



# **Ahlcon Parenterals (India) Limited**

**24<sup>TH</sup> ANNUAL REPORT 2015-16**

# CORPORATE INFORMATION

---

## BOARD OF DIRECTORS

Mr. Anand Chandrashekhar Apte, Chairman

Mr. Arun Mudgal, Managing Director

Mr. Andreas Walde, Director

Mr. Arun Kumar Gupta, Director

Dr. S.C.L. Gupta, Director

Dr. S.S. Arora, Director

## REGISTERED OFFICE

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,

## COMPANY SECRETARY

Mr. Ranjan Kumar Sahu

## BANKERS

Mizuho 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](http://www.ahlconindia.com)  
email: [ranjan.sahu@ahlconindia.com](mailto:ranjan.sahu@ahlconindia.com)

# CONTENTS

Notice.... 01 Directors' Report....06 Auditors' Report....17 Balance Sheet.... 20  
Statement of Profit & Loss.... 21 Notes.... 22 Cash Flow Statement..... 44



# NOTICE

Notice is hereby given that the 24<sup>th</sup> Annual General Meeting of Ahlcon Parenterals (India) Limited will be held on Friday, the 30<sup>th</sup> day of September 2016 at 3.00 PM at Conference Hall, Hotel Le Seasons, A-1A, A Block, Mahipalpur Extension, NH-8, New Delhi-110037 to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2016, 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 Mr. Anand Chandrasekhar Apte, DIN:01677401, who retire by rotation and being eligible, offers himself for reappointment.
3. To ratify the appointment of Statutory Auditor, M/s Arun K. Gupta & Associates, Chartered Accountants of the Company (already re-appointed for three consecutive years by the Shareholders in the 22<sup>nd</sup> AGM), to hold office from the conclusion of this Annual General Meeting until the conclusion of 25<sup>th</sup> Annual General Meeting subject to ratification of appointment every year and to fix their remuneration and authorise the Board of Directors/Audit Committee to fix their remuneration and in this regard 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 139, 141 and other applicable provisions, if any of the Companies Act, 2013 and pursuant to the recommendations of Audit Committee of the Board, the appointment of M/s. Arun K. Gupta & Associates., Chartered Accountants (Registration No. 000605N), be and is hereby ratified as the Statutory Auditors of the Company, to hold office from the conclusion of this AGM till the conclusion of the next AGM of the Company at such remuneration as shall be fixed by the Board of Directors of the Company upon recommendations of the Audit Committee."

## SPECIAL BUSINESS

4. **Appointment of Mr. Andreas Walde (DIN:07331893) as Director of the Company:**

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 under sec 161 of the Companies Act 2013 and other applicable provisions of the Companies Act 2013, Mr. Andreas Walde (DIN: 07331893), Additional Director of the Company who hold office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member, proposing his appointment as Director of the Company be and is hereby appointed a Director of the Company, who shall be liable to retire by rotation."

5. **Appointment of Mr. Anand Chandrashekhar Apte (DIN:01677401) as the Managing Director of the Company:**

To consider and if thought fit, to pass with or without

modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of sec 196, 197 and Schedule V of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013, (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 approval of the Central Government, if any, Mr. Anand Chandrashekhar Apte (DIN:01677401) be and is hereby appointed as the Managing Director of the Company for a period of 3 (Three) years with effect from 17th August, 2016 without any remuneration and authorized to exercise substantial powers of management subject to superintendence, control and direction of Board of Directors."

RESOLVED FURTHER THAT Mr. Arun Kumar Gupta (DIN: 00371289), be and is hereby authorized for and on behalf of the Company to negotiate, deal, agree, finalise, sign, execute, edit, modify and or deliver the employment agreement to be entered into between the Company and the Managing Director."

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 under the Companies Act, 2013 in respect of this appointment."

6. **Ratification of the payment of remuneration of Cost Auditor**

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 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the appointment of M/s. Kabra and Associates, Cost Accountants, as Cost Auditors as appointed by the Board of Directors of the Company as such to conduct the audit of the cost records of the Company for the financial year 2016-17 and the payment of a remuneration as mentioned in the explanatory statement (including out of pocket expenses as may be incurred in connection with the audit but excluding out of pocket expenses as may be incurred in connection with the outstation travels as per actuals) and Service Tax as may be applicable be and is hereby ratified".

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution.

7. **Waiver of Excess Remuneration paid to the Managing Director:**

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

"RESOLVED THAT pursuant to the provisions of Section 197(5) of



the Companies Act, 2013 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, subject to the approval of the Central Government, if any, and such other approvals, as may be required, approval of the Members be and is hereby accorded to the Board of Directors of the Company to waive the recovery of excess remuneration paid, over and above the limits prescribed under the schedule V of the Companies act 2013 amounting to ₹19,94,028/- paid to Mr. Arun Mudgal (DIN:06366992), Managing Director, during the period ended 31st March, 2016.

**RESOLVED FURTHER THAT** subject to the approval of the Central Government if any, waiver of excess managerial remuneration of ₹19,94,028/- paid to Mr. Arun Mudgal, (DIN: 06366992), Managing Director during the year 1st April, 2015 to 31st March, 2016 be and is hereby approved;

**RESOLVED FURTHER THAT** the Board of Directors/ Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered it to be necessary or desirable to give effect to this Resolution in this regard."

By order of the Board

**For AHLCON PARENTERALS (INDIA) LIMITED**

Place: New Delhi

Ranjan Kumar Sahu

Dated: 17.08.2016

(Company Secretary)

PAN: ATDPS7346D

**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 Saturday the 24<sup>th</sup> day of September 2016 to Friday the 30<sup>th</sup> day of September 2016 (both days inclusive) for the purpose of Annual General Meeting.
5. While approving the Final Accounts Statements for the year ended on 31<sup>st</sup> March 2016, the Board has not recommended any dividend on the Equity Shares.
6. Those members who have so far not encashed their unpaid 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 124 of the Companies Act, 2013 on the respective dates mentioned there against. Intimation in this regard 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 FINAL DIVIDEND	AGM DATE	DUE DATE
31.03.2009	30.09.2009	05.11.2016
31.03.2010	17.09.2010	23.10.2017
31.03.2011	30.09.2011	05.11.2018
FINANCIAL YEAR ENDED INTERIM DIVIDEND	BOARD MEETING DATE	DUE DATE
31.03.2012	13.02.2012	20.03.2019

7. Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, the unpaid /unclaimed Dividend for the year 2004-05, 2005-06, 2006-2007 and 2007-08 was transferred to the Investor Education and Protection Fund of the Central Government on 05.11.2012 05.11.2013,05.11.2014 and 05.11.2015 respectively and the unpaid/unclaimed Dividend for the year 2008-09 will be transferred to Investor Education and Protection Fund of the Central Government on the due date.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA for registration of transmission/transposition, deletion of name etc.
11. All documents referred in the notice are open for inspection at the Registered Office of the company at : Unit No. 201-205, II<sup>nd</sup> Floor, ND Mall-1, Plot No. 24, 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.
12. 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.
13. It will be appreciated that queries, if any, on accounts and operations of the company are sent to the corporate office of the company ten days in advance of the meeting so that the information may be made readily available.
14. 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, 2<sup>nd</sup> 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.
15. Electronic copy of the Notice of the 24<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to for all the members whose email IDs are registered with the



Company/Depository Participants(s) for communication purposes. For members who have not registered their email address for all other members, Physical copies of the Notice of the 24<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

16. As per Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2016, the items of business set out in the attached Notice may be transacted also through electronic voting system as an alternative mode of voting. The Company is providing the facility of casting vote through the electronic voting system ("e-voting") under an arrangement with The National Depository Services (India) Limited ("NSDL") as specified more fully in the instruction hereunder provided that once the vote on a Resolution is casted, a Member shall not be allowed to change it subsequently.

17. The Annual Report of the Company for the year ended March 31, 2016 and the Notice convening 24<sup>th</sup> Annual General Meeting (AGM) of the Company is attached herewith together with the Attendance Slip, E-voting Instructions and Proxy Form (in Annual Report). These documents are also available at the Registered Office of the Company for inspection during 11:00 A.M. to 1:00 P.M on any working day except Saturdays and Sundays. If you desire to have a copy of Annual Report in physical form, kindly write to MAS SERVICES LTD (Registrar and Transfer Agent), T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi-110020 email: [info@masserv.com](mailto:info@masserv.com) or [sm@masserv.com](mailto:sm@masserv.com) or to Company at above address, e-mail: [ranjan.sahu@ahlconindia.com](mailto:ranjan.sahu@ahlconindia.com) and the same will be provided free of cost.

The Resolutions proposed at the 24<sup>th</sup> AGM of the Company will be transacted through remote e-voting (facility to cast vote from a place other than the venue of the AGM) and through Ballot Paper at the AGM in terms of the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015. The Company has engaged the services of National Securities Depository Limited (NSDL) for this purpose. The remote e-voting facility is available at the link <https://www.evoting.nsdl.com>.

The remote e-voting facility will be available during the following voting period:

#### Commencement of remote e-voting

Tuesday, September 27, 2016 at 09.00 A.M. (IST)

#### End of remote e-voting

Thursday, September 29, 2016 at 5.00 P.M. (IST)

The cut-off date (i.e. the record date) for the purpose of remote e-voting is September 23, 2016.

The details and instructions for remote e-voting forms an integral part of the Notice convening the 24<sup>th</sup> AGM to be held on September 30, 2016.

18. The procedure and instructions for e-voting is given hereunder for easy reference:

- The initial password is provided in the box overleaf.
- Open e-mail and open PDF file viz. "APL-remote e-Voting. pdf" with your client ID or Folio No. as password containing your user ID and

password for remote e-voting. Please note that the password is an initial password.

- Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
- Click on Shareholder-Login.
- Put user ID and password as initial password noted in step (a) above. Click Login.
- Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- Select "EVEN" of "AHLCON PARENTERALS (INDIA) LIMITED".
- Now you are ready for remote e-voting as Cast Vote page opens.
- Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- Once you have voted on the resolution, you will not be allowed to modify your vote.
- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPGFormat) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [agrawal.kundan@gmail.com](mailto:agrawal.kundan@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23<sup>rd</sup> September, 2016.
- Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23<sup>rd</sup> September, 2016, will be provided the notice through by post after the cut-off date. Such members may also obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [info@masserv.com](mailto:info@masserv.com).  
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- A person, whose name is recorded in the register of members or in the



register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

- u. Mr. Kundan Agrawal, Practicing Company Secretary (Membership No. FCS-7631 & CP No. 8325) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - v. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
  - w. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
  - x. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.ahlconindia.com](http://www.ahlconindia.com) and on the website of NSDL immediately after the declaration of result by the Chairman.
19. Shareholders are requested to bring their copy of Annual Report to the meeting.
20. **An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 in relation to the Special Business is annexed hereto and forms part of this Notice.**

**Item No.4**

Pursuant to Article 80 of the Articles of Association of the Company Mr. Andreas Walde was appointed as an Additional Director by the Board at their meeting held on 18.03.2016. In terms of provisions of Section 161 of the Companies Act 2013, the Additional Director appointed by the Board of Directors shall hold office only up to the date of the next Annual General Meeting of the company. Accordingly, Mr. Andreas Walde shall cease to hold office at the conclusion of this Annual General Meeting unless his appointment is ratified by the shareholders. Your Company has received in writing from him alongwith a deposit of ₹ 1,00,000/- for his appointment as a Director on the Board under Section 161 of the Companies Act 2013.

In view of the valuable leadership that can be lent to the Company by Mr. Andreas Walde as director on the Board, your directors recommend passing of the resolution set out at item No.4 of this notice.

None of the Directors except Mr. Walde, is interested in the above said resolution.

Your directors recommended the resolution for your approval as a Ordinary Resolution.

**Item No. 5**

**Appointment of Mr. Anand Chandrashekar Apte (DIN:01677401) as the Managing Director of the Company:**

Mr. Anand Chandrashekar Apte is a seasoned healthcare professional by qualification and having more than 22 years of experience in operation of pharmaceutical and healthcare companies, management of various business segments in India and

abroad. His expertise in specific functional areas such as Business Management, Project Management, operation management etc. He is MSc in Microbiology, MBA with specialization in Marketing and Finance Post graduate diploma in Human Resource Management.

Mr. Apte, already holding the position as a director of the Company and designate as the Chairman of the Company and he had adequate knowledge, skill and 22 years experience in pharmaceutical and healthcare business, which was similar to our company business and capable to handle and control the affairs of this company.

He is also holding the position of Managing Director in B Braun Medical (India) Pvt. Ltd and Oyster Medisafe Pvt. Ltd. (a subsidiary company of B Braun Medical India Pvt Ltd.) which were associated with our company and deal with same line of business.

The Nomination Committee and Remuneration committee recommended his name to the board for appointment as a Managing Director of the company without any remuneration at their meeting held on 17.08.2016 for a period of 3 years with effect from this meeting.

It was placed before the Board, that, in consequence resignation of erstwhile Managing Director and recommendation of Nomination & Remuneration Committee, subject to the provision of sec 196, read with sec 197 and Schedule V of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and according to Articles - 108 of the Articles of Association of the company, Mr. Anand Apte appointed as a Managing Director of the company by the Board for a period of 3 years with effect from 17.08.2016, subject to approval of the shareholders in the ensuing Annual General Meeting of the Company and approval of Central Government, if any.

After approval of the appointment as a Managing Director, by the shareholders at their meeting, he will designate as the Chairman & Managing Director of your Company.

**Statement as per item (iv) of third proviso of Section II of Part II of Schedule V**

**I. GENERAL INFORMATION**

- a. Nature of industry: Pharmaceutical Industry.
- b. Date or expected date of commencement of commercial production: Commercial production started since 1994.
- c. Financial Performance: The Company achieved remarkable and consistent financial results during the immediately preceding 3 years as under:

(₹ in lacs)

Financial Year	Gross Sales	Profit before tax	Profit after tax
2012-13	11910	1868	1286
2013-14	13358	3006	1950
2014-15	12966	2088	1701

- d. Export performance and net foreign exchange collaborations. During the year under review, the company export performance was ₹ 1877 lacs.

**II. INFORMATION ABOUT THE APPOINTEE**

Name: Mr. Anand. Chandrashekar Apte,  
 DOB: 30.4. 1971, Age: 45 years,  
 Qualification: MSc in Microbiology, MBA with specialization in Marketing and Finance Post graduate diploma in Human Resource Management.



Past Remuneration: there was no remuneration given to the appointee in the past.

3. Job Profile and his Suitability : Mr. Apte, already holding the position as a director of the Company and designate as the Chairman of the Company and he had adequate knowledge, skill and 22 years experience in pharmaceutical and healthcare business, which was similar to our company business and capable to handle and control the affairs of this company His expertise in specific functional areas: Business Management, Project Management, operation management etc.
4. Remuneration Proposed: He is proposed to be appointed without any remuneration:
5. Pecuniary Relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:

He was inducted to the Board of your company on 28<sup>th</sup> September, 2012 in the capacity as Chairman of the Board and till then serving continuously. Mr. Apte was not holding any Equity Shares of Ahlcon Parenterals (India) Limited.

None of the directors, KMP and relative is concerned and interested except Mr. Anand Apte in the above resolution.

Your directors recommended the resolution as set out at Item No. 5 of the Notice for your approval as a Special Resolution.

**Item no. 6**

Ratification of the payment of remuneration of Cost Auditor

The Board, on the recommendation of the Audit Committee, has approved the appointment of the Cost Auditors M/s Kabra and Associates, Cost Accountant, New Delhi, holding valid certificate of practice no. 000075 to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017 at a remuneration of ₹50,000/- plus applicable taxes and out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in resolutions set out at Item No. 6 of the Notice.

The company has received a letter from the Cost Auditor that the appointment, if made, will be within the prescribed limit under the section 224(1B) of the Act.

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 2016-17. 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.

The Board recommends Ordinary Resolutions set out at Item No. 6 of the Notice for approval by the shareholders.

**Item no. 7**

**Waiver of Excess Remuneration paid to the Managing Director:**

It was placed before the board that the Company has paid managerial remuneration to the Managing Director, Mr. Arun Mudgal, in accordance with the requisite approvals of shares holders at their Annual General Meetings, as mandated by the provisions of section 197 read with Schedule V of the Companies Act 2013. However due to losses incurred during the year, the managerial remuneration exceeds the limits specified in Schedule, so it is required approval of shareholders at their meeting by way of a Special resolution for the waiver of excess remunerations paid to the managing director during the period ended 31st March, 2016.

Managerial remuneration paid during the year 2015-16 is ₹ 61,94,028/- with a excess of ₹ 19,94,028/- in accordance with Section II of Part II of Schedule V of Companies Act, 2013 and based on Effective Capital of the Company due to losses incurred during the year.

So, the Board of Directors at their meetings held on 17<sup>th</sup> August, 2016 approved the waiver of such excess managerial remuneration paid during the financial period as set forth in the above resolutions, subject to approval of the shareholders' and/or the Central Government if any.

The table below shows the excess amount paid to managerial personnel for the financial year ended 31<sup>st</sup> March, 2016 under Section 197 of the Companies Act, 2013:

Particulars	Salary and Perquisites Paid during the financial year ended March 31, 2016 ( A )	Maximum Permissible limit under Schedule V of Companies Act, 2013	Excess Payment (A-B)
Mr. Arun Mudgal	₹ 6,194,028/-	₹4,200,000/- based on Effective Capital	Excess ₹1,994,028/-

Your directors recommended the resolution as set out at Item No. 7 of the notice for your approval as a Special Resolution.

None of the Directors or key managerial personnel of the Company or their relatives except the aforesaid Managing Director is in any way concerned or interested in the proposed resolution.

**For AHLCON PARENTERALS (INDIA) LIMITED**

Place: New Delhi

Dated: 17.08.2016

Ranjan Kumar Sahu

(Company Secretary)

PAN: ATDPS7346D



# DIRECTORS' REPORT

## To the Members,

Your Directors have pleasure in presenting the 24<sup>th</sup> Annual Report on the business and operations of the Company for the financial year ended 31<sup>st</sup> March 2016.

## FINANCIAL RESULTS

(₹ in lacs)

FOR THE YEAR ENDED	31.03.2016 CURRENT YEAR	31.03.2015 PREVIOUS YEAR
Sales (including excise) and other Income	13380.21	12966.48
Gross operating Profit	1076.66	2731.37
Financial Charges	1656.78	62.81
Cash Profit/(Loss)	(580.12)	2668.56
Deprecation	1612.83	460.76
Provision for doubtful debts/obsolete Stock (including written off)	194.49	130.42
Provision written back	34.58	28.96
Provision for doubtful advances (including written off)	10.26	17.49
Prior period Adjustments	13.99	-
Profit before Tax	(2377.11)	2088.85
Provision for Deferred Tax	(533.16)	(100.27)
Provision for Current Tax	-	487.48
Income Tax Paid for earlier years	9.35	-
Profit/(Loss) after Tax	(1853.30)	1701.64
Balance brought forward from previous year	7396.73	5768.96
Depreciation Adjustment	-	73.87
Profit available for appropriation	5543.43	7396.73
Final Dividend on Preference Shares	-	-
Tax on Dividend on Preference Shares	-	-
Profits transferred to General Reserve	-	-
Profit carried forward	5543.43	7396.73

## OPERATIONAL PERFORMANCE

Your Directors present the Operational performance of the company, which in the company has achieved a sales turnover of ₹ 11900 lacs (net of excise) as compared to the previous year sales turnover of ₹ 11598 lacs (net of excise) hereby register a growth of 2.60%.

The company's Net Loss during the year recorded ₹ 1853.30 lacs as compare to previous year figure profit of ₹ 1701.64 lacs, due to the initial phase of new plant which got operational in the month of August 2015 leading to an additional depreciation and interest cost on the operational performance.

Directors are putting constant thrust on productivity enhancement, cost optimization and customer satisfaction by producing their quality products

enabling continues growth track, in the operational results of the company.

## DIVIDEND

While approving the Final Accounts Statements for the year ended on 31<sup>st</sup> March 2016, the company having Loss of ₹1853.30/- lacs and the Board has not recommended any dividend on the Equity Shares.

## EARNING PER SHARE

EPS (Earning Per Share) is ₹ (25.74) as compared to the previous year's figure of ₹ 23.63 hereby a leading to a decline of EPS ₹ 49.37 as compare to the previous year.

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

## EXIT OFFER TO THE PUBLIC SHAREHOLDERS OF THE COMPANY BY B BRAUN SINGAPORE PTE LTD (ACQUIRER / PROMOTER) WAS CLOSED IN DUE DATE.

The Company Secretary informed to the Board that in accordance with Regulation 21 of the SEBI Regulations, the acquirer hereby provided an exit opportunity ("Exit Offer") to the remaining public shareholders holding shares in the Company ("Residual Shareholders"). The residual Shareholders of the Company were tendered their shares to the acquirer-M/s B. Braun Singapore Pte. Ltd. at the Final Price of ₹ 525/- (Rupees Five Hundred and Twenty Five only) per share at any time between March 25, 2015 ("Offer Opening Date") till March 24, 2016 ("offer closing date") (such period being the "Exit Period"), as per the terms and conditions set out in this Exit Offer Letter. The details of Exit offer letter uploaded in the website of the Company and with the RTA. The offer was closed in due date.

## RESEARCH & DEVELOPMENT

The Company has R & D 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 and development of new formulations and registrations of products. The details of R & D are as per Form-B, forming part to the Annexure to the Director's Report.

## 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.

Further plans are underway to increase the direct and indirect exports to various countries. Due to the unrest in some export market, like Yemen, Russia and Ukraine export sales during the year under review were decline to ₹ 1876.66 lacs (Net off rebates & returns) as compared to the previous year's figure of ₹ 3776.64 Lacs. thereby reducing the export performance by 50.3%.





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 Mizuho Bank Ltd and Deutsche Bank which have been providing financial assistance to our company for various purposes and for which we express our hearty commends.

#### DIRECTORS:

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013.

In accordance with the provisions of the Companies Act, and Articles of Association of the company, Mr. Anand Chandrasakher Apte, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

During the year under review one of the Non Executive Director Mr. Manfred Mahrle resigned from the board with effect from 03.09.2016 and his resignation was accepted by the board.

During the year under review one of the Non Executive Director Mr. Andreas Walde appointed by the board with effect from 18.03.2016.

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.

#### BOARD OF DIRECTORS

The Board is having a appropriate composition of Directors. 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.

#### (b) NUMBER OF MEETINGS OF THE BOARD;

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

I.28.05.2015 II.30-07-2015, III.03.09.2015 IV.14.10.2015, V. 09-02-2016 VI. 18.03.2016

#### AUDIT COMMITTEE

The Board has constituted an Audit Committee comprising with minimum number of Independent directors, 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 in accordance with Sec 177 of the Company's Act 2013.

The Board reconstituted the committee with the following members:

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

Under sec 177(4) : Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include,

- The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters.

The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.

The Audit Committee shall have authority to investigate into any matter in relation to the items specified in sub-section (4) or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

The auditors of a company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.

The Board's report under sub-section (3) of section 134 shall disclose the composition of an Audit Committee and where the Board had not accepted any recommendation of the Audit Committee, the same shall be disclosed



in such report along with the reasons therefor.

The committee meets from time to time with the terms of reference specified in writing by the Board which shall, inter alia, include other activates as specified under sec 177(4) of the Companies Act 2013.

During the year under review, four Audit Committee Meetings of the Company were held.

**(c) DIRECTORS' RESPONSIBILITY STATEMENT;**

Pursuant to the requirement under section 134 of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for the year under review.
3. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions under the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. The directors had prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2016 on a going concern basis; and
5. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**(d) A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149;**

Every independent director have shall give disclosure at their first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence.

**THE EXTRACT OF THE ANNUAL RETURN AS PROVIDED UNDERSUB-SECTION (3) OF SECTION 92;**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31<sup>st</sup> March, 2016 made under provisions of Section 92(3) of the Act is attached as "Annexure I" which forms part of this Report.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION (3) OF SECTION 178;

The Nomination and Remuneration Committee shall, while formulating the policy under sub-section (3) confirmed that –

- (a) In the Company, the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

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

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

**Details of remuneration paid to Executive Director, for the year 2015-16 : (In ₹)**

Basic Salary		1,808,736
HRA		904,368
Perquisites		176,532
Performance Incentives		1,059,888
Other		2,244,504
<b>Total Remuneration</b>		<b>6,194,028</b>

Other terms, if any. The Payment of remuneration as per the Managing director Agreement 1.10.2012 and as per limit provided under section 197 and schedule V of the Companies Act 2013.

Statement of sitting fees paid to Non-Executive Director for the year 2015-16 and their shareholding position as on 31.03.2016.

NON EXECUTIVE DIRECTOR	SITTING REES ₹	SHARE HOLDING
Mr. Anand Chandrashekhar Apte	NIL	NIL
Mr. Manfred Gregor Mahrle	NIL	NIL
Mr. Arun Kumar Gupta	90,000	NIL
Dr. S. S. Arora	60,000	NIL
Dr. S. C. L. Gupta	90,000	NIL

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

The committee meet from time to time for formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.



## EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE

Based on the Auditors report, remarks/disclaimer in their report, the management explained to the shareholders as below:

Point no. 7, Emphasis of Matter: The management of the company based on the internal assessment and evaluations considers that these long term outstanding accounts receivables are in the normal course of business with existing customers i.e Alter Ego group are recoverable/adjustable and that no provision is necessary at this stage.

Point no.10(f) :The system of internal financial control over financial reporting is in the process of documentation and then validation by the auditors which will be completed by the end of financial year ended March 2017.

Annex A, point no. (v): The advances from the customers are in the normal course of the business and not covered under Companies (Acceptance of Deposits) Rules, 2014. The management expect these advances to be adjusted shortly during the course of business.

Annexure A point no Xi: Management explained that due to loss incurred during the year ended March 2016 by the company the remuneration of the MD Mr. Arun Mudgal exceeds the prescribed limit under Companies Act 2013, the matter has been discussed before the board and decided to seek the approval of the shareholder in the ensuing Annual general meeting for the waiver of excess managerial remuneration.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186;

The company disclosed that sec 186 not applicable to the company and the company shall not give any loans, made any investment or provide any security to any other company.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188

All Related Party Transactions that were entered into during the financial year were on arm's length and were in the ordinary course of business. All Related Party Transactions were placed before the Audit Committee and Board of Directors for their approval. The Audit Committee has granted omnibus approval for Related Party Transactions as per the provisions and restrictions contained therein.

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions.

The Company in the ordinary course of its business, enters into transactions relating to purchase, transfer or receipt of products, goods, active pharmaceutical ingredients, materials, services, other obligations from B. Braun Group companies, who is a 'Related Party' within the meaning Section 2 (76) of the Act.

## DEPOSITS

The Company has not accepted any deposit under section 73 of the Companies Act, 2013

## RISK MANAGEMENT

This Risk Management Policy is a formal acknowledgement of the commitment of the company to risk management. The aim of the policy is not to have risk eliminated completely from Companies activities, but rather to ensure that every effort is made by the company to manage risk appropriately to maximise potential opportunities and minimise the adverse effects of risk.

### Policy Objectives

To confirm and communicate the company's commitment to risk management to assist in achieving its strategic and operational goals and objectives.

To formalize and communicate a consistent approach to managing risk for all departmental activities and to establish a reporting protocol.

To ensure that all significant risks to the company are identified, assessed and where necessary treated and reported to the committee.

To assign accountability to all staff for the management of risks within their areas of control.

To provide a commitment to staff that risk management is a core management capability.

### Scope of the Policy

Risk is an inherent aspect of all Company's, administrative and commercial business activities. Sound risk management principles must become part of routine management activity across the company. The key objective of this policy is to ensure the company has a consistent basis for measuring, controlling, monitoring and reporting risk across the company at all levels.

In addition to the above the company also follows the Group Risk Manual for the best interest of the Company with effect from 1<sup>st</sup> April, 2016.

## CORPORATE SOCIAL RESPONSIBILITY

The Company has actively supported various initiatives in the areas of health, education and environment over the years. With the introduction of Section 135 of the Act, which will come into effect during this financial year, the Company has already constituted a Corporate Social Responsibility ("CSR") Committee. The CSR Policy adopted by the Board of Directors is available on the Company's website. The CSR Committee will decide to implement the programmes as per the CSR project report and increase focus on health and education in the years ahead.

In addition to the above company plans to implement our CSR Project through NGOs as approved by our CSR committee in rural health near by our Factory and offices. The details of Project, and its application in CSR will be placed in the next Report.

Pursuant to Section 135 of the Companies Act, 2013 and rule made thereunder, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee. The Committee has adopted a Corporate Social Responsibility Policy. As per Section 135(5) of the Act, the Company needs to ensure at least 2% of the average net profit of preceding three financial years is spent on CSR activities as mentioned in CSR Policy. The average result of preceding three financial years 2012-13, 2013-14 and 14-15 was ₹ 23,6,407,605/- and the CSR obligations was ₹4,728,152/- (P.Y. ₹ 3,751,981/-).



However the Company has not spent any amount on CSR during the current year.

#### DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company did not receive any complain during the year 2015-16.

#### 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.

#### STATE OF COMPANY'S AFFAIRS

A brief state of company's affairs as given below aims to be helpful to the Shareholders of the company and provide them with an in-depth Analysis of the business prospects.

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.

#### 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. vii (b) 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, will retire at the conclusion of the ensuing

Annual General Meeting and being eligible, offer themselves for re-appointment as Statutory Auditors for the financial year 2016-2017. M/s Arun K. Gupta & Associates, Chartered Accountants, have signified their consent, in writing, for such appointment along with a certificate stating that their appointment, if made, shall be in accordance with Section 139 read with Section 141 of the Companies Act, 2013.

#### 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 2016-17 with a remuneration of ₹ 50,000/- settled mutually. The Audit Committee of the company recommended for their reappointment in accordance with Companies (Audit and Auditors) Rules, 2014, and relevant notification issued by the Ministry of Corporate Affairs.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS/OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, in the annexure forming part of this report.

#### PARTICULARS OF EMPLOYEES

During the year under review, one employee was in receipt of remuneration exceeding the specified limits. Hence, disclosure under section 134 of the Companies Act, 2013 read with companies (Appointment and Remuneration of Managerial Personal) Rules 2014, is annexure forming part of this report.

#### 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.

#### ACKNOWLEDGMENTS:

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

Anand Chandrashekhkar Apte

Chairman

Place: New Delhi

Date: 17.08.2016



# 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	14,482,795	8,212,592
Total amount (₹)	87,849,676	50,835,947
Average Rate per Unit	6.07	6.19
(b) Own Generation:		
Units Generated	515,940	321,945
Units generated per liter of Diesel oil	3.36	3.33
Average Cost per Unit (₹)	10.93	15.61
2. Fuel (Furnace Oil/LDO):		
Units (Ltrs.)	1,220,408	1,130,679
Total amount (₹)	37,674,615	51,344,398
Average Rate/Unit (₹)	30.87	45.41
B. AVERAGE CONSUMPTION (VALUE) PER UNIT OF PRODUCTION:		
Electricity	0.57	0.29
Fuel (Furnace Oil/LDO)	0.23	0.29

## II TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:

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

### FORM- B

- Specific area in which R & D carried out by the Company.
  - To develop new products in different dosage form for Domestic and International market.
  - To develop new analytical methods and their validation
  - Improvement of existing products with the objective to reduce cost, improve process and quality.
  - To develop new innovative products in novel drug delivery system.
  - To develop new innovative products for different segments where currently products are not available
  - To develop 'ready to use' injectable dosage form
  - To conduct stability study of development products as per ICH guidelines.
- 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:	-	
Revenue Expenditure:		
Material	995,667	4,197,381
Personnel	830,563	1,017,248
Administrative & other Expenses	36,744	616,170
	1,862,974	5,830,799
Depreciation (R & D Division)	321,084	284,084
	2,184,058	6,114,883
Total R & D Expenditure	2,184,058	6,114,883
As a percentage of total turnover	0.16%	0.47%

### III - Foreign Exchange Earnings and Outgo: (₹ in lacs)

	CURRENT YEAR	PREVIOUS YEAR
Foreign Exchange Earnings	1876.67	3776.64
Foreign Exchange Outgo:		
(a) Imports - Machinery spares	73.38	24.50
(b) Capital Goods	476.44	8376.42
(c) Imports - Raw Materials	1980.01	2124.11
(d) Bank charges	23.38	5.57
(e) Salaries	20.06	-
(f) Travelling Expenses	14.54	12.61
(g) Technical Services	66.00	25.18
(h) Interest on Buyers Credit	0.47	6.74
(i) Interest on Supplier Credit	117.52	2.04

### STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS UNDER COMPANIES ACT, 2013 READ WITH RULES THE COMPANIES APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (A) Employed throughout the year and in receipt of remuneration aggregating ₹ 6,000,000/- or more per annum:-
- Name of Employees, Designation/ Nature of Duties, Gross Remuneration ₹ Qualification, Age (In Years), Total Experience (In Years), Date of Commencement of Employment, Previous Employment, Percentage of Equity Shares Held in the Company:
- Mr. Arun Mudgal, Managing Director, ₹ 6,194,028/-, Master in Pharma, MBA (International Business), 54 years, 29 years, 28<sup>th</sup> September, 2012, Ahlcon Parenterals (India) Limited 0.00%.

Place: New Delhi

Date: 17.08.2016

Anand Chandrashekhar Apte

Chairman

DIN: 01677401



# Annexure-I

(Form No. MGT-9)

## Extract of Annual Return as on

## The Financial Year Ended on 31<sup>st</sup> March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

1. CIN	CIN - U24239DL1992PLC047245
2. Registration Date	20 <sup>th</sup> January 1992
3. Name of the Company	Ahlcon Parenterals (India) Limited
4. Category/Sub-Category of the Company	Public Limited Company
5. Address of the Registered office and contact details	Unit No 201-205, 2 <sup>nd</sup> floor, NDM -1, Netaji Shubhash Place, Wazir Pur District Centre, New Delhi-110034 Ranjan Kumar Sahu   Company Secretary & Sr. Manager- Legal
6. Whether listed company	No.
7. Name, Address and Contact details of Registrar and Transfer Agent, if any	Mr. N. C. Pal MAS SERVICES LTD. T- 34, 2 <sup>nd</sup> Floor, Okhla Industrial Area, Phase - II, New Delhi-20 Ph: 011-26387281/82/83, Fax: 011-26387384 Email: info@masserv.com / Website: www.masserv.com

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S. NO.	NAME AND DESCRIPTION OF MAIN PRODUCTS/ SERVICES	NIC CODE OF THE PRODUCT/	% TO TOTAL TURNOVER OF THE COMPANY
1	Manufacture of Allopathic Pharmaceutical Preparations.	3004, 21002	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	%of shares held	Applicable Section
1	B. Braun Singapore Pte. Ltd.	Foreign Company	6740932	93.62	Sections 2(46) and 2(87)

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i. Category-wise Share Holding

CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR				NO OF SHARES HELD AT THE END OF THE YEAR				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoter									
1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-



<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2) Foreign</b>	-	-	-	-	-	-	-	-	-
g) NRIS - Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	6714922	-	6714922	93.26	6740932	-	6740932	93.62	0.36
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>6714922</b>	<b>-</b>	<b>6714922</b>	<b>93.26</b>	<b>6740932</b>	<b>-</b>	<b>6740932</b>	<b>93.62</b>	<b>0.36</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non Institutions</b>									
a) Bodies Corp.	146214	5101	151315	2.10	186069	-	186069	2.58	0.48
<b>1) Indian</b>									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	119105	211733	330838	4.60	272200	-	272200	3.78	(0.82)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (Specify)	3075	-	3075	0.043	949	-	949	0.013	(0.03)
<b>Sub-total (B)(2)</b>	<b>268394</b>	<b>216834</b>	<b>485228</b>	<b>6.74</b>	<b>459218</b>	<b>-</b>	<b>459218</b>	<b>6.38</b>	<b>(0.36)</b>



Total Public Shareholding (B)=(B) (1)+(B) (2)	268394	216834	485228	6.74	459218	-	459218	6.38	(0.36)
C. Shares held by Custodian for GDR & ADR	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>6979116</b>	<b>221034</b>	<b>7200150</b>	<b>100.00</b>	<b>7200150</b>	<b>-</b>	<b>7200150</b>	<b>100.00</b>	

## ii. SHAREHOLDING OF PROMOTERS

S. NO.	SHAREHOLDER'S NAME	SHAREHOLDING AT THE BEGINNING OF THE YEAR			SHAREHOLDING AT THE END OF THE YEAR			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbe red to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbe red to total shares	
1	B. Braun Singapore Pte. Ltd.	6714922	93.26	-	6740932	93.62	-	0.38
	<b>TOTAL</b>	<b>6714922</b>	<b>93.26</b>	<b>-</b>	<b>6740932</b>	<b>93.62</b>	<b>-</b>	<b>0.38</b>

## iii. Change in Promoters' Shareholding (please specify, if there is no change)

S. NO.		SHAREHOLDING AT THE BEGINNING OF THE YEAR		CUMULATIVE SHAREHOLDING DURING THE YEAR	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	At the beginning of the year	6714922	93.26	6714922	93.26
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Increase shares through delisting offer	-	-	-
	At the end of the year	6740932	93.62	6740932	93.62





## V. INDEBTEDNESS

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	238,415	2,061,639,388	-	2,061,877,803
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	5,720,917	-	5,720,917
<b>Total (i+ii+iii)</b>	<b>238,415</b>	<b>2,067,360,305</b>	<b>-</b>	<b>2,067,598,720</b>
Change in Indebtedness during the financial year				
- Addition	-	462,675,920	-	462,675,920
- Reduction	238,415	6361,591	-	6,600,006
<b>Net Change</b>	<b>238,415</b>	<b>456,314,329</b>	<b>-</b>	<b>456,075,914</b>
Indebtedness at the end of the financial year				
i) Principal Amount	-	2,506,975,061	-	2,506,975,061
ii) Interest due but not paid	-	11,029,993	-	11,029,993
iii) Interest accrued but not due	-	5,669,580	-	5,669,580
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>2,523,674,634</b>	<b>-</b>	<b>2,523,674,634</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

S. NO.	PARTICULARS OF REMUNERATION	NAME OF MD (Arun Mudgal)	TOTAL AMOUNT
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,713,104	2,713,104
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	176,532	176,532
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit (performance and incentives)	1,059,888	1,059,888
5.	Others,	2,244,504	2,244,504
6.	Total (A)	6,194,028	6,194,028
	Ceiling as per the Act	-	As per the Act

**B. Remuneration to other Directors:**

S. NO.	PARTICULARS OF REMUNERATION	NAME OF DIRECTORS	TOTAL AMOUNT
	Independent Directors Fee for attending board Committee meetings Commission others, please specify	Mr. Arun K. Gupta Dr. S. C. L. Gupta Dr. S. S. Arora	90,000 90,000 60,000
	<b>Total (1)</b>		<b>240,000</b>
	Other Non-Executive Directors Fee for attending board Committee meetings Commission Others, please specify	-	-
	<b>Total (2)</b>		
	<b>Total (B)=(1+2)</b>	-	<b>240,000</b>
	Total Managerial Remuneration	-	<b>240,000</b>
	Overall Ceiling as per the Act	-	As Per the Act

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

S. NO.	PARTICULARS OF REMUNERATION	KEY MANAGERIAL PERSONNEL		
		COMPANY SECRETARY	CFO	TOTAL
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites/s 17(2) Income-tax Act, 1961 Profits in lieu of salary under section 17(3) Income- tax Act, 1961	1,132,039	3,437,180	4,569,219
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission as % of profit others, specify...	-	-	-
5.	Others, (Including Performance Bonus)	-	-	-
6.	<b>Total (A)</b>	<b>1,132,039</b>	<b>3,437,180</b>	<b>4,569,219</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES : NIL**



# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF

### AHLCON PARENTERALS (INDIA) LIMITED

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of Ahlcon Parenterals (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the

financial statements.

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

#### Emphasis of Matter

Without qualifying our opinion, attention is invited to note 43 with regard to long outstanding trade receivable from Alter Ego Group, which is subject to confirmation, reconciliation and adjustments if any, and also due to non-fulfillment of settlement obligations by them, we are unable to comment on the extent of recoverability of trade receivables amounting to ₹ 61,973,660/- (net of provisions\ write offs) and consequently on the adequacy of provision for doubtful debts made by the Company. The impact thereof on the loss for the period, if any, is presently not ascertainable.

#### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and, give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we are to state that the system of internal financial controls over financial reporting is in the



process of documentation and as such we are not able to determine if the company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2016.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company and the disclaimer does not affect our opinion on the financial statements of the company; and

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i) The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016, on its financial position in its financial statements - Refer note 25 to the financial statements;
- ii) The Company has made provision as at March 31, 2016, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016

For ARUN K. GUPTA & ASSOCIATES

Chartered Accountants

Firm Registration No. - 000605N

(GIREESH KUMAR GOENKA)

Place: New Delhi

Partner

Dated: 17.08.2016

M. No- 096655

Annexure A to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Ahlcon Parenterals (India) Limited on the financial statements as of and for the year ended March 31, 2016

- I. (a) The Company has maintained proper records showing particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year in a phased manner 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 assets.
- (c) The title deeds of free hold immovable properties are held in the

name of the Company.

- ii. The management has conducted physical verification of inventory at reasonable intervals and no material discrepancies in inventory were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) & (iii)(c) of the said Order are not applicable to the Company.
- iv. According to the information and explanations given to us and the records of the Company examined by us, the company has not given/made any loans, investments, guarantees & security as per the provisions of section 185 and 186 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iv) of the said order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under except for advance received from customers outstanding for more than one year amounting to ₹ 3,520,161. The Company claims that considering the nature of business these advances are in the normal course of the business and not covered under Companies (Acceptance of Deposits) Rules, 2014.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Govt. for the maintenance of Cost Records under sub section 1 of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have however, not made a detailed examination of these records.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable to the Company, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us and the records of the Company examined by us, the dues outstanding of income tax, sales tax, duty of customs, duty of excise and value added tax which have not been deposited with the appropriate authorities on account of any dispute. as at March 31, 2016 are stated below :-

NATURE OF STATUTE	NATURE OF DUES	AMOUNT (₹)	PERIOD TO WHICH AMOUNT RELATES	FORUM WHERE DISPUTE IS PENDING
Central Excise	Service Tax on Foreign based Services	125,000/- Stay Received on 625,000/-	April 06 to August 09	Customs, Excise and Service Tax appellate Tribunal



Central Excise	Modvat Reversed on Packing Material destroyed	104,170/-	April 06 to March 07	Commissioner Appeal, Jaipur
Central Excise	Service tax input outward freight	179,002/-	April 06 to March, 07	Commissioner Appeal, Jaipur
Central Excise	Penalty on above	179,002/-	April 06 to March, 07	Commissioner Appeal, Jaipur
Central Sales Tax	Demand against non submission of the forms	23,761/-	April 07 to March, 08	Sales Tax Commissioner, Bhiwadi
Entry Tax	Demand for entry tax	601,676/-	April 13 to March, 16	High Court, Rajasthan
Central Excise	Wrongly availed exemption	569,033/-	April 10 to January, 15	Commissioner Appeal, Jaipur
CENVAT Credit	Wrongly taken CENVAT credit on professional charges to IC	4,862,760/-	April 12 to December, 15	Addl. Commissioner, Alwar
Central Excise	CENVAT Credit on freight & Documentation Charges/Handling Charges/Agency Charges	4,494,171/-	April 11 to September 15	Addl. Commissioner, Alwar
Central Excise	Short Payment of duty on Physician Sample	4,189,950/-	April 10 to December 15	Addl. Commissioner, Alwar
Central Excise	Wrong availment of CENVAT Credit on Obsolete Stock	1,055,645/-	2011-12 & 2012-13	Addl. Commissioner, Alwar

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- ix. Based on the audit procedures applied by us & according to the information & explanations provided by the management, the Company has not raised any moneys by further public offer (including debt instruments) during the year. Term loans taken by the company during the year have been applied for the purpose for which the loans were obtained.
- x. During the course of our examination of the books and records of the

- Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has paid and provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act 2013. However due to losses incurred during the year, the remuneration exceeds the limits specified in Schedule V. The details are as below:

PAYMENT MADE TO MANAGING DIRECTOR (RS.)	AMOUNT PAID/ PROVIDED IN EXCESS OF THE LIMITS PRESCRIBED (RS.)	AMOUNT DUE FOR RECOVERY AS AT BALANCE SHEET DATE (RS.)	STEPS TAKEN TO SECURE THE RECOVERY OF THE AMOUNT	REMARKS, IF ANY.
6,194,028/-	1,994,028/-	1,994,028/-	Company proposes to seek approval of the excess remuneration by passing a special resolution in ensuing Annual General Meeting	Excess due to losses incurred during the year.)

- xii. In our opinion & according to the information & explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the records of the Company examined by us and the information and explanation given to us, the company has complied with section 177 and 188 of the Companies Act 2013 in relation to transaction with related parties and the details have been disclosed in the Financial Statements.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

- xv. As per the information & explanations given to us the company has not entered into any non cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For ARUN K. GUPTA & ASSOCIATES

Chartered Accountants

Firm Registration No. - 000605N

Place: New Delhi

Dated: 17.08.2016

Partner

M. No- 096655

**BALANCE SHEET** AS AT 31ST MARCH, 2016

PARTICULARS	NOTE	AS AT 31ST MARCH, 2016		AS AT 31ST MARCH, 2015	
		(₹)	(₹)	(₹)	(₹)
<b>EQUITY AND LIABILITIES</b>					
Shareholders' Funds					
Share Capital	3	72,001,500		72,001,500	
Reserves and Surplus	4	640,876,152	712,877,652	826,205,951	898,207,451
<b>Non-Current Liabilities</b>					
Long Term Borrowings	5	1,820,750,988		1,817,642,690	
Other Long Term Liabilities	7	3,740,360		1,747,738	
Long Term Provisions	8	8,888,573	1,833,379,921	9,859,146	1,829,249,574
Deferred Tax Liabilities (net)	6		-		53,316,026
<b>Current Liabilities</b>					
Short Term Borrowings	5	686,224,073		243,996,698	
Trade Payables	9	121,165,779		76,040,615	
Other Current Liabilities	10	224,213,372		278,121,602	
Short Term Provisions	8	11,373,413	1,042,976,637	4,433,172	602,592,087
<b>TOTAL</b>			<b>3,589,234,210</b>		<b>3,383,365,138</b>
<b>ASSETS</b>					
<b>Non Current Assets</b>					
<b>Fixed Assets</b>					
Tangible Assets	11	2,882,933,392		2,765,178,702	
Intangible Assets	11	9,407,337		12,007,239	
Capital Work-In-Progress	11	108,332,583		32,121,087	
Long-Term Loans and Advances	12	43,437,962	3,044,111,274	34,932,134	2,844,239,162
<b>Current Assets</b>					
Inventories	13	215,214,385		136,054,413	
Trade Receivables	14	261,238,424		312,966,958	
Cash and Bank Balances	15	17,567,621		8,614,992	
Short Term Loans and Advances	12	20,969,263		48,519,867	
Other Current Assets	16	30,133,243	545,122,936	32,969,746	539,125,976
<b>TOTAL</b>			<b>3,589,234,210</b>		<b>3,383,365,138</b>
Significant Accounting Policies & Notes to Financial Statements	(1 to 44)				

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

For and on behalf of the board  
Ahlcon Parenterals (India) Limited

Gireesh Kumar Goenka  
Partner  
M. No. 096655

Place : New Delhi  
Date : 17-08-2016

Anand Chandrashekhar Apte  
Chairman  
DIN No. 01677401

Sandeep Chotia  
Chief Financial Officer

Arun Mudgal  
Managing Director  
DIN No. 06366992

Ranjan Kumar Sahu  
Company Secretary



# STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	NOTES	YEAR ENDED 31ST MARCH, 2016		YEAR ENDED 31ST MARCH, 2015	
		(₹)	(₹)	(₹)	(₹)
<b>INCOME</b>					
Revenue from Operations	17		1,333,820,462		1,292,790,041
Less: Excise duty	17		143,846,473		132,952,145
Revenue from Operations (Net)			1,189,973,989		1,159,837,896
Other Income	18		4,200,978		3,858,280
Total Revenue			1,194,174,967		1,163,696,176
<b>EXPENDITURE</b>					
Cost of Materials Consumed	19		471,394,101		425,887,168
Changes in Inventories of Finished Goods, work-in-progress & stock-in-trade	20		(65,098,049)		(14,132,769)
Employee Benefits Expense	21		224,468,347		176,734,698
Finance Costs	22		165,678,262		6,281,828
Depreciation and Amortisation Expense	11		161,283,201		46,076,330
Other Expenses	23		474,160,166		313,963,143
Total Expenses			1,431,886,028		954,810,398
Profit/(Loss) Before Tax			(237,711,061)		208,885,778
<b>Tax Expenses:</b>					
Current Tax Expense for Current year			-		48,748,142
Current Tax Expense Relating to Prior years			934,764		-
Net Current Tax Expense			934,764		48,748,142
Deferred Tax			(53,316,026)		(10,026,816)
<b>Tax Expenses</b>			(52,381,262)		38,721,326
Profit/(Loss) for the Year			(185,329,799)		170,164,452
Earnings per Equity Share of - Face Value of ₹ 10/- each					
Basic	24		(25.74)		23.63
Diluted			(25.74)		23.63
Significant Accounting Policies & Notes to Financial Statements	(1 to 44)				

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

For and on behalf of the board  
Ahlcon Parenterals (India) Limited

Gireesh Kumar Goenka  
Partner  
M. No. 096655

Place : New Delhi  
Date : 17-08-2016

Anand Chandrashekhar Apte  
Chairman  
DIN No. 01677401

Sandeep Chotia  
Chief Financial Officer

Arun Mudgal  
Managing Director  
DIN No. 06366992

Ranjan Kumar Sahu  
Company Secretary



## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

### Significant Accounting Policies

#### Notes to financial statement for the year ended March 31, 2016

##### 1 Nature of Operations

Ahlcon Parenterals (India) Limited is the manufacturer of Pharmaceutical Intravenous Fluids and Ophthalmics & others

##### 2 Statement of Significant Accounting Policies

###### a. Basis of Accounting

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which revaluation is carried out. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

###### b. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

###### c. 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 & MEIS are accounted for on accrual basis. Export benefits under Duty Draw Back & MEIS are considered as other operating income.

###### Interest

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

###### Policy for Insurance Claims

Claims receivable on account of insurance are accounted for to the extent

the Company is reasonably certain of their ultimate collection.

###### d. Tangible fixed Assets

Tangible fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Expenditure directly relating to construction activity is capitalized (net of income, if any). Indirect expenditure specifically attributable to construction of a project or to the acquisition of the fixed assets or bringing it to working condition is capitalised as part of Construction project or as a part of Fixed assets. Other indirect expenditure incurred during the construction period which is not related to construction activity nor is incidental thereto is charged to Statement of profit and loss.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit and loss when the asset is derecognized.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of profit and loss for the period during which such expenses are incurred.

###### e. Depreciation

i) Depreciation on fixed assets is provided using Straight Line Method on prorata basis at the rates and manners prescribed in schedule II of Companies Act 2013 except for the plant & machinery. The depreciation on plant & machinery has been provided based on the useful life estimated by the management. The company has used the following rates of depreciation on plant & machinery using straight line method.

Useful lives estimated by the management based on technical advice for plant and machinery\* 19 years

\* For these class of assets, based on internal technical assessment, the management believes that the useful life as given above best represents the period over which management expects to use the assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under part C of Schedule II of the Companies Act 2013. The life of plant and machinery is based on triple shift working.

- ii. Leasehold land is amortized over the period of lease.
- iii. Fixed assets costing below ₹5,000 are depreciated at the rate of 100%.
- iv. Depreciation on the amount of additions made to fixed assets due to up gradations / improvements is provided over the remaining useful life of the asset to which it relates.
- v. Depreciation on fixed assets added/discharged off during the year is provided on pro-rata basis.

###### f. Intangibles

Software costs relating to acquisition of initial software license fee and installation costs are capitalized in the year of purchase. Software's are amortized on a straight-line basis over its useful life, which is considered not exceeding 10 years.

###### g. Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs





## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

### h. Inventories

Inventories are valued as follows :

#### Finished goods and Work in Progress:

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on moving weighted average basis.

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.

### i. Foreign Currency Transactions

#### Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

#### Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise .

In terms of the Notification No. G.S.R. 225(E) dated 31.03.2009 as amended till date issued by the Ministry of Corporate Affairs on Accounting Standard (AS-11) Para 46A read with clarification issued by the Ministry of Corporate Affairs vide Circular No.25/2012 dated August 09, 2012 on AS-11 relating to "the effects of changes in Foreign Exchange Rates", the Company has exercised option to adjust the foreign exchange difference on long term foreign currency loans to the cost of qualifying capital assets.

#### Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of profit and loss in the year in which the exchange rate changes.

### j. Leases

Operating Leases: Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

### k. Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the company has unabsorbed depreciation and carry forward of tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

### l. Impairment of Assets

i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to asset.

ii) After impairment, depreciation is provided on the revised carrying amount of the asset over the remaining useful life.

### m. Research & Development

Revenue expenditure on research and development is recognised as expense in the year in which it is incurred.

Capital expenditure on research and development is shown as addition to fixed assets.

### n. Retirement and other Employee Benefits

Retirement benefits in the form of Provident Fund (where contributed to the Regional Provident Fund Commissioner) and employee state insurance are defined contribution schemes. The Company has no obligation, other than the contribution payable to the respective authorities. The Company recognizes contribution payable to respective authorities as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid



## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

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.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Actuarial gains/losses are immediately taken to Statement of profit and loss and are not deferred.

### o. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

### p. Segment Reporting

#### Identification of segments:

Secondary Segment

Geographical Segment

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 with in india includes Sales to customers located with in india.
- Sales 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.

#### q. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

#### r. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

#### s. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

## NOTE - 3 - SHARE CAPITAL

PARTICULARS	AS AT 31ST MARCH, 2016		AS AT 31ST MARCH, 2015	
		(₹)		(₹)
<b>Authorised Share Capital (No)</b>				
11,000,000 (P.Y. 11,000,000) Equity Shares of ₹ 10/- each		110,000,000		110,000,000
7,000,000 (P.Y. 7,000,000) Preference Shares of ₹ 10/- each		70,000,000		70,000,000
		180,000,000		180,000,000
<b>Issued, Subscribed and fully paid up (No.)</b>				
7,200,150 (P.Y. 7,200,150) Equity Shares of ₹ 10/- each		72,001,500		72,001,500
<b>Total Share Capital</b>		<b>72,001,500</b>		<b>72,001,500</b>

a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year.

	AS AT 31ST MARCH , 2016		AS AT 31ST MARCH, 2015	
	Number of shares	(₹)	Number of shares	(₹)
<b>Equity Shares</b>				
At the beginning of the year	7,200,150	72,001,500	7,200,150	72,001,500
	-	-	-	-
Outstanding at the end of the year	7,200,150	72,001,500	7,200,150	72,001,500

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 ₹ 10/- per share. Each holder of equity share is entitled to one vote pershare.

The company declares and pays dividend in Indian rupee.

During the year ended 31 st March 2016, no dividend was paid/ distributed to Equity Shareholders (Previous year ₹ Nil).

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.

**NOTES** TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

## c) Shares held by holding / ultimate holding company and / or their subsidiaries / their associates.

CLASS OF SHARES / NAME OF SHAREHOLDER	AS AT 31ST MARCH, 2016		AS AT 31ST MARCH, 2015	
	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.	6,740,932	93.62	6,714,922	93.26

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

Equity Shares				
M/s B. Braun Singapore Pte. Ltd.	6,740,932	93.62	6,714,922	93.26

## NOTE 4: RESERVES AND SURPLUS

PARTICULARS	AS AT 31ST MARCH, 2016 (₹)		AS AT 31ST MARCH, 2015 (₹)	
<b>Capital Reserve</b>				
State Subsidy on Fixed Capital Investment	1,500,000		1,500,000	
Surplus on Reissue of Forfeited Shares	33,000	1,533,000	33,000	1,533,000
Capital Redemption Reserve	38,000,000	38,000,000	38,000,000	38,000,000
<b>General Reserve</b>				
Balance as per last financial statement	47,000,000	47,000,000	47,000,000	47,000,000
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>				
Balance as per last financial statement	7,39,672,951		576,896,077	
Less: Depreciation adjustment as per revised schedule II of Companies Act 2013			7,387,578	
Add: Profit/(Loss) for the year	(185,329,799)		170,164,452	
Net Surplus in Statement of Profit & Loss		554,343,152		739,672,951
<b>Total Reserves and Surplus</b>		640,876,152		826,205,951

## NOTE 5: BORROWINGS

PARTICULARS	AS AT 31ST MARCH, 2016 (₹)		AS AT 31ST MARCH, 2015 (₹)	
Long-Term				
<b>Secured</b>				
Vehicle Loan				238,415
<b>Unsecured</b>				
Term loan from Banks		1,000,000,000		980,000,000
Deferred Payment Liabilities (Ultimate Holding Company)		820,750,988		837,642,690
		1,820,750,988		1,817,881,105
Less: Current Maturities of Term Loans		-		-
Vehicle loans		-		238,415
(Amount disclosed under the head "other current liabilities" (note 10))				238,415
<b>Total Long-Term Borrowings (A)</b>		1,820,750,988		1,817,642,690



# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Short-Term		
Unsecured		
Term loan from Bank	310,000,000	-
Credit facility from Bank	376,224,073	237,635,107
Buyers Credit (Foreign Currency)	-	6,361,591
<b>Total Short-Term Borrowings (B)</b>	<b>686,224,073</b>	<b>243,996,698</b>
<b>Total Borrowings (A+B)</b>	<b>2,506,975,061</b>	<b>2,061,639,388</b>

## I. Term loans

- From 'Mizuho Bank Ltd', unsecured term loan on the specific expansion project of the company, sanctioned to the tune of ₹ 1,000,000,000/- bearing interest at the rate, base rate plus 1.25% p.a. The entire loan is repayable after five years from the date of agreement dated 19th December 2013. The loan was guaranteed by B. Braun Melsungen AG (Ultimate Holding Company)
- 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., Repayable in 36 instalments commencing from Nov 2012.
- Short Term loan
  - Unsecured Short Term facility for ₹ 470,000,000/- (P. Y. ₹ 400,000,000/-) 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 ₹ 470,000,000/-.
  - The Short Term Credit facility from Deutsche Bank is repayable on demand and carries interest at base rate plus 2.00% p.a.
  - Unsecured Term Loan from Mizuho Bank for general corporate purpose of the company, sanctioned to the tune of ₹ 350,000,000/- bearing interest at the rate, base plus 80 bps on monthly rests, repayable on demand with 14 days notice from bank. the loan is secured by way of letter of comfort from ultimate holding company B. Braun Melsungen AG.

## NOTE 6 -DEFERRED TAX LIABILITIES/(ASSETS)

PARTICULARS	AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
	(₹)	(₹)
<b>Deferred Tax Liabilities</b>		
Impact of difference between tax and book written down value of Assets.	253,566,202	175,797,830
<b>Gross Deferred Tax Liability</b>	<b>253,566,202</b>	<b>175,797,830</b>
<b>Deferred Tax Assets</b>		
Provision for doubtful debts/claims	15,442,197	7,658,502
Provision for Obsolete Inventories	1,489,879	1,772,758
Disallowance u/s 43B	7,249,624	7,679,730
Unabsorbed Depreciation / carried forward losses	295,260,512	105,370,814
<b>Gross Deferred Tax Assets</b>	<b>319,442,212</b>	<b>122,481,804</b>
<b>Net Deferred Tax Liability / (Assets) as on the Balance Sheet date</b>	<b>(65,876,010)</b>	<b>53,316,026</b>

Note : In view of virtual uncertainty, Deferred Tax Asset have not been recognised.

**NOTES** TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**NOTE 7- OTHER LONG TERM LIABILITIES**

PARTICULARS	AS AT 31ST MARCH, 2016 (₹)	AS AT 31ST MARCH, 2015 (₹)
Advances from Customers	3,740,360	1,747,738
<b>Total other long term liabilities</b>	<b>3,740,360</b>	<b>1,747,738</b>

**NOTE 8 - PROVISIONS**

PARTICULARS	AS AT 31ST MARCH, 2016 (₹)	AS AT 31ST MARCH, 2015 (₹)
<b>Long-Term Provisions</b>		
Provision for Gratuity (refer note 28)	2,549,376	4,159,197
Provision for Leave Encashment	6,339,197	5,699,949
<b>Total Long-Term Provisions (A)</b>	<b>8,888,573</b>	<b>9,859,146</b>
<b>Short-Term Provisions</b>		
For Employee Benefits:		
Provision for Bonus	9,884,077	3,092,477
Provision for Leave Encashment	1,489,336	1,340,695
Total Provision for Employee Benefits	11,373,413	4,433,172
<b>Total Short-Term Provisions (B)</b>	<b>11,373,413</b>	<b>4,433,172</b>
<b>Total Provisions (A+B)</b>	<b>20,261,986</b>	<b>14,292,318</b>

**NOTE 9 -TRADE PAYABLES**

PARTICULARS	AS AT 31ST MARCH, 2016 (₹)	AS AT 31ST MARCH, 2015 (₹)
<b>Trade Payables</b>		
Total Outstanding Dues of Micro, Small & Medium Enterprises (Refer Note 27 )	3,071,922	1,601,057
Total Outstanding Dues other than Micro, Small & Medium Enterprises	118,093,857	74,439,558
<b>Total Trade Payables</b>	<b>121,165,779</b>	<b>76,040,615</b>

**NOTE 10 -OTHER CURRENT LIABILITIES**

PARTICULARS	AS AT 31ST MARCH, 2016 (₹)	AS AT 31ST MARCH, 2015 (₹)
Current Maturities of Vehicle Loan from bank (refer note 5)	-	238,415
Interest Accrued and Due on Deferred Payment	11,029,993	-
Interest Accrued and not Due on Deferred Payment	5,669,580	5,720,917
Unpaid Dividend (will be transferred to investor education & protection fund as and when due)	918,458	1,054,318
Security Deposits	1,050,000	260,000
Payables for Capital Goods	61,671,253	171,026,440
Advances from Customers	13,091,925	6,122,457
Foreign Currency payable under forward contract	66,511,681	54,620,423
Due to Statutory Authorities	20,954,231	7,588,933
Others payables	43,316,251	31,489,699
<b>Total Other Current Liabilities</b>	<b>224,213,372</b>	<b>278,121,602</b>



# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

## NOTE 11 – FIXED ASSETS

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK	
	AS AT 01-04-2015	ADDITIONS DURING THE YEAR	ADJUSTMENTS DURING THE YEAR	AS AT 31-03-2016	AS AT 01-04-2015	FOR THE YEAR	ADJUSTMENTS	UP TO 31-03-2016	AS AT 31-03-2016	AS AT 31-03-2015
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>TANGIBLE ASSETS:</b>										
Land (Lease hold)	29,029,518	-	-	29,029,518	3,096,561	293,227	-	3,389,788	25,639,730	25,932,957
# Buildings	865,665,360	90,605,255	-	956,270,615	40,624,267	33,692,204	-	74,316,471	881,954,144	825,041,093
Improvement in Buildings	11,792,599	-	-	11,792,599	11,792,599	-	-	11,792,599	-	-
# Plant & Machinery **	2,231,742,262	171,282,012	-	2,403,024,274	371,597,286	114,935,753	-	486,533,039	1,916,491,235	1,860,144,976
Furniture & Fixtures	48,640,553	8,292,992	5,160,896	51,772,649	70,12,677	4,625,578	-	11,638,255	40,134,394	41,627,876
Office Equipment	24,890,829	6,257,730	(5,160,896)	36,309,455	15,963,494	4,068,811	-	20,032,305	16,277,150	8,927,335
Vehicle	6,974,659	-	-	6,974,659	3,470,194	1,067,726	-	4,537,920	2,436,739	3,504,465
<b>SUB TOTAL (A)</b>	<b>3,218,735,780</b>	<b>276,437,989</b>	<b>-</b>	<b>3,495,173,769</b>	<b>453,557,078</b>	<b>158,683,299</b>	<b>-</b>	<b>612,240,377</b>	<b>2,882,933,392</b>	<b>2,765,178,702</b>
<b>INTANGIBLE ASSETS</b>										
Software	15,731,432	-	-	15,731,432	3,724,193	2,599,902	-	6,324,095	9,407,337	12,007,239
<b>Sub Total (B)</b>	<b>15,731,432</b>	<b>-</b>	<b>-</b>	<b>15,731,432</b>	<b>3,724,193</b>	<b>2,599,902</b>	<b>-</b>	<b>6,324,095</b>	<b>9,407,337</b>	<b>12,007,239</b>
<b>Total (A)+(B)</b>	<b>3,234,467,212</b>	<b>276,437,989</b>	<b>-</b>	<b>3,510,905,201</b>	<b>457,281,271</b>	<b>161,283,201</b>	<b>-</b>	<b>618,564,472</b>	<b>2,892,340,729</b>	<b>2,777,185,941</b>
Capital Work in Progress*	-	-	32,121,087	-	-	-	-	-	-	32,121,087
Plant & Machinery Under Erection	32,121,087	-	-	-	-	-	-	-	-	-
Building Under Construction	-	108,332,583	-	108,332,583	-	-	-	-	108,332,583	-
<b>Sub Total (C)</b>	<b>32,121,087</b>	<b>108,332,583</b>	<b>-</b>	<b>108,332,583</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>108,332,583</b>	<b>32,121,087</b>
<b>Grand Total (Current Year)</b>	<b>32,665,88,299</b>	<b>384,770,572</b>	<b>32,121,087</b>	<b>3,619,237,784</b>	<b>457,281,271</b>	<b>161,283,201</b>	<b>-</b>	<b>618,564,472</b>	<b>3,000,673,312</b>	<b>2,809,307,028</b>
<b>Grand Total (Previous Year)</b>	<b>1,161,387,246</b>	<b>2,368,240,905</b>	<b>263,039,853</b>	<b>3,266,588,298</b>	<b>400,013,337</b>	<b>46,076,330</b>	<b>11,191,604</b>	<b>457,281,271</b>	<b>2,809,307,028</b>	<b>761,373,909</b>

### Includes

- \* CWIP includes interest amounting to ₹ 1,762,251 (previous year ₹ Nil) refer note no. 38
- \*\* Foreign Exchange fluctuation (Loss) aggregating ₹ 31,103,679 (FY: ₹ 36,176,164/-) (net gain) have been adjusted to the cost of plant & machinery
- # Preoperative expenses ₹ Nil (P.Y. ₹ 72,006,061/-) and borrowing cost ₹ Nil (P.Y. ₹ 119,045,243/-) capitalised. Refer note no. 38

**NOTES** TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

## NOTE 12 - LOANS AND ADVANCES

PARTICULARS	AS AT 31ST MARCH, 2016 (₹)	AS AT 31ST MARCH, 2015 (₹)
<b>Non-current</b>		
Capital Advances	7,772,945	6,994,978
Security Deposits	12,867,965	8,435,215
Loans and Advances to Employees	240,000	312,396
Advance Income Tax (Net of Provisions)	21,713,524	18,615,163
Deposits with original maturity of more than 12 months (refer Note no. 15)	100,000	205,000
Prepaid Expenses	743,528	369,382
<b>Total Non-Current Loans &amp; Advances (A)</b>	<b>43,437,962</b>	<b>34,932,134</b>
<b>Current</b>		
Advances Recoverable in Cash or in Kind or value to be received		
Security Deposits		
Unsecured Considered Good	2,714,762	2,642,459
Considered Doubtful	802,104	1,280,833
	3,516,866	3,923,292
Less: Provision for Doubtful	802,104	1,280,833
	2,714,762	2,642,459
Advance to Suppliers		
Unsecured Considered Good	3,926,854	11,957,582
Considered Doubtful	696,272	910,339
	4,623,126	12,867,921
Less: Provision for Doubtful	696,272	910,339
	3,926,854	11,957,582
Loans and Advances to Employees	209,774	335,100
Loans and Advances to related parties (refer note no 30)	-	1,329,331
Prepaid Expenses	3,538,438	1,739,602
Balances with Government Authorities	10,579,435	30,515,793
<b>Total Current Loans &amp; Advances (B)</b>	<b>20,969,263</b>	<b>48,519,867</b>
<b>Total Loans &amp; Advances (A+B)</b>	<b>64,407,225</b>	<b>83,452,001</b>

## NOTE 13 - INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)

PARTICULARS	AS AT 31ST MARCH, 2016 (₹)	AS AT 31ST MARCH, 2015 (₹)
Raw Materials	97,690,030	82,995,174
Work-In-Progress	6,626,576	15,690,126
Finished Goods (other than those acquired for Trading)	109,149,653	34,988,054
Stores and Spares	6,053,140	7,504,556
Scrap	-	92,032
	219,519,399	141,269,942
Less Provision for Obsolete Stock	4,305,014	5,215,529
<b>Total Inventories</b>	<b>215,214,385</b>	<b>136,054,413</b>





# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

## NOTE 14 - TRADE RECEIVABLES

PARTICULARS	AS AT 31ST MARCH, 2016 (₹)	AS AT 31ST MARCH, 2015 (₹)
<b>Outstanding for a Period Exceeding Six Months from the date they are Due for Payment</b>		
Unsecured, Considered Good	40,062,964	51,127,014
Considered Doubtful	40,050,805	22,531,633
	80,113,769	73,658,647
Less: Provision for Doubtful trade receivables	40,050,805	22,531,633
	40,062,964	51,127,014
<b>Other Receivables</b>		
Unsecured, Considered Good*	221,175,460	261,839,944
<b>Total Trade Receivable</b>	<b>261,238,424</b>	<b>312,966,958</b>

\* Includes ₹ 6,720,233/- (P. Y. ₹ 5,224,557/-) due from a Private company in which director of a company is a director also refer note no. 30.

## NOTE 15 - CASH AND BANK BALANCES

PARTICULARS	AS AT 31ST MARCH, 2016 (₹)	AS AT 31ST MARCH, 2015 (₹)
<b>Cash and Cash Equivalents</b>		
Cash in Hand	20,031	131,817
<b>Balances with Banks</b>		
In Current Accounts	16,143,646	4,666,381
Unpaid Dividend Accounts*	918,458	1,054,318
<b>Total Cash and Cash Equivalents (A)</b>	<b>17,082,135</b>	<b>5,852,516</b>
<b>Other Bank Balances</b>		
Deposits with Original Maturity of up to 3 Months (Pledged as Margin Money/ Security Deposits)	-	2,352,476
Deposits with Original Maturity of More than 3 Months but upto 12 months (Pledged as Margin Money/ Security Deposits)	20,486	410,000
Deposits with Original Maturity of More than 12 months (Pledged as Margin / Security Deposits)	565,000	205,000
Less : Transferred to other non current assets (Refer note no. 12)	(100,000)	(205,000)
<b>Total Other Bank Balances (B)</b>	<b>485,486</b>	<b>2,762,476</b>
<b>Total Cash and Bank Balances (A+B)</b>	<b>17,567,621</b>	<b>8,614,992</b>

\* These balances are not available for use by the company as they represent corresponding unpaid dividend liabilities.

## NOTE 16 - OTHER CURRENT ASSETS

PARTICULARS	AS AT 31ST MARCH, 2016 (₹)	AS AT 31ST MARCH, 2015 (₹)
Interest Receivable on deposits	572,417	532,691
Export Benefit Receivable	7,755,968	5,349,542
Unamortised premium on forward contract	21,804,858	19,730,490
Other Assets	-	7,357,023
<b>Total Other Current Assets</b>	<b>30,133,243</b>	<b>32,969,746</b>

## NOTE 17 - REVENUE FROM OPERATIONS

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2016 (₹)	FOR THE YEAR ENDED 31ST MARCH, 2015 (₹)
<b>Sales</b>	<b>1,332,176,959</b>	<b>1,266,935,085</b>
Sale of Scrap	21,469,742	21,028,070
Less: Discount, Rejections & Sales Return	29,450,065	1,609,903
	1,324,196,636	1,286,353,252

**NOTES** TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Less: Excise Duty	143,846,473	132,952,145
	1,180,350,163	1,153,401,107
Export Incentives	9,623,826	6,436,789
<b>Total Revenue from Operation</b>	<b>1,189,973,989</b>	<b>1,159,837,896</b>
<b>Detail of Goods Sold</b>		
Ophthalmics	282,845,795	242,354,725
IV Infusion	691,181,893	659,027,247
Others	214,302,798	231,895,169
Excise Duty	143,846,473	133,657,944
<b>Total-Sale of Products</b>	<b>1,332,176,959</b>	<b>1,266,935,085</b>

**NOTE 18 – OTHER INCOME**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2016 (₹)	FOR THE YEAR ENDED 31ST MARCH, 2015 (₹)
Interest on Deposits	743,448	962,747
Liabilities / Provisions Written Back	3,457,530	2,895,533
<b>Total Other Income</b>	<b>4,200,978</b>	<b>3,858,280</b>

**NOTE 19 – COST OF MATERIALS CONSUMED**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2016 (₹)	FOR THE YEAR ENDED 31ST MARCH, 2015 (₹)
Opening stock	59,603,965	40,320,685
<b>Add: Purchases</b>	<b>509,480,166</b>	<b>445,170,448</b>
	569,084,131	485,491,133
Less: Closing Stock	97,690,030	59,603,965
<b>Total Cost of Materials Consumed</b>	<b>471,394,101</b>	<b>425,887,168</b>
<b>Details of Materials Consumed</b>		
PE Granules	206,623,897	205,938,530
Dextrose	20,557,379	29,630,490
Chemicals and others	82,132,294	49,164,230
Packing Material	162,080,531	141,153,918
	471,394,101	425,887,168

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2016 (₹)	FOR THE YEAR ENDED 31ST MARCH, 2015 (₹)
<b>Inventories at the End of the Year:</b>		
Finished Goods	109,149,653	34,988,054
Work-In-Progress	6,626,576	15,690,126
	115,776,229	50,678,180
<b>Inventories at the beginning of the Year:</b>		
Finished Goods	34,988,054	35,880,249
Work-In-Progress	15,690,126	665,162
	50,678,180	36,545,411
<b>Net Increase / (Decrease) in Inventories</b>	<b>65,098,049</b>	<b>14,132,769</b>



## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Details of finished Goods		
Ophthalmics	6,425,433	595,088
IV Infusion	98,041,034	34,104,808
Others	4,683,186	288,158
<b>Total</b>	<b>109,149,653</b>	<b>34,988,054</b>
Details of work in progress		
Ophthalmics	2,115,198	3,611,958
IV Infusion	4,511,378	9,806,544
Others	-	2,271,624
<b>Total</b>	<b>6,626,576</b>	<b>15,690,126</b>

### NOTE 21- EMPLOYEE BENEFIT EXPENSES

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2016 (₹)	FOR THE YEAR ENDED 31ST MARCH, 2015 (₹)
Salaries, Wages and Bonus	197,671,521	157,357,679
Contributions to Provident and other Funds	13,827,962	13,905,307
Staff Welfare Expenses	12,968,864	9,783,612
	224,468,347	181,046,598
<b>Less: Transefered to Expenditure Capitalisation (refer note no. 38)</b>	<b>-</b>	<b>4,311,900</b>
<b>Total Employee Benefit Expenses</b>	<b>224,468,347</b>	<b>176,734,698</b>

### NOTE 22 - FINANCE COST

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2016 (₹)	FOR THE YEAR ENDED 31ST MARCH, 2015 (₹)
Interest Expense on:		
Term Loans	112,766,358	66,962,435
Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost.	-	30,710,244
Working Capital	37,900,940	24,698,047
Others	1,806,697	152,950
Supplier's Credit	11,752,286	204,817
Buyers Credit (Raw Material)	47,479	6,74,499
Bank Charges	3,166,753	2,253,683
	167,440,513	125,656,675
<b>Less: Transefered to Expenditure Capitalisation (refer note no. 38)</b>	<b>1,762,251</b>	<b>119,374,847</b>
<b>Total Finance Cost</b>	<b>165,678,262</b>	<b>6,281,828</b>

### NOTE: 23 - OTHER EXPENSES

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2016 (₹)	FOR THE YEAR ENDED 31ST MARCH, 2015 (₹)
<b>Manufacturing Expenses</b>		
Consumption of Stores and Spares	59,244,369	42,001,685
Increase / (Decrease) of Excise Duty on Inventory	3,067,179	2,825,443
Power and Fuel	130,842,778	107,451,816
Testing Fees	5,820,671	3,184,081

**NOTES** TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Repairs and Maintenance - Machinery	7,278,130	10,173,696
<b>Sub Total (A)</b>	<b>206,253,127</b>	<b>165,636,721</b>
<b>Selling and Distribution Expenses</b>		
Freight and Forwarding	68,309,472	45,275,950
Sales Commission	23,368,165	21,977,853
Advertisement	395,807	674,184
Business Promotion	11,696,340	3,897,793
Provision for Doubtful Receivables	17,519,172	13,041,454
Bad Debts written off	321,091	-
Claims and Rebates	8,507,068	2,298,685
<b>Sub Total (B)</b>	<b>130,117,115</b>	<b>87,165,919</b>
<b>Administrative and other Expenses</b>		
Equipments Hire Charges	3,152,965	1,149,833
Rent	5,274,521	7,485,587
Repairs and Maintenance - Building	5,398,571	5,863,714
Repairs and Maintenance - Others	3,180,397	2,561,534
SAP Usage Charges	6,124,509	3,80,335
Vehicle Running & Maintenance	1,616,089	2,005,940
Insurance	2,685,575	3,382,536
Rates and Taxes	5,926,502	7,622,594
Communication	3,419,625	2,775,019
Travelling and Conveyance	10,462,210	11,101,313
Printing and Stationery	4,998,445	4,766,463
Research & Development Expenses (refer note no. 37)	1,862,974	5,830,799
Watch & Ward	3,407,649	4,635,492
Electricity & Water Charges	320,737	5,24,930
Legal and Professional	5,914,336	35,799,782
Director Sitting Fee	250,527	3,37,192
Payments to Auditors (refer note no. 36)	2,132,765	2,400,353
Foreign Exchange Fluctuation Loss (net of gain)	2,779,962	9,992,675
Forward Premium	64,437,313	<b>94,271</b>
Prior Period Adjustment (refer note 41)	1,398,789	-
Provision for Doubtful Advances	961,889	1,749,770
EMD/Security Written off/Advances written off	1,324,850	-
Provision for advances/Securities written back	(1,260,850)	-
Obsolete Inventory Written off	2,519,755	-
Provision for Obsolete Inventories	(910,515)	-
Shifting/lifting/loading/unloading	-	5,928,059
Miscellaneous Expenses	410,334	510,795
<b>Sub Total (C)</b>	<b>137,789,924</b>	<b>116,898,986</b>
<b>Total Other Expenses (A+B+C)</b>	<b>474,160,166</b>	<b>369,701,626</b>
Less: Transefered to Expenditure Capitalisation (refer note no. 38)	-	55,738,483
<b>Total Other Expenses (A+B+C)</b>	<b>474,160,166</b>	<b>313,963,143</b>



# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

## NOTE: 24 – EARNING PER SHARE (EPS)

DESCRIPTION	CURRENT YEAR 31ST MARCH, 2016	PREVIOUS YEAR 31ST MARCH, 2015
Profit for the Year	(185,329,799)	170,164,452
Net Profit for Calculation of Basic / Diluted EPS	(185,329,799)	170,164,452
Weighted Average Number of Equity Shares for Calculating Basic & Diluted EPS	7,200,150	7,200,150
Basic (in ₹)	( 25.74)	23.63
Diluted (in ₹)	( 25.74)	23.63

## NOTE: 25 – CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF: –

NO.	DESCRIPTION	CURRENT YEAR 31ST MARCH, 2016 (₹)	PREVIOUS YEAR 31ST MARCH, 2015 (₹)
a.	Excise duty under dispute, pending hearing of appeals / writ petitions.		
i	Cenvat credit taken on sales commission	4,862,760	1,928,596
ii	Exemption on Latodrops	494,174	74,859
iii	Demand on excise duty on Physician samples	4,189,950	592,854
b.	Service Tax pending hearing of appeals / writ petitions/ under disputes		
i	Service Tax on Foreign based services (Professional fee and product Registration Fee)	125,000	125,000
ii	CENVAT credit on ineligible services i.e freight documentation	4,494,711	769,646
	CENVAT credit on ineligible services i.e Renting of motor vehicle	-	41,344
iii	Service Tax on Transport Services paid from Cenvat Register	-	226,378
iv	Irregular cenvat credit on outward freight	179,002	179,002
v	availment of CENVAT Credit on Obsolete Stock	1,055,645	-
c.	Value Added Tax - declaration forms pending submission	23,761	181,492
d.	Supply of Defective product	500,000	-
e.	Worker reinstatement pending before Assistant Commissioner Labour Law Alwar.	1,500,000	1,500,000
f.	Bank guarantees	14,534,583	17,036,094
g.	Obligation under Advance License	93,492	-
h.	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 ₹ 60,192,891/- 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 ₹ 66,413,209/- (previous year ₹ 66,413,209/-) thereby aggregating to ₹ 126,606,100/- (P. Y. ₹ 126,606,100/-)		

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

(i) The company has incurred expenses in foreign currency amounting to ₹ 962,292,793 equivalent to Euro 11,801,960 and USD 2,30,000 till 31<sup>st</sup> March 2016 (P.Y. ₹ 962,292,793) for the import of Plant & Machineries. Such Plant & Machineries have been imported without payment of customs duty, under Export Promotion Capital Goods (EPCG) scheme, on the basis of an undertaking given to customs authorities that the company shall fulfill an export obligation equivalent to 6 times of duty saved on capital goods imported under EPCG scheme, within 6 years from authorisation issue date i.e. 09/05/2014. The total duty saved as on 31st March 2016 amounts to ₹ 214,224,555. Export obligation amounting to ₹ 8,867,573 (P.Y Nil) has been fulfilled till 31<sup>st</sup> March 2016.

### B) Litigations

- Trade receivables ₹ 27,466,863 (P.Y. ₹ 12,144,401/-) involved in various litigations, which are considered probable and in respect of which company has made provisions.
- The company is involved in various litigation, the outcome of which are considered probable and in respect of which the company has made aggregate provision of ₹ 1,785,869 as at March 31, 2016 (P.Y. ₹ 3,619,227/-).
- Winding up petition has been filed by a vendor which the Company is contesting. The estimated liability on this account is ₹ 692,211 and interest on total claim.

**NOTES** TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**NOTE: 26 CAPITAL COMMITMENTS**

Capital contracts remaining to be executed (net of advances) and not provided for ₹ 153,903,779 (P.Y. ₹ 30,392,003/-)

**NOTE: 27** - Amount due to suppliers covered under Micro, Small and Medium Enterprises Act 2006, on the basis of confirmation received is as under:

NO.	DESCRIPTION	CURRENT YEAR 31ST MARCH, 2016 (₹)	PREVIOUS YEAR 31ST MARCH, 2015 (₹)
I	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
	Principal Amount Unpaid	3,071,922	1,601,057
	Interest Due	36,990	2,006
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	21,450,208	3,420,243
	Interest Paid beyond the Appointed Date	-	-
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.	450,167	40,621
IV	The amount of interest accrued and remaining unpaid at the end of the year; and	529,784	42,627
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	529,784	42,627

**NOTE: 28 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, 2016	31ST MARCH, 2015
Current service cost	2,003,176	1,680,109
Interest cost on benefit obligation	1,369,682	1,363,108
Expected return on plan assets	(1,429,297)	(1,226,337)
Net actuarial loss / (gain) recognised in the year	(698,506)	2,131,928
Net benefit expense	1,245,055	3,948,808
Actual return on plan assets	1,724,156	1,311,279



# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

## BALANCE SHEET

### Details of Provision for Gratuity

PARTICULARS	31ST MARCH, 2016	31ST MARCH, 2015
Defined benefit obligation	20,449,831	18,886,608
Fair value of plan assets	17,900,455	14,727,411
Less: Unrecognised past service cost	-	-
Plan liability	(2,549,376)	(4,159,197)

### Changes in the present value of the defined benefit obligation are as follows:

PARTICULARS	31ST MARCH, 2016	31ST MARCH, 2015
Defined benefit obligation as at April 1 (Opening Balance)	18,886,608	16,209,441
Interest cost	1,369,682	1,363,108
Past service cost	-	-
Current service cost	2,003,176	1,680,109
Benefits paid	(1,405,988)	(2,582,920)
Actuarial losses on obligation	(403,647)	2,216,870
Defined benefit obligation as at March 31 (Closing Balance)	20,449,831	18,886,608

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

PARTICULARS	31ST MARCH, 2016	31ST MARCH, 2015	31ST MARCH, 2014
Discount rate	7.50%	7.90%	9.10%
Increase in Compensation cost	7.00%	7.00%	7.00%
Rate of Return on Plan Assets	9.25%	9.25%	9.25%

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:

PARTICULARS	GRATUITY				
	31ST-MAR-2016	31ST-MAR-2015	31ST-MAR-2014	31ST-MAR-2013	31ST-MAR-2012
Defined benefit obligation	20,449,831	18,886,608	16,209,441	14,338,567	11,152,240
Plan Assets	17,900,455	14,727,411	14,487,934	12,826,161	10,059,625
Funded Deficit	2,549,376	4,159,197	1,721,507	1,512,406	1,092,615
Experience adjustments on plan liabilities Loss/(Gain)	(807,120)	1,156,545	112,522	1,426,198	760,409
Experience adjustments on plan assets Loss/(Gain)	294,859	(84,942)	(14,180)	(227,554)	-

### Contribution to defined contribution plans:

PARTICULARS	31ST MARCH, 2016	31ST MARCH, 2015
Provident Fund	8,287,563	9,033,373

### NOTE: 29 - LEASE

The company has taken various residential, office premises and other assets 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	LEASE PAYMENTS	
	31ST MARCH, 2016	31ST MARCH, 2015
Total lease payment for the year (Recognised in Profit & Loss Account)	8,427,486	8,635,420
Minimum Lease Payment		
Not later than one year	5,204,676	6,025,176
Later than one year but not later than five years	2,162,740	5,254,416
Later than five years	-	-

**NOTES** TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**NOTE: 30 -RELATED PARTY DISCLOSURES****A. List of Related Parties (As ascertained by the management)**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 (India) Pvt Limited.
Oyster Medisafe Pvt Ltd.

Key Management Personnel

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

**B. TRANSACTIONS WITH RELATED PARTIES**

(Amount In ₹)

Nature of Transaction	Enterprises where control exists	Enterprises under Common Control	Key Management Personnel
<b>Sale of Goods</b>			
E. Braun Medical (India) Pvt. Limited.		71,002,472 (120,173,517)	
<b>Purchase of Machinery</b>			
B. Braun Melsungen Ag.	42,961,838 (837,642,690)		
<b>Purchase of Spares</b>			
B. Braun Medical Industries Sdn. Bhd	210,655 (-)		
<b>Commission Charges</b>			
B. Braun Medical (India) Pvt. Limited.		12,279,359 (8,697,859)	
<b>Business Promotion</b>			
B. Braun Medical (India) Pvt. Limited.		15,453,916 (-)	
<b>Technical Services</b>			
B. Braun Melsungen AG.	3,983,436 (1,373,345)		
<b>SAP Usage Charges</b>			
B. Braun Medical Industries Sdn. Bhd	1,609,217 (13,741,890)		
B. Braun Medical (India) Pvt. Limited.		4,465,255 (-)	
<b>Managerial Remuneration</b>			
Arun Mudgal			6,194,028 (6,189,997)
<b>Interest on supplier's Credit</b>			
B. Braun Melsungen AG.	11,752,286 (204,817)		
<b>Expenses Reimbursed</b>			
B. Braun Medical (India) Pvt. Limited.		6,423,818 (10,152,507)	
Oyster Medisafe Pvt. Ltd.		- (97,203)	
B. Braun Singapore Pte. Ltd.	84,041 (-)		
B. Braun Medical Industries Sdn. Bhd	1,973,667 (-)		
<b>Reimbursement taken</b>			
B. Braun Medical (India) Pvt. Limited.		165,624 (-)	





# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

## C. AMOUNT DUE FROM/ TO RELATED PARTIES

(Amount In ₹)

Nature of Transaction	Enterprises where control exists	Enterprises under Common Control	Key Management Personnel
<b>Receivable for sales of goods</b> B. Braun Medical (India) Pvt Limited.		6,720,233 (5,224,557)	
Receivable on Account of Expenses Reimbursed Oyster Medisafe Pvt. Ltd.		- (97,203)	
B. Braun Medical Industries Sdn. Bhd.	- (1,232,128)		
<b>Payable for Purchase of Machinery</b> B. Braun Melsungen AG.	820,750,988 (837,642,690)		
<b>Commission Charges/Reimbursement Payable</b> B. Braun Medical (India) Pvt. Limited.		42,313,596 (15,402,916)	
<b>Interest on supplier's Credit</b> B. Braun Melsungen AG.	16,699,573 (5,720,917)		
<b>Technical Services / Reimbursement Payable</b> B. Braun Melsungen AG.	907,740 (-)		
B. Braun Singapore Pte. Ltd.	75,385 (-)		
B. Braun Medical Industries Sdn. Bhd.	1,905,596 (-)		
<b>D. Letter of Comfort/Guarantee given by B Braun Melsungen for Securing Loans/Credit Facilities from Banks</b>			
Long Term Loan	1,000,000,000 (980,000,000)		
Credit Facility	376,224,073 (237,635,107)		
Short term Loan	310,000,000 (-)		

Note :- No amount has been written off / provided for in respect of transactions with related parties. Previous years figures shown in the brackets

### NOTE 31 SEGMENT REPORTING:

- 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.
- 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 with in the country and exports as different geographical segments.

Information about Reportable Segment:

#### a. Revenue as per Geographical Markets (net off rebates & returns)

	31ST MARCH, 2016 (₹)	31ST MARCH, 2015 (₹)
Revenue within India (Net of excise duty)	1,002,307,329	782,173,881
Revenue outside India	187,666,660	377,664,015
<b>Total Revenue (Net)</b>	<b>1,189,973,989</b>	<b>1,159,837,896</b>

#### b. Carrying amount of Segment Assets (receivables) and liabilities by geographical location.

	31ST MARCH, 2016 (₹)	31ST MARCH, 2015 (₹)
Receivables within India	250,542,220	197,928,726
Receivable outside India	50,747,008	115,038,232
Segment Liabilities outside India (Trade payable)	(8,624,680)	(5,458,345)
Segment Liabilities outside India (Advance from Customers)	(10,619,593)	(1,397,994)
<b>Total</b>	<b>282,044,955</b>	<b>306,110,619</b>

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 figurers for fixed assets / addition to fixed assets cannot be furnished.

**NOTES** TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**NOTE: 32 -DERIVATIVE INSTRUMENTS AND FOREIGN CURRENCY EXPOSURE**

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

PARTICULARS	CURRENT YEAR			PREVIOUS YEAR		
	AMOUNT IN FOREIGN CURRENCY	AMOUNT (₹)		AMOUNT IN FOREIGN CURRENCY	AMOUNT (₹)	
Import Creditors	EUR	89,127	6,696,699	-	-	-
Import Creditors	USD	29,913	1,927,981	USD	86,739	5,458,345
Import Creditors (Deferred Payment liabilities)	EUR	580,029	42,961,838	EUR	3,666,972	273,671,396
Buyers Credit	-	-	-	USD	54,059	3,348,805
	-	-	-	EUR	42,578	3,012,787
Interest on Supplier's Credit	EUR	221,637	16,699,573	EUR	85,144	5,720,917
Export receivables	USD	796,464	50,747,008	USD	1,723,245	111,536,922
	-	-	-	EUR	80,359	1,013,784
Claims Payable	USD	152,093	10,071,602	-	-	-
Advance Received	USD	92,791	5,266,764	USD	2,316	150,256
	EUR	71,737	5,352,829	EUR	15,463	1,247,738

B) Particulars of hedged foreign currency exposure as at Balance Sheet date:

PARTICULARS	CURRENT YEAR			PREVIOUS YEAR		
	AMOUNT IN FOREIGN CURRENCY	AMOUNT (₹)		AMOUNT IN FOREIGN CURRENCY	AMOUNT (₹)	
Forward contract to buy Euro (Deferred payment liabilities)	EUR	11,221,932	777,789,151	EUR	7,556,753	563,971,294

**NOTE: 33 EXPENDITURE IN FOREIGN CURRENCY**

	DESCRIPTION	CURRENT YEAR (₹)	PREVIOUS YEAR (₹)
<b>a)</b>	<b>Expenditure in Foreign Currency</b>		
	Bank Charges	2,338,717	557,149
	Salaries	2,006,947	-
	Interest on Suppliers Credit	11,752,286	204,817
	Interest on Buyers Credit	47,479	674,499
	Travelling Expenses	1,454,223	1,261,922
	Technical Services	6,600,085	2,517,824
<b>b)</b>	<b>Value of Imports calculated on CIF basis:</b>		
	Raw materials	198,001,928	212,410,984
	Stores & Spares	7,338,890	2,450,517
	Capital Goods	47,644,056	837,642,690

**NOTE: 34 EARNING IN FOREIGN CURRENCY**

	DESCRIPTION	CURRENT YEAR (₹)	PREVIOUS YEAR (₹)
	FOB Value of Exports*	204,398,688	377,664,015

\* does not include deemed exports of ₹ 43,874,739, (P.Y. ₹ 37,276,313/-)



## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

### NOTE: 35 - VALUE OF RAW MATERIALS, STORES & SPARES CONSUMED:

DESCRIPTION	CURRENT YEAR		PREVIOUS YEAR	
	VALUE	%	VALUE	%
<b>Raw Materials</b>				
Imported	228,326,555	48.44	218,196,510	51.23
Indigenous	243,067,546	51.56	207,690,658	48.77
	<b>471,394,101</b>	<b>100.0</b>	<b>425,887,168</b>	<b>100.0</b>
<b>Stores &amp; Spares</b>				
Imported	7,935,549	13.39	2,222,675	5.29
Indigenous	51,308,820	86.61	39,779,010	94.71
	<b>59,244,369</b>	<b>100.00</b>	<b>42,001,685</b>	<b>100.00</b>

### NOTE: 36 - AUDITOR'S REMUNERATION\*

SL NO	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
		(₹)	(₹)
a.	For Statutory Audit	1,150,000	1,150,000
b.	For Tax Audit	150,000	150,000
c.	Certification and other matters	63,452	220,000
d.	IFRS Audit Fees	700,000	700,000
e.	Out of pocket expense	69,313	180,353
	<b>Total</b>	<b>2,132,765</b>	<b>2,400,353</b>

Note : \* Excluding Service tax ₹ 315,289/- (P.Y. ₹ 296,313/-) claimed / set off as cenvat credit.

### NOTE: 37 -RESEARCH AND DEVELOPMENT

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

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	(₹)	(₹)
Material Consumed	995,667	4,197,381
Employee benefit expenses	830,563	1,017,248
Administrative and Other Expenses	36,744	616,170
<b>Total</b>	<b>1,862,974</b>	<b>5,830,799</b>

Exclude depreciation of ₹ 321,084 (P.Y. ₹ 284,084/-)

### Note: 38

During the financial year 2013-14, the company had started expansion of capacity at its existing plant in Bhiwadi, Rajasthan. The expenditure incurred on start-up and commissioning of the project along with certain revenue expenses attributable to assets under construction have been capitalised as an indirect element of the construction cost during the 2014-15. The trial run carried out successfully during the 2014-15, and the plant was commissioned and the assets are ready to use.

Expenditure attributable to assets pending capitalisation:

The Company has incurred certain revenue expenses attributable to assets under construction, which are capitalised along with the cost of fixed assets. The details of such expenditure incurred are given below:

**NOTES** TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2016 (₹)	FOR THE YEAR ENDED 31ST MARCH, 2015 (₹)
Salaries, Wages and Bonus	-	3,928,855
Staff Welfare Expenses	-	383,045
Total Employee Benefit Expenses	-	4,311,900
<b>Interest Expense on:</b>		
Term Loans (Net of Income of ₹ Nil P.Y. 738,838/- from fixed deposit out of borrowed fund)	17,62,251	64,482,120
Working Capital	-	23,852,879
Bank Charges	-	329,604
Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost to be classified in finance cost.	-	30,710,244
Total Finance Cost	17,62,251	119,374,847
<b>Administrative and Other Expenses</b>		
Rent	-	241,478
Travelling and Conveyance	-	2,841,946
Legal and Professional	-	28,165,840
Others Expenses	-	5,928,059
Total Administrative and Other Expenses	-	37,177,323
<b>Manufacturing Expenses</b>		
Consumption of Raw Materials and Stores	-	12,861,458
Power and Fuel	-	5,699,702
Total Manufacturing Expenses	-	18,561,160
<b>Grand Total</b>	<b>17,62,251</b>	<b>179,425,230</b>
Less: Net Realisable value	-	475,834
<b>Grand Total (Net)</b>	<b>17,62,251</b>	<b>178,949,396</b>
Add: Opening Balance	-	12,101,908
Amount Capitalised	-	191,051,304
Balance carried forward in CWIP	17,62,251	-

**NOTE : 39**

In compliance to the Accounting Standard - 29 on "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India, Contingent Liabilities and Provisions has been disclosed as below:

PARTICULARS	Opening Balance 01-04-2015	Additions during the year	Paid/Adjusted during the year	Closing Balance 31-03-2016
Provision for delayed supplies (includes in Claims & Rebates)	2,915,260	1,922,538	1,766,669	3,071,129
	(2,393,093)	(1,482,592)	(960,425)	(2,915,260)

**NOTE: 40 CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Pursuant to Section 135 of the Companies Act, 2013 and rule made thereunder, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee. The Committee has adopted a Corporate Social Responsibility Policy. As per Section 135(5) of the Act, the Company needs to ensure at least 2% of the average net profit of preceding three financial years is spent on CSR activities as mentioned in CSR Policy. The average result of preceding three financial years was ₹ 236,407,605 (P.Y ₹ 187,599,050) and the CSR obligations was ₹ 4,728,152 (P.Y. ₹. 3,751,981). However the Company has not spent any amount on CSR during the current year & in Previous year.



# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

## NOTE: 41 PRIOR PERIOD EXPENSE

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2016 (₹)	FOR THE YEAR ENDED 31ST MARCH, 2015 (₹)
Bank charges	1,395,980	-
Audit Expense	2,809	-
<b>Total</b>	<b>1,398,789</b>	<b>-</b>

## NOTE: 42 ADVANCE FROM CUSTOMERS

The management believes that advance from customers received prior to 31<sup>st</sup> March 2016 is in the normal course of its business and outstanding for more than a year as on the balance sheet date should not be considered as deposits in term of the provisions of the Companies Act.

## NOTE: 43

Accounts Receivables includes ₹ 61,973,660/- (Net of provisions/write offs) from 3 parties belonging to the same group viz. Alter Ego Group, due to turmoil in Ukraine the recovery from these customer is delayed. The management is following up for the recovery of dues. No further provision are considered necessary in these cases due to receipt of part payments and settlements arrived at with the customers. The management is of the opinion that in view of settlement and as the situation improving in Ukraine, the management is hopeful for recovery.

## NOTE: 44

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

For and on behalf of the board  
Ahlcon Parenterals (India) Limited

Gireesh Kumar Goenka  
Partner  
M. No. 096655

Anand Chandrashekhar Apte  
Chairman  
DIN No. 01677401

Arun Mudgal  
Managing Director  
DIN No. 06366992

Place : New Delhi  
Date : 17-08-2016

Sandeep Chotia  
Chief Financial Officer

Ranjan Kumar Sahu  
Company Secretary

**CASH FLOW STATEMENT** FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	YEAR ENDED 31ST MARCH, 2016		YEAR ENDED 31ST MARCH, 2015	
	₹	₹	₹	₹
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		(237,711,061)		208,885,778
<b>Adjustments for:</b>				
Depreciation and amortisation	161,283,201		46,076,330	
Interest Expenses	162,511,509		4,028,145	
Interest income	(743,448)		(962,747)	
Effect of unrealised exchange differences on restatement of foreign currency	(1,727,379)		1,165,201	
Liabilities no longer required written back	(3,457,530)		(2,894,533)	
Provision for doubtful debts	17,519,172		13,041,454	
Bad debts written off	321,091		-	
Obsolete stock written off (net of provision)	1,609,240		-	
EMD/Security Written off/Advances written off (net off provision)	64,000		-	
Provision for doubtful advances	961,889	338,341,745	1,749,770	62,203,620
Operating profit / (loss) before working capital changes		100,630,684		271,089,398
<b>Changes in working capital:</b>				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(80,769,210)		(58,609,525)	
Trade receivables	35,660,107		9,666,507	
Short-term loans and advances	26,982,550		(33,658,814)	
Long-term loans and advances	(5,512,468)		33,113,559	
Unamortised premium on forward contract	(2,074,368)		(19,730,490)	
Other current assets	4,950,596	(20,762,793)	(3,406,758)	(72,625,521)
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	48,538,236		(7,109,794)	
Other current liabilities	(65,802,495)		134,124,082	
Foreign Currency payable on forward contract	11,891,258		54,620,423	
Other Long Term Liabilities	1,992,622		(820,617)	
Short-term provisions	6,940,241		(4,495,553)	
Long-term provisions	(970,573)	2,589,289	2,971,790	179,290,331
Cash generated from operations		82,457,180		377,754,208
Interest Paid		(39,755,117)		(2,734,868)
Net income tax paid		(4,423,952)		(63,349,098)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>38,278,111</b>		<b>311,670,242</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets and CWIP	(352,649,485)		(2,105,201,052)	
Proceeds from deposits matured	2,317,990		(2,747,476)	
Interest received	703,722		386,040	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(349,627,773)</b>		<b>(2,107,562,488)</b>



# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	YEAR ENDED 31ST MARCH, 2016		YEAR ENDED 31ST MARCH, 2015	
	₹	₹	₹	₹
<b>C. Cash flow from financing activities</b>				
Repayment of long-term borrowings	-			(28,925,052)
Proceeds from long-term borrowing	3,108,298			1,617,642,690
Net increase / (decrease) in working capital borrowings	138,588,966			87,122,670
Interest Paid	(122,756,392)			-
Net Proceeds/(Repayment) from short-term borrowings	303,638,409			(44,926,587)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>322,579,281</b>			<b>1,630,913,721</b>
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>11,229,619</b>			<b>(164,978,525)</b>
Cash and cash equivalents at the beginning of the year	5,852,516			170,831,041
<b>Cash and cash equivalents at the end of the year</b>	<b>17,082,135</b>			<b>5,852,516</b>
Reconciliation of Cash and cash equivalents with the Balance sheet Cash and Bank Balance as per Balance Sheet (Refer Note 15)	17,567,621			8,614,992
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (give details)	485,486			2,762,476
Net Cash and cash equivalents (as defined in AS 3 Cash flow Statements) included in Note 15	17,082,135			5,852,516
<b>Cash and cash equivalents at the end of the year</b>				
Comprises:				
(a) Cash on hand	20,031			1,31,817
(b) Balances with banks				
In current accounts	16,143,646			4,666,381
Unpaid Dividend Accounts*	918,458			1,054,318
	17,082,135			5,852,516

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

Gireesh Kumar Goenka  
Partner  
M. No. 096655

Place : New Delhi  
Date : 17-08-2016

For and on behalf of the board  
Ahlcon Parenterals (India) Limited

Anand Chandrashekhar Apte  
Chairman  
DIN No. 01677401

Sandeep Chotia  
Chief Financial Officer

Arun Mudgal  
Managing Director  
DIN No. 06366992

Ranjan Kumar Sahu  
Company Secretary







**AHLCON PARENTERALS (INDIA) LIMITED**

CIN - U24239DL1992PLC047245  
Regd. 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,  
Email: info@ahlconindia.com,www.ahlconinida.com

**ATTENDANCE SLIP**

Regd. Folio No. / DP ID - Client ID : \_\_\_\_\_  
Name & Address of First/Sole Shareholder : \_\_\_\_\_  
No. of Shares held : \_\_\_\_\_

I certify that I am a member / proxy for the member of the company. I record my presence at the **24<sup>rd</sup>** Annual General Meeting of the Company being held at Conference Hall, Hotel Le Seasons, A-1A, A Block Mahipalpur Extension NH-8, New Delhi-110037, at 3.00 P.M. on Friday, 30<sup>th</sup> day of September 2016.

-----  
Name of the member / proxy (In BLOCK Letters)

-----  
Signature of member/ proxy

**Note:**

- (a) only Member / proxy can attend the meeting. No minors would be allowed at the meeting
- (b) member / proxy wish to attend the meeting must bring this attendance slip to the meeting and handover at the entrance duly filled in and signed.

-----  
please tear her  
-----



**AHLCON PARENTERALS (INDIA) LIMITED**

CIN - U24239DL1992PLC047245  
Regd. 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,  
Email: info@ahlconindia.com,www.ahlconinida.com

**PROXY FORM**

Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) :-..... Registered address :-.....

E-mail Id :-..... Client ID :-.....

I/We, being the member (s) of ..... shares of Ahlcon Parenterals (India) Limited, hereby appoint :

1. Name ..... E-mail Id .....

Address ..... Signature .....or failing him/her

2. Name ..... E-mail Id .....

Address ..... Signature .....or failing him/her

3. Name ..... E-mail Id .....

Address ..... Signature .....or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **24<sup>th</sup>** Annual General Meeting of the Company, being held at Conference Hall, Hotel Le Seasons, A-1A, A Block Mahipalpur Extension NH-8, New Delhi-110037, at 3.00 P.M. on Friday, 30<sup>th</sup> day of September 2016. and at any adjournment there of in respect of such resolutions as are indicated below:

Resolution No.	Description
01	To receive, consider and adopt the Audited Balance Sheet of the Company as at 31 <sup>st</sup> March 2016, 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.
02	Reappoint Mr. Ananad Chandrasekhar Apte, as a rotational director
03	Appoint Auditors and fixation their remuneration
04	Appointment of Mr. Andreas Walde
05	Appointment of Mr. Ananad Chandrasekhar Apte, as the Managing Director
06	Ratification of the payment of remuneration of Cost Auditor
07	Waiver of Excess Remuneration paid to the Managing Director

# **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](mailto:info@masserv.com)

Website: [www.masserv.com](http://www.masserv.com)

For Dematerialisation of Shares

ISIN No. INE 027C01011

# BOOK POST

*If undelivered, please return to:*

**Ahlcon Parenterals (India) Limited**

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

Email: [info@ahlconindia.com](mailto:info@ahlconindia.com)

**[www.ahlconindia.com](http://www.ahlconindia.com)**