.79	6.94



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE 25 - CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF: -

SL. NO.	PARTICULARS	CURRENT YEAR (₹)	PREVIOUS YEAR (₹)
a	Excise duty pending hearing of appeals / writ petitions.		
	Cenvat credit on photocopy of the invoice disallowed	619,875	619,875
	Penalty Cenvat credit on photocopy of the invoice disallowed	619,875	619,875
	Reversal of modvat on material destroyed	104,170	104,170
	Demand on excise duty on phigician samples	1,667,708	1,667,708
b	Service Tax		
	i Reversal of cenvat credit availed on input services	-	113,189
	ii Demand on import of services	-	1,922,384
	Penalty and interest on Service tax on import of services	906,021	906,021
	Service tax on import of services	-	901,021
	Irregular cenvat credit on outward freight	179,002	179,002
c.	Value Added Tax - declaration forms pending submission	310,561	1,767,512
d	Worker reinstatement pending befor assistant commissioner labour law Alwar.	1,500,000	1,500,000
e	Bank Guarantees	31,934,078	5,949,655
f	Claims against the Company not acknowledged as debts	41,577	-
g	Duty exemption availed on import of machinery under EPCG Scheme	3,167,874	8,982,469

Based on favourable decisions in similar cases discussions with the solicitors etc, the Company believes that there is fair chance of decisions in its favour in respect of all the items listed in (a) to (d) above and hence no provision is considered necessary against the same.

- National Pharmaceutical Pricing Authority (NPPA) vide its orders, letter F.No. 21 (807)07/DW IV /NPPA dated 03/09/2008; subsequent letters dated 24/11/2008, 01/05/2009, 08/11/2010, 06/02/2012 and in continuation letter dated 05/04/2013 have raised a demand of ₹ 6,01,92,891/- being excess amount charged from consumers of product Ciplox, over and above price as per norms under DPCO, 1995, manufactured by us on behalf of CIPLA Ltd., along with interest thereupon, amounting to ₹ 6,64,13,209/- (previous year ₹ 5,59,00,067/-) thereby aggregating to ₹ 12,66,06,100/-(Previous year ₹ 11,60,92,958/-)
- Capital Commitments :- Capital contracts remaining to be executed (net of advances) and not provided for ₹ 3,29,59,863/- (previous year ₹ 1,19,09,039/-)

NOTE 26 - AMOUNT DUE TO SUPPLIERS COVERED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES ACT 2006, ON THE BASIS OF CONFIRMATION RECEIVED IS AS UNDER:

	PARTICULARS	CURRENT YEAR (₹)	PREVIOUS YEAR (₹)
I	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
	Principal Amount Unpaid	3,691,696	2,188,976
	Interest Due	58,761	120,887
II	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year.		
	Payment made beyond the Appointed Date	13,941,634	12,195,396
	Interest Paid beyond the Appointed Date	-	-

**NOTES** ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

III	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.		604,334		476,528
IV	The amount of interest accrued and remaining unpaid at the end of the year; and		663,096		597,415
V	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006		1,584,583		921,487

NOTE 27 - GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS:

The Company has a defined benefit gratuity plan. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/resignation. The benefit vests on the employees after completion of 5 years of service. The Gratuity liability has been funded. Company makes provision of such gratuity liability in the books of accounts on the basis of actuarial valuation as per the Projected unit credit method.

The Company has also provided long term compensated absences which are unfunded.

The following tables summarise the components of net benefit expense recognized in the profit and loss account and the unfunded status and amounts recognized in the balance sheet for the Gratuity.

PROFIT AND LOSS ACCOUNT

Net Employee Benefit Expense (recognised In Employee Cost)

(Amount In ₹)

GRATUITY	31ST MARCH, 2013	31ST MARCH, 2012
Current service cost	17,16,115	1,511,408
Interest cost on benefit obligation	9,70,245	698,341
Expected return on plan assets	(920,456)	(837,007)
Net actuarial loss / (gain) recognised in the year	20,14,738	532,726
Past service cost	-	-
Net benefit expense	3,780,642	1,905,468
Actual return on plan assets	1,148,010	837,007

BALANCE SHEET

Details of Provision for Gratuity

(Amount In ₹)

Defined benefit obligation	14,338,567	11,152,240
Fair value of plan assets	12,826,161	10,059,625
Less: Unrecognised past service cost	-	-
Plan liability	(1,512,406)	(1,092,615)
Changes in the present value of the defined benefit obligation are as follows:		(Amount In ₹)
Defined benefit obligation as at April 1 (Opening Balance)	1,11,52,240	8,729,258
Interest cost	9,70,245	698,341
Past service cost	-	-
Current service cost	17,16,115	1,511,408
Benefits paid	(1,742,325)	(319,493)
Actuarial losses on obligation	2,242,292	532,726
Defined benefit obligation as at March 31 (Closing Balance)	14,338,567	11,152,240



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

The principal assumptions used in determining gratuity benefit obligations for the Company's plans for last three years are shown below:

	31ST MARCH, 2013	31ST MARCH, 2012	31ST MARCH, 2011
Discount rate	7.90%	8.70%	8.00%
Increase in Compensation cost	6.00%	6.00%	5.50%
Rate of Return on Plan Assets	9.25%	9.15%	9.15%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amount for the current and previous four years are as follows:

	GRATUITY				
	31ST MARCH, 2013	31ST MARCH, 2012	31ST MARCH, 2011	31ST MARCH, 2010	31ST MARCH, 2009
Defined benefit obligation	14,338,567	11,152,240	8,729,258	7,464,833	5,885,903
Plan Assets	1,28,26,161	10,059,625	6,461,494	5,642,161	4,426,759
Deficit	(15,12,406)	(1,092,615)	(2,267,764)	(1,822,672)	(1,459,144)
Experience adjustments on plan liabilities (Loss)/Gain	(14,26,198)	(760,409)	(1,206,745)	194,364	529,296
Experience adjustments on plan assets (Loss)/ Gain	2,27,554	-	-	76,819	156,725

Contribution to defined contribution plans:

PARTICULARS	CURRENT YEAR (₹)	PREVIOUS YEAR (₹)
Provident Fund	7,418,070	6786258

NOTE 28 - LEASE

The Company has taken various residential and office premises under operating lease agreements. These are generally not non-cancelable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by Lease Agreement. There are no subleases.

PARTICULARS	CURRENT YEAR (₹)	PREVIOUS YEAR (₹)
Total lease payment for the year (Recognised in Profit & Loss Account)	3,300,000	3,516,000
Minimum Lease Payment		
Not later than one year	3,100,000	3,450,000
Later than one year but not later than five years	5,302,500	2,375,000
Later than five years	-	-

NOTE 29 - RELATED PARTY DISCLOSURES

A. List of Related Parties (As ascertained by the management)

a. Related parties up to 28th September 2012 (before change of management control / controlling interest)

1. Enterprises under Common Control

Ahluwalia Contracts (India) Ltd.
 Ahluwalia Builders Development Group (P) Ltd.
 Tidal Securities Pvt. Ltd.
 Capricon Industrials Ltd.
 Ahlcons India (P) Ltd.
 Ahlcon Ready Mix Concrete Pvt. Ltd
 Dipesh Mining Pvt Ltd
 Jiwanyoti Traders Pvt Ltd
 Paramount Dealcomm Pvt. Ltd
 Prem Sagar Merchants Pvt. Ltd
 Splendor Distributors Pvt. Ltd.

Enterprises over which key managerial personal is able to exercise significant influence.

Shantidevi Progressive Educational Society
 Karamchand Ahluwalia Charitable Hospital

3. Individuals owning, directly or indirectly a substantial Interest in the voting power of the Company

Mrs. Sudarshan Walia Director
 (Also relative of Key Management Personnel)

Key Management Personnel

Mr. Bikramjit Ahluwalia Chairman
 Dr. Rohini Ahluwalia Vice Chairperson & Whole Time Director (also relative of Key management personnel)

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

Mrs. Mukta Ahluwalia Daughter of Chairman



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

b. Related Parties From 29th September 2012 (Effective, Change of Management Control / Controlling Interest)

Enterprises where control exists

B Braun Holding GmbH & Co. KG	Parent of Ultimate Holding Company
B. Braun Melsungen AG, Melsungen	Ultimate holding company
B. Braun Medical Industries Sdn. Bhd.	Holding company
B. Braun Singapore Pte. Ltd.	Immediate Holding company

Enterprises under Common Control

B. Braun Medical Supplies Sdn. Bhd.
Promedipharm Sdn. Bhd.
B. Braun Avitum Renal Services Sdn Bhd
B Braun Avitum (M) Sdn Bhd
B. Braun Vietnam Co. Ltd.
B. Braun Medical Supplies Inc.
B. Braun Avitum Philippines Inc.
B. Braun Singapore Pte. Ltd.
B. Braun International Pte. Ltd.

B. Braun Medical (India) Pvt. Ltd.
PT B. Braun Medical Indonesia
B. Braun Taiwan Co. Ltd.
B. Braun Pakistan Pte. Ltd.
Shenyang B. Braun Pharmaceutical Co. Ltd.
Aesculap Surgical Instruments Sdn. Bhd.
B. Braun Pharmaceutical Industries Sdn. Bhd.
B. Braun Needle Industries Sdn. Bhd.
Transcare Healthservices Malaysia Sdn. Bhd.
B Braun Lanka (Pvt) Ltd
Oyster Medisafe Pvt. Ltd.
Therapy Management Services Phils., Inc.
Harmoni Dialysis Sdn. Bhd.

Key Management Personnel

Mr Anand Chandrashekhar Apte	Chairman & Non Executive Director
Mr. Arun Mudgal	Managing Director

B. TRANSACTIONS WITH RELATED PARTIES

Nature of Transaction	Enterprises where control exists	Enterprises under Common Control	Individuals owning, directly or indirectly a substantial Interest in the voting power of the Company	Key Management Personnel	Relative of the key management personnel with whom the transactions have taken place during the year	Enterprises over which key managerial personal is able to exercise significant influence.
Sale of Goods						
B. Braun Medical (India) Pvt Limited.		88,852,454 (0)				
Professional Charges						
B. Braun Medical (India) Pvt Limited.		4,656,183 (0)				
Technical Services						
B. Braun Medical Industries Sdn. Bhd.	28130 (0)					
Managerial Remuneration						
Dr. Rohini Ahluwalia				1,621,118 (29,89,589)		
Arun Mudgal				2,690,359		
Expenses Reimbursed						
B. Braun Medical (India) Pvt Limited.		5,622,877 (0)				
Rent Paid						
Ahluwalia Contracts (India) Limited		133,500 (2,70,000)				
Mukta Ahluwalia					178,000 (3,60,000)	
Sudarshan Walia				1,186,667 (24,00,000)		
Payment of Donation						
Karamchand Ahluwalia Charitable Hospital						300,000 (6,00,000)



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

C. AMOUNT DUE FROM / TO RELATED PARTIES

Nature of Transaction	Enterprises where control exists	Enterprises under Common Control	Individuals owning, directly or indirectly a substantial Interest in the voting power of the Company	Key Management Personnel	Relative of the key management personnel with whom the transactions have taken place during the year	Enterprises over which key managerial personal is able to exercise significant influence.
Managerial Remuneration Payable Dr. Rohini Ahluwalia				0		
Rent Payable Ahluwalia Contracts (India) Limited		0 (1,21,500)		(99,554)		
Receivable for sales of goods B. Braun Medical (India) Pvt Limited.		5,99,73,513 (0)				
Professional Charges Payable B. Braun Medical (India) Pvt Limited.		4,190,565 (0)				
Expenses Reimbursed Payable B. Braun Medical (India) Pvt Limited.		2,560,080 (0)				
Technical Services Payable B. Braun Medical Industries Sdn. Bhd.	2,580 (0)					

Note :- No amount has been written off / provided for in respect of transaction with related parties.

Previous years figures shown in the brackets

Note 30 Segment Reporting:

- 1 Business Segment: In the opinion of the management, there is only one reportable segment i.e. manufacturing of pharmaceuticals products, as envisaged by Accounting Standard 17 'Segment Reporting', prescribed by the companies (Accounting Standards) Rules, 2006.
- 2 Geographical Segment: The Company sells its products to various customers within the country and also exports to other countries. Considering size and proportion of exports to local sales, the Company considers sales made within the country and exports as different geographical segments.

Information about Reportable Segment:

a. Revenue as per Geographical Markets :

	CURRENT YEAR (₹)	PREVIOUS YEAR (₹)
Revenue within India (Gross)	920,403,450	714,197,285
Revenue outside India	261,698,480	152,209,726
Total Gross Revenue	1,182,101,930	866,407,011

b. Carrying amount of Segment Assets (receivables) by geographical location of assets;

Receivables within India	219,980,504	116,427,215
Revenue outside India	36,968,571	13,553,304
Segment Liabilities outside India (Advance from Customers)	(14,587,601)	(6,870,334)
Total	242,361,475	123,110,185

Rest of the current assets are common and not segregateable, geographical segment wise

c. The Company has common fixed assets for producing goods for domestic market and Overseas Market. Hence, Separate figures for fixed assets / addition to fixed assets cannot be furnished.



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE 31 - DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars of unhedged foreign currency exposure as at Balance Sheet date:

PARTICULARS	CURRENT YEAR		AMOUNT (₹)	PREVIOUS YEAR		AMOUNT (₹)
	AMOUNT IN FOREIGN CURRENCY			AMOUNT IN FOREIGN CURRENCY		
Import Creditors	USD	193,097	10,502,570	-	-	-
	EUR	11,809		838203		
Export receivables	USD	678,568	36,904,214	USD	264,938	13,553,301
Advance Given		-	-	USD	6,867	346,120
Advance Received	USD	209,736	11,365,743	USD	128,978	6,598,476
	EUR	3,978		271,858	EUR	

NOTE 32

	DESCRIPTION	CURRENT YEAR (₹)	PREVIOUS YEAR (₹)
a)	Expenditure In Foreign Currency		
	Bank Charges	296,732	318,343
	Business Promotion	58,035	2,332,771
	Foreign Tour	995,202	1,245,352
	Technical Services	28,130	-
	Registration Fee / Advance for registration	155,731	206,444
b)	Remittance in foreign currency on account of dividend :		
	Interim Equity Dividend - for F. Y. 2011- 12		
	Number of non - resident shareholder	-	13
	Number of shares held	-	22,517
	Amount of dividend	-	22,517
	Final Equity Dividend - for F.Y. 2010- 11		
	Number of non - resident shareholder	-	18
	Number of shares held	-	25,624
	Amount of dividend	-	38,438
c)	Earning in Foreign Currency:		
	FOB Value of Exports	259,820,278	151,908,950
	Trade Discount	5,135,457	2,804,088
d)	Value of Imports calculated on CIF basis:		
	Raw materials	198,008,075	145,911,453
	Stores & Spares	3,963,627	1,562,384
	Capital Goods	-	-



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

e) Value of Materials, Stores & spares Consumed:

DESCRIPTION	CURRENT YEAR		PREVIOUS YEAR	
	VALUE	%	VALUE	%
Materials				
Imported	197,878,074	50.39	143,190,623	46.11
Indigenous	194,790,783	49.61	167,380,700	53.89
	392,668,857	100.00	310,571,323	100.00
Stores & Spares				
Imported	3,963,627	10.09	2,015,717	7.93
Indigenous	35,333,367	89.91	23,401,190	92.07
	39,296,994	100.00	25,416,907	100.00

NOTE 33 - Auditor's Remuneration

SL NO	PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
		(₹)	(₹)	(₹)	(₹)
a.	For Statutory Audit	400,000		350,000	
b.	For Tax Audit	100,000		100,000	
	Limited Review	200,000		100,000	
c.	Certification and other matters	216,000		50,000	
	IFRS audit fees	612,000		-	
d.	Out of pocket expense	251,930		50,849	
	Total	1,779,930	*	650,849	*

Note : * Excluding Service tax Rs 2,14,434/- (previous year: Rs 74,984/-) claimed / set off as cenvat credit.

NOTE 34 -Research and Development

The company has incurred during the year, in addition to capital expenditure, revenue expenditure on research and development and the break - up of the amount is as under:

	CURRENT YEAR		PREVIOUS YEAR	
	(₹)	(₹)	(₹)	(₹)
Material	857,105		1,326,711	
Personnel	4,114,935		3,886,617	
Administrative and Other Expenses	280,505		102,187	
Depreciation	251,060		211,910	
Total	5,503,605		5,527,425	

Note 35 - Revenue includes Rs 57,99,907/- representing goods in transit on CIF basis.

Note 36 - 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
Firm Registration No : 000605N

Sachin Kumar
Partner
M. No: 503204

Anand Chandrashekhar Apte
Chairman

Arun Mudgal
Managing Director

Place : New Delhi
Date : 14-05-2013

Rajeev Kumar Walia
Chief Financial Officer

Ranjan Kumar Sahu
Company Secretary

**CASH FLOW STATEMENT** FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	YEAR ENDED 31ST MARCH, 2013		YEAR ENDED 31ST MARCH, 2012	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		186,886,965		72,343,477
Adjustments for:				
Depreciation and amortisation	36,051,139		33,959,591	
(Profit) / loss on sale / write off of assets	3,707,655		8,498	
Finance costs	27,937,142		35,232,405	
Interest income	(669,843)		(395,035)	
Effect of exchange differences on restatement of foreign currency	265,889		-	
Liabilities / provisions no longer required written back	(348637)		(4,706,875)	
Bad trade and other receivables, loans and advances written off	4,050,062		3,494,982	
Provision for doubtful debts	2,283,774		3,358,032	
Prior Period Adjustment	(258,526)		-	
Provision for doubtful advances	(501,093)		611,788	
Provision for Obsolete Stock	5,435,117	77,952,679	4,532,811	76,096,197
Operating profit / (loss) before working capital changes		264,839,644		148,439,674
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(8,964,366)		(20,993,429)	
Trade receivables	(133,354,155)		9,341,280	
Short-term loans and advances	(214,927)		2,212,308	
Long-term loans and advances	778,379		2,679,105	
Other current assets	593,099	(141,161,970)	(5,378,683)	(12,139,419)
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	26,366,442		11,836,265	
Other current liabilities	15,845,086		(4,703,515)	
Other Long Term Liabilities	1,389,893		(801,116)	
Short-term provisions	719,511		(1,883,388)	
Long-term provisions	933,031	45,253,963	1,354,331	5,802,577
Cash generated from operations		168,931,637		142,102,832
Interest Paid		(27,937,142)		(35,232,405)
Net income tax paid		(48,122,708)		(21,816,001)
Net cash flow from / (used in) operating activities (A)		92,871,788		85,054,426
B. Cash flow from investing activities				
Capital expenditure on fixed assets and cwip	(57,854,998)		(40,619,063)	
Proceeds from sale of fixed assets	7,453,193		2,114,954	
Prior Period Adjustment	258,526			
Interest received	669,843		395,035	
Net cash flow from / (used in) investing activities (B)		(49,473,436)		(38,109,074)



CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	YEAR ENDED 31ST MARCH, 2013		YEAR ENDED 31ST MARCH, 2012	
	₹	₹	₹	₹
C. Cash flow from financing activities				
Repayment of long-term borrowings		(40,981,155)		(43,189,189)
Net increase / (decrease) in working capital borrowings		(49,583,927)		25,288,709
Proceeds from other short-term borrowings		34,086,484		
Dividends & Tax paid		(156,900)		(22,062,595)
Net cash flow from / (used in) financing activities (C)		(56,635,498)		(39,963,075)
Net increase/(decrease) in Cash and cash equivalents (A+B+C)		(13,237,146)		6,982,277
Cash and cash equivalents at the beginning of the year		19,036,958		12,054,681
Cash and cash equivalents at the end of the year		5,799,812		19,036,958
Reconciliation of Cash and cash equivalents with the Balance Sheet:				19,036,958
		5,799,812		4,051,421
Cash and cash equivalents as per Balance Sheet (Refer Note 15)				
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements				
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 15		5,799,812		14,985,537
Cash and cash equivalents at the end of the year *				
* Comprises:				
(a) Cash on hand		154,800		117,969
(b) Balances with banks				
In current accounts		2,180,733		9,107,763
Deposits pledged as Margin Money		1,569,750		4,051,421
Unpaid Dividend Accounts*		1,894,529		1,708,384
		5,799,812		14,985,537

Notes: *These balances are not available for use by the company as they represent corresponding Unpaid Dividend Liabilities.

See accompanying notes forming part of the financial statements.

As per our report of even date
For Arun K. Gupta & Associates
Chartered Accountants
Firm Registration No : 000605N

Sachin Kumar
Partner
M. No: 503204

Anand Chandrashekhar Apte
Chairman

Arun Mudgal
Managing Director

Place : New Delhi
Date : 14-05-2013

Rajeev Kumar Walia
Chief Financial Officer

Ranjan Kumar Sahu
Company Secretary



AHLCON PARENTERALS (INDIA) LIMITED

Regd. Office: Unit No. 201- 205, IIInd Floor, ND Mall-1, Plot No. 2- 4, Netaji Subhash Place,
Wazirpur District Centre Delhi- 110034

ATTENDANCE SLIP

REGD FOLIO NO.

DP ID NO.

CLIENT ID NO.

NO. OF SHARES HELD

21st Annual General Meeting – September 20 ,2013

I certify that I am a member / proxy for the member of the company.

I record my presence at the 21st Annual General Meeting of the Company being held at FICCI Golden Jubilee Auditorium, 1, Tansen Marg, New Delhi- 110001, at 3.00 P.M. on Friday, 20th day of September 2013.

Name of the member/ proxy
(In BLOCK letters)

Signature of member/ proxy

Note: Please fill up this attendance slip and hand over at the entrance of the meeting hall.
Members are requested to bring their copies of the annual report to the meeting.

----- ✂ -----
please tear here
----- ✂ -----



AHLCON PARENTERALS (INDIA) LIMITED

Regd. Office: Unit No. 201- 205, IIInd Floor, ND Mall-1, Plot No. 2- 4, Netaji Subhash Place,
Wazirpur District Centre Delhi- 110034

PROXY FORM

REGD FOLIO NO.

DP ID NO.

CLIENT ID NO.

NO. OF SHARES HELD

I/we -----
(Name fo Member)

of -----
(Address)

in the district of ----- being a member / members of the Company, hereby

appoint Shri/Smt. ----- of ----- in the district of ----- or

failing him /her ----- of -----

in the district of -----
(Address of alternate proxy)

as my / our proxy to vote for me / us on my / our behalf at the 21st Annual General Meeting of the Company to be held on **Friday, the 20th day of September 2013 at 03.00 P.M.** at FICCI Golden Jubilee Auditorium, 1, Tansen Marg, New Delhi-110001 and at any adjournment (s) thereof.

Signed this -----day of September, 2013. Signature-----

Affix ₹ 1
Revenue
Stamp

Note: This form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

STOCK EXCHANGES

(Where the Company's equity shares are listed)

1. Delhi Stock Exchange Ltd.
DSE House, 3/1, Asaf Ali Road, New Delhi – 110002
2. Bombay Stock Exchange Ltd.
P. J. Towers, 25th Floor, Dalal Street, Mumbai – 400001
3. Jaipur Stock Exchange Ltd.
Jawaharlal Nehru Marg, Malviya Nagar, Jaipur – 302017
4. The Calcutta Stock Exchange Association Ltd.
Calcutta Stock Exchange Building 7, Lyons Range, Kolkata – 700001

REGISTRAR & SHARE TRANSFER AGENTS

MAS SERVICES LTD.

T– 34, 2nd Floor, Okhla Industrial Area,

Phase – II, New Delhi – 110 020

Ph: 011– 26387281/82/83,

Fax: 011– 26387384

Email: info@masserv.com

Website: www.masserv.com

For Dematerialisation of Shares

ISIN No. INE 027C01011

Note: Annual Listing Fee for the year 2013– 2014 has been paid to all the Stock Exchanges

BOOK POST

If undelivered, please return to:

Ahlcon Parenterals (India) Limited

Unit No. 201– 205, IInd Floor, ND Mall– 1,Plot No. 2– 4,

Wazirpur District Centre, Netaji Subhash Place,

Delhi– 110034

Tel No.+91– 11– 42344234,

Email: info@ahlconindia.com

www.ahlconinida.com