



# Ahlcon Parenterals (India) Limited

**27<sup>TH</sup> ANNUAL REPORT 2018-19**

# CORPORATE INFORMATION

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## BOARD OF DIRECTORS

Mr. Andreas Walde, Chairman  
Mr. Indranil Mukherjee, Managing Director  
Mr. Arun Kumar Gupta, Director  
Dr. S.C.L. Gupta, Director  
Dr. S.S. Arora, Director  
Mr . Christopher Mueller, Director  
Mr . Gabriel Sabate Parayre, Director

## REGISTERED OFFICE

Unit No. 30/30E, IIInd Floor,  
Shivaji Marg, Nazafgarh Road Industrial Area,  
New Delhi-110015.  
Tel No.011-42344234

## COMPANY SECRETARY

Mr. Ranjan Kumar Sahu

## BANKERS

Mizuho Bank  
Deutsche Bank  
HDFC Bank Ltd.  
Syndicate Bank  
State Bank of India

## MANUFACTURING FACILITIES

SP-917 & 918, Phase III, RIICO Industrial Area,  
Bhiwadi – 301019,  
Dist. Alwar, Rajasthan.  
Tel: 01493 – 305300, Fax: 01493 – 221045

## AUDITORS

M/s. Price Waterhouse Chartered Accountants LLP  
Chartered Accountants,  
Nesco IT Building III, 8<sup>th</sup> Floor, Nesco IT Park,  
Nesco Complex, Gate No. 3, Western Express Highway,  
Goregaon East, Mumbai- 400063

## WEBSITE

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

## CONTENTS

Notice..... 01    Directors' Report..... 04    Auditors' Report.....15    Balance Sheet..... 19  
Statement of Profit & Loss..... 21    Notes..... 22    Cash Flow Statement..... 48



# NOTICE

Notice is hereby given that the 27<sup>th</sup> Annual General Meeting of Ahlcon Parenterals (India) Limited will be held on Monday, the 16th day of September, 2019 at 3.00 PM at Conference Hall, Plot No. 30 & 30 E, 2<sup>nd</sup> Floor, Sivaji Marg, Najafgarh Road Industrial Area, New Delhi - 110015 to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March 2019 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 Andreas Walde (DIN: 07331893), who retire by rotation and being eligible, offers himself for reappointment.

## SPECIAL BUSINESS

3. Appointment of Mr. Gabriel Sabate Parayre (DIN: 08518258 ) 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. Gabriel Sabate Parayre (DIN : 08518258), Additional Director of the Company who was required to hold the office upto the date of this Annual General Meeting, and in respect of whom the Company had received a notice in writing from a member, proposing his appointment as a Director of the Company be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation."

4. 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, having Firm Regn. No. 000075 as Cost Auditors as appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2019-20 and the payment of 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 applicable taxes if any, be & 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."

By order of the Board

**For AHLCON PARENTERALS (INDIA) LIMITED**

Ranjan Kumar Sahu

Company Secretary

PAN: ATDPS7346D

Place : New Delhi

Dated: 12.08.2019

## 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 Tuesday, the 10th day of September 2019 to Monday, the 16th day of September, 2019 (both days inclusive) for the purpose of Annual General Meeting.
5. While approving the Final Accounts Statements for the year ended on 31st March 2019, the Board has not recommended any dividend on the Equity Shares.
6. Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, the unpaid /unclaimed Dividends for the year 2004-05, 2005-06, 2006-2007, 2007-08, 2008-09 , 2009-10 and 2010-2011& 2011-12 were transferred to the Investor Education and Protection Fund of the Central Government on 05.11.2012, 05.11.2013, 05.11.2014, 05.11.2015, 5.11.2016, 26.11.2017, 05.11.2018 and 15/07/2019 respectively.
7. Those members who have so far not encashed their unpaid dividend for the respective financial years, may claim or approach the Investor Education and Protection Authority for the payment thereof as the same has been transferred to the Investor Education and Protection Fund of the Central Government, pursuant to section 124 of the Companies Act, 2013.
8. As per the provisions of Section 124(6) of the Act, the Company is required to transfer all shares in respect of which unpaid or unclaimed dividend has been transferred under section 124(5), in the name of Investor Education and Protection Fund Authorities within the stipulated timelines. The company is in the process of transferring those shares in the name of Investor Education and Protection Authorities.
9. The Company uploaded the list of shareholders transferred to IEPF Authority in the Company website from time to time for verification of their respective name, address, folio no. and number of shares and for easy process of their claim before the IEPF Authority. Further, the Shareholders may approach the Company and Registrar and Transfer Agent M/s MAS Services Ltd., T-34, 2nd Floor, Okhla Industrial Area, Phase -II, New Delhi-110020 for the same.
10. 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: Plot No.30 & 30 E, 2nd Floor, Shivaji Marg, Najafgarh Road Industrial Area, New Delhi - 110015 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 held 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, 2nd Floor, Okhla Industrial Area, Phase -II, New Delhi -110020 for payment of dividend, Annual Report and other documents from time to time. Those who are holding their shares in dematerialized form should notify to their Depository Participants, change/ correction in their address/ bank account particulars etc.
  15. Electronic copy of the Notice of the 27th 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 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 27th 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, 2017, 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, 2019 and the Notice convening 27th 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 or sm@masserv.com or to Company at above address, e-mail:- ranjan.sahu@ahlconindia.com and the same will be provided at free of cost.

The Resolutions proposed at the 27th 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  
Friday, September 13, 2019 at 09.00 A.M. (IST)  
End of remote e-voting  
Monday, September 15, 2019 at 5.00 P.M. (IST)  
The cut-off date (i.e. the record date) for the purpose of remote e-voting is September 9, 2019.  
The details and instructions for remote e-voting forms an integral part of the Notice convening the 27th AGM to be held on September 16, 2019.
18. The procedure and instructions for e-voting is given hereunder for easy reference:
    - a. The initial password is provided in the box overleaf.
    - b. 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.
    - c. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
    - d. Click on Shareholder-Login.
    - e. Put user ID and password as initial password noted in step (a) above. Click Login.
    - f. 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.
    - g. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - h. Select "EVEN" of "AHLCON PARENTERALS (INDIA) LIMITED".
    - i. Now you are ready for remote e-voting as Cast Vote page opens.
    - j. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - k. Upon confirmation, the message "Vote cast successfully" will be displayed.
    - l. Once you have voted on the resolution, you will not be allowed to modify your vote.
    - m. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) 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).
    - n. 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.
    - o. 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.
    - p. 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).





q. 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 9th September, 2019

r. 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. 11th September, 2019, 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

s. 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.

t. 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. 83) 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. 3

##### Appointment of Mr Gabriel Sabate Parayre (DIN: 08518258) as Director of the Company:

Pursuant to Article 80 of the Articles of Association of the Company Mr. Gabriel Sabate Parayre (DIN : 085182583 ) was appointed as an Additional Director by the Board at their meeting held on 25th July, 2019 . 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 upto the date of the next Annual General Meeting of the company. Accordingly, Mr Gabriel Sabate Parayre (DIN : 07331893 ) 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. Gabriel Sabate Parayreas as director on the Board, your directors recommend passing of the resolution set out at item No.3 of this notice.

The proposed resolution does not relate to or affect the business interest of any other Company in which the Promoter, Director, Manager or Key Managerial Personnel have substantial interest.

None of the Directors & their Relatives are interested in the proposed resolution except Mr. Gabriel Sabate Parayre.

The directors recommend the said resolution for the approval of the members of the Company by Ordinary Resolution.

#### Item No. 4

##### 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, 2019 at a remuneration of ₹100,000/- and reimbursement of pocket expenses, plus applicable taxes if any, as settled mutually and approved by the Board of Directors of the Company. The company has received a letter from the Cost Auditor that the appointment, if made, will be within the prescribed limit under 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 2019-2020.. 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.

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.4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2019.

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.4 of the Notice.

The directors recommend the said resolution for the approval of the members of the Company by Ordinary Resolution.

For AHLCON PARENTERALS (INDIA) LIMITED

Place: New Delhi  
Dated: 12.08.2019

Ranjan Kumar Sahu  
(Company Secretary)  
PAN: ATDPS7346D



# DIRECTORS' REPORT

## To the Members,

Your Directors have pleasure in presenting the 27th Annual Report on the business and operations of the Company for the financial year ended 31st March 2019.

## FINANCIAL RESULTS

(₹ in lacs)

FOR THE YEAR ENDED	31.03.2019 CURRENT YEAR	31.03.2018 PREVIOUS YEAR
Total Revenue	15565.36	15368.63
Profit before Finance Cost,		
Depreciation & Amortisation and Tax	1344.49	2293.98
Finance Cost	2834.01	2736.73
Profit/(Loss) before, Depreciation & Amortisation and Tax	(1489.53)	(442.75)
Depreciation & Amortisation	3267.67	3899.18
Profit before Tax	(4757.20)	(4341.93)
Tax Expense	-	-
Profit/(Loss) after Tax	(4757.20)	(4341.93)
Balance brought forward from previous year	(180.77)	4161.15
Profit available for appropriation	(4937.97)	(180.77)
Profit carried forward	(4937.97)	(180.77)

## OPERATIONAL PERFORMANCE

Your Directors present the Operational performance of the company, which in the company has achieved a sales turnover of ₹15565.36 lacs as compared to the previous year sales turnover of ₹14965.66 lacs (net of excise) hereby register a growth of 4.01%.

The company's Net Loss during the year recorded ₹4757.20 lacs as compare to previous year figure loss of ₹4341.93 lacs, due to price discrimination, cut throat competition, entry of new entities in the market, government price regulatory mechanism and delay of execution of the initial phase of new plant leading to an additional depreciation and interest cost on the operational performance of the company.

Your 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.

## SHARE CAPITAL STRUCTURE

The present Authorized Share Capital of the Company is ₹180,000,000/- (Rupees Eighteen Crores Only) divided into ₹110,000,00 (one crore and ten lacs) Equity Shares of ₹10/- (Rupees Ten) each and 700,00,00 (Seventy Lacs) Preference Shares of ₹10 each.

The present issued, subscribed and paid up capital of the Company is ₹720,015,00 (Rupees Seven Crore twenty lacs and one hundred Fifty Only) divided into 720,01,50 Equity Shares of ₹10/- (Rupees Ten) each.

## DIVIDEND

While approving the Final Accounts Statements for the year ended on 31st March 2019, the company having Loss of ₹4757.20 lacs and the Board has not recommended any dividend on the Equity Shares.

## EARNING PER SHARE

EPS (Earning Per Share) is ₹(66.07) as compared to the previous year's figure of ₹(60.30) hereby a leading to a decline of EPS ₹(5.77) as compare to the previous year.

## 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 in the coming years. 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. During the year under review the export sales is increased to ₹2033.25 lacs (Net off rebates & returns) as compared to the previous year's figure of ₹1930.41 lacs thereby increasing the export performance by 5.33%.

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 pipeline 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. Andreas Walde, Chairman/ 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, no new appointment of Director was made in the board of the Company. During the year under review Mr. Christopher Mueller's appointment as a director confirmed by the shareholders in their Annual General Meeting of the Company.

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 an 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.

### (a) COMPOSITION OF BOARD OF DIRECTORS

The board comprise the following Directors:

1. Mr. Andreas Walde, Chairman
2. Mr. Indranil Mukherjee, Managing Director



3. Mr. Christoph Mueller, Director & CFO
4. Mr. Arun Kumar Gupta, Independent Director
5. Dr. S.C.L. Gupta, Independent Director
6. Dr. S. S. Arora, Independent Director
7. Mr. Gabriel Sabate Parayre, Director

**b) NUMBER OF MEETINGS OF THE BOARD**

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

I.25.05.2018, II.22.08.2018 III.28.09.2018 IV.14.11.2018 V.22.11.2018. VI. 13.02.2019

**AUDIT COMMITTEE**

The Audit Committee is having an appropriate composition of members. 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 Companies 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. Andreas Walde	Member	Non Executive Director
Mr. Indranil Mukherjee	Member	Executive Director
Mr. Christoph Mueller	Member	Non 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 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;

- (ii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) Examination of the financial statement and the Auditors' report thereon;
- (iv) Approval or any subsequent modification of transactions of the company with related parties;
- (v) Scrutiny of inter-corporate loans and investments;
- (vi) Valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) Evaluation of internal financial controls and risk management systems;
- (viii) 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 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, three Audit Committee Meetings of the Company were held as below:

I.25.05.2018, II.22.08.2018 III.29.09.2018

**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 31st March, 2019 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 UNDER SUB-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 31st March, 2019 made under provisions of Section 92(3) of the Act is attached as "Annexure II" 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 formalize 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 on 23.11.2017 after change of management and the composition.

During the year 2018-19 under review no remuneration committee meeting was held.

During the year under review, the board approve the increase of sitting fees subject to limits under sec 197(5) of the Companies Act 2013.

Statement of sitting fees paid to Non-Executive Director for the year 2018-19 and their shareholding position as on 31.03.2019.

NON EXECUTIVE DIRECTOR	SITTING FEES ₹ LACS.	SHARE HOLDING
Mr. Arun Kumar Gupta	2.25	NIL
Dr. S. S. Arora	1.75	NIL
Dr. S. C. L. Gupta	2.00	NIL

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

The committee meet from time to time for formulating 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, RESERATION OR ADVERSE REMARKS OR DECLAIMER IF ANY DURING 2018-19.**

There was no qualification by the Auditors in their Audit report during the period 2018-19.

However based on the observation of the auditors in other legal requirements in their report at clause no. 12 (b), the management explains to the shareholders that the Company maintains physically proper books of account as required by law in India, except that the backup in Electronic records is kept outside India for safe custody and prevent data loss due to natural calamity or the Act of God. The Company is also in the planning/process to create parallel backup server in India.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186.**

The company disclosed that sec 186 is 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 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 1st April, 2017. The Risk data periodically review by the board in their meeting.

**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, 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 decided to implement the programmes as per the CSR project report and increase focus on healthcare, environment, skill development, cleanness and education in the years ahead.

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 has to be spent on CSR activities as mentioned in CSR Policy. The average result of preceding three financial years 2015-16, 2016-17 and 2017-2018 was ₹(2520.29) and the CSR obligations was ₹NIL. The CSR Committee has already approved the program as suggested under schedule VII of Companies Act, 2013, & has finalized the implementing agencies & committed the resources for executing the projects during the year 2018-2019 in a phased manner. The implementation under the selected programs/ projects has been implemented and a regular status shall be placed before Board of directors meeting.

During the year 2018-19 under review there is no obligation on CSR and no CSR contribution was made by the Company. However, based on the recommendation of the CSR committee and Board the Company utilized the last years un spend CSR obligations 40.59 lacs during the current period 2018-19 and ₹10.16 lacs as on the date of Board report, in a phased manner and in case of any amount due will be closed in the ensuing period since this a continuous project.

Details of CSR obligation, contribution, utilization, unspent amount placed in this Directors Report of the Company. All the below mentioned projects shall be supported on a consistent basis till self-sustainability.

Details of Annual Report on CSR activities as per Annx. I.

#### **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) and associates are covered under this policy. The company has conducted a POSH programme in the Delhi office on 11th July 2019 to bring more awareness among the employees and ICC members etc. The Company did not receive any complain during the year 2018-2019.

#### **CORPORATE GOVERNANCE**

The Good 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 (A B Braun Group Co), 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. Price Waterhouse Chartered Accountants LLP (FRN: 012754N/N500016), Statutory Auditors of the Company, were appointed as Statutory Auditors of the Company for the period of 5 years commencing from the conclusion of 25th Annual General Meeting till the conclusion of 30th Annual General Meeting to be held in the year 2022.

Further, consequent to amendment in section 139 of Companies Act, 2013 vide notification by MCA, dated 7th May, 2018, ratification of appointment of Statutory Auditors in every Annual General Meeting is no longer required.

Further the Auditors Report for the Financial Year ended 31.03.2019 being self-explanatory does not call for any further comments from the Board of Directors.

#### **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 2019-20 with a remuneration of ₹100,000/- along with pocket expenses settled mutually. The Audit Committee of the company recommended to the board 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, no 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 not required.

#### **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**

Place: New Delhi

Indranil Mukherjee

Christoph Muller

Date: 12.08.2019

Managing Director

Director

**Annexure - I****ANNUAL REPORT ON CSR ACTIVITIES DURING 2018-19**

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The CSR Policy of the Company is uploaded on the company website at : <a href="http://www.ahlconindia.com">www.ahlconindia.com</a> The Primary focus of the Company has been 1. Skill development & Education 2. Healthcare 3. Cleanliness and Hygiene 4. Mobile Healthcare at rural area 5. Environment																					
2.	The composition of the CSR Committee.	The Company has constituted a CSR Committee and it was further reconstituted by the board on 23.11.2017 by including nominated directors as members of the committee as below : <table border="1"> <thead> <tr> <th>Name</th> <th>Designation</th> <th>Designate</th> </tr> </thead> <tbody> <tr> <td>Mr. Indranil Mukherjee</td> <td>Managing Director</td> <td>Chairman</td> </tr> <tr> <td>Mr. Andreas Walde</td> <td>Chairman</td> <td>Member</td> </tr> <tr> <td>Mr. Arun K Gupta</td> <td>Independent Director</td> <td>Member</td> </tr> <tr> <td>Dr. S.S. Arora</td> <td>Independent Director</td> <td>Member</td> </tr> <tr> <td>Dr. S.C.L. Gupta</td> <td>Independent Director</td> <td>Member</td> </tr> <tr> <td>Mr. Christoph Mueller</td> <td>Director</td> <td>Member</td> </tr> </tbody> </table>	Name	Designation	Designate	Mr. Indranil Mukherjee	Managing Director	Chairman	Mr. Andreas Walde	Chairman	Member	Mr. Arun K Gupta	Independent Director	Member	Dr. S.S. Arora	Independent Director	Member	Dr. S.C.L. Gupta	Independent Director	Member	Mr. Christoph Mueller	Director	Member
Name	Designation	Designate																					
Mr. Indranil Mukherjee	Managing Director	Chairman																					
Mr. Andreas Walde	Chairman	Member																					
Mr. Arun K Gupta	Independent Director	Member																					
Dr. S.S. Arora	Independent Director	Member																					
Dr. S.C.L. Gupta	Independent Director	Member																					
Mr. Christoph Mueller	Director	Member																					
3.	Average net profit of the company for last three financial years.	₹(2520.29)																					
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	NIL																					
5.	Detail of CSR spent during the financial year	40.59																					
6.	Total amount to be spent for the financial year	64.00																					

**7. Manner in which the amount spent during the financial year is detailed below.**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR Project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Yes	Building toilet in Police station	State of Rajasthan, Alwar District	5.00	5.02	5.02	5.02
2.	Yes	Mobile Healthcare Project	State of Rajasthan, Alwar District	46.00	30,41	30,41	30,41
3.	Yes	Park Development	State of Rajasthan, Alwar District	5.00	5.16	5.16	5.16
4.	Yes	Sanitary Napkin project	State of Rajasthan, Alwar District	5.00	0	0	0
5.	Yes	Plantation in School	State of Rajasthan, Alwar District	3.00	0	0	0
Total				64.00	40.59	40.59	40.59

Note : Unspent amount is carried forward to the continuous project during 2019-2020.



7.1 Manner in which the amount spent during the period from 01.04.2019 till the date of Board Report is detailed below.

(1)	(2)	(3)	(4)	(5)
S.No	CSR Project or activity identified	Name of Projects	Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount spent during the period April to till the date of Board of report 2019 (₹)
1.	Yes	Mobile Healthcare Project	State of Rajasthan, Alwar District	200171
2.	Yes	Park Development	State of Rajasthan, Alwar District	107195
3.	Yes	Police station project	State of Rajasthan, Alwar District	575233
4.	Yes	Sanitary Napkin Project (blank)	State of Rajasthan, Alwar District	104205
5.	Yes	School Project	State of Rajasthan, Alwar District	39294
<b>Grand Total</b>				<b>1026098</b>

8. Unspent amount in the continuous projects during the previous period 2014-15, 15-16 and 16-17 : The company was unable to spent the balance CSR obligations of previous year 2014-15, 2015-16 and 2016-17 in the continuous project due to consistent degrowth in the earnings of the company, however the committee/board has consider and approved the following projects on CSR activities and to be closed before 31-03-2019.

Name of the Projects	Amount of CSR Contribution due ₹50.35 lakhs (including unspent amount of ₹13.15 lakhs) to be spend as on 31.03.2020 (in the continuous projects already undertaken by the Company in the following CSR projects as below.
Park Development Building toilet in School Plantations in School Sanitary Napkin Project Mobile Healthcare Van Toilet at Police station	50.35 lakhs
<b>Total cost of the projects*</b>	<b>50.35 lakhs</b>

The amount committed in the above projects, will be closed over the period of one year as approved by the committee and CSR compliance report will be submitted before the respective department and in the ensuing Director Report 2020

Sd/-

**Indranil Mukherjee**  
Managing Director  
DIN: 07331893  
Place : New Delhi  
Dated : 12.08.2019

Sd/-

**Christoph Mueller**  
Director  
DIN:0008000451  
Place : New Delhi  
Dated : 12.08.2019





# 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.

## 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

1. Specific area in which R & D carried out by the Company.
  - a. To develop new products in different dosage form for Domestic and International market;
  - b. To develop new analytical methods and their validation
  - c. Improvement of existing products with the objective to reduce cost, improve process and quality;
  - d. To develop new innovative products in novel drug delivery system;
  - e. To develop new innovative products for different segments where currently products are not available;
  - f. To develop 'ready to use' injectable dosage form;
  - g. To conduct stability study of development products as per ICH guidelines.
2. Benefits derived as results of the R & D process.
 

Various products are developed by R&D division and commercialized. Some of the 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 (₹)
<b>Capital Expenditure:</b>	-	-
<b>Revenue Expenditure:</b>		
Material	3.63	8.01
Personnel	31.07	26.90
Printing & Stationery	0.84	3.16
	35.54	38.07
Depreciation (R & D Division)	4.80	4.13
<b>Total R &amp; D Expenditure</b>	<b>40.34</b>	<b>42.20</b>
As a percentage of Total Turnover	0.26%	0.27%

## III - FOREIGN EXCHANGE EARNINGS AND OUTGO: (₹ in lakhs)

	CURRENT YEAR	PREVIOUS YEAR
<b>Foreign Exchange Earnings</b>	<b>2033.25</b>	<b>1930.41</b>
<b>Foreign Exchange Outgo:</b>		
(a) Imports - Machinery spares	339.32	171.85
(b) Capital Goods	181.31	103.49
(c) Imports - Raw Materials	2281.07	2384.02
(d) Bank charges	11.92	80.66
(e) Travelling Expenses	-	0.59
(f) System and software expenses	251.81	171.89
(g) Interest on Supplier Credit	92.10	89.78

For and on behalf of the Board of Directors

**Indranil Mukherjee**  
**Managing Director**  
 DIN: 07331893  
 Place : New Delhi  
 Dated : 12.08.2019

**Christoph Mueller**  
**Director**  
 DIN: 0008000451  
 Place : New Delhi  
 Dated : 12.08.2019



## Annexure-II (Form No. MGT-9)

Extract of Annual Return as on  
The Financial Year Ended on 31<sup>st</sup> March, 2019  
[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	<b>Ahlcon Parenterals (India) Limited</b>
4. Category/Sub-Category of the Company	Public Limited Company
5. Address of the Registered office and contact details	Plot no. 30/30E, 2 <sup>nd</sup> Floor, Shivaji Marg, Najafgarh Road Industrial Area, New Delhi-110015 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 <b>MAS SERVICES LTD</b> T- 34, 2 <sup>nd</sup> Floor, Okhla Industrial Area, Phase - II, New Delhi-110020 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.	198703127H	Holding Company	96.12	Sections 2(46)
2	B Braun Medical India Pvt. Ltd.	U33112MH1984PTC214514	Associate Company	Nil	Sections 2(6)



**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	
<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	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):-	-	-	-	-	-	-	-	-	-
<b>2) Foreign</b>									
g) NRIS - Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	6920492	-	6920492	96.12	6920492	-	6920492	96.12	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	6920492	-	6920492	96.12	6920492	-	6920492	96.12	-
<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) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-
<b>2. Non Institutions</b>									
a) Bodies Corp.	10303	-	10303	0.14	10295	-	10295	0.14	-
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	268132	-	268132	3.72	268340	-	268340	3.73	(0.01)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (Specify)	1223	-	1223	0.02	1023	-	1023	0.01	0.01
Sub-total (B)(2)	279658	-	279658	3.88	279658	-	279658	3.88	-
Total Public Shareholding (B)=(B) (1)+(B) (2)	279658	-	279658	3.88	279658	-	279658	3.88	-
C. Shares held by Custodian for GDR & ADR	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>7200150</b>	<b>-</b>	<b>7200150</b>	<b>100.00</b>	<b>7200150</b>	<b>-</b>	<b>7200150</b>	<b>100.00</b>	<b>-</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.	6920492	96.12	–	6920492	96.12	–	–
	<b>TOTAL</b>	6920492	96.12	–	6920492	96.12	–	–

**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	6920492	96.12	6920492	96.12
	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):	–	–	–	–
	At the end of the year	6920492	96.12	6920492	96.12

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	288,920,92,17	–	288,920,92,17
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	207,79,42	–	207,79,42
<b>Total (i+ii+iii)</b>	–	<b>289,128,71,59</b>	–	<b>289,128,71,59</b>
Change in Indebtedness during the financial year				
– Addition	–	108,893,51,36	–	108,893,51,36
– Reduction	–	(100,000,0000)	–	(100,000,0000)
<b>Net Change</b>	–	<b>889,351,36</b>	–	<b>889,351,36</b>
Indebtedness at the end of the financial year				
i) Principal Amount	–	2,957,885,159	–	2,957,885,159
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	22,337,136	–	22,337,136
<b>Total (i+ii+iii)</b>	–	<b>2,980,222,295</b>	–	<b>2,980,222,295</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 (Indranil Mukherjee)	TOTAL AMOUNT
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 (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 )	–	–
5.	Others,	–	–
6.	<b>Total (A)</b>	–	–
	Ceiling as per the Act	–	No remuneration paid to the Managing Director by the Co

**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	2,25,000 2,00,000 1,75,000
	<b>Total (1)</b>		<b>600,000</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>600,000</b>
	<b>Total Managerial Remuneration</b>	–	<b>600,000</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	TOTAL
1.	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 Profits in lieu of salary under section 17(3) Income Tax Act, 1961	198,23,22	198,23,22
2.	Stock Option	–	–
3.	Sweat Equity	–	–
4.	Commission as % of profit others, specify	–	–
5.	Others, (Including Performance Bonus)	–	–
6.	<b>Total (A)</b>	<b>198,23,22</b>	<b>198,23,22</b>

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



# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF AHLCON PARENTERALS (INDIA) LIMITED

### Report on the Audit of the Financial Statements

#### Opinion

1. We have audited the accompanying financial statements of Ahlcon Parenterals (India) Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, the statement of Profit and Loss and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. 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 Companies Act, 2013 ("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, 2019 and its losses and its cash flows for the year then ended.

#### Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

#### Responsibilities of management and those charged with governance for the financial statements

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation

of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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.

6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### Auditor's responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances; Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. 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, except that the backup of the books of accounts and other books and paper maintained in electronic mode has not been maintained on servers physically located in India.
  - c) The balance sheet, the statement of profit and loss and statement of cash flows 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.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

- 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 information and according to the explanations given to us:
  - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2019 on its financial position in its financial statements — Refer Note 20.
  - ii. The Company has long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. The Company has no long-term derivative contracts as at March 31, 2019.
  - iii. There has been no delay in transferring amounts, though there is a delay in transferring the shares related to the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N / N500016  
(ASHA RAMANATHAN)

Place: Mumbai

Dated: 12.08.2019

Partner

M. No- 202660

#### Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Ahlcon Parenterals (India) Limited on the financial statements for the year ended March 31, 2019.

#### Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Ahlcon Parenterals (India) Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.





### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

### Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be

detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N / N500016  
(ASHA RAMANATHAN)

Place: New Delhi  
Dated: 12.08.2019

Partner  
M. No- 202660

### Annexure B to Independent Auditors' Report

Referred to in paragraph 11 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, 2019

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of immovable properties, as disclosed in Note 12 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted loans secured or unsecured, to any companies, firms, Limited Liability Partnerships, other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. 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 meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.



- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, 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, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 20 (IX) to the financial statements regarding management's assessment on certain matters relating to provident fund.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, duty of customs, and duty of excise or value added tax or goods and service tax which have not been deposited on account of any dispute. The particulars of dues of Service tax and sales tax as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

NAME OF STATUTE	NATURE OF DUES	AMOUNT (₹) LAKHS	PERIOD TO WHICH AMOUNT RELATES	FORUM WHERE DISPUTE IS PENDING
Service Tax	Wrong availment of CENVAT Credit of wages contractor	38.17	2006-07 to 2011-12	Additional Commissioner, Alwar
Service Tax	CENVAT credit on Ineligible services	47.18	2011-12 to 2015-16	Commissioner CGST, Bhiwadi
Central Sale Tax	Demand against non submission of the forms	0.24	April 07 to March 08	Sales Tax Commissioner, Bhiwadi

- 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 loans or borrowings to any financial institution or bank or Government. The company has not issued any debentures as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any moneys by way of further public offer (including debt instruments). The money raised by way of term loans have been applied for the purposes for which they 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 by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act.

The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions within the meaning of Section 192 of the Act with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N / N500016  
(ASHA RAMANATHAN)  
Partner

Place: New Delhi  
Dated: 12.08.2019

M. No- 202660  
UDIN : 19202660AAAABU7984



# BALANCE SHEET

AS AT 31ST MARCH, 2019

Amount in Lakhs, unless otherwise stated

PARTICULARS	NOTE	AS AT 31ST MARCH, 2019 (₹)	AS AT 31ST MARCH, 2018 (₹)
<b>EQUITY AND LIABILITIES</b>			
Shareholders' Funds			
Share Capital	3	720.02	720.02
Reserves and Surplus	4	(4,072.64)	684.56
		(3,352.62)	1,404.58
<b>Non-Current Liabilities</b>			
Long Term Borrowings	5	7,500.00	9,464.95
Deferred Tax Liabilities (net)	6	-	-
Long Term Provisions	7	1,410.01	77.00
		8,910.01	9,541.95
<b>Current Liabilities</b>			
Short Term Borrowings	8	22,078.85	9,427.14
Trade Payables	9		
Total outstanding dues of Micro Enterprises Small Enterprises		210.64	74.39
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		1,194.14	1,337.75
Other Current Liabilities	10	2,309.77	10,739.70
Short-Term Provisions	11	180.83	110.68
		25,974.23	21,689.66
<b>TOTAL</b>		<b>31,531.62</b>	<b>32,636.19</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
<b>Property, Plant and Equipment</b>			
Tangible Assets	12	24,580.99	26,782.59
Intangible Assets	12	-	2.45
Capital Work-In-Progress	12	275.38	407.88
Long-Term Loans and Advances	13	511.20	458.19
Other Non-Current Assets	14	0.25	2.00
		25,367.82	27,653.11
<b>Current Assets</b>			
Inventories	15	2,694.60	1,753.07
Trade Receivables	16	2,841.82	2,525.92
Cash and Bank Balances	17	61.10	55.20
Short Term Loans and Advances	18	172.26	290.67
Other Current Assets	19	394.02	358.22
		6,163.80	4,983.08
<b>TOTAL</b>		<b>31,531.62</b>	<b>32,636.19</b>



# BALANCE SHEET

AS AT 31ST MARCH, 2019

Summary of Significant Accounting Policies	2
Contingent liabilities	20
Capital Commitment	21

The accompanying notes are an integral part of these financial statements.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No : 012754N/N500016

Asha Ramanathan  
Partner  
M. No. 202660

Place : New Delhi  
Date : 12.08.2019

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

Indranil Mukherjee  
Director  
DIN No. 06692898

Place : New Delhi  
Date : 12.08.2019

Ranjan Kumar Sahu  
Company Secretary

Place : New Delhi  
Date : 12.08.2019

Christoph Mueller  
Director and Chief Financial Officer  
DIN: 08000451

Place : New Delhi  
Date : 12.08.2019



# STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

Amount in Lakhs, unless otherwise stated

PARTICULARS	NOTES	YEAR ENDED 31ST MARCH, 2019 (₹)	YEAR ENDED 31ST MARCH, 2018 (₹)
<b>INCOME</b>			
Revenue from Operations (Gross)	22	15,565.36	15,367.78
Less: Excise duty		–	402.12
Revenue from Operations (Net)		15,565.36	14,965.66
Other Income	23	183.32	402.97
<b>Total Revenue</b>		<b>15,748.68</b>	<b>15,368.63</b>
<b>Expenses</b>			
Cost of Materials Consumed	24	5,428.34	5,046.83
Changes in Inventories of Finished Goods & work-in-progress	25	(575.65)	(25.62)
Employee Benefits Expense	26	2,410.73	2,237.84
Finance Costs	27	2,834.01	2,736.73
Depreciation and Amortisation Expense	28	3,267.67	3,899.18
Other Expenses	29	7,140.78	5,815.60
<b>Total Expenses</b>		<b>20,505.88</b>	<b>19,710.56</b>
<b>(Loss) Before Tax</b>		<b>(4,757.20)</b>	<b>(4,341.93)</b>
<b>Tax Expenses:</b>		<b>–</b>	<b>–</b>
<b>(Loss) After Tax of the Year</b>		<b>(4,757.20)</b>	<b>(4,341.93)</b>

(Loss) Per Equity Share [Nominal Value Per Share: ₹10  
(March 31, 2018: ₹10)]

Basic and Diluted	34	(66.07)	(60.30)
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Summary of Significant Accounting Policies

2

The accompanying notes are an integral part of these financial statements.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm Registration No : 012754N/N500016

Asha Ramanathan  
Partner  
M. No. 202660

Place : New Delhi  
Date : 12.08.2019

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

Indranil Mukherjee  
Director  
DIN No. 06692898

Place : New Delhi  
Date : 12.08.2019

Ranjan Kumar Sahu  
Company Secretary

Place : New Delhi  
Date : 12.08.2019

Christoph Mueller  
Director and Chief Financial Officer  
DIN: 08000451

Place : New Delhi  
Date : 12.08.2019



# NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Notes to financial statement as at and for the year ended March 31<sup>st</sup>, 2019

Amount in Lakhs, unless otherwise stated

## Note 1

### General Information

The Company is engaged in the business of manufacturing of Hospital care products viz. manufacturer of Pharmaceutical Intravenous Fluids, Ophthalmics & others etc. The Company has manufacturing facility at Bhiwadi, Alwar District, Rajasthan.

## Note 2

### Summary of Significant Accounting Policies

#### 2.1 Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), specified under section 133 and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division I) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non-current classification of assets and liabilities.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

#### 2.2 Tangible Assets

Tangible Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any, except in case of land which is carried at revalued amount. Cost comprises of the purchase price including import duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management. Subsequent costs related to an item of Property, Plant and Equipment are recognised in the carrying amount of the item if the recognition criteria are met.

Items of Property, Plant and Equipment that have been retired from active use and are held for disposal are stated at the lower of their net carrying amount and net realisable value and are shown separately in the financial statements under the head 'Other current assets'. Any write-down in this regard is recognised immediately in the Statement of Profit and Loss.

An item of Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets, based on technical evaluation done by management's expert taking into account the nature of the assets, their estimated period of use and the operating conditions. The depreciation charge for each period is recognised in the Statement of Profit and Loss, unless it is included in the carrying amount of any other asset. The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The estimates of useful lives of tangible assets are as follows :

Type of Asset	Useful lifes as per Schedule II	Management estimate of Useful life Useful lifes (In Years)
Lease hold land	-	99
Building	60	10 to 50
Plant and Machinery	15	4 to 15
Furniture and Fixtures	10	8 to 15
Office Equipment	5	4 to 15
Vehicles	8	6

Leasehold land are depreciated over the period of lease.

#### 2.3 Intangible Assets

##### (a) Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The estimated useful lives of intangible assets are as follows::

Asset	Useful lifes (In Years)
Computer Software	3

##### (b) Research and Development Cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when all of the following criteria are met:

- There is an intention to complete the asset.
- There is an ability to use or sale the asset.
- the asset will generate future economic benefits.
- Adequate resources are available to complete the development and to use or sell the asset.





# NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

- The expenditure attributable to the intangible asset during development can be measured reliably.
- It is technically feasible to complete the intangible asset so that It will be available for use or sale..

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use and it is amortised on straight line basis over the estimated useful life.

## 2.4 Borrowing Costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

## 2.5 Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is higher of the asset's net selling price or estimated future cash flows, which are discounted to their present value based on appropriate discount rates. If such recoverable amount of the asset or recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and asset is reflected at the recoverable amount.

## 2.6 Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

## 2.7 Foreign Currency Translations

### Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### Subsequent Recognition

As at the reporting date, 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. All 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.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. With respect to long-term foreign currency monetary items, the Company has adopted the following policy:

- Foreign exchange difference on account of a depreciable asset, is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset
- In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long term asset/ liability

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

### Derivatives and hedging activities

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

Forward exchange contracts outstanding as at the year end on account of firm commitment / highly probable forecast transactions are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

## 2.8 Revenue Recognition

Sales are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, which coincides with the delivery of goods and are recognised net of trade discounts, rebates, Goods and Service tax.

## 2.9 Other Income

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

Income from duty drawback and premium of sale of import licences is recognised on an accrual basis.





## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

### 2.10 Employee Benefits

#### Provident Fund

Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

#### Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

#### Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

#### Termination Benefits

Termination benefits in the nature of voluntary retirement benefits are recognised in the Statement of Profit and Loss as and when incurred.

### 2.11 Current and Deferred Tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing

evidence that they can be realised against future taxable profits. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax (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. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### 2.12 Provisions and Contingent Liabilities

#### Provisions

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

#### Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### 2.13 Leases

#### As a Lessee

Operating leases - Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

Finance leases - Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.



## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

### 2.14 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Further, inter-segment revenue is accounted for based on the transaction price agreed to between segments which is primarily market based. Revenue and expenses is identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, are included under “Unallocated corporate expenses/income”.

### 2.15 Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

### 2.16 Earning / (Loss) Per Share

Basic earnings/(loss) per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company’s

earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### 2.17 Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

**NOTES** TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**NOTE 3 - SHARE CAPITAL**

Amount in Lakhs, unless otherwise stated

PARTICULARS	AS AT 31ST MARCH, 2019 (₹)		AS AT 31ST MARCH, 2018 (₹)	
<b>(I) Authorised :</b>				
11,000,000 (March 31, 2018: 11,000,000) Equity Shares of ₹10 each		1100.00		1100.00
7,000,000 (March 31, 2018: 7,000,000) Preference Shares of ₹10 each		700.00		700.00
		1800.00		1800.00
<b>(ii) Issued, Subscribed and paid up</b>				
7,200,150 (March 31, 2018: 7,200,150) Equity Shares of ₹10 each		720.02		720.02
<b>Total</b>		<b>720.02</b>		<b>720.02</b>

**a) Reconciliation of the number of Equity shares**

PARTICULARS	AS AT 31ST MARCH, 2019		AS AT 31ST MARCH, 2018	
	Number of shares	Amount in (₹)	Number of shares	Amount in (₹)
Balance as at the beginning of the Year	72.00	720.02	72.00	720.02
Add: Shares issued during the Year	–	–	–	–
Balance as at the end of the Year	72.00	720.02	72.00	720.02

**b) Rights, preferences and restrictions attached to shares**

Equity Shares: The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**c) Shares held by Holding Company and Subsidiary of Holding Company**

CLASS OF SHARES / NAME OF SHAREHOLDER	AS AT 31ST MARCH, 2019		AS AT 31ST MARCH, 2018	
	Number of shares	% Holding in that class of shares	Number of shares	% Holding in that class of shares
<b>Equity Shares</b>				
6,920,492 Shares* (March 31, 2019: 6,920,492 Shares*) held by B. Braun Singapore Pte Ltd, the Holding Company * includes 30,210 shares in Escrow Account pending Procedural Compliances.	69.20	96.12	69.20	96.12

**d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

<b>Equity Shares</b>				
B. Braun Singapore Pte Ltd, the Immediate Holding Company	69.20	96.12	69.20	96.12



# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

## NOTE 4 - RESERVES AND SURPLUS

Amount in Lakhs, unless otherwise stated

PARTICULARS	AS AT 31ST MARCH, 2019 (₹)	AS AT 31ST MARCH, 2018 (₹)
<b>Capital Reserve</b>		
State Subsidy on Fixed Capital Investment [also refer to note (a) below]	15.00	15.00
Surplus on Reissue of Forfeited Shares	0.33	0.33
Capital Redemption Reserve [also refer to note (b) below]	380.00	380.00
	395.33	395.33
<b>General Reserve</b>		
Balance as at the beginning of the Year	470.00	470.00
Add: Transferred from Surplus in Statement of Profit and Loss during the year	–	–
Balance as at the end of the Year	470.00	470.00
<b>Surplus/ (Deficit) in Statement of Profit and Loss</b>		
Balance as at the beginning of the Year	(180.77)	4,161.16
Loss for the Year	(4,757.20)	(4,341.93)
Balance as at the end of the Year	(4,937.97)	(180.77)
<b>Total</b>	<b>(4,072.64)</b>	<b>684.56</b>

Note: (a) Backward area subsidy received by RIICO, Rajasthan in the year 1995, for new industrial undertaking.

(b) The Company had issued redeemable preference shares which were redeemed out of profits (Refer table below for issue and redemption details). In order to comply with the requirements of the then applicable Section 80 of the Companies Act, 1956, the Company had transferred amounts to the Capital Redemption Reserve.

DATE OF ISSUE	DATE OF REDEMPTION	AMOUNT IN RS.
5-Jun-2000	30-Jun-2005	90.00
28-Oct-2006	24-Dec-2007	200.00
28-Oct-2006	14-Feb-2014	90.00

## NOTE 5 - LONG-TERM BORROWINGS

PARTICULARS	AS AT 31ST MARCH, 2019 (₹)	AS AT 31ST MARCH, 2018 (₹)
<b>Unsecured</b>		
Deferred Payment Liabilities [Refer Note (a) and (b) below]	–	9,464.95
External Commercial Borrowings (ECB) [Refer Note (c) below]	7,500.00	–
<b>Total</b>	<b>7,500.00</b>	<b>9,464.95</b>

Note: (a) Deferred payment liability pertains to suppliers credit facility from 'Ultimate Holding Company' for import of machines. As per agreement the amount was payable after 1,080 days from the shipment date which starts from July 19, 2014. Accordingly the original maturity of the Supplier's Credit had fallen due during the period 2017-2018. However, the Company has vide letter dated June 23, 2017 amended the terms of payment to 1,800 days from the shipment date. According to the renewal/amendment the maturity of the agreement falls due in 2019-20. The Supplier's Agreement bears six monthly interest calculated at EUR/BOR+125 bps. As the amount falls due within one year and same has been reclassified as short term borrowings..

b) The Company had entered into a forward exchange contract to hedge the deferred payment liability in the year 2014. The premium arising at the inception of this forward exchange contract is amortised as expense over the life of the contract. The same was due in the year 2017-18. However on account of amendment to the terms of payment as stated in the Note 5 (a) above, the Company has re-entered into short term forward exchange contract during the year 2017-18 and 2018-19.

c) During the year 2018-19, the Company has taken an External Commercial Borrowing of ₹ 7,500 Lakhs at interest rate of 9% repayable after 5 years from B. Braun Melsungen AG, the ultimate holding company.

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

### NOTE 6 - DEFERRED TAX LIABILITIES (NET)

Amount in Lakhs, unless otherwise stated

PARTICULARS	AS AT 31ST MARCH, 2019 (₹)	AS AT 31ST MARCH, 2018 (₹)
Deferred Tax Assets:		
Provision for Doubtful Debts/ Advances and others	997.07	281.75
Provision for Slow Moving Inventory	38.25	9.77
Carry Forward Losses/ Unabsorbed Depreciation	3,766.18	3,777.53
Provision for Employee Benefits	33.67	41.82
	<b>4,835.17</b>	<b>4,110.87</b>
Deferred Tax Liabilities:		
Depreciation	2,084.30	2,708.54
<b>Deferred Tax Liabilities (Net)</b>	<b>–</b>	<b>–</b>

Deferred tax assets and Deferred tax liabilities have been offset as they relate to the same governing taxation laws. In consideration of prudence, Deferred tax asset on brought forward losses/ unabsorbed depreciation is recognized only to the extent of Deferred tax liability.

### NOTE 7 - LONG TERM PROVISIONS

PARTICULARS	AS AT 31ST MARCH, 2019 (₹)	AS AT 31ST MARCH, 2018 (₹)
Provision for Employee Benefits: (Refer Note 35)		
Provision for Gratuity	36.57	16.65
Provision for Compensated Absences	46.17	60.35
Other Provision		
Provision for EPCG (Refer Notes 39 and below)	1327.27	–
<b>Total</b>	<b>1,410.01</b>	<b>77.00</b>

The company has incurred expenses in foreign currency on various assets 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 8 years from authorisation issue date i.e. May 09, 2014. The total duty saved is Rs. 2,142.24 Lakhs. The Company is expecting to fulfil only part of its export obligation within the stipulated timelines. During the year, based on best estimates, the company has made provision in respect of expected unfulfilled export obligations.

### NOTE 8 - SHORT TERM BORROWINGS

PARTICULARS	AS AT 31ST MARCH, 2019 (₹)	AS AT 31ST MARCH, 2018 (₹)
Unsecured:		
Term Loans: From Banks		
Credit Facility from Bank [Refer Note (a) below]	12,913.20	9,427.14
Deferred Payment Liabilities [Refer Note 5(a) and 5(b)]	9,165.65	–
<b>Total</b>	<b>22,078.85</b>	<b>9,427.14</b>

Note: (a) Short Term facility of ₹13,800 Lakhs (March 31, 2018: ₹11,300 Lakhs) from Deutsche Bank is received under 'Master Arrangement Letter of Credit Facilities' dated December 1, 2010 between B Braun Melsungen AG and Deutsche Bank AG, Mumbai supported by B Braun Melsungen AG as Security party and Demand Promissory Note. The Short Term Credit facility from Deutsche Bank is repayable on demand and carries interest as advised from time to time by Deutsche Bank AG subject to minimum base prevalent rate from time to time.



## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

### NOTE 9 – TRADE PAYABLES

Amount in Lakhs, unless otherwise stated

PARTICULARS	AS AT 31ST MARCH, 2019 (₹)	AS AT 31ST MARCH, 2018 (₹)
(a) Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 41)	210.64	74.39
(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	1,194.14	1,337.75
<b>Total</b>	<b>1,404.78</b>	<b>1,412.14</b>

### NOTE 10 – OTHER CURRENT LIABILITIES

PARTICULARS	AS AT 31ST MARCH, 2019 (₹)	AS AT 31ST MARCH, 2018 (₹)
Current Maturities of Long-Term borrowings	–	10,000.00
Interest Accrued but not Due on ECB	202.64	–
Interest Accrued but not Due on Deferred Payment Liabilities	20.74	20.78
Unpaid Dividend [Refer Note (a) below]	1.70	4.21
Security Deposits	3.00	2.92
Payables for Capital Goods	142.63	186.59
Advances from Customers	130.20	220.21
Employee Benefits Payable	103.31	69.43
Foreign Currency Payable under Forward Contract [Refer Note 5 (b)]	1,480.13	–
Statutory dues including Provident Fund and Tax Deducted at Source	51.92	47.22
Others payables	173.50	188.34
<b>Total</b>	<b>2,309.77</b>	<b>10,739.70</b>

Note:

(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 at the year end.

### NOTE 11 – SHORT TERM PROVISIONS

PARTICULARS	AS AT 31ST MARCH, 2019 (₹)	AS AT 31ST MARCH, 2018 (₹)
Provision for Employee Benefits: (Refer Note 35)		
Provision for Compensated Absences	10.37	14.02
Other Provisions: (Refer Note 39)		
Provision for Litigation/Disputes	57.47	34.48
Provision for Indirect Tax	50.99	45.46
Provision for delayed supplies to Government parties	2.00	16.72
Provision for other Contingencies	60.00	–
<b>Total</b>	<b>180.83</b>	<b>110.68</b>



# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

## NOTE 12 - FIXED ASSETS

Amount in Lakhs, unless otherwise stated

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION / AMORTISATION			NET BLOCK
	AS AT 01-04-2018	ADDITIONS DURING THE YEAR	DELITION DURING THE YEAR	AS AT 01-04-2018	FOR THE YEAR	DELITION DURING THE YEAR	UP TO 31-03-2019
	₹	₹	₹	₹	₹	₹	₹
<b>TANGIBLE ASSETS:</b>							
Land (Lease hold)	290.30	—	—	39.76	2.96	—	42.72
Buildings [Refer Note (a) below]	11,961.66	325.95	—	1,470.96	393.54	—	1,864.50
Plant and Machinery [Refer Note (b) below]	24,732.56	685.62	142.25	9,359.86	2,786.44	125.19	12,021.11
Furniture & Fixtures	634.73	51.33	43.27	132.70	29.98	41.59	122.09
Office Equipment	345.43	19.44	6.94	183.54	48.78	6.94	225.38
Vehicles	47.64	—	6.10	41.91	3.52	6.10	39.33
Leased Asset	—	—	—	—	—	—	—
<b>SUB TOTAL (A)</b>	<b>38,012.32</b>	<b>1,082.34</b>	<b>198.56</b>	<b>11,228.73</b>	<b>3,265.22</b>	<b>179.82</b>	<b>14,315.13</b>
<b>INTANGIBLE ASSETS</b>							
Software	162.59	—	—	160.14	2.45	—	162.59
<b>Sub Total (B)</b>	<b>162.59</b>	<b>—</b>	<b>—</b>	<b>160.14</b>	<b>2.45</b>	<b>—</b>	<b>162.59</b>
<b>Total (A)+(B)</b>	<b>38,174.91</b>	<b>1,082.34</b>	<b>198.56</b>	<b>11,388.87</b>	<b>3,267.67</b>	<b>179.82</b>	<b>14,477.72</b>
<b>Capital Work in Progress (CWIP)</b>							
Capital Work in Progress	407.88	949.84	1,082.34	—	—	—	—
<b>Sub Total (C)</b>	<b>407.88</b>	<b>949.84</b>	<b>1,082.34</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>275.38</b>
							<b>275.38</b>

Notes:

(a) In the current year addition to Building includes borrowing cost aggregating to ₹ Nil (₹ 150.49 Lakhs in FY 2017-18).

(b) In the current year addition to Plant and Machinery includes Foreign Exchange Fluctuation loss aggregating to ₹ Nil (₹ 203.50 Lakhs for FY 2017-18).





# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

## NOTE 12 – FIXED ASSETS

Amount in Lakhs, unless otherwise stated

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK			
	AS AT 01-04-2017	ADDITIONS DURING THE YEAR	ADJUSTMENTS [REFER NOTE (A) BELOW]	DELETION DURING THE YEAR	AS AT 31-03-2018	AS AT 01-04-2017	ADJUSTMENTS [REFER NOTE (B) BELOW]	FOR THE YEAR [REFER NOTE (C) BELOW]	DELETION DURING THE YEAR	UP TO 31-03-2018	AS AT 31-03-2018
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>TANGIBLE ASSETS:</b>											
Land (Lease hold)	290.30	-	-	-	290.30	36.83	-	2.93	-	39.76	250.54
Buildings [Refer Note (d) below]	9,628.19	2,505.20	(169.93)	1.81	11,961.67	1,194.89	(79.70)	357.57	1.80	1,470.96	10,490.71
Plant and Machinery [Refer Note (a) below]	24,237.07	596.20	66.96	168.66	24,732.56	6,032.88	142.49	3,351.32	166.83	9,359.86	15,372.70
Furniture and Fixtures	538.53	25.91	98.65	28.35	634.73	163.87	(30.74)	27.46	27.89	133.70	501.03
Office Equipment [Refer Note (f) below]	392.85	54.83	4.32	106.57	345.43	242.86	7.79	38.57	105.68	184.54	160.89
Vehicles	64.84	3.31	-	20.51	47.64	50.27	1.60	8.65	18.61	41.91	5.73
<b>SUB TOTAL (A)</b>	<b>35,151.78</b>	<b>3,185.45</b>	<b>-</b>	<b>325.90</b>	<b>38,012.33</b>	<b>7,721.60</b>	<b>41.44</b>	<b>3,786.50</b>	<b>320.81</b>	<b>11,230.73</b>	<b>26,781.59</b>
<b>INTANGIBLE ASSETS</b>											
Software	162.59	-	-	-	162.59	88.91	(0.04)	71.27	-	160.14	2.45
<b>Sub Total (B)</b>	<b>162.59</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>162.59</b>	<b>88.91</b>	<b>(0.04)</b>	<b>71.27</b>	<b>-</b>	<b>160.14</b>	<b>2.45</b>
<b>Total (A)+(B)</b>	<b>35,314.37</b>	<b>3,185.45</b>	<b>-</b>	<b>325.90</b>	<b>38,174.92</b>	<b>7,810.51</b>	<b>41.40</b>	<b>3,857.77</b>	<b>320.81</b>	<b>11,390.87</b>	<b>26,784.04</b>
<b>Capital Work in Progress (CWIP)</b>											
Capital Work in Progress	2,745.47	233.38	-	2,570.98	407.88	-	-	-	-	-	407.88
<b>Sub Total (C)</b>	<b>2,745.47</b>	<b>233.38</b>	<b>-</b>	<b>2,570.98</b>	<b>407.88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>407.88</b>

Notes:

- Represents re-classification of the assets in the appropriate block of assets.
- Represents adjustment in depreciation on account of reclassification of assets and rectification of residual value pertaining to prior years.
- Depreciation and amortisation expenses for the year would have been lower by ₹1,809.28 Lakhs had the Company continued with the lives used for depreciation in the FY 2016-17.
- In the current year addition to Building includes borrowing cost aggregating to ₹150.50 Lakhs (up to March 31, 2017: ₹244.31 lakhs).
- In the current year addition to Plant and Machinery includes borrowing cost aggregating to ₹Nil (up to March 31, 2017: ₹458.35 Lakhs) and Foreign Exchange Fluctuation loss aggregating to ₹203.51 Lakhs (up to March 31, 2017: Net loss of ₹300.15 Lakhs) that have been adjusted to the cost of plant and machinery.
- In the current year addition to Office Equipment includes borrowing cost aggregating to Rs.Nil (up to March 31, 2017: ₹0.63 Lakhs).

**NOTES** TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**NOTE 13 – LONG-TERM LOANS AND ADVANCES**

Amount in Lakhs, unless otherwise stated

PARTICULARS	AS AT 31ST MARCH, 2019 (₹)	AS AT 31ST MARCH, 2018 (₹)
Unsecured, considered good (unless otherwise stated)		
Capital Advances	39.81	151.37
Security Deposits		
Considered Good	165.27	68.93
Considered Doubtful	3.97	–
Less: Provision for Doubtful Security Deposits	(3.97)	–
Loans and Advances to Employees	0.12	0.96
Advance Income Tax [Net of Provision ₹525.96 Lakhs (March 31, 2018: ₹525.96 Lakhs)]	296.65	234.81
Other Loans and Advances		
Prepaid Expenses	9.35	2.12
<b>Total</b>	<b>511.20</b>	<b>458.19</b>

**NOTE 14 – OTHER NON-CURRENT ASSETS**

PARTICULARS	AS AT 31ST MARCH, 2019 (₹)	AS AT 31ST MARCH, 2018 (₹)
Long Term Deposits with Banks with maturity of more than 12 months [Refer note(a) below]	0.25	2.00
<b>Total</b>	<b>0.25</b>	<b>2.00</b>

Note: (a) Pledged as Margin Money/ Security Deposits.

**NOTE 15 – INVENTORIES**

PARTICULARS	AS AT 31ST MARCH, 2019 (₹)	AS AT 31ST MARCH, 2018 (₹)
<b>Stores and Spares</b>	226.16	109.11
Packing Material	249.22	196.64
Raw Materials	1,070.11	751.06
Work-in-Progress	125.64	94.81
Finished Goods	1,170.60	632.76
<b>Total</b>	<b>2,841.73</b>	<b>1,784.38</b>
Less: Provision for slow moving inventory	147.13	31.31
<b>Total</b>	<b>2,694.60</b>	<b>1,753.07</b>
<b>(a) Details of Inventory</b>		
<b>(i) Work-in-Progress</b>		
Ophthalmics	46.11	34.16
IV Infusion	45.79	50.20
Others	33.74	10.45
<b>Total</b>	<b>125.64</b>	<b>94.81</b>
<b>(ii) Finished Goods</b>		
Ophthalmics	113.83	75.24
IV Infusion	906.73	505.30
Others	150.04	52.22
<b>Total</b>	<b>1,170.60</b>	<b>632.76</b>



## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

### NOTE 16 – TRADE RECEIVABLES

Amount in Lakhs, unless otherwise stated

PARTICULARS	AS AT 31ST MARCH, 2019 (₹)	AS AT 31ST MARCH, 2018 (₹)
Unsecured, considered good:		
Outstanding for a period exceeding six months from the date they are due for payment	75.90	219.03
Others	2,765.91	2,306.89
Unsecured, considered doubtful:		
Outstanding for a period exceeding six months from the date they are due for payment	816.82	779.07
Less: Provision for Doubtful Debts	(816.82)	(779.07)
<b>Total</b>	<b>2,841.81</b>	<b>2,525.92</b>

### NOTE 17 – CASH AND BANK BALANCES

PARTICULARS	AS AT 31ST MARCH, 2019 (₹)	AS AT 31ST MARCH, 2018 (₹)
Cash and Cash equivalents		
Cash on hand	0.48	0.48
Bank Balances:		
In current accounts	47.86	39.00
Demand deposits (less than 3 months maturity) [Refer note (a) below]	1.18	3.29
Other bank balances		
Deposits with maturity more than 3 months but less than 12 months [Refer note (a) below]	9.88	8.22
Unpaid Dividend Account [Refer note (b) below]	1.70	4.21
	<b>61.10</b>	<b>55.20</b>

**Note:**

(a) Pledged as Margin Money/ Security Deposits.

(b) The balances are not available for use by the company as they represent corresponding unpaid dividend liabilities.

### NOTE 18 – SHORT-TERM LOANS AND ADVANCES

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2019 (₹)	FOR THE YEAR ENDED 31ST MARCH, 2018 (₹)
Unsecured, Considered Good (unless otherwise stated)		
Security Deposits:		
Considered Good	41.60	118.08
Considered Doubtful	51.05	20.32
Less: Provision for Doubtful Security Deposits	(51.05)	(20.32)
Balances with Excise, Customs and Sales Tax Authorities	68.52	96.30
Loans and Advances to Employees	0.74	1.17
Other loans and advances		
Prepaid Expenses	61.40	75.12
<b>Total</b>	<b>172.26</b>	<b>290.67</b>

**NOTES** TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**NOTE 19 – OTHER CURRENT ASSETS**

Amount in Lakhs, unless otherwise stated

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2019 (₹)	FOR THE YEAR ENDED 31ST MARCH, 2018 (₹)
Unsecured, Considered Good (unless otherwise stated)		
Interest Accrued on Deposits with Banks	7.66	9.29
Advance paid against Supply of Goods		
Considered Good	107.51	68.62
Considered Doubtful	9.58	7.00
Less: Provision for Doubtful Advance to Suppliers	(9.58)	(7.00)
Foreign Currency Receivable on forward Contract [Refer Note 5 (d)]	–	122.17
Unamortised Premium on Forward Contract [Refer Note 5 (b)]	212.06	91.48
Export Benefit Receivable	64.79	64.66
Other Assets		
Considered Good	2.00	2.00
Considered Doubtful	17.77	14.76
Less: Provision for Doubtful advance	(17.77)	(14.76)
<b>Total</b>	<b>394.02</b>	<b>358.22</b>

**NOTE 20 – CONTINGENT LIABILITIES**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2019 (₹)	FOR THE YEAR ENDED 31ST MARCH, 2018 (₹)
<b>I. Excise duty under dispute, pending hearing of appeals/writ petitions.</b>		
a. Demand on excise duty on Physician samples	–	41.90
<b>II. Service Tax pending hearing of appeals/writ petitions/under disputes</b>		
a. CENVAT credit on ineligible services	47.18	–
b. CENVAT Credit on wages Contractor	38.17	38.17
c. Service tax liability under reverse charge mechanism	8.77	–
<b>III. Value Added Tax - declaration forms pending submission</b>	0.24	0.24
<b>IV. Supply of Defective product</b>	5.00	5.00
<b>V. Worker reinstatement pending before Assistant Commissioner Labour law Alwar.</b>	15.00	15.00
<b>VI. Bank guarantees</b>	35.41	51.05

**VII.** National Pharmaceutical Pricing Authority (NPPA) vide its orders, letter F.No. 21 (807)07/DW IV /NPPA dated September 03, 2008; subsequent letters dated November 24, 2008, May 01, 2009, November 08, 2010, February 06, 2012 and in continuation letter dated April 05, 2013 have raised a demand of ₹601.93 Lakhs (March 31, 2018: ₹ 601.93 Lakhs) being excess amount charged from consumers of product Ciplox, over and above price as per norms under DPCO, 1995, manufactured by the Company on behalf of CIPLA Ltd., along with interest thereupon, amounting to ₹664.13 Lakhs (March 31, 2018: ₹664.13 lakhs) thereby aggregating to ₹1,266.06 Lakhs (March 31, 2018: ₹1,266.06 Lakhs).

**VIII.** A Winding Up Petition was filed by GMP Technical Solutions Pvt. Ltd. against Ahlcon Parenterals (India) Ltd. before the High Court of Delhi, on the ground that Ahlcon is commercially insolvent and liable to be Wound Up since Ahlcon has failed to pay ₹31.09 Lakhs towards principal and interest thereupon @ 18% per annum from 29.12.2013. As per Ahlcon Parenterals (India) Ltd books the amount payable to GMP Technical Solutions Pvt. Ltd was ₹24.16 Lakhs hence the differential amount on this account ₹6.92 Lakhs is shown as contingent liability (March 31, 2018: ₹6.92 Lakhs). Court has forwarded the Matter with Arbitrator, and now matter is pending with Arbitrator.

**IX.** The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidya Mandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952, accordingly, no provision has been made in these Financial Statements.



## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

### NOTE 21 – CAPITAL COMMITMENTS:

Amount in Lakhs, unless otherwise stated

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2019 (₹)	FOR THE YEAR ENDED 31ST MARCH, 2018 (₹)
Estimated value of contracts in capital account remaining to be executed [Net of advances of ₹38.81 Lakhs (March 31, 2018: ₹151.37 Lakhs)]	26.71	245.51

### NOTE 22 – REVENUE FROM OPERATIONS

DESCRIPTION	CURRENT YEAR 31ST MARCH, 2019	PREVIOUS YEAR 31ST MARCH, 2018
Sale of Products		
Finished Goods	15,173.41	15,069.68
Other Operating Revenue		
Scrap Sales	273.95	225.62
Export Incentives	118.00	72.48
	15,565.36	15,367.78
Less: Excise Duty	–	402.12
<b>Total</b>	<b>15,565.36</b>	<b>14,965.66</b>
Details of Sales (Finished Goods)		
Ophthalmics	2,108.58	2,092.75
IV Infusion	9,945.54	9,359.76
Others	3,119.29	3,617.17
<b>Total</b>	<b>15,173.41</b>	<b>15,069.68</b>

### NOTE 23 – OTHER INCOME

DESCRIPTION	CURRENT YEAR 31ST MARCH, 2019	PREVIOUS YEAR 31ST MARCH, 2018
Interest Income		
On security Deposits	5.67	7.32
On Fixed Deposits	8.19	0.74
On Income Tax Refund	–	12.25
Foreign Exchange gain (Net)	126.42	233.94
Liabilities/ Provisions no longer required written back	43.04	148.72
	183.32	402.97

### NOTE 24 – COST OF MATERIALS CONSUMED

DESCRIPTION	CURRENT YEAR 31ST MARCH, 2019	PREVIOUS YEAR 31ST MARCH, 2018
<b>Raw Material and Packing Material Consumed</b>		
Opening Inventory [Net of provision for slow moving inventory ₹24.33 Lakhs (March 31, 2018: ₹77.03 Lakhs)]	726.73	932.64
Add: Purchases (net)	6,020.94	4,840.92
Less: Inventory at the end of the Year [Net of provision for slow moving inventory ₹11.99 Lakhs (March 31, 2018: ₹24.33 Lakhs)]	1,319.33	726.73
<b>Cost of Raw Material and Packing Material consumed during the Year</b>	<b>5,428.34</b>	<b>5,046.83</b>

**NOTES** TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**NOTE 25 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**

Amount in Lakhs, unless otherwise stated

DESCRIPTION	CURRENT YEAR 31ST MARCH, 2019 (₹)	PREVIOUS YEAR 31ST MARCH, 2018 (₹)
Increase/ (Decrease) in Stocks		
Stock at the end of the Year		
Finished Goods [Net of provision for slow moving inventory ₹135.14 Lakhs (March 31, 2018: ₹6.98 Lakhs)]	1,170.60	625.78
Work-in-progress	125.64	94.81
<b>Total (A)</b>	<b>1,296.24</b>	<b>720.59</b>
Less: Stock at the beginning of the Year		
Finished Goods [Net of provision for slow moving inventory ₹6.98 Lakhs] (March 31, 2018: ₹2.73 Lakhs)]	625.78	656.40
Work-in-progress	94.81	38.57
<b>Total (B)</b>	<b>720.59</b>	<b>694.97</b>
<b>(Decrease)/ Increase in Stocks (B-A)</b>	<b>(575.65)</b>	<b>(25.62)</b>

**NOTE 26 - EMPLOYEE BENEFITS EXPENSE**

DESCRIPTION	CURRENT YEAR 31ST MARCH, 2019 (₹)	PREVIOUS YEAR 31ST MARCH, 2018 (₹)
Salaries, Wages and Bonus	2,037.01	1,917.84
Contribution to Provident and Other Funds (Refer Note 35)	138.07	130.85
Gratuity (Refer Note 35)	55.05	40.82
Staff Welfare Expenses	180.60	148.33
<b>Total</b>	<b>2,410.73</b>	<b>2,237.84</b>

**NOTE 27 - FINANCE COSTS**

DESCRIPTION	CURRENT YEAR 31ST MARCH, 2019 (₹)	PREVIOUS YEAR 31ST MARCH, 2018 (₹)
Interest on		
Term Loans	681.92	1,110.75
Deferred Payment Liabilities (Refer Note below)	849.12	884.97
External Commercial Borrowings	213.75	–
Credit facilities	1,071.90	713.26
Other Interest	17.32	27.75
<b>Total</b>	<b>2,834.01</b>	<b>2,736.73</b>

Note: Includes Exchange Loss on Foreign currency borrowings (to the extent they are regarded as an adjustment to interest costs) amounting to ₹757.01 Lakhs (March 31, 2018: ₹795.19 Lakhs)





## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

### NOTE 28 - DEPRECIATION AND AMORTISATION EXPENSE

Amount in Lakhs, unless otherwise stated

DESCRIPTION	CURRENT YEAR 31ST MARCH, 2019 (₹)	PREVIOUS YEAR 31ST MARCH, 2018 (₹)
Depreciation on Tangible Assets (Refer Note 12)	3,265.22	3,827.95
Amortisation on Intangible Assets (Refer Note 12)	2.45	71.23
<b>Total</b>	<b>3,267.67</b>	<b>3,899.18</b>

### NOTE 29 - OTHER EXPENSES

DESCRIPTION	CURRENT YEAR 31ST MARCH, 2019 (₹)	PREVIOUS YEAR 31ST MARCH, 2018 (₹)
Consumption of Stores and Spare Parts	1,090.63	790.64
Power, Fuel and Water Charges	1,809.03	1,834.01
Contract Labour	697.91	663.24
Rent (Refer Note 38)	51.90	66.50
Repairs to:		
Plant and Equipment	101.71	67.04
Building	279.85	255.56
Others	36.84	58.62
Insurance	93.35	70.45
Rates and Taxes	22.34	95.38
Travelling, Conveyance and Car Expenses	125.95	83.30
Testing Charges	43.95	59.11
Payment to Auditors		
As Auditors:		
Audit Fee	17.00	17.00
Reimbursement of Expenses	1.88	0.74
Other Services	19.98	17.00
Expenditure towards Corporate Social Responsibility activities [Refer Note (b) below]	40.59	0.00
Professional Fees	34.96	63.48
Product Registration Charges	32.64	16.03
Director's Sitting Fee	6.00	4.99
Printing and Stationery	97.15	82.76
Communication Charges	24.51	20.67
System and Software Expenses	272.28	171.88
Freight and Transportation Expenses	501.00	644.56
Bank Charges	24.84	20.26
Commission on Sales	111.50	156.84
Advertisement and Sales Promotion	55.55	69.72
Claims and Rebates	-	3.56
Security Charges	28.98	52.73
Research and Development Expenses [Refer Note (a) below]	35.54	38.07
Provision for Doubtful Debts (Net)	37.75	339.90

**NOTES** TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Amount in Lakhs, unless otherwise stated

DESCRIPTION	CURRENT YEAR 31ST MARCH, 2019 (₹)	PREVIOUS YEAR 31ST MARCH, 2018 (₹)
Provision for Doubtful Advances and Security Deposits	39.69	2.93
Bad Debts/ Advances Written Off	–	40.75
Miscellaneous Expenses	1.39	5.41
Loss on Sale/ Disposal of Fixed Assets (Net)	16.82	2.47
Provision for EPCG Obligation	1,327.27	–
Provision for other contingencies	60.00	–
<b>Total</b>	<b>7,140.78</b>	<b>5,815.60</b>

Note :

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

PARTICULARS	31ST MARCH, 2019 (₹)	31ST MARCH, 2018 (₹)
Material Consumed	3.63	8.01
Employee benefit expenses	31.07	26.90
Administrative and Other Expenses	0.84	3.16
<b>Total</b>	<b>35.54</b>	<b>38.07</b>

**(b) Corporate Social Responsibility Expenditure**

Gross amount required to be spent by the company during the year	Not Applicable	Not Applicable
Amount spent during the year		
(i) Construction/ acquisition of any asset	–	–
(ii) On purpose other than (I) above	40.59	–

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 for the year 2018-19 was loss of ₹252.03 Lakh (March 31, 2018: Loss of ₹556.84 Lakh) and the CSR obligations for the year 2018-19 is ₹Nil (March 31, 2018: NIL). The Company has spent ₹40.59 Lakh on CSR during the current year and NIL in the previous year.

**NOTE 30 – CIF VALUE OF IMPORTS**

PARTICULARS	31ST MARCH, 2019 (₹)	31ST MARCH, 2018 (₹)
Raw Materials	2,281.07	2,384.02
Stores and Spares	339.32	171.85
Capital Goods	181.31	103.49
<b>Total</b>	<b>2,801.70</b>	<b>2,659.36</b>

**NOTE 31 – EXPENDITURE IN FOREIGN CURRENCY**

DESCRIPTION	CURRENT YEAR 31ST MARCH, 2019 (₹)	PREVIOUS YEAR 31ST MARCH, 2018 (₹)
Bank Charges	11.92	80.66
Interest Expenses	92.10	89.78
Travelling Expenses	–	0.59
Other Consultancy	91.13	–
System and Software Expenses	160.68	171.89
<b>Total</b>	<b>355.83</b>	<b>342.92</b>



# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

## NOTE 32 – DETAILS OF CONSUMPTION AND PURCHASES

Amount in Lakhs, unless otherwise stated

DESCRIPTION	CURRENT YEAR 31ST MARCH, 2019(₹)	PREVIOUS YEAR 31ST MARCH, 2018(₹)
<b>(a) Details of Raw Materials Consumed</b>		
Dextrose	128.54	142.44
Ecofalc cap	588.14	482.61
Granule	2,387.32	2,148.35
Others	2,324.34	2,273.43
<b>Total</b>	<b>5,428.34</b>	<b>5,046.83</b>
<b>b) Details of Stores and Spares Consumed</b>		
Filters	93.44	96.69
Others	997.19	693.95
<b>Total</b>	<b>1,090.63</b>	<b>790.64</b>
<b>Total</b>	<b>6,518.97</b>	<b>5,837.47</b>

Note :

The values of consumption of raw materials and packing materials have been arrived at on the basis of opening stock plus purchases less closing stock. The consumption therefore includes nominal adjustment for write-offs and the effects of reduction of stock items to realisable value.

### (c) Value of Imported and Indigenous Materials Consumed

DESCRIPTION	CURRENT YEAR 31ST MARCH, 2019(₹)	%	PREVIOUS YEAR 31ST MARCH, 2018(₹)	%
<b>Raw Material :</b>				
Imported	3,143.86	58%	2,653.15	53%
Indigenous	2,284.48	42%	2,393.68	47%
<b>Total</b>	<b>5,428.34</b>	<b>100%</b>	<b>5,046.83</b>	<b>100%</b>
<b>Stores and Spares:</b>				
Imported	221.88	20%	156.37	20%
Indigenous	868.75	80%	634.28	80%
<b>Total</b>	<b>1,090.63</b>	<b>100%</b>	<b>790.65</b>	<b>100%</b>

## NOTE 33 – EARNINGS IN FOREIGN CURRENCY

DESCRIPTION	CURRENT YEAR 31ST MARCH, 2019(₹)	PREVIOUS YEAR 31ST MARCH, 2018(₹)
FOB Value of Exports*	2,033.25	1,930.41
<b>Total</b>	<b>2,033.25</b>	<b>1,930.41</b>

\*Does not include deemed exports of ₹571.52 Lakh (March 31, 2018: ₹119.88 lakh)

**NOTES** TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**NOTE 34 - EARNINGS PER SHARE**

Amount in Lakhs, unless otherwise stated

DESCRIPTION	CURRENT YEAR 31ST MARCH, 2019 (₹)	PREVIOUS YEAR 31ST MARCH, 2018 (₹)
Loss After Tax (A)	(4757.20)	(4341.93)
Weighted average number of Equity Shares outstanding (B)	72.00	72.00
Earnings Per Equity Share		
Basic and Diluted (in ₹) (A/B)	(66.07)	(60.30)
Face Value per Share (in ₹)	10.00	10.00

**NOTE 35 - EMPLOYEE BENEFIT EXPENSES**

PARTICULARS	31ST MARCH, 2019 (₹)	31ST MARCH, 2018 (₹)
(a) <b>Defined Contribution Plans</b> Amount recognised in the Statement of Profit and Loss		
(i) Employers' Contribution to Provident Fund * [Includes Employers' Contribution to Employee's Pension Scheme 1995]	111.41	104.41
(ii) Employers' Contribution to Employee's State Insurance Commission*	26.66	26.44
(iii) Employers' Contribution to Labour Welfare Fund*	–	–
<b>Total</b>	<b>138.07</b>	<b>130.85</b>

\* Included in Contribution to Provident and Other Funds (Refer Note 26)

**(b) Defined Benefit Plan****Gratuity**

The Gratuity scheme is funded through Group Gratuity Cum Life Insurance Policy from the LIC. The adequacy of accumulated fund balance available with LIC has been compared with actuarial valuation carried out by an independent actuary as at the Balance Sheet date and shortfall/excess, if any, has been provided for/considered as prepaid. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the type of separation from the Company or retirement, which ever is earlier. The benefits vest after five years of continuous service.

**i. Present Value of Defined Benefit Obligation**

PARTICULARS	31ST MARCH, 2019 (₹)	31ST MARCH, 2018 (₹)
Balance at the beginning of the Year	221.04	233.08
Current Service Cost	26.78	22.96
Past Service Cost	–	8.42
Interest Cost	15.86	14.23
Actuarial Loss / (Gain)	27.32	9.78
Benefits Paid	(17.42)	(67.43)
Net transfer in / (out)	6.19	–
<b>Balance at the end of the Year</b>	<b>279.77</b>	<b>221.04</b>

**ii. Fair Value of Plan Assets**

PARTICULARS	31ST MARCH, 2019 (₹)	31ST MARCH, 2018 (₹)
Balance at the beginning of the Year	204.12	198.25
Expected Return on Plan Assets	17.83	16.01
Actuarial (Loss) on Plan Assets	(2.73)	(1.71)
Contributions	41.31	59.00
Benefits Paid	(17.42)	(67.43)
<b>Balance at the end of the Year</b>	<b>243.11</b>	<b>204.12</b>
Actual return on Plan Assets	15.10	14.30



## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

### iii. Assets and Liabilities recognised in the Balance Sheet

Amount in Lakhs, unless otherwise stated

PARTICULARS	31ST MARCH, 2019 (₹)	31ST MARCH, 2018 (₹)
Present Value of Obligation	279.77	221.04
Less: Fair Value of Plan Assets	(243.11)	(204.12)
Less: Unrecognised prior service cost	(0.09)	(0.27)
<b>Amount recognised as liability</b>	<b>36.57</b>	<b>16.65</b>
Recognised under:		
Long-Term Provisions (Refer Note 7)	36.57	16.65
Short-Term Provisions (Refer Note 11)	–	–
<b>Total</b>	<b>36.57</b>	<b>16.65</b>

### iv Expenses recognised in the Statement of Profit and Loss

PARTICULARS	31ST MARCH, 2019 (₹)	31ST MARCH, 2018 (₹)
Current Service Cost	26.78	22.96
Interest Cost	15.86	14.24
Past Service Cost	0.18	8.14
Expected Return on Plan Assets	(17.83)	(16.01)
Actuarial Loss /(Gain)	30.06	11.49
<b>Total Expense</b>	<b>55.06</b>	<b>40.82</b>

### v Major Category of Plan Assets as a % of total Plan Assets

Administered by Life Insurance Corporation of India

### vi Actuarial Assumptions

PARTICULARS	31ST MARCH, 2019 (₹)	31ST MARCH, 2018 (₹)
Discount Rate	7.30% p.a.	7.70% p.a.
Expected Return on Plan Assets	7.75% p.a.	8.25% p.a.
Salary Growth Rate	7.00% p.a.	7.00% p.a.

### vii Amounts recognised in current year and previous four years

PARTICULARS	Year Ended 31st March, 2019	Year Ended 31st March, 2018	Year Ended 31st March, 2017	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Present value of Obligation	279.77	221.04	233.08	204.50	188.87
Fair value of plan assets	243.11	204.12	198.25	179.00	147.27
Deficit/ (Surplus)	36.56	16.92	34.83	25.50	41.60
Experience Adjustments :					
(Gain) / Loss on plan liabilities	27.32	13.35	(5.20)	(8.07)	11.57
Gain / (Loss) on plan assets	(2.73)	(1.71)	(1.98)	2.95	(0.85)

**NOTES** TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019viii Expected Contribution to the Gratuity Fund in the next year Amount in Lakhs, unless otherwise stated

PARTICULARS	31ST MARCH, 2019 (₹)	31ST MARCH, 2018 (₹)
Gratuity	34.74	30.11

(c) Compensated Absences

PARTICULARS	31ST MARCH, 2019 (₹)	31ST MARCH, 2018 (₹)
Provision for compensated absences [(Refer Notes 7 and 11)]	56.54	74.37

**NOTE 36 – SEGMENT REPORTING****A. Primary Segment:**

In accordance with Accounting Standard - 17, “Segmental Reporting”, the Company has determined its business segment as manufacturing of pharmaceuticals products and there are no other primary reportable segments. Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liability, total cost incurred to acquire segment assets and total amount of charge for depreciation during the year, is as reflected in the Financial Statements as of and for the year ended March 31, 2019.

**B. Secondary 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.

DESCRIPTION	CURRENT YEAR 31ST MARCH, 2019 (₹)	PREVIOUS YEAR 31ST MARCH, 2018 (₹)
<b>Geographic Segment</b>		
<b>i. Revenue</b>		
India	13,099.72	12,687.38
Other Countries	2,465.64	2,278.28
<b>Total</b>	<b>15,565.36</b>	<b>14,965.66</b>
<b>ii. Segment Assets</b>		
India	31,531.62	32,636.19
Other Countries	-	-
<b>Total</b>	<b>31,531.62</b>	<b>32,636.19</b>
<b>iii. Capital Expenditure</b>		
India	949.84	847.84
Other Countries	-	-
<b>Total</b>	<b>949.84</b>	<b>847.84</b>





# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

## NOTE 37 – RELATED PARTY DISCLOSURES

Amount in Lakhs, unless otherwise stated

### A. Names of related parties and nature of relationship

#### i. Where control exists

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

#### (ii) Other Related Parties with whom transactions have taken place during the year:

Fellow Subsidiaries	B. Braun Medical (India) Private Limited** Oyster Medisafe Private Limited *
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#### (iii) Key Management Personnel

Andreas Walde, Chairman\*  
Indranil Mukherjee, Managing Director  
Christoph Mueller, Director  
Arun Kumar Gupta, Director  
Dr. Suninder Singh Arora, Director  
Dr. Shiv Charan Lal Gupta, Director

\* No transaction during the year

\*\* Entity in which Key Management Personnel exercise significant influence (entity in which directors of the Company are director)

### (b) The following transactions were carried out during the period with the related parties:

#### (i) Transactions

DESCRIPTION	CURRENT YEAR 31ST MARCH, 2019 (₹)	PREVIOUS YEAR 31ST MARCH, 2018 (₹)
<b>Sale of Goods</b>		
B. Braun Medical (India) Private Limited	4,271.80	3,046.56
<b>Purchase of Consumables</b>		
B. Braun Medical (India) Private Limited	3.73	7.79
B. Braun Melsungen AG	0.20	–
B. Braun Medical SA Rubi (Barcelona)	–	1.34
<b>Commission on Sales</b>		
B. Braun Medical (India) Private Limited	–	32.72
<b>Advertisement and Sales Promotion</b>		
B. Braun Melsungen AG	–	–
<b>System and Software Expenses</b>		
B. Braun Melsungen AG	225.23	165.01
B. Braun Medical Industries Sdn. Bhd	25.74	6.09
B. Braun Singapore Pte. Ltd	0.84	0.78
<b>Managerial Remuneration</b>		
Sandeep Chotia	–	12.86
<b>Director's Sitting Fees</b>		
Arun Kumar Gupta	2.25	1.71
Dr. Suninder Singh Arora	1.75	1.56
Dr. Shiv Charan Lal Gupta	2.00	1.71

**NOTES** TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Amount in Lakhs, unless otherwise stated

<b>Interest Payment</b>		
B. Braun Melsungen AG.	305.86	89.78
<b>Expenses Reimbursed</b>		
B. Braun Medical (India) Private Limited	384.34	79.58
B. Braun Medical Industries Sdn. Bhd	0.47	8.48
Arun Kumar Gupta	0.35	–
<b>Recovery of Expenses</b>		
B. Braun Medical Industries Sdn. Bhd	–	7.50

**(ii) Balances**

DESCRIPTION	CURRENT YEAR 31ST MARCH, 2019 (₹)	PREVIOUS YEAR 31ST MARCH, 2018 (₹)
<b>Trade Receivable</b>		
B. Braun Medical (India) Private Limited	1,356.65	657.56
<b>ECB Loan</b>		
B. Braun Melsungen AG.	7,500.00	–
<b>Deferred Payment Liabilities</b>		
B. Braun Melsungen AG.	9,165.65	9,464.95
<b>Interest Accrued but not due</b>		
B. Braun Melsungen AG.	223.37	20.78
<b>Trade Payable</b>		
B. Braun Medical (India) Private Limited	4.80	55.86
B. Braun Melsungen AG.	45.21	35.26
B. Braun Singapore Pte Ltd	–	0.78
B. Braun Medical Industries Sdn. Bhd.	3.32	6.57

**(c) Letter of Comfort/Guarantee given by B Braun Melsungen AG. for Securing Loans/Credit Facilities from Banks**

DESCRIPTION	CURRENT YEAR 31ST MARCH, 2019 (₹)	PREVIOUS YEAR 31ST MARCH, 2018 (₹)
Long Term Loan	–	10,000.00
Credit Facility	13,800.00	11,300.00

**NOTE 38 – LEASES****As a Lessee:****Operating Lease**

The Company has significant operating leases for premises and vehicles. These lease arrangements range for a period between 11 months and 8 years, which include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

DESCRIPTION	CURRENT YEAR 31ST MARCH, 2019 (₹)	PREVIOUS YEAR 31ST MARCH, 2018 (₹)
With respect to all operating leases:		
Lease payments recognised in the Statement of Profit and Loss	51.90	66.50
With respect to non-cancellable operating leases, the future minimum lease payments are as follows:		
Not later than one year	33.28	75.07
Later than one year and not later than five years	57.58	12.31
Later than five years		



# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

## NOTE 39 – PROVISIONS:

Amount in Lakhs, unless otherwise stated

PARTICULARS	31ST MARCH, 2019 (₹)	31ST MARCH, 2018 (₹)
<b>I. Indirect Tax (Refer Note below)</b>		
Balance at the beginning of the Year	45.46	–
Additions	5.53	45.46
Amount used	–	–
Unused amount reversed	–	–
<b>Balance at the end of the Year</b>	<b>50.99</b>	<b>45.46</b>

### ii. Provision for Litigation/Disputes (Refer Note below)

Balance at the beginning of the Year	34.48	9.01
Additions	22.99	25.47
Amount used	–	–
Unused amount reversed	–	–
<b>Balance at the end of the Year</b>	<b>57.47</b>	<b>34.48</b>

### iii. Provision for Delayed Supplies (Refer Note below)

Balance at the beginning of the Year	16.72	51.89
Additions	–	3.56
Amount used	–	0.64
Unused amount reversed	14.72	38.09
<b>Balance at the end of the Year</b>	<b>2.00</b>	<b>16.72</b>

### iv. Provision for EPCG

Balance at the beginning of the Year	–	–
Additions	1,327.27	–
Amount used	–	–
Unused amount reversed	–	–
<b>Balance at the end of the Year</b>	<b>1,327.27</b>	<b>–</b>

### iv. Provision for other contingencies

Balance at the beginning of the Year	–	–
Additions	60.00	–
Amount used	–	–
Unused amount reversed	–	–
<b>Balance at the end of the Year</b>	<b>60.00</b>	<b>–</b>

**Note :** Represents estimates made for probable liabilities arising out of pending assessment proceedings with various Government Authorities. The information usually required by Accounting Standard 29 – "Provisions, Contingent Liabilities and Contingent Assets", notified under Section 211(3C) of the Companies Act, 2013 is not disclosed on grounds that it can be expected to prejudice the interests of the Company.

The timing of the outflow with regard to the said matter depends on the exhaustion of remedies available to the Company under the law and hence, the Company is not able to reasonably ascertain the timing of the outflow.

**NOTES** TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**NOTE 40 – DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE**

Amount in Lakhs, unless otherwise stated

**(a) Derivatives outstanding as at the reporting date**

PARTICULARS	PURPOSE	CURRENT YEAR 31ST MARCH, 2019 (₹)		PREVIOUS YEAR 31ST MARCH, 2018 (₹)	
		FOREIGN CURRENCY AMOUNT IN LAKHS	AMOUNT IN LAKHS	FOREIGN CURRENCY AMOUNT IN LAKHS	AMOUNT IN LAKHS
Forward contracts to	Hedge of:				
Buy EURO	Suppliers Credit	118.02	9,165.65	118.02	9,464.95
Sell USD	Trade Receivable	–	–	–	–

**(b) Particulars of unhedged foreign currency exposures as at the reporting date**

PARTICULARS	FOREIGN CURRENCY DENOMINATION	CURRENT YEAR 31ST MARCH, 2019 (₹)		PREVIOUS YEAR 31ST MARCH, 2018 (₹)	
		FOREIGN CURRENCY AMOUNT IN LAKHS	AMOUNT IN LAKHS	FOREIGN CURRENCY AMOUNT IN LAKHS	AMOUNT IN LAKHS
Trade Payable	EUR	4.35	337.73	4.57	366.86
Advance paid against Supply of Goods	EUR	0.02	1.43	–	–
Interest Accrued but not Due on Deferred Payment Liabilities	EUR	0.27	20.74	0.26	20.78
Trade Receivable	USD	12.40	857.54	8.84	575.23
	EUR	–	–	0.02	1.87
Others payables	USD	–	–	1.52	98.98
Advances from Customers	USD	0.19	13.24	0.88	57.45
	EUR	0.04	2.51	0.03	2.60

**NOTE 41 – DUES TO MICRO AND SMALL ENTERPRISES**

There are no delays in payments to Micro and Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The information regarding Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

The disclosure pursuant to the said Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') are as follows: -

PARTICULARS	31ST MARCH, 2019 (₹)	31ST MARCH, 2018 (₹)
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	210.64	59.07
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	31.10	15.32
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	1,060.44	431.65
Interest paid other than under Section 16 of MSMED Act to suppliers registered under the MSMED Act, beyond the appointed day during the year.	0.83	0.00
Interest paid under Section 16 of MSMED Act to suppliers registered under the MSMED Act, beyond the appointed day during the year.	0.00	0.00
Interest due and payable towards suppliers registered under MSMED Act for payments already made.	12.19	4.06
Further interest remaining due and payable for earlier years.	2.76	4.89



## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

### NOTE 42

The Company had incurred losses in current year and previous years which has impacted the net-worth of the Company as of March 31, 2019. Having regard to the approved business plans, letter of support from the holding company and cash flow projections, the Financial Statements have been prepared on going concern basis and no adjustments have been made to write down the assets to net realisable value.

### NOTE 43

The Company has carried out an independent review for assessing compliance up to March 31, 2018 with the 'Transfer Pricing Rules, 2001' issued by the Central Board of Direct Taxes of India and no deviations were observed from the requirements of the aforesaid Transfer Pricing Rules. The Company is yet to commission an independent review for assessing compliance for the year ended March 31, 2019 with the aforesaid Transfer Pricing Rules. However, on the basis of self-assessment of the operations during the period April 1, 2018 to March 31, 2019 and the conclusion drawn on independent review of its operations in the previous financial year, the Management does not expect any significant deviations from the requirements of the aforesaid Transfer Pricing Rules.

### NOTE 44

As per the provisions of Section 124 (6) of the Act, the Company is required to transfer all shares in respect of which unpaid or unclaimed dividend has been transferred under Section 124 (5), in the name of Investor Education and Protection fund authorities within the stipulated timelines. The company is in the process of transferring those shares in the name of Investor Education and Protection authorities and making application with Ministry of Corporate Affairs, Government of India for compounding of offence under Section 441 (1) of the Act, in this regard.

### NOTE 45

Previous Year figures have been reclassified to conform to this year's classification.

The accompanying notes are an integral part of these Financial Statements.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm Registration No : 012754N/N500016

Asha Ramanathan

Partner

M. No. 202660

Place : New Delhi

Date : 12.08.2019

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

Indranil Mukherjee

Director

DIN No. 06692898

Place : New Delhi

Date : 12.08.2019

Ranjan Kumar Sahu

Company Secretary

Place : New Delhi

Date : 12.08.2019

Christoph Mueller

Director and Chief Financial Officer

DIN: 08000451

Place : New Delhi

Date : 12.08.2019

**CASH FLOW STATEMENT** FOR THE YEAR ENDED 31ST MARCH, 2019

Amount in Lakhs, unless otherwise stated

PARTICULARS	YEAR ENDED		YEAR ENDED	
	31ST MARCH, 2019	₹	31ST MARCH, 2018	₹
<b>A. Cash Flows from Operating Activities</b>				
(Loss) Before tax		(4,757.20)		(4,341.93)
<b>Adjustments for:</b>				
Depreciation and Amortisation		3,267.67		3,899.17
Loss on Sale/Scrap of Fixed Assets (Net)		16.82		2.47
Provision for Doubtful Debts		37.75		339.90
Provision for Doubtful Loans and Advances		39.69		2.93
Provision for EPCG Obligation		1,327.27		0.00
Liability no Longer Required Written Back		(43.04)		(148.72)
Interest Income		(13.86)		(20.31)
Interest and Other Finance Cost		2,834.01		2,736.73
Unrealised foreign exchange loss/ (gain) (Net)		(16.58)		1,267.52
<b>Operating Profit Before Working Capital Changes</b>		<b>2,692.53</b>		<b>3,737.76</b>
<b>Changes in Working Capital:</b>				
Increase in Trade payables		52.27		719.92
Increase/(Decrease) in Other Current Liabilities		1,367.47		(1,370.58)
Increase in Provision		1,066.46		6.91
(Decrease)/ Increase in Deferred payment Liability		(299.30)		-
Increase/ (Decrease) in Trade Receivables		(353.64)		468.98
(Increase) in Inventories		(941.53)		(46.51)
Decrease/ (Increase) in Loans and Advances		87.55		(60.69 )
(Increase)/ Decrease in Unamortised Premium on Forward Contracts		(120.58)		100.60
Decrease/ (Increase) in Other Current and Non-Current Assets		84.90		(62.52)
Decrease/ (Increase) in Other Bank Balances		0.85		(2.52)
<b>Net Cash Generated from/ (used) Operations before Tax</b>		<b>3,636.98</b>		<b>3,491.35</b>
Taxes Paid (net of refunds)		(61.84)		(24.80)
<b>Net Cash Generated from/ (used) Operating Activities (A)</b>		<b>3,575.14</b>		<b>3,466.55</b>
<b>B. Cash flow from Investing Activities</b>				
Purchase of Tangible/ Intangible Assets (including Capital Work-in-Progress)		(949.84)		(1,002.86)
Proceeds from Sale of Tangible Assets/ Intangible Assets		1.92		2.62
Interest received		15.48		19.32
<b>Net Cash (used) in Investing Activities (B)</b>		<b>(932.44)</b>		<b>(980.92)</b>
<b>C. Cash flow from Financing Activities</b>				
Interest and Other Finance Cost Paid		(3,622.00)		(2,734.83)
Proceeds from Short-Term Borrowings		3,486.06		3,754.51
Repayment of Mizohu Bank Loan		(10,000.00)		0.00
Repayment of Short-Term Borrowings		-		(3,500.00)
ECB Loan		7,500.00		-
<b>Net cash (used) in Financing Activities (C)</b>		<b>(2,635.94)</b>		<b>(2,480.32)</b>





# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2019

Amount in Lakhs, unless otherwise stated

PARTICULARS	YEAR ENDED 31ST MARCH, 2019 ₹	YEAR ENDED 31ST MARCH, 2018 ₹
Net Increase in Cash and Cash Equivalents (A+B+C)	6.76	5.31
Cash and Cash Equivalents at the beginning of the Year	42.76	37.45
Cash and Cash Equivalents at the end of the Year	49.52	42.76
Cash and cash equivalents comprise of:		
Cash on Hand	0.48	0.48
Bank Balances:		
In Current Accounts	47.86	39.00
Demand deposits (less than 3 months maturity)	1.18	3.28
Cash and cash equivalents at the end of the Year	49.52	42.76

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on "Cash Flow Statements" notified under section 211(3C) of the Companies Act, 1956.
- Cash and cash equivalents at the end of the year represents cash and bank balances.

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No : 012754N/N500016

Asha Ramanathan

Partner

M. No. 202660

Place : New Delhi

Date : 12.08.2019

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

Indranil Mukherjee

Director

DIN No. 06692898

Place : New Delhi

Date : 12.08.2019

Ranjan Kumar Sahu

Company Secretary

Place : New Delhi

Date : 12.08.2019

Christoph Mueller

Director and Chief Financial Officer

DIN: 08000451

Place : New Delhi

Date : 12.08.2019



## AHLCON PARENTERALS (INDIA) LIMITED

Regd. Office: Plot No. 30 & 30 E, 2<sup>nd</sup> Floor, Shivaji Marg, Najafgarh Road  
Industrial Area, New Delhi - 110015., Tel No. +91- 11- 42344234  
Email: info@ahlconindia.com,www.ahlconinida.com

### ATTENDANCE SLIP

27<sup>th</sup> Annual General Meeting - 16<sup>th</sup> September, 2019

DP ID - ..... Regd. Folio No. ....

Client ID: ..... No. of Shares held .....

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

I record my presence at the 27<sup>th</sup> Annual General Meeting of the Company being held on Monday, the 16<sup>th</sup> day of September 2019 at 3.00 PM at Conference Hall, Plot No. 30 & 30 E, 2<sup>nd</sup> Floor, Shivaji Marg, Najafgarh Road Industrial Area, New Delhi - 110015.

\_\_\_\_\_  
Name of the member / proxy (In BLOCK Letters)

\_\_\_\_\_  
Signature of member/ proxy

Note:

Please fill up this attendance slip and hand over at the entrance of the meeting hall.

Members are requested to bring their copies of the annual report to the meeting.

please tear here



## AHLCON PARENTERALS (INDIA) LIMITED

CIN - U24239DL1992PLC047245  
Regd. Office: Plot No. 30 & 30 E, 2<sup>nd</sup> Floor, Shivaji Marg, Najafgarh Road  
Industrial Area, New Delhi - 110015, 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, 2016]

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 27<sup>th</sup> Annual General Meeting of the Company, to be held on Monday, the 16<sup>th</sup> day of September 2019 at 3.00 PM at Conference Hall, Plot No. 30 & 30 E, 2<sup>nd</sup> Floor, Shivaji Marg, Najafgarh Road Industrial Area, New Delhi - 110015, 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 2019, 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. Andreas Walde, as a rotational Director
03	Appointment of Mr. Gabriel Sabate Parayre, as a Director of the Company
04	Ratification of remuneration of Cost Auditors

# REGISTRAR & SHARE TRANSFER AGENTS

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## **MAS SERVICES LTD.**

T- 34, 2<sup>nd</sup> 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**

Regd. Office: Plot No.30 & 30 E, 2nd Floor  
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