



# Ahlcon Parenterals (India) Limited

**28<sup>TH</sup> ANNUAL REPORT 2019-20**

# 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 – 615300, Fax: 01493 – 615345

## 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)

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# NOTICE

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of Ahlcon Parenterals (India) Limited will be held on Monday the 21<sup>st</sup> day of September, 2020 at 4.00 PM through Video Conference(VC) or Other Audio-Visual Means (OAVM) 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 2020, Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Christoph Mueller (DIN:08000451), who retire by rotation and being eligible, offers himself for reappointment.

## SPECIAL BUSINESS

3. 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 2020-21 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: 07.08.2020

## NOTES:

1. In view of the continuing Covid-19 Pandemic, the Ministry of Corporate Affairs (MCA) has vide its circular dated May 5<sup>th</sup>, 2020 read with circulars dated April 8<sup>th</sup>, 2020 & circular dated April, 13<sup>th</sup> 2020 permitted the holding of AGM through Video Conference (VC) or Other Audio-Visual Means (OAVM). In compliance with these Circulars and the relevant provisions of the Companies Act, 2013 the 28<sup>th</sup> AGM of the Company will be held on 21<sup>st</sup> September, 2020 at 4.00 P.M.(IST) through VC/OAVM.
2. Since, the AGM is being conducted through VC/OAVM, there is no provision for appointment of proxies. Accordingly, appointment of proxies by the members will not be available
3. Corporate members intending to attend the AGM through authorised representatives are requested to send a scanned copy of duly certified copy of the board or governing body resolution authorising the representatives to attend and vote at the Annual General Meeting. The said Resolution/Authorization shall be sent

to the Scrutinizer by email through its registered email address to agrawal.kundan@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com

4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Explanatory Statement as required under Section 102(1) of the Companies Act, 2013 is annexed.
  - a) The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday the 15<sup>th</sup> day of September, 2020 to Monday, the 21<sup>st</sup> September, 2020 (both days inclusive) for the purpose of Annual General meeting.
  - b) The remote e-voting period commences on 18<sup>th</sup> September, 2020 (09:00 am) and ends on Sunday the 20<sup>th</sup> September, 2020, (05:00 pm). No e-voting shall be allowed beyond the said date and time. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 14<sup>th</sup> September, 2020, may cast their vote by remote e-voting
6. Pursuant to the provisions of the Companies Act and the relevant rules the amount of dividend which remains unpaid/unclaimed for a period of 7 years are transferred to the 'Investor Education & Protection Fund (IEPF)' constituted by the Central Govt. Accordingly the amount of dividend which remained unpaid/unclaimed for a period of 7 years for the year 2004-05 to 2011-12 has already been transferred to IEPF.
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. Members holding shares in physical form are requested to intimate immediately to the Registrar & Share Transfer Agent of the Company, MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Ph:- 011-26387281/82/83 Fax:- 011-26387384 quoting registered Folio No. (a) details of their bank account/change in bank account, if any, and (b) change in their address, if any, with pin code number.
9. In case share are in demat form members are requested to update their bank detail with their depository participant.
10. The equity share capital of the company is held by 1557 shareholders, out of which 1116 shareholders holding 98.56 % of the capital are in dematerialised form and the balance 441 shareholders holding 1.44% of the capital are in physical form. The shareholders having shares in physical form are requested to dematerialize the shares at the earliest.
11. In terms of Section 72 of the Companies Act, 2013 and the applicable provisions, the shareholders of the Company may nominate a person in whose name the shares held by him/them in the event of his/their death. Shareholders desirous of availing this facility may submit the requisite nomination form.
12. Any member requiring further information on the Accounts at the meeting is requested to send the queries in writing to the Company atleast one week before the meeting.
13. In respect of the matters pertaining to Bank details, ECS mandates, nomination, power of attorney, change in name/address etc., the members are requested to approach the Company's Registrars and Share Transfer Agent, in respect of shares held in physical form and the respective Depository Participants, in case of shares held in



electronic form. In all correspondence with the Company/ Registrar and Share Transfer Agent, members are requested to quote their folio numbers or DP ID and Client ID for physical or electronic holdings respectively.

14. The documents referred to in the proposed resolutions are available for inspection at its Registered Office of the Company during normal business hours on any working day, upto the date of meeting.
15. 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 account. Members holding shares in physical form can submit their PAN to the Company/Registrar for members who have registered their email address.
16. Members who hold shares in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar, for consolidation into a single folio.
17. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, the Annual Report including audited financial statements for the financial year 2020 including notice of 28<sup>th</sup> AGM is being sent only through electronic mode to those member whose email id are registered with the company/depository participant(s) for communication purposes. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

In case you have not registered your email id with depository or RTA you may registered your email id in following manner.

<b>Physical Holding</b>	Send a signed request to Registrar and Transfer Agents of the Company, MAS Services Limited at info@masserv.com providing Folio number, Name of the shareholder, scanned copy of the share certificate (Front and Back), PAN( Self attested scanned copy of PAN Card), AADHAR ( Self attested scanned copy of Aadhar Card) for registering email address.
<b>Demat Holding</b>	Please contact your Depository Participant (DP) and register your email address as per the process advised by DP.

18. Voting through electronic means: Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 Company is offering e-voting facility to its members. Detailed procedure is given in the enclosed letter.

**INSTRUCTION FOR REMOTE EVOTING AND JOINING OF AGM THROUGH VIDEO CONFERENCING**

- (i) The shareholders need to visit the e-voting website <http://www.evotingindia.com/>.
- (ii) Click on “Shareholders” module.
- (iii) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

- (vi) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence/PAN number which is mentioned in email
<b>Dividend Bank Details</b>	Please contact your Depository Participant (DP) and register your email address as per the process advised by DP.
<b>OR Date of Birth (DOB)</b>	If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting on resolutions of any other company for which they are eligible to vote, provided that the company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For shareholders holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the Ahlcon Parenterals ( India) Limited .
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same, the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution on which you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.



**PROCESS FOR THOSE SHAREHOLDERS WHO WISH TO OBTAIN LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE BUT WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES:**

1. For Physical shareholders- Kindly send an email with a scanned request letter duly signed by 1st shareholder, scan copy of front and back of one share certificate, copy of PAN card and Aadhar card to info@masserv.com
2. For Demat shareholders - Kindly update your email id with your depository participant and send copy of client master to info@masserv.com

**INSTRUCTIONS FOR JOINING MEETING THROUGH VIDEO CONFERENCE (VC):**

- (i) To join the meeting, the shareholders should log on to the e-voting website <http://www.evotingindia.com/> and login as explained above. After logging-in, kindly click on 'live streaming' tab and you will be redirected to 'cisco' website.

In the “Name” field - Put your USERID as informed in e-email..

In the “last name” field - Enter your Name

In the “Email ID” field - Put your email ID

In the “Event password” field - Put the password as “cdsl@1234”

Click join now button.

Now screen will be displayed for downloading CISCO driver for VC. Please click on run temporary file download. Downloading of driver will be start open driver and click on run.

Event will start and you will be in the AGM through Video conferencing.

You can join meeting through laptop, tablet, and desktop. In case you want to join through mobile, you need to download the webex meet app from the respective play store .

**PRE-REQUISITE FOR JOINING OF MEETING THROUGH DESKTOP OR LAPTOP:**

System requirement:

Windows 7, 8 or 10

- ✓ I3
- ✓ Microphone, speaker
- ✓ Internet speed minimum 700 kbps
- ✓ Date and time of computer should be current date and time

**PRE-REQUISITE FOR JOINING OF MEETING THROUGH MOBILE:**

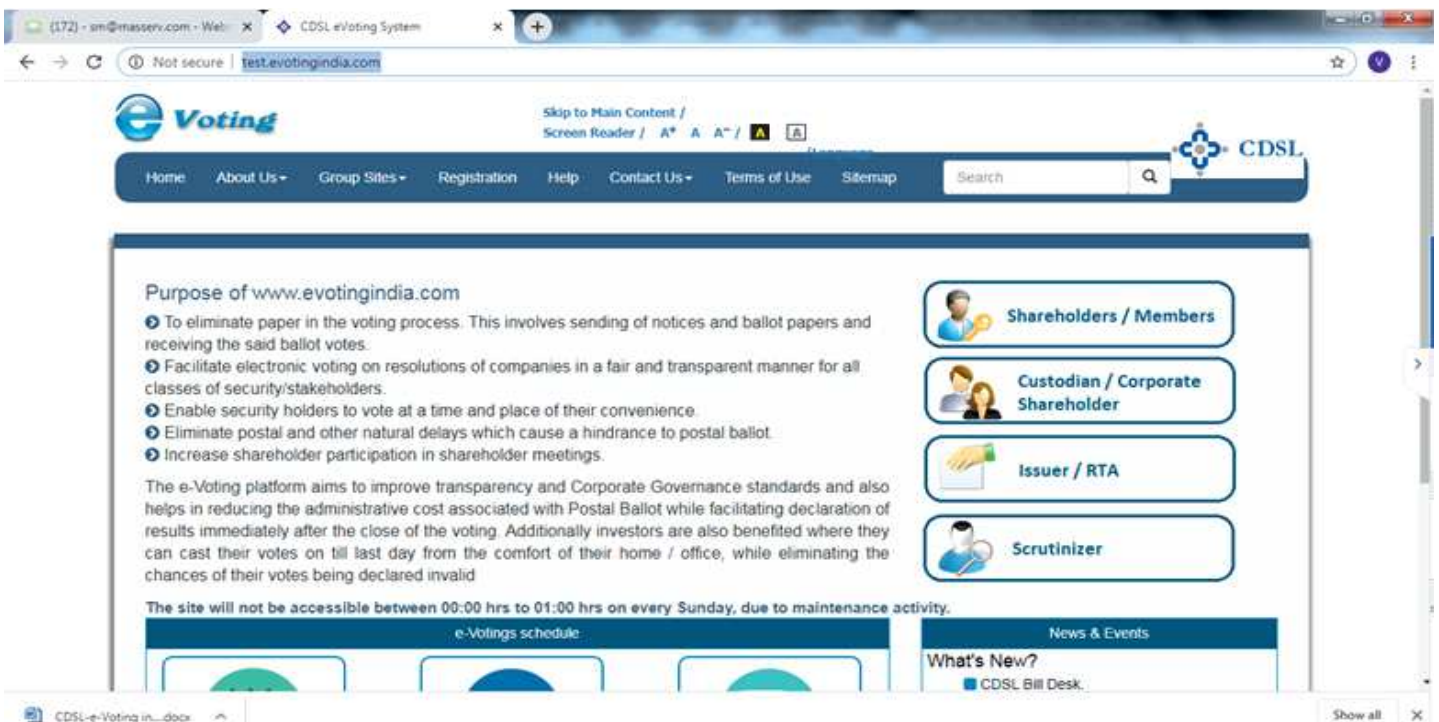
- ✓ Please download webex application from play store

**NOTE: IT IS ADVISABLE TO LOGIN BEFORE HAND AT E-VOTING SYSTEM AS EXPLAINED IN E-VOTING INSTRUCTIONS ABOVE, TO BE FAMILIAR WITH THE PROCEDURE, SO THAT YOU DO NOT FACE ANY TROUBLE WHILE LOGGING-IN DURING THE AGM.**

**PROCEDURE FOR E-VOTING AND JOINING OF MEETING THROUGH VC (EXPLAINED USING SCREENSHOTS):**

- i. The shareholders should log on to the e-voting website <http://www.evotingindia.com/>.

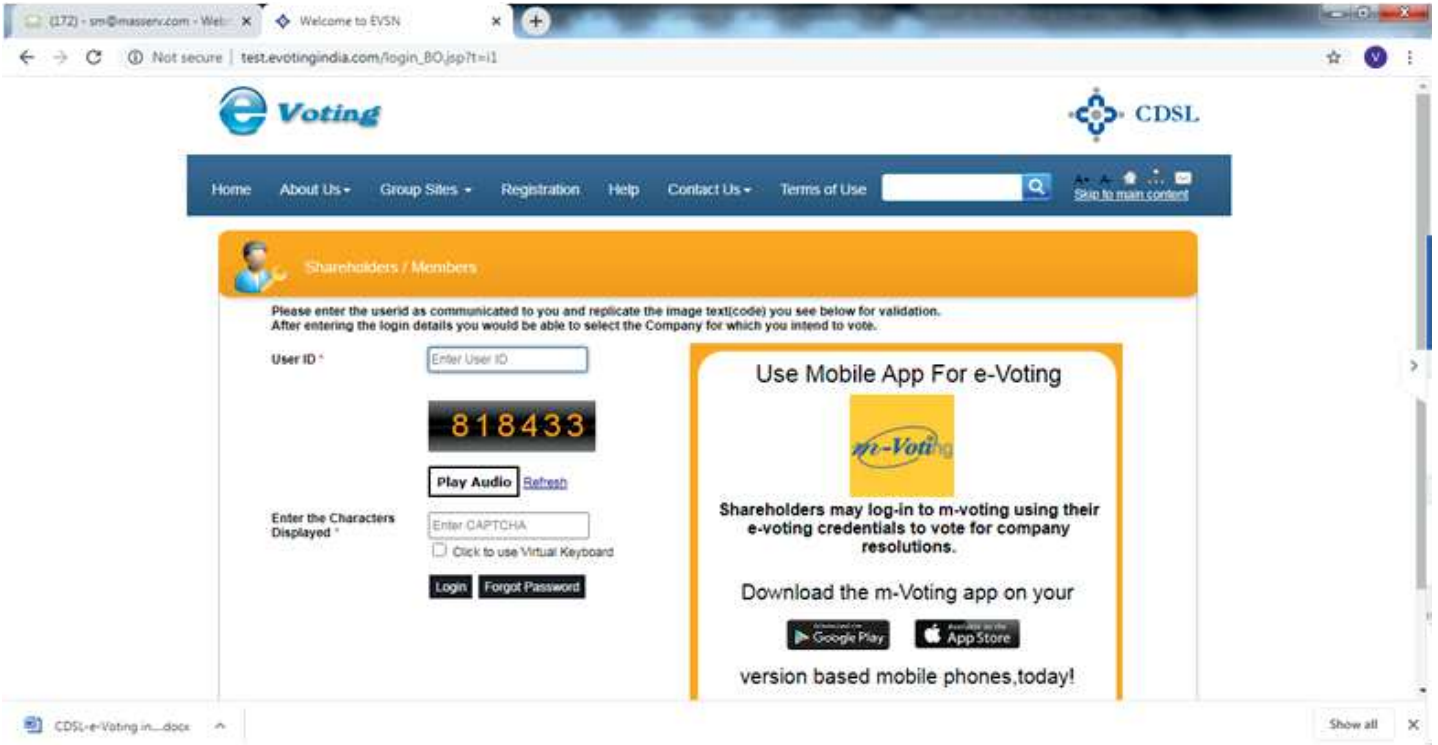
Below screen will be appear.



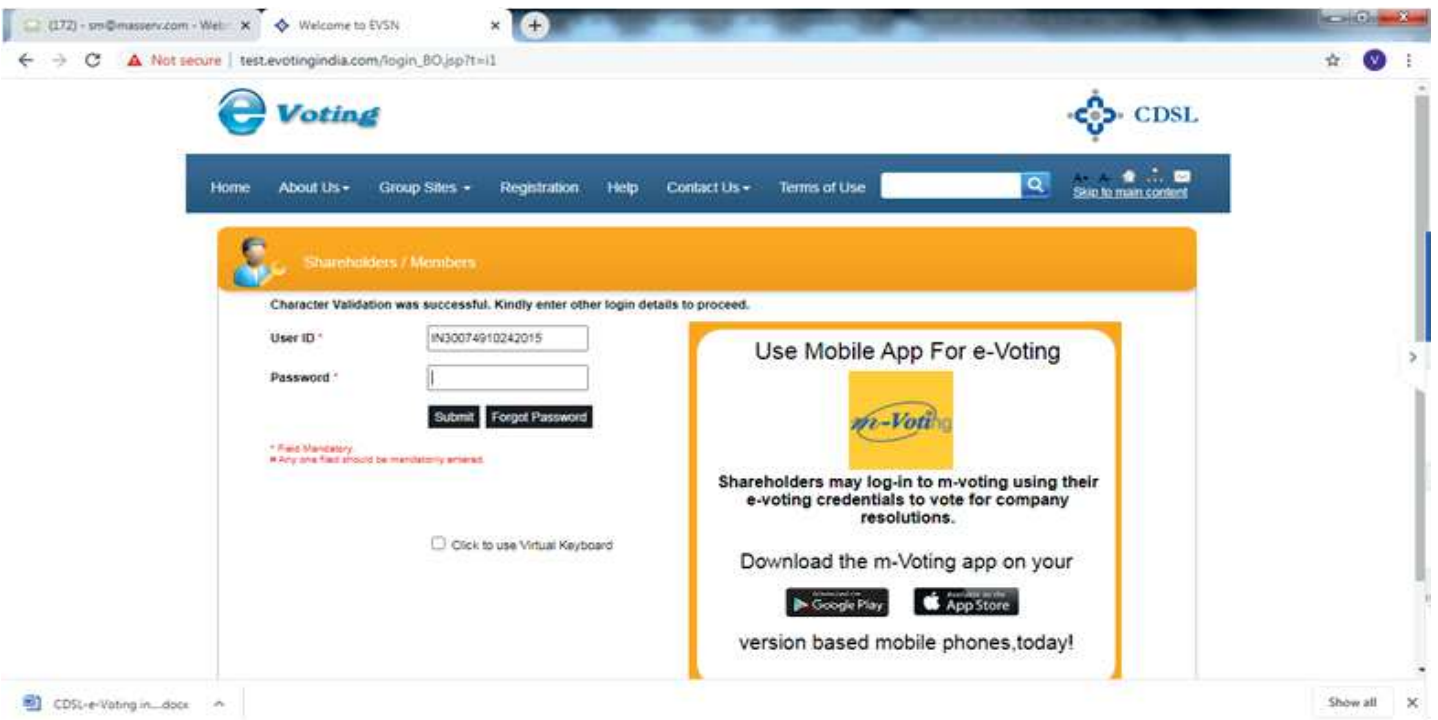




ii. Press Shareholders/Members tab, after which the below screen will be appeared.

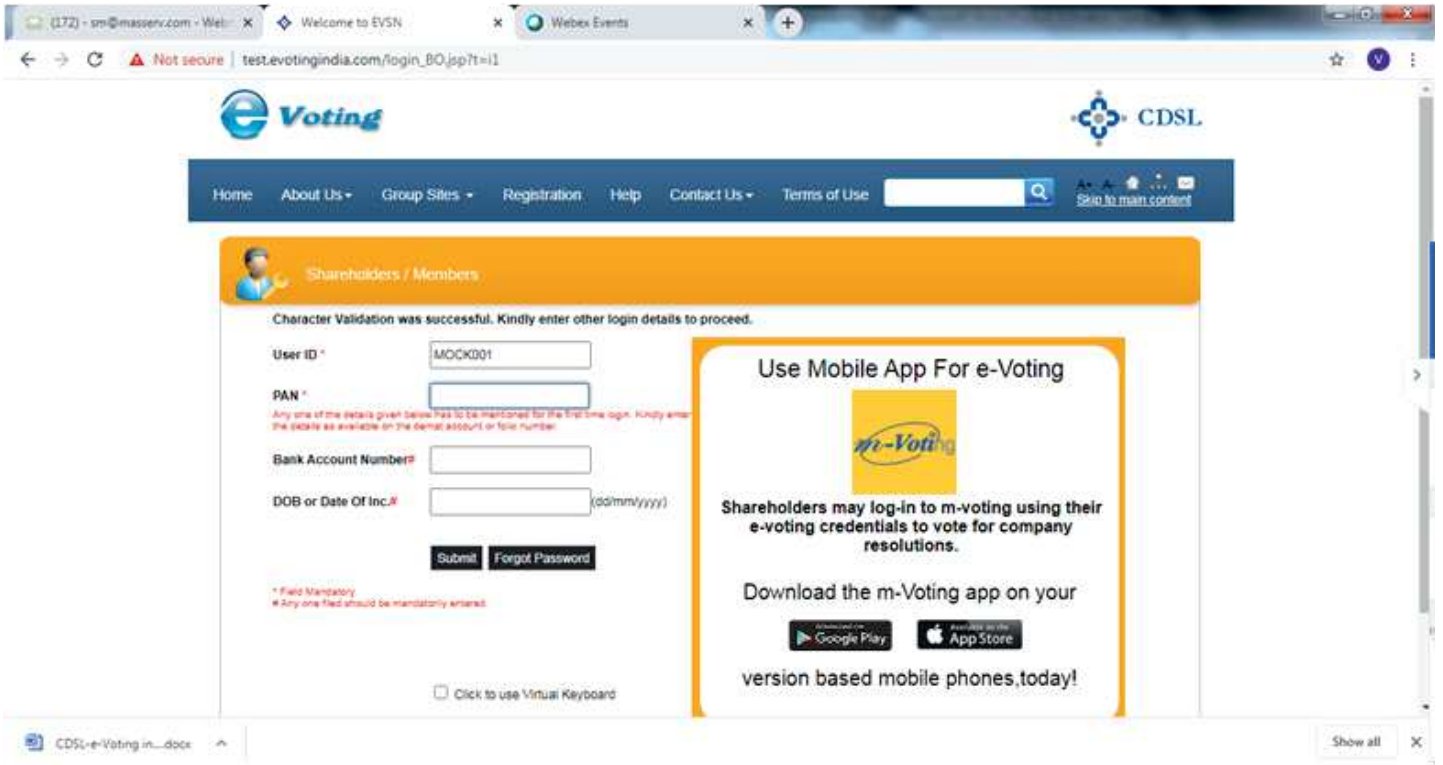


iii. Enter user id as mentioned in your invite email, or read point number (iii) as given above. Since you are a registered user, below screen will be appeared. Enter your existing CDSL password in password field.

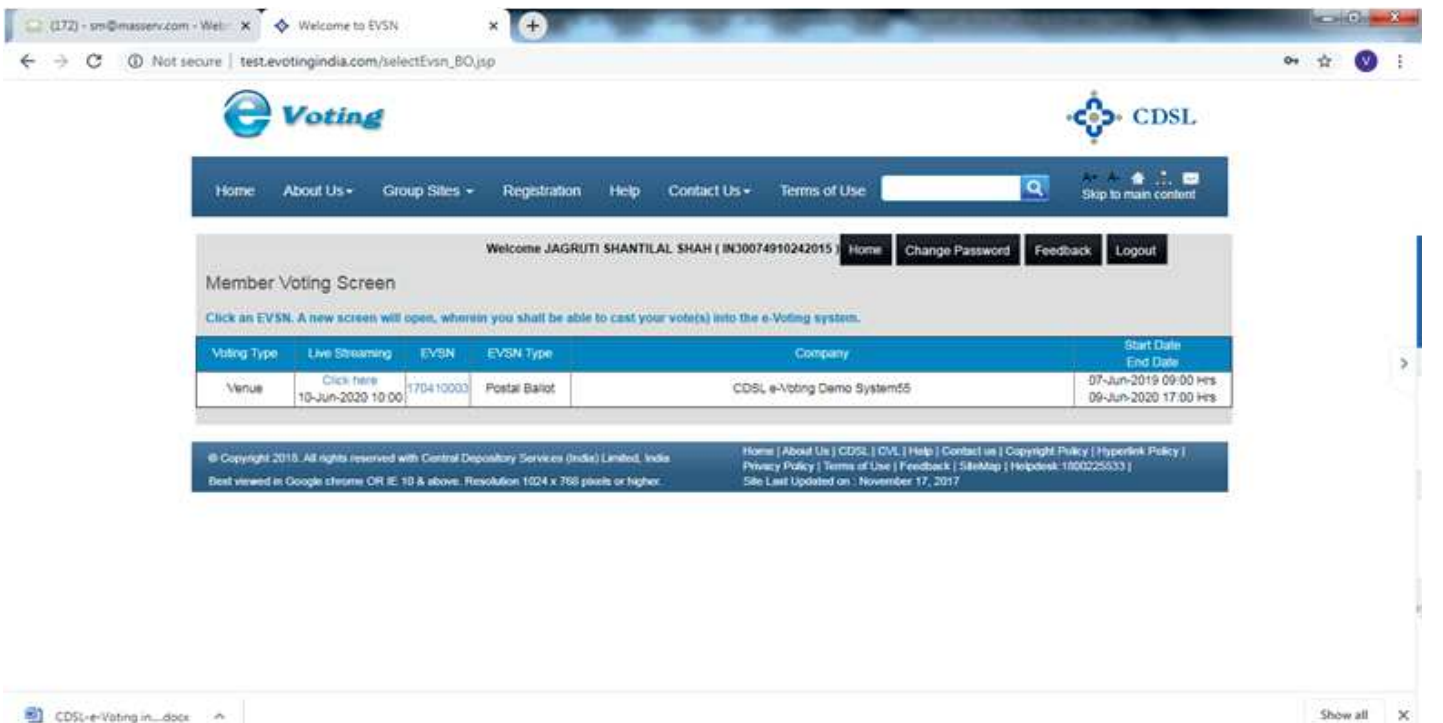




iv. In case you are 1st time user of CDSL e-voting system, then below screen will be appeared.



v. Enter your PAN and bank detail/DOB or follow instruction as given point number (iv) above or mentioned in invite email; then below screen will be appeared.

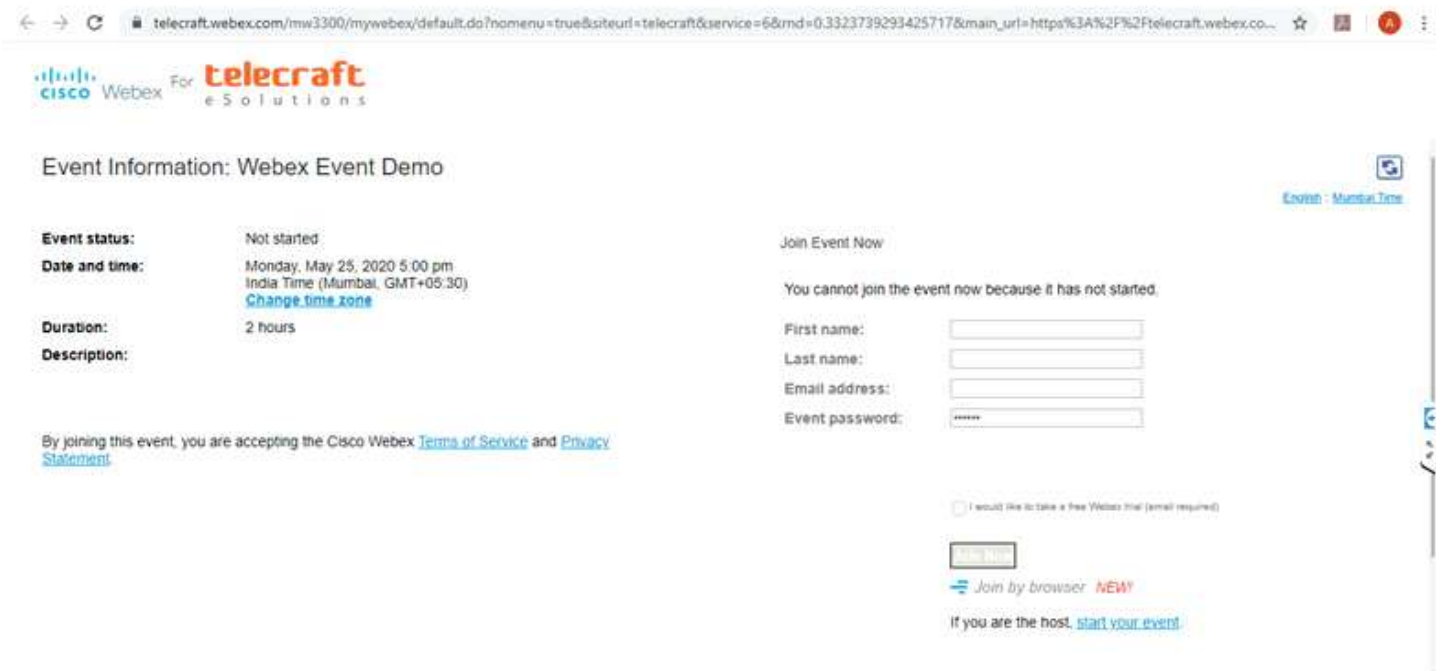




- vi. For e-voting, press EVSN number given in EVSN column; and for joining AGM through video conferencing, click on "Click here" tab under the live streaming column.  
E-voting screen will be shown as below, where you can cast your vote and press submit button given at the bottom of the screen



Screen for login into Video Conferencing is shown below:







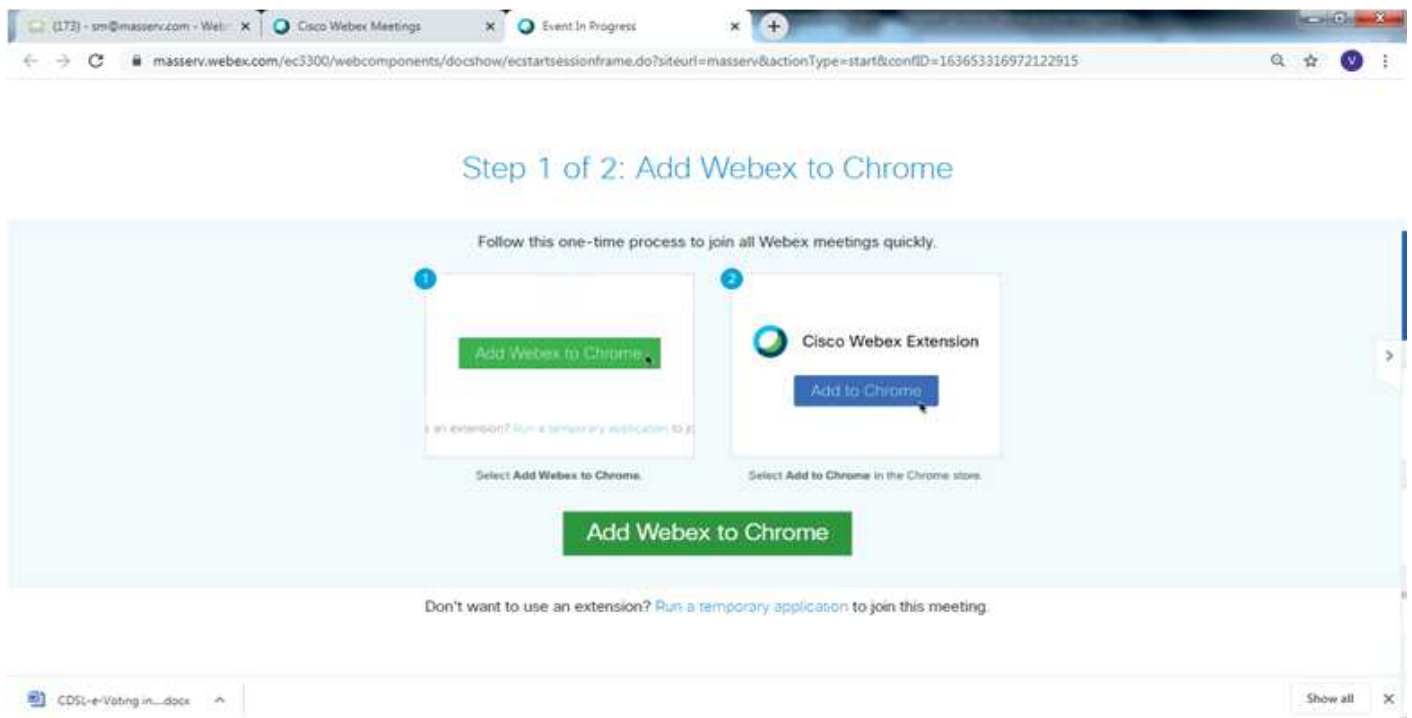
**Fill the details as:**

- In the "Name" field - Enter your USERID as given in email  
 In the "last name" field - Enter your Name  
 In the "Email ID" field - Put your email ID  
 In the "Event password" field - Put the password as "cdsl@1234"

Click join now button.

You can join meeting through laptop, tablet, and desktop. In case you want to join through mobile, you need to download the webex meet app from the respective play store.

Once you click on 'Join now' tab, the following screen will be appeared :



viii. Now, Kindly click on 'Run a temporary application', after which a Webex driver will get downloaded. After downloading webex driver, run the application and you will be directed to the AGM.

19. **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**

**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, 2020 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 2020-21. 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.3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020.

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.3 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

Date: 07.08.2020

**Ranjan Kumar Sahu**  
(Company Secretary)  
PAN: ATDPS7346D



# DIRECTORS' REPORT

## To the Members,

Your Directors have pleasure in presenting the 28<sup>th</sup> Annual Report on the business and operations of the Company for the financial year ended 31<sup>st</sup> March 2020.

## FINANCIAL RESULTS

(₹ in lacs)

FOR THE YEAR ENDED	31.03.2020 CURRENT YEAR	31.03.2019 PREVIOUS YEAR
Total Revenue	17,564.42	15748.68
Profit before Finance Cost, Depreciation & Amortisation and Tax	3324.13	1344.49
Finance Cost	2721.33	2834.01
Profit/(Loss) before, Depreciation & Amortisation and Tax	602.80	(1489.52)
Depreciation & Amortisation	2161.44	3267.67
Profit/Loss before Tax	(1558.64)	(4757.20)
Tax Expense	-	-
Profit/(Loss) after Tax	(1558.64)	(4757.20)
Balance brought forward from previous year	(4,937.97)	(180.77)
Profit/Loss available for appropriation	(6,496.61)	(4937.97)
Loss carried forward	(6,496.61)	(4937.97)

## OPERATIONAL PERFORMANCE

Your Directors present the Operational performance of the company, which in the company has achieved a total revenue of ₹17564.42 lacs as compared to the previous year revenue of ₹15748.68 lacs hereby register a growth of 11.53%.

The company's Net Loss during the year recorded ₹1558.64 lacs as compare to previous year figure loss of ₹4757.20 lacs.

Your Directors are putting their 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 ₹18,00,000,00/- (Rupees Eighteen Crores Only) divided into ₹1,10,00,000 (one crore and ten lacs ) Equity Shares of ₹10/- (Rupees Ten ) each and ₹70,00,000 (Seventy Lacs) Preference Shares of ₹10 each.

The present issued, subscribed and paid up capital of the Company is ₹7,20,01,500 (Rupees seven Crore twenty lacs and one hundred Fifty Only) divided into 72,00,150 Equity Shares of ₹10/- (Rupees Ten ) each.

## DIVIDEND

While approving the Final Accounts Statements for the year ended on 31st March 2020, the company having Loss of ₹1558.64 lacs and the Board has not recommended any dividend on the Equity Shares.

## EARNING PER SHARE

EPS (Earning Per Share) is ₹(21.65) as compared to the previous year's figure of ₹(66.07) hereby a loss per share has reduced of ₹44.42 as compare to the previous year.

## RESEARCH & DEVELOPMENT

The company has R & D division at Bhiwadi, 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

The Company and 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 (FOB value) sales is increased to ₹2777.72 lacs (Net off rebates & returns) as compared to the previous year's figure of ₹2033.25 lacs thereby increasing the export performance by 36.62%.

In our previous reports, it was informed that 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 Deutsche Bank which has 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. Christoph Mueller (DIN: 08000451) 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. Gabriel Sabate Parayre, Director, appointment as a director confirmed by the shareholders in the 28<sup>th</sup> 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

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

(I) 17.05.2019 (II) 25.07.2019 (III) 12.08.2019 (IV) 14.11.2019

(V) 21.01.2020

#### 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 Company's Act 2013.

The Board reconstituted the committee with the following members:

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

- (i) 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, four Audit Committee Meetings of the Company were held as below:

(I) 17.05.2019 (II) 12.08.2019 (III) 14.11.2019 (IV) 21.01.2020

#### c) VIGIL MECHANISM

Your Company has in placed a vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of your Company's Code of Conduct.

#### d) DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for the year under review.
3. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions under the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. The directors had prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2020 on a going concern basis.
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.



**(e) 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, 2020 made under provisions of Section 92(3)of the Act is attached as "Annexure I" which forms part of this Report.

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

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

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

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

The Committee has been reconstituted by the board on 23.11.2017 after change of management and the composition.

During the year 2019-20 under review no remuneration committee meeting was held and no remuneration paid to the executive directors.

During 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 2019-20 and their shareholding position as on 31.03.2020.

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

**INTERNAL FINANCIAL CONTROL**

Your director have laid down internal financial control and that such internal financial control are adequate and were operating effectively except as mentioned in auditors report on internal financial control with reference to financial statements .

**EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARKS OR DISCLAIMER IF ANY DURING 2019-20.**

There was a qualification by the Auditors in their IFC Audit report during the period 2019-20 as below.

According to the information and explanations given to us and based on our audit, material weakness has been identified in the operating effectiveness of the Company's internal financial controls over review of depreciation calculation, which were not operating effectively during the year and could potentially result in error in the carrying values of Property, Plant and Equipment and the Depreciation and Amortisation Expense for the year. (Ref auditor report 2020).

Management reply based on the Auditors qualification as below:

The control in place for review of depreciation did not operate effectively at plant and corrective actions have now been taken to rectify the same.

**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 Companies, 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 reviewed 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, which will come into effect during this financial year, the Company has already constituted a Corporate Social Responsibility ("CSR") Committee. The CSR Policy adopted by the Board of Directors is available on the Company's website. The CSR Committee 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 is spent on CSR activities as mentioned in CSR Policy. The average result of preceding three financial years 2017-18, 2018-19 and 2019-20 was ₹(3487.43) 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 2019-20 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 2019-20 under review there is no obligation on CSR.

However, based on the recommendation of the CSR committee and Board the Company utilized the last years un spend CSR obligations of Rs. 49.48 lacs during the current period 2019-20 and Rs. 49.62 lacs as on the date of Board report, in a phased manner and in case 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 Annex. 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 11<sup>th</sup> July 2020 to bring more awareness among the employees and ICC members etc. The Company did not receive any complain during the year 2019-20.

#### 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), promoted by B Braun Singapore Pte Ltd, holding shares of 96.12% of the paid up share capital of the Company and 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.

#### COVID 19

In the last month of FY 2019-20, the COVID-19 pandemic developed rapidly into a global crisis, forcing government to enforce lock-down of all economic activities. For the Company, the immediate priority was to ensure the health and well-being of all employees, and to minimize the disruption of operations and services to all customers. The Company has made detailed assessment of its liquidity position for a period of at least one year from the balance sheet date, of the recoverability and carrying values of its assets comprising property, plant and equipment, Trade Receivables, Inventory, other current and noncurrent assets and ability to pay its liabilities as they become due by utilising unavailed credit facilities from banks and financial support from the holding company and effectiveness of internal financial controls at the balance sheet date and has concluded that there are no material impact or adjustments required in the financial statements. Based on the above assessment, the Management strongly believes that there is no material impact on business operations and financial positions of the Company due to the COVID-19 pandemic. Further, due to improved situations and relaxations being given in certain parts of the Country, the Company will be able to meet its future demands without any major disruptions. However, the Company will continue to monitor any material changes in future economic conditions as and when they arise

#### 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 25<sup>th</sup> 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, 2019, ratification of appointment of Statutory Auditors in every Annual General Meeting is no longer required.

Further the Auditors Report for the Financial Year ended 31.03.2020 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 2020-21 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

**Indranil Mukherjee**  
Managing Director  
DIN: 06692898  
Place : Mumbai  
Dated : 07.08.2020

**Gabriel Sabate Parayre**  
Director  
DIN: 08518258  
Place : Barcelona  
Dated : 07.08.2020



## Annexure – I

### ANNUAL REPORT ON CSR ACTIVITIES DURING 2019-20

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 on: 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 style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name</th> <th style="text-align: left;">Designation</th> <th style="text-align: left;">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.	₹(3487.43)																					
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	49.48																					
6.	Total amount to be spent for the financial year	50.35																					

#### 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	4.85	4.45	4.45	4.45
2.	Yes	Mobile Healthcare Project	State of Rajasthan, Alwar District	40.00	39.30	39.30	39.30
3.	Yes	Park Development	State of Rajasthan, Alwar District	3.50	3.57	3.57	3.57
4.	Yes	Sanitary Napkin project	State of Rajasthan, Alwar District	1.00	1.04	1.04	1.04
5.	Yes	Plantation in School	State of Rajasthan, Alwar District	1.00	1.12	1.12	1.12
Total				50.35	49.48	49.48	49.48

Note : Unspent amount is carried forward to the continuous project during 2020-2021.



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

S.No	Nature of Activity	Amount ( in Lakh)
1.	Building toilet in Police station	4.45
2.	Mobile Healthcare Project	39.30
3.	Park Development	3.57
4.	Sanitary Napkin project	1.04
5.	Food Packets distribution during Pandemic	1.12
	<b>Total</b>	<b>49.48</b>

8. Unspent amount in the continuous projects during the previous period 2014-15, 2015-16 and 2016-17 : The company unable to spend in the continuous projects during the previous year's CSR obligation from 2014-15, 2015-16 and 2016-17 due to a consistent de growth in the earning of the company, however the committee/Board considered and approved the following projects on CSR activities and closed before 31.03.2021 as below:

Name of the Projects	Amount of CSR Contribution due ₹0.87 lakh (including unspent amount of ₹0.87 lakh) to be spend as on 31.03.2021 (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	0.87 lakh
<b>Total cost of the projects*</b>	<b>0.87 lakh</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 2021.

Sd/-

**Indranil Mukherjee**  
Managing Director  
DIN: 06692898  
Place : Mumbai  
Dated : 07.08.2020

Sd/-

**Gabriel Sabate Parayre**  
Director  
DIN: 08518258  
Place : Barcelona  
Dated : 07.08.2020



# 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 implemented 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 (₹)
Capital Expenditure:	-	-
Revenue Expenditure:		
Material	3.01	3.63
Personnel	38.68	31.07
Administrative and Other Expenses	5.37	0.84
	<b>47.06</b>	<b>35.54</b>
Depreciation (R & D Division)	4.80	4.80
<b>Total R &amp; D Expenditure</b>	<b>51.86</b>	<b>40.34</b>
As a percentage of Total Turnover	<b>0.30%</b>	<b>0.26%</b>

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

	CURRENT YEAR	PREVIOUS YEAR
Foreign Exchange Earnings	2,777.72	2,033.25
Foreign Exchange Outgo:		
Imports - Stores & spares	136.47	339.32
Capital Goods	303.13	181.31
Imports - Raw Materials	2,473.76	2,281.07
Bank Charges	11.32	11.92
Interest Expense	27.41	92.10
Travelling Expenses	8.57	-
Other Consultancy	25.00	91.13
System and Software Expenses	232.25	160.68
Technical & Professional Charges	21.53	-
Sales Commission	17.80	-
Fees for product registrations/certifications	9.91	-
Sales Promotion Expenses	33.54	-
Repair & Maintenance	8.06	-
<b>Total</b>	<b>3,308.75</b>	<b>3,157.53</b>

For and on behalf of the Board of Directors

**Indranil Mukherjee**  
**Managing Director**  
 DIN: 06692898  
 Place : Mumbai  
 Dated : 07.08.2020

**Gabriel Sabate Parayre**  
**Director**  
 DIN: 08518258  
 Place : Barcelona  
 Dated : 07.08.2020



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

Extract of Annual Return as on  
The Financial Year Ended on 31<sup>st</sup> March, 2020  
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule12(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-110 020 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/	% OF 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	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2) Foreign</b>	-	-	-	-	-	-	-	-	-
g) NRIS - Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	6886082	34410	6920492	96.12	6886082	34410	6920492	96.12	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	6886082	34410	6920492	96.12	6886082	34410	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)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non Institutions</b>									
a) Bodies Corp.	5202	5101	10303	0.14	4633	-	4633	0.06	0.08
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	95333	172799	268132	3.72	204629	69173	273802	3.80	0.08
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (Specify)	1223	-	1223	0.02	1223	-	1223	0.02	-
<b>Sub-total (B)(2)</b>	101758	177900	279658	3.88	210485	69173	279658	3.88	-
<b>Total Public Shareholding (B)=(B) (1)+(B) (2)</b>	101758	177900	279658	3.88	210485	69173	279658	3.88	-
C. Shares held by Custodian for GDR & ADR	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	6987840	212310	7200150	100.00	7096567	103583	7200150	100.00	-

**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 / encumbered to total shares	No. of Shares	%of total Shares of the company	%of Shares Pledged / encumbered 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	-	29,578.85	-	29,578.85
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	223.37	-	223.37
<b>Total (i+ii+iii)</b>	-	<b>29,802.22</b>	-	<b>29,802.22</b>
Change in Indebtedness during the financial year				
- Addition	-	9,757.12	-	9,757.12
- Reduction	-	(9,165.65)	-	(9,165.65)
Net Change	-		-	
Indebtedness at the end of the financial year				
i) Principal Amount	-	30,127.07	-	30,127.07
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	266.63	-	266.63
<b>Total (i+ii+iii)</b>	-	<b>30,393.70</b>	-	<b>30,393.70</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 1,75,000 2,00,000
	<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, 2020, the statement of Profit and Loss, 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, 2020, and loss 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.

Our opinion on the financial statements does not cover the other information and we do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### 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. Those 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' 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' 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' 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 papers 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in paragraph 12(b) above that the backup of the books of accounts and other books and papers maintained in the electronic mode has not been maintained on servers physically located in India.
  - g) 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".
  - h) 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 of pending litigations on its financial position in its financial statements – Refer Note 20 to the financial statements;
  - ii. The Company has long-term contracts as at March 31, 2020 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at March 31, 2020.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.
13. The Company has not paid/provided any managerial remuneration during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company

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

Place: Mumbai

Partner

Dated: 21.08.2020

M. No- 115872

UDIN: 20115872AAAADS8091

#### Annexure A to Independent Auditors' Report

Referred to in paragraph 12(g) 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, 2020.

#### Report on the Internal Financial Controls 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, 2020 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 over financial reporting, 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 qualified audit opinion on the Company's internal financial controls system over financial reporting.

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

6. A company's internal financial control 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 control 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 over financial reporting, 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 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.

#### Basis for Qualified Opinion

8. According to the information and explanations given to us and based on our audit, material weakness has been identified in the

operating effectiveness of the Company's internal financial controls over review of depreciation calculation, which were not operating effectively during the year and could potentially result in error in the carrying values of Property, Plant and Equipment and the Depreciation and Amortisation Expense for the year.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

#### Qualified opinion

10. In our opinion, the Company has, in all material respects, maintained adequate internal financial controls with reference to financial statements as of March 31, 2020, 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 ICAI, and except for the possible effects of the material weakness described in the Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as of March 31, 2020.
11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended March 31, 2020, and the material weakness does not affect our opinion on the financial statements of the Company.

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

Place: Mumbai Partner  
Dated: 21.08.2020 M. No- 115782  
UDIN: 20115872AAAADS8091

#### 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, 2020

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased program designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The Company does not own any immovable properties as disclosed in Note 11 on fixed assets to the financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to 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 any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or 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 generally regular in depositing the undisputed statutory dues, in respect of provident fund, income tax and goods and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including duty of customs, employees' state insurance and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 20 (VII) 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, duty of excise and goods and services tax which have not been deposited on account of any dispute. The particulars of dues of sales tax and service tax as at March 31, 2020 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
Central Sale Tax	Demand against non submission of the forms	0.24	April 2007 to March 2008	Sales Tax Commissioner, Bhiwadi

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 bank or financial institution as at balance sheet date. The Company does not have any loans or borrowings from Government. There are no dues to debenture holders.

- 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 not paid/provided any managerial remuneration during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.
- 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 specified under Section 133 of the Act.

- 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 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  
(NEHAL UPADHAYAY)

Place: Mumbai  
Dated: 21.08.2020  
UDIN: 20115872AAAADS8091

Partner  
M. No- 115782

**BALANCE SHEET** AS AT 31ST MARCH, 2020

Amount in Lakhs, unless otherwise stated

PARTICULARS	NOTE	AS AT 31ST MARCH, 2020 (₹)	AS AT 31ST MARCH, 2019 (₹)
<b>EQUITY AND LIABILITIES</b>			
Shareholders' Funds			
Share Capital	3	720.02	720.02
Reserves and Surplus	4	(5,631.28)	(4,072.64)
		(4,911.26)	(3,352.62)
<b>Non-Current Liabilities</b>			
Long Term Borrowings	5	14,300.00	7,500.00
Long Term Provisions	6	1,557.64	1,363.84
		15,857.64	8,863.84
<b>Current Liabilities</b>			
Short Term Borrowings	7	15,827.07	22,078.85
Trade Payables	8		
Total outstanding dues of Micro Enterprises Small Enterprises and		112.87	238.99
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		1,337.56	1,194.14
Other Current Liabilities	9	934.63	2,281.42
Short-Term Provisions	10	245.20	227.00
		18,457.33	26,020.40
<b>TOTAL</b>		<b>29,403.71</b>	<b>31,531.62</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment			
Tangible Assets	11	23,260.33	24,580.99
Intangible Assets	11	–	–
Capital Work-In-Progress	11	125.74	275.38
Deferred Tax Asset (net)	12	–	–
Long-Term Loans and Advances	13	668.02	511.20
Other Non-Current Assets	14	2.82	0.25
		<b>24,056.91</b>	<b>25,367.82</b>
<b>Current Assets</b>			
Inventories	15	2,553.95	2,694.60
Trade Receivables	16	2,413.72	2,841.82
Cash and Bank Balances	17	40.03	61.10
Short Term Loans and Advances	18	100.16	172.26
Other Current Assets	19	238.94	394.02
		<b>5,346.80</b>	<b>6,163.80</b>
<b>TOTAL</b>		<b>29,403.71</b>	<b>31,531.62</b>



# BALANCE SHEET

AS AT 31ST MARCH, 2020

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

Nehal Upadhayay

Partner

M. No. 115872

Place : Mumbai

Date : 21.08.2020

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

Indranil Mukherjee

Director

DIN No. 06692898

Place : Mumbai

Date : 07.08.2020

Ranjan Kumar Sahu

Company Secretary

Place : New Delhi

Date : 07.08.2020

Gabriel Sabate

Director and Chief Financial Officer

DIN: 08518258

Place : Barcelona

Date : 07.08.2020

**STATEMENT OF PROFIT & LOSS** FOR THE YEAR ENDED 31ST MARCH, 2020

Amount in Lakhs, unless otherwise stated

PARTICULARS	NOTES	YEAR ENDED 31ST MARCH, 2020 (₹)	YEAR ENDED 31ST MARCH, 2019 (₹)
<b>INCOME</b>			
Revenue from Operations	22	17,446.82	15,565.36
Other Income	23	117.60	183.32
<b>Total Revenue</b>		<b>17,564.42</b>	<b>15,748.68</b>
<b>Expenses</b>			
Cost of Materials Consumed	24	5,565.62	5,293.20
Changes in Inventories of Finished Goods & work-in-progress	25	(96.96)	(440.51)
Employee Benefits Expense	26	2,613.76	2,410.73
Finance Costs	27	2,721.33	2,834.01
Depreciation and Amortisation Expense	28	2,161.44	3,267.67
Other Expenses	29	6,157.87	7,140.78
<b>Total Expenses</b>		<b>19,123.06</b>	<b>20,505.88</b>
<b>(Loss) Before Tax</b>		<b>(1,558.64)</b>	<b>(4,757.20)</b>
<b>Tax Expense</b>		<b>-</b>	<b>-</b>
<b>Loss After Tax of the Year</b>		<b>(1,558.64)</b>	<b>(4,757.20)</b>

Loss Per Equity Share [Nominal Value Per Share: ₹10

(March 31, 2019: ₹10)]

Basic and Diluted	34	(21.65)	(66.07)
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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

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

Nehal Upadhayay

Partner

M. No. 115872

Indranil Mukherjee

Director

DIN No. 06692898

Gabriel Sabate

Director and Chief Financial Officer

DIN: 08518258

Place : Mumbai

Date : 21.08.2020

Place : Mumbai

Date : 07.08.2020

Place : Barcelona

Date : 07.08.2020

Ranjan Kumar Sahu

Company Secretary

Place : New Delhi

Date : 07.08.2020





# NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Notes to financial statement as at and for the year ended March 31<sup>st</sup>, 2020

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. 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.

#### 2.2 Tangible Assets

Tangible Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. 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 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) Acquired 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.
- 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.



# NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

## 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

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

## 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

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.

## 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.

Service income is accounted as and when services are rendered and are net of 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.

Export benefits, incentives and licenses: Export incentives are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

## 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.



# NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

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.

## 2.14 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.

## 2.15 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.

## 2.16 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** ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**NOTE 3 - SHARE CAPITAL**

Amount in Lakhs, unless otherwise stated

PARTICULARS	AS AT 31ST MARCH, 2020 (₹)	AS AT 31ST MARCH, 2019 (₹)
<b>(i) Authorised :</b>		
11,000,000 (March 31, 2019: 11,000,000) Equity Shares of ₹10 each	1100.00	1100.00
7,000,000 (March 31, 2019: 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, 2019: 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, 2020		AS AT 31ST MARCH, 2019	
	Number of shares	Amount in (₹)	Number of shares	Amount in (₹)
Balance as at the beginning of the Year	7200150	720.02	7200150	720.02
Add: Shares issued during the Year	-	-	-	-
Balance as at the end of the Year	<b>7200150</b>	<b>720.02</b>	<b>7200150</b>	<b>720.02</b>

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

Equity Shares: The Company has one class of equity shares having a par value of ₹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, 2020		AS AT 31ST MARCH, 2019	
	Number of shares	% Holding in that class of shares	Number of shares	% Holding in that class of shares
<b>Equity Shares</b>				
6920492 Shares* (March 31, 2020: 6920492 Shares*) held by B. Braun Singapore Pte Ltd, the Holding Company * includes 30210 shares in Escrow Account pending Procedural Compliances.	692.05		692.05	

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

Equity Shares				
B. Braun Singapore Pte Ltd, the Immediate Holding Company	6920492	96.12	6920492	96.12



# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

## NOTE 4 - RESERVES AND SURPLUS

Amount in Lakhs, unless otherwise stated

PARTICULARS	AS AT 31ST MARCH, 2020 (₹)	AS AT 31ST MARCH, 2019 (₹)
<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	(4,937.97)	(180.77)
Loss for the Year	(1,558.64)	(4757.20)
Balance as at the end of the Year	(6496.61)	(4937.97)
<b>Total</b>	<b>(5631.28)</b>	<b>(4072.64)</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 (₹)
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, 2020 (₹)	AS AT 31ST MARCH, 2019 (₹)
<b>Unsecured</b>		
External Commercial Borrowings (ECB) [Refer Note (a) below]	7,500.00	7,500.00
Term Loan from Bank [Refer note (b) below]	6,800.00	–
<b>Total</b>	<b>14,300.00</b>	<b>7,500.00</b>

Note: (a) (a) 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.

(b) (b) During the year 2019-20, the Company has taken an Loan of ₹6,800 Lakhs at interest rate of 9.30% repayable after 2 years from Deutsche Bank secured by corporate guarantee provided by B. Braun Medical Industries Sdn. Bhd., Malaysia.



# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

## NOTE 6 - LONG TERM PROVISIONS

Amount in Lakhs, unless otherwise stated

PARTICULARS	AS AT 31ST MARCH, 2020 (₹)	AS AT 31ST MARCH, 2019 (₹)
Provision for Employee Benefits: (Refer Note 35)		
Provision for Gratuity	19.72	36.57
Other Provision		
Provision for EPCG (Refer Notes 39 and below)	1537.92	1327.27
<b>Total</b>	<b>1557.64</b>	<b>1363.84</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 ₹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 7 - SHORT TERM BORROWINGS

PARTICULARS	AS AT 31ST MARCH, 2020 (₹)	AS AT 31ST MARCH, 2019 (₹)
Unsecured:		
Term Loans: From Banks [Refer Note (a) below]	10,680.00	–
Credit Facility from Bank [Refer Note (a) below]	5,147.07	12,913.20
Deferred Payment Liabilities [Refer Note (b) below]	–	9,165.65
<b>Total</b>	<b>15,827.07</b>	<b>22,078.85</b>

- (a) Short Term facility of ₹17,800 Lakhs (March 31, 2019: ₹13,800 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. Amount mentioned in Term Loan & Credit facility from Bank has been bifurcated on the basis of RBI guidelines.
- (b) In the previous year, 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' 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 2019-2020. The Supplier' 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. The same has been repaid during current year.





# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

## NOTE 8 - TRADE PAYABLES

Amount in Lakhs, unless otherwise stated

PARTICULARS	AS AT 31ST MARCH, 2020 (₹)	AS AT 31ST MARCH, 2019 (₹)
(a) Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 41)	112.87	238.99
(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	1,337.56	1,194.14
<b>Total</b>	<b>1,450.43</b>	<b>1,433.13</b>

## NOTE 9 - OTHER CURRENT LIABILITIES

PARTICULARS	AS AT 31ST MARCH, 2020 (₹)	AS AT 31ST MARCH, 2019 (₹)
Interest Accrued but not Due on ECB	266.63	202.64
Interest Accrued but not Due on Deferred Payment Liabilities	-	20.74
Unpaid Dividend [Refer Note (a) below]	-	1.70
Security Deposits	8.00	3.00
Payables for Capital Goods	112.64	142.63
Advances from Customers	185.82	130.20
Employee Benefits Payable	164.64	103.31
Foreign Currency Payable under Forward Contract [Refer Note (b) below]	3.93	1480.13
Statutory dues including Provident Fund and Tax Deducted at Source	44.45	51.92
Others	148.52	145.15
<b>Total</b>	<b>934.63</b>	<b>2281.42</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.

(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 (b) above, the Company has re-entered into short term forward exchange contract during the year 2017-18 and 2018-19. These forward exchange contracts have been utilised during current year.

## NOTE 10 - SHORT TERM PROVISIONS

PARTICULARS	AS AT 31ST MARCH, 2020 (₹)	AS AT 31ST MARCH, 2019 (₹)
Provision for Employee Benefits: (Refer Note 35)		
Provision for Compensated Absences	80.49	56.54
Other Provisions: (Refer Note 39)		
Provision for Litigation/Disputes	50.30	57.47
Provision for Indirect Tax	112.41	50.99
Provision for delayed supplies to Government parties	2.00	2.00
Provision for other Matters	-	60.00
<b>Total</b>	<b>245.20</b>	<b>227.00</b>



## NOTES

TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

## NOTE 11 – TANGIBLE ASSETS AND INTANGIBLE ASSETS

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION					NET BLOCK	
	AS AT 01-04-2019	ADDITIONS DURING THE YEAR	Adjustments [Refer Note (a) below]	Delition During The Year	AS AT 31-03-2020	AS AT 01-04-2019	For the Year [Refer Note (b) below]	Delition During The Year	UPTO 31-03-2020	AS AT 31-03-2020	
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	
<b>TANGIBLE ASSETS:</b>											
Land (Lease hold)	290.30	–	–	–	290.30	42.72	8.81	–	51.53	238.77	
Buildings	12,287.61	107.17	339.85	–	12,734.63	1,864.50	309.26	–	2,173.76	10560.87	
Plant and Machinery	25,275.93	620.45	(133.91)	54.24	25,708.23	12,021.11	1,809.58	51.86	13,778.83	11929.40	
Furniture & Fixtures	642.79	–	(197.30)	–	445.49	122.09	1.74	–	123.83	321.66	
Office Equipment	357.93	115.56	(8.64)	–	464.85	225.38	31.63	–	257.01	207.84	
Vehicles	41.54	–	–	–	41.54	39.33	0.42	–	39.75	1.79	
<b>SUB TOTAL (A)</b>	<b>38,896.10</b>	<b>843.18</b>	<b>–</b>	<b>54.24</b>	<b>39,685.04</b>	<b>14,315.13</b>	<b>2,161.44</b>	<b>51.86</b>	<b>16,424.71</b>	<b>23,260.33</b>	
<b>INTANGIBLE ASSETS</b>											
Software	162.59	–	–	–	162.59	162.59	–	–	162.59	–	
<b>Sub Total (B)</b>	<b>162.59</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>162.59</b>	<b>162.59</b>	<b>–</b>	<b>–</b>	<b>162.59</b>	<b>–</b>	
<b>Total (A)+(B)</b>	<b>39,058.69</b>	<b>843.18</b>	<b>–</b>	<b>54.24</b>	<b>39,847.63</b>	<b>14,477.72</b>	<b>2,161.44</b>	<b>51.86</b>	<b>16,587.30</b>	<b>23,260.33</b>	
<b>Capital Work in Progress (CWIP)</b>											
Capital Work in Progress	275.38	693.54	–	843.18	125.74	–	–	–	–	125.74	
<b>Sub Total (C)</b>	<b>275.38</b>	<b>693.54</b>	<b>–</b>	<b>843.18</b>	<b>125.74</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>125.74</b>	

Notes:

- (a) Reclassification from Plant & Machinery, Furniture and Fixtures and Office Equipment to Buildings.
- (b) Depreciation for the year is net of reversal of depreciation for the year ended March 31, 2019 amounting to ₹502.00 Lakhs charged erroneously resulting in Loss after tax for the current year being lower to that extent.

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK
	AS AT 01-04-2018	ADDITIONS DURING THE YEAR	DELITION DURING THE YEAR	AS AT 31-03-2019	AS AT 01-04-2018	FOR THE YEAR	DELITION DURING THE YEAR	UP TO 31-03-2019	AS AT 31-03-2019
	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>TANGIBLE ASSETS:</b>									
Land (Lease hold)	290.30	–	–	290.30	39.76	2.96	–	42.72	247.58
Buildings [Refer Note (a) below]	11,961.66	325.95	–	12,287.61	1,470.96	393.54	–	1,864.50	10,423.12
Plant and Machinery [Refer Note (b) below]	24,732.56	685.62	142.25	25,275.93	9,359.86	2,786.44	125.19	12,021.11	13,254.83
Furniture & Fixtures	634.73	51.33	43.27	642.80	132.70	29.98	41.59	122.09	520.70
Office Equipment	345.43	19.44	6.94	357.92	183.54	48.78	6.94	225.38	132.55
Vehicles	47.64	–	6.10	41.54	41.91	3.52	6.10	39.33	2.21
Leased Asset		–		–	–	–		–	
<b>SUB TOTAL (A)</b>	<b>38,012.32</b>	<b>1,082.34</b>	<b>198.56</b>	<b>38,896.10</b>	<b>11,228.73</b>	<b>3,265.22</b>	<b>179.82</b>	<b>14,315.13</b>	<b>24,580.99</b>
<b>INTANGIBLE ASSETS</b>									
Software	162.59	–	–	162.59	160.14	2.45	–	162.59	–
<b>Sub Total (B)</b>	<b>162.59</b>	<b>–</b>	<b>–</b>	<b>162.59</b>	<b>160.14</b>	<b>2.45</b>	<b>–</b>	<b>162.59</b>	<b>–</b>
<b>Total (A)+(B)</b>	<b>38,174.91</b>	<b>1,082.34</b>	<b>198.56</b>	<b>39,058.69</b>	<b>11,388.87</b>	<b>3,267.67</b>	<b>179.82</b>	<b>14,477.72</b>	<b>24,580.99</b>
<b>Capital Work in Progress (CWIP)</b>									
Capital Work in Progress	407.88	949.84	1,082.34	275.38	–	–	–	–	275.38
<b>Sub Total (C)</b>	<b>407.88</b>	<b>949.84</b>	<b>1,082.34</b>	<b>275.38</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</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, 2020

### NOTE 12 – DEFERRED TAX ASSET (NET)

Amount in Lakhs, unless otherwise stated

PARTICULARS	AS AT 31ST MARCH, 2020 (₹)	AS AT 31ST MARCH, 2019 (₹)
Deferred Tax Assets		
Provision for Doubtful Debts/ Advances and others	701.79	997.07
Provision for Slow Moving Inventory	44.72	38.25
Carry Forward Losses/ Unabsorbed Depreciation / Disallowed Interest	3,875.37	3,766.18
Provision for Employee Benefits	66.60	33.67
	<b>4,688.48</b>	<b>4,835.17</b>
Deferred Tax Liabilities:		
Depreciation	2,149.70	2,084.30
<b>Deferred Tax Asset (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 absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised, Deferred tax asset on brought forward losses/unabsorbed depreciation / disallowed interest is recognized only to the extent of Deferred tax liabilities.

### NOTE 13 – LONG-TERM LOANS AND ADVANCES

PARTICULARS	AS AT 31ST MARCH, 2020 (₹)	AS AT 31ST MARCH, 2019 (₹)
Unsecured, considered good (unless otherwise stated)		
Capital Advances	256.23	39.81
Security Deposits		
Considered Good	161.23	165.27
Considered Doubtful	–	3.97
Less: Provision for Doubtful Security Deposits	–	(3.97)
Loans and Advances to Employees	1.53	0.12
Advance Income Tax [Net of Provision ₹525.96 Lakhs (March 31, 2019: ₹525.96 Lakhs)]	238.11	296.65
Other Loans and Advances		
Prepaid Expenses	10.92	9.35
<b>Total</b>	<b>668.02</b>	<b>511.20</b>

### NOTE 14 – OTHER NON-CURRENT ASSETS

PARTICULARS	AS AT 31ST MARCH, 2020 (₹)	AS AT 31ST MARCH, 2019 (₹)
Long Term Deposits with Banks with maturity of more than 12 months [Refer note(a) below]	2.82	0.25
<b>Total</b>	<b>2.82</b>	<b>0.25</b>

Note:

(a) Pledged as Margin Money/ Security Deposits.



# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

## NOTE 15 - INVENTORIES

Amount in Lakhs, unless otherwise stated

PARTICULARS	AS AT 31ST MARCH, 2020 (₹)	AS AT 31ST MARCH, 2019 (₹)
Stores and Spares	399.30	226.16
Packing Material	168.38	249.22
Raw Materials	728.21	1,070.11
Work-in-Progress	118.36	125.64
Finished Goods	1,311.70	1,170.60
<b>Total</b>	<b>2,725.95</b>	<b>2,841.73</b>
Less: Provision for slow moving inventory	172.00	147.13
<b>Total</b>	<b>2,553.95</b>	<b>2,694.60</b>
<b>(a) Details of Inventory</b>		
<b>(i) Work-in-Progress</b>		
Ophthalmics	33.14	46.11
IV Infusion	75.21	45.79
Others	10.01	33.74
<b>Total</b>	<b>118.36</b>	<b>125.64</b>
<b>(ii) Finished Goods</b>		
Ophthalmics	68.32	113.83
IV Infusion	1,231.40	906.73
Others	11.98	150.04
<b>Total</b>	<b>1,311.70</b>	<b>1,170.60</b>

## NOTE 16 – TRADE RECEIVABLES

PARTICULARS	AS AT 31ST MARCH, 2020 (₹)	AS AT 31ST MARCH, 2019 (₹)
Unsecured, considered good:		
Outstanding for a period exceeding six months from the date they are due for payment	53.83	75.91
Others	2,359.89	2,765.91
Unsecured, considered doubtful:		
Outstanding for a period exceeding six months from the date they are due for payment	787.67	816.82
Less: Provision for Doubtful Debts	(787.67)	(816.82)
<b>Total</b>	<b>2,413.72</b>	<b>2,841.82</b>

**NOTES** TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**NOTE 17 – CASH AND BANK BALANCES**

Amount in Lakhs, unless otherwise stated

PARTICULARS	AS AT 31ST MARCH, 2020 (₹)	AS AT 31ST MARCH, 2019 (₹)
Cash and Cash equivalents		
Cash on hand	0.48	0.48
Bank Balances:		
In current accounts	27.56	47.86
Demand deposits (less than 3 months maturity) [Refer note (a) below]	–	1.18
Other bank balances		
Deposits with maturity more than 3 months but less than 12 months [Refer note (a) below]	11.99	9.88
Unpaid Dividend Account [Refer note (b) below]	–	1.70
	<b>40.03</b>	<b>61.10</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	AS AT 31ST MARCH, 2020 (₹)	AS AT 31ST MARCH, 2019 (₹)
Unsecured, Considered Good (unless otherwise stated)		
Security Deposits:		
Considered Good	15.58	41.60
Considered Doubtful	96.47	51.05
Less: Provision for Doubtful Security Deposits	(96.47)	(51.05)
Balances with Excise, Customs and Sales Tax Authorities	16.55	68.52
Loans and Advances to Employees	0.21	0.74
Other loans and advances	–	–
Prepaid Expenses	67.82	61.40
<b>Total</b>	<b>100.16</b>	<b>172.26</b>





# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

## NOTE 19 - OTHER CURRENT ASSETS

Amount in Lakhs, unless otherwise stated

PARTICULARS	AS AT 31ST MARCH, 2020 (₹)	AS AT 31ST MARCH, 2019 (₹)
Unsecured, Considered Good (unless otherwise stated)		
Interest Accrued on Deposits with Banks	1.72	7.66
Interest Accrued on security Deposits	9.20	-
Advance paid against supply of goods		
Considered Good	178.13	107.51
Considered Doubtful	27.50	9.58
Less: Provision for Doubtful Advance to Suppliers	(27.50)	(9.58)
Unamortised Premium on Forward Contract	0.91	212.06
Export Benefit Receivable	46.98	64.79
Other Assets		
Considered Good	2.00	2.00
Considered Doubtful	23.21	17.77
Less: Provision for Doubtful advance	(23.21)	(17.77)
<b>Total</b>	<b>238.94</b>	<b>394.02</b>

## NOTE 20 - CONTINGENT LIABILITIES

PARTICULARS	AS AT 31ST MARCH, 2020 (₹)	AS AT 31ST MARCH, 2019 (₹)
<b>I. 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>II. Value Added Tax - declaration forms pending submission</b>	0.24	0.24
<b>III. Supply of Defective product</b>	5.00	5.00
<b>IV. Worker reinstatement pending before Assistant Commissioner Labour law Alwar.</b>	15.00	15.00
<b>V. Litigation with respect to vendor claim</b>	6.92	6.92
<b>VI Bank guarantees</b>	58.16	35.41

VII. The Company has evaluated the impact of the recent Supreme Court Judgment in the case of "Vivekananda Vidyamandir 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. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have significant impact and accordingly, no provision has been made in the Financial Statements.

## NOTE 21 - CAPITAL COMMITMENTS

PARTICULARS	AS AT 31ST MARCH, 2020 (₹)	AS AT 31ST MARCH, 2019 (₹)
Estimated value of contracts in capital account remaining to be executed [Net of advances]	885.47	26.71

**NOTES** TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**NOTE 22 – REVENUE FROM OPERATIONS**

Amount in Lakhs, unless otherwise stated

PARTICULARS	CURRENT YEAR 31ST MARCH, 2020	PREVIOUS YEAR 31ST MARCH, 2019
Sale of Products	14,983.04	12,541.04
Sale of Services	2,116.31	2,632.37
Other Operating Revenue		
Scrap Sales	223.46	273.95
Export Incentives	124.01	118.00
<b>Total</b>	<b>17,446.82</b>	<b>15,565.36</b>
Details of Sales of products		
Ophthalmics	1,989.79	1,392.23
IV Infusion	9,978.97	9,049.50
Others	3,014.28	2,099.31
<b>Total</b>	<b>14,983.04</b>	<b>12,541.04</b>

**NOTE 23 – OTHER INCOME**

PARTICULARS	CURRENT YEAR 31ST MARCH, 2020	PREVIOUS YEAR 31ST MARCH, 2019
Interest Income		
On security Deposits	8.60	5.67
On Fixed Deposits	1.72	8.19
On Income Tax Refund	10.13	–
Foreign Exchange gain (Net)	–	126.42
Liabilities/ Provisions no longer required written back	94.75	43.04
Gain on Sale/ Disposal of Property, plant and equipment (Net)	2.40	–
	<b>117.60</b>	<b>183.32</b>

**NOTE 24 – COST OF MATERIALS CONSUMED**

PARTICULARS	CURRENT YEAR 31ST MARCH, 2020	PREVIOUS YEAR 31ST MARCH, 2019
<b>Raw Material and Packing Material Consumed</b>		
Opening Inventory [Net of provision for slow moving inventory ₹11.99 Lakhs (March 31, 2019: ₹24.33 Lakhs)]	1,307.34	923.37
Add: Purchases (net)	5,154.87	5,677.17
Less: Inventory at the end of the Year [Net of provision for slow moving inventory ₹NIL (March 31, 2019: ₹11.99 Lakhs)]	896.59	1,307.34
<b>Cost of Raw Material and Packing Material consumed during the Year</b>	<b>5,565.62</b>	<b>5,293.20</b>



# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

## NOTE 25 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Amount in Lakhs, unless otherwise stated

PARTICULARS	CURRENT YEAR 31ST MARCH, 2020 (₹)	PREVIOUS YEAR 31ST MARCH, 2019 (₹)
Decrease/(Increase) in Stocks		
Stock at the end of the Year		
Finished Goods [Net of provision for slow moving inventory ₹172.00 Lakhs (March 31, 2019: ₹135.14 Lakhs)]	1,139.70	1,035.46
Work-in-progress	118.36	125.64
<b>Total (A)</b>	<b>1,258.06</b>	<b>1,161.10</b>
Less: Stock at the beginning of the Year		
Finished Goods [Net of provision for slow moving inventory ₹135.14 Lakhs (March 31, 2019: ₹6.98 Lakhs)]	1,035.46	625.78
Work-in-progress	125.64	94.81
<b>Total (B)</b>	<b>1,161.10</b>	<b>720.59</b>
<b>(Decrease)/ Increase in Stocks (B-A)</b>	<b>(96.96)</b>	<b>(440.51)</b>

## NOTE 26 - EMPLOYEE BENEFITS EXPENSE

PARTICULARS	CURRENT YEAR 31ST MARCH, 2020 (₹)	PREVIOUS YEAR 31ST MARCH, 2019 (₹)
Salaries, Wages and Bonus	2,214.95	2,037.01
Contribution to Provident and Other Funds (Refer Note 35)	157.29	138.07
Gratuity (Refer Note 35)	25.48	55.05
Staff Welfare Expenses	216.04	180.60
<b>Total</b>	<b>2,613.76</b>	<b>2,410.73</b>

## NOTE 27 - FINANCE COSTS

PARTICULARS	CURRENT YEAR 31ST MARCH, 2020 (₹)	PREVIOUS YEAR 31ST MARCH, 2019 (₹)
Interest on		
Term Loans	1,145.56	681.92
Deferred Payment Liabilities (Refer Note below)	150.28	849.12
External Commercial Borrowings	675.00	213.75
Credit facilities	720.34	1,071.90
Other Interest	30.15	17.32
<b>Total</b>	<b>2,721.33</b>	<b>2,834.01</b>

Note: Includes Exchange Loss on Foreign currency borrowings (to the extent they are regarded as an adjustment to interest costs) amounting to ₹122.87 Lakhs (March 31, 2019: ₹757.01 Lakhs)

## NOTE 28 - DEPRECIATION AND AMORTISATION EXPENSE

PARTICULARS	CURRENT YEAR 31ST MARCH, 2020 (₹)	PREVIOUS YEAR 31ST MARCH, 2019 (₹)
Depreciation on Tangible Assets (Refer Note 11)	2,161.44	3,265.22
Amortisation on Intangible Assets (Refer Note 11)	-	2.45
<b>Total</b>	<b>2,161.44</b>	<b>3,267.67</b>

**NOTES** TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

## NOTE 29 - OTHER EXPENSES

Amount in Lakhs, unless otherwise stated

PARTICULARS	CURRENT YEAR 31ST MARCH, 2020 (₹)	PREVIOUS YEAR 31ST MARCH, 2019 (₹)
Consumption of Stores and Spare Parts	1,136.91	1,090.63
Power, Fuel and Water Charges	1,968.83	1,809.03
Contract Labour	712.84	697.91
Rent (Refer Note 38)	43.89	51.90
Repairs to:		
Plant and Equipment	134.06	101.71
Building	76.71	279.85
Others	15.71	36.84
Insurance	73.95	93.35
Rates and Taxes	96.58	22.34
Travelling, Conveyance and Car Expenses	107.77	125.95
Testing Charges	42.90	43.95
Payment to Auditors		
As Auditors:		
Audit Fee	17.00	17.00
Reimbursement of Expenses	1.23	1.88
Other Services	19.98	19.98
Expenditure towards Corporate Social Responsibility activities [Refer Note (b) below]	49.48	40.59
Professional Fees	82.45	34.96
Product Registration Charges	48.07	32.64
Director' s Sitting Fee	6.00	6.00
Printing and Stationery	64.37	97.15
Communication Charges	24.77	24.51
System and Software Expenses	243.22	272.28
Freight and Transportation Expenses	560.17	501.00
Bank Charges	26.24	24.84
Commission on Sales	39.35	111.50
Advertisement and Sales Promotion	35.68	55.55
Security Charges	39.16	28.98
Research and Development Expenses [Refer Note (a) below]	47.06	35.54
Provision for Doubtful Debts (Net)	-	37.75
Provision for Doubtful Advances and Security Deposits	68.78	39.69
Bad Debts Written Off	34.04	-
Reversal of provision for doubtful debts (Net)	(29.14)	-
Loss on Sale of property, Plant & Equipment	-	16.82
Provision for EPCG Obligation	210.65	1,327.27
Provision for other matters	-	60.00
Net loss on foreign currency transaction and translation (other than considered as finance cost)	90.84	-



# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Amount in Lakhs, unless otherwise stated

PARTICULARS	CURRENT YEAR 31ST MARCH, 2020 (₹)	PREVIOUS YEAR 31ST MARCH, 2019 (₹)
Provision for Indirect Taxes	41.77	–
Provision for Litigation / Disputes	16.00	–
Miscellaneous Expenses	10.55	1.39
<b>Total</b>	<b>6,157.87</b>	<b>7,140.78</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, 2020 (₹)	31ST MARCH, 2019 (₹)
Material Consumed	3.01	3.63
Employee benefit expenses	38.68	31.07
Administrative and Other Expenses	5.37	0.84
<b>Total</b>	<b>47.06</b>	<b>35.54</b>

## (b) Corporate Social Responsibility Expenditure

Gross amount required to be spent by the company during the year	NIL	NIL
Amount spent during the year		
(i) Construction/ acquisition of any asset	–	–
(ii) On purpose other than (i) above	49.48	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.

## NOTE 30 - CIF VALUE OF IMPORTS

PARTICULARS	CURRENT YEAR 31ST MARCH, 2020 (₹)	PREVIOUS YEAR 31ST MARCH, 2019 (₹)
Raw Materials	2,473.76	2,281.07
Stores and Spares	136.47	339.32
Capital Goods	303.13	181.31
<b>Total</b>	<b>2,913.36</b>	<b>2,801.70</b>

## NOTE 31 - EXPENDITURE IN FOREIGN CURRENCY

PARTICULARS	CURRENT YEAR 31ST MARCH, 2020 (₹)	PREVIOUS YEAR 31ST MARCH, 2019 (₹)
Bank Charges	11.32	11.92
Interest Expenses	27.41	92.10
Travelling Expenses	8.57	–
Other Consultancy	25.00	91.13
System and Software Expenses	232.25	160.68
Technical and Professional Charges	21.53	–
Sales Commission	17.80	–
Fees for product registrations/certifications	9.91	–
Sales Promotion Expenses	33.54	–
Repair & Maintenance	8.06	–
<b>Total</b>	<b>395.39</b>	<b>355.83</b>

**NOTES** TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

## NOTE 32 - DETAILS OF CONSUMPTION

Amount in Lakhs, unless otherwise stated

PARTICULARS	CURRENT YEAR 31ST MARCH, 2020(₹)	PREVIOUS YEAR 31ST MARCH, 2019(₹)
<b>(a) Details of Raw Materials Consumed</b>		
Dextrose	141.51	128.54
Ecofalc cap	590.07	588.14
Granule	2,385.30	2,387.32
Others	2,448.74	2,189.20
<b>Total</b>	<b>5,565.62</b>	<b>5,293.20</b>
<b>b) Details of Stores and Spares Consumed</b>		
Filters	154.56	93.44
Others	982.35	997.19
<b>Total</b>	<b>1,136.91</b>	<b>1,090.63</b>
<b>Total (a+b)</b>	<b>6,702.53</b>	<b>6,383.83</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**

PARTICULARS	CURRENT YEAR 31ST MARCH, 2020(₹)	%	PREVIOUS YEAR 31ST MARCH, 2019(₹)	%
<b>Raw Material :</b>				
Imported	3,006.22	54%	3,143.86	59%
Indigenous	2,559.40	46%	2,149.34	41%
<b>Total</b>	<b>5,565.62</b>	<b>100%</b>	<b>5,293.20</b>	<b>100%</b>
<b>Stores and Spares:</b>				
Imported	105.93	9%	221.88	20%
Indigenous	1,030.98	91%	868.75	80%
<b>Total</b>	<b>1,136.91</b>	<b>100%</b>	<b>1,090.63</b>	<b>100%</b>

## NOTE 33 - EARNINGS IN FOREIGN CURRENCY

PARTICULARS	CURRENT YEAR 31ST MARCH, 2020(₹)	PREVIOUS YEAR 31ST MARCH, 2019(₹)
FOB Value of Exports*	2,777.72	2,033.25
<b>Total</b>	<b>2,777.72</b>	<b>2,033.25</b>

\*Does not include deemed exports of ₹1,244.59 Lakh (March 31, 2019: ₹571.52 lakh)





# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

## NOTE 34 - EARNINGS PER SHARE

Amount in Lakhs, unless otherwise stated

PARTICULARS	CURRENT YEAR 31ST MARCH, 2020(₹)	PREVIOUS YEAR 31ST MARCH, 2019(₹)
Loss After Tax (A)	(1,558.64)	(4757.20)
Weighted average number of Equity Shares outstanding (B)	72,00,150	72,00,150
Earnings Per Equity Share		
Basic and Diluted (in ₹) (A/B)	(21.65)	(66.07)
Face Value per Share (in ₹)	10.00	10.00

## NOTE 35 - EMPLOYEE BENEFIT EXPENSES

PARTICULARS	CURRENT YEAR 31ST MARCH, 2020(₹)	PREVIOUS YEAR 31ST MARCH, 2019(₹)
(a) Defined Contribution Plans Amount recognised in the Statement of Profit and Loss		
(I) Employers' Contribution to Provident Fund * [Includes Employers' Contribution to Employees Pension Scheme 1995]	137.47	111.41
(ii) Employers' Contribution to Employees State Insurance Commission*	19.82	26.66
<b>Total</b>	<b>157.29</b>	<b>138.07</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, whichever is earlier. The benefits vest after five years of continuous service.

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

PARTICULARS	31ST MARCH, 2020 (₹)	31ST MARCH, 2019 (₹)
Balance at the beginning of the Year	279.77	221.04
Current Service Cost	31.13	26.78
Past Service Cost	-	-
Interest Cost	19.16	15.86
Actuarial Loss / (Gain)	(4.72)	27.32
Benefits Paid	(1.07)	(17.42)
Net transfer in / (out)	-	6.19
<b>Balance at the end of the Year</b>	<b>324.27</b>	<b>279.77</b>

#### ii. Fair Value of Plan Assets

PARTICULARS	31ST MARCH, 2020 (₹)	31ST MARCH, 2019 (₹)
Balance at the beginning of the Year	243.11	204.12
Expected Return on Plan Assets	20.44	17.83
Actuarial Loss on Plan Assets	(0.26)	(2.73)
Contributions	42.33	41.31
Benefits Paid	(1.07)	(17.42)
<b>Balance at the end of the Year</b>	<b>304.55</b>	<b>243.11</b>
Actual return on Plan Assets	20.18	15.10

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

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

Amount in Lakhs, unless otherwise stated

PARTICULARS	31ST MARCH, 2020 (₹)	31ST MARCH, 2019 (₹)
Present Value of Obligation	324.27	279.77
Less: Fair Value of Plan Assets	(304.55)	(243.11)
Less: prior service cost Adjustment	–	(0.09)
<b>Amount recognised as liability</b>	<b>19.72</b>	<b>36.57</b>
Recognised under:		
Long-Term Provisions (Refer Note 6)	19.72	36.57
<b>Total</b>	<b>19.72</b>	<b>36.57</b>

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

PARTICULARS	31ST MARCH, 2020 (₹)	31ST MARCH, 2019 (₹)
Current Service Cost	31.13	26.78
Interest Cost	19.16	15.86
Past Service Cost (Non Vesting)	0.09	0.18
Expected Return on Plan Assets	(20.44)	(17.83)
Actuarial Loss /(Gain)	(4.46)	30.06
<b>Total Expense</b>	<b>25.48</b>	<b>55.05</b>

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

Administered by Life Insurance Corporation of India	100%	100%
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### vi Actuarial Assumptions

PARTICULARS	31ST MARCH, 2020 (₹)	31ST MARCH, 2019 (₹)
Discount Rate	6.60%p.a.	7.30%p.a.
Expected Return on Plan Assets	6.60%p.a.	7.75%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, 2020	Year Ended 31st March, 2019	Year Ended 31st March, 2018	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Present value of Obligation	324.27	279.77	221.04	233.08	204.50
Fair value of plan assets	304.55	243.11	204.12	198.25	179.00
Deficit/ (Surplus)	19.72	36.56	16.92	34.83	25.50
Experience Adjustments :					
(Gain) / Loss on plan liabilities	(17.83)	21.43	13.35	(5.20)	(8.07)
Gain / (Loss) on plan assets	(0.26)	(2.73)	(1.71)	(1.98)	2.95

### viii Expected Contribution to the Gratuity Fund in the next year

PARTICULARS	31ST MARCH, 2020 (₹)	31ST MARCH, 2019 (₹)
Gratuity	39.61	34.74

### (c) Compensated Absences

PARTICULARS	31ST MARCH, 2020 (₹)	31ST MARCH, 2019 (₹)
Provision for compensated absences [(Refer Notes 10)]	80.49	56.54



# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

## NOTE 36 – SEGMENT REPORTING

Amount in Lakhs, unless otherwise stated

### 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.

PARTICULARS	CURRENT YEAR 31ST MARCH, 2020 (₹)	PREVIOUS YEAR 31ST MARCH, 2019 (₹)
<b>Geographic Segment</b>		
<b>i. Revenue</b>		
India	14,497.54	13,099.72
Other Countries	2,949.28	2,465.64
<b>Total</b>	<b>17,446.82</b>	<b>15,565.36</b>
<b>ii. Segment Assets</b>		
India	28,821.30	30931.30
Other Countries	582.41	600.32
<b>Total</b>	<b>29,403.71</b>	<b>31,531.62</b>
<b>iii. Capital Expenditure</b>		
India	693.54	949.84
Other Countries	–	–
<b>Total</b>	<b>693.54</b>	<b>949.84</b>

## NOTE 37 – RELATED PARTY DISCLOSURES

### 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 *
Gabriel Sabate Parayre, Director (Appointed with effect from 16th September 2019)*

#### (iii) Independent Directors

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)

**NOTES** TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

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

(i) Transactions

Amount in Lakhs, unless otherwise stated

PARTICULARS	CURRENT YEAR 31ST MARCH, 2020(₹)	PREVIOUS YEAR 31ST MARCH, 2019(₹)
<b>Sale of Goods (Including Taxes)</b> B. Braun Medical (India) Private Limited	4,800.32	4,271.80
<b>Purchase of Consumables</b> B. Braun Medical (India) Private Limited B. Braun Melsungen AG	3.72 6.21	3.73 0.20
<b>Purchase of Capital Goods</b> B. Braun Melsungen AG	174.47	–
<b>Guarantee Fees for Loan</b> B. Braun Medical Industries Sdn. Bhd	6.22	–
<b>System and Software Expenses</b> B. Braun Melsungen AG B. Braun Medical Industries Sdn. Bhd B. Braun Singapore Pte. Ltd	215.46 16.79 –	225.23 25.74 0.84
<b>Director's Sitting Fees</b> Arun Kumar Gupta Dr. Suninder Singh Arora Dr. Shiv Charan Lal Gupta	2.25 2.00 1.75	2.25 1.75 2.00
<b>Interest Payment</b> B. Braun Melsungen AG	702.41	305.86
<b>Repayment of Deferred Payment Liabilities</b> B. Braun Melsungen AG.	9,165.65	–
<b>Expenses Reimbursed</b> B. Braun Medical (India) Private Limited B. Braun Medical Industries Sdn. Bhd Arun Kumar Gupta	10.33 7.60 –	384.34 0.47 0.35
<b>Technical and Professional Charges</b> B. Braun Medical Industries Sdn. Bhd B. Braun Singapore Pte. Ltd	32.82 2.18	– –



# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

## (ii) Balances

Amount in Lakhs, unless otherwise stated

PARTICULARS	CURRENT YEAR 31ST MARCH, 2020 (₹)	PREVIOUS YEAR 31ST MARCH, 2019 (₹)
<b>Trade Receivable</b>		
B. Braun Medical (India) Private Limited	816.36	1,356.65
<b>ECB Loan</b>		
B. Braun Melsungen AG.	7,500.00	7,500.00
<b>Deferred Payment Liabilities</b>		
B. Braun Melsungen AG.	–	9,165.65
<b>Interest Accrued but not due</b>		
B. Braun Melsungen AG.	266.63	223.37
<b>Trade Payable</b>		
B. Braun Medical (India) Private Limited	7.88	4.80
B. Braun Melsungen AG.	41.73	45.21
B. Braun Singapore Pte Ltd	0.21	–
B. Braun Medical Industries Sdn. Bhd.	13.50	3.32

## (c) Letter of Comfort/Guarantee given for Securing Loans/Credit Facilities from Banks

PARTICULARS	CURRENT YEAR 31ST MARCH, 2020 (₹)	PREVIOUS YEAR 31ST MARCH, 2019 (₹)
Long Term Loan (Secured by corporate guarantee by B. Braun Medical Industries Sdn. Bhd.)	6,800.00	–
Credit Facility (Secured by letter of comfort by B. Braun Melsungen AG)	17,800.00	13,800.00

## 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.

PARTICULARS	CURRENT YEAR 31ST MARCH, 2020 (₹)	PREVIOUS YEAR 31ST MARCH, 2019 (₹)
With respect to all operating leases:		
Lease payments recognised in the Statement of Profit and Loss	43.89	51.90
With respect to non-cancellable operating leases, the future minimum lease payments are as follows:		
Not later than one year	8.36	33.28
Later than one year and not later than five years	2.81	57.58

**NOTES** TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

## NOTE 39 – PROVISIONS:

Amount in Lakhs, unless otherwise stated

PARTICULARS	31ST MARCH, 2020 (₹)	31ST MARCH, 2019 (₹)
<b>I. Indirect Tax (Refer Note below)</b>		
Balance at the beginning of the Year	50.99	45.46
Additions	61.42*	5.53
Amount used	–	–
Unused amount reversed	–	–
<b>Balance at the end of the Year</b>	<b>112.41</b>	<b>50.99</b>
* of which ₹. 19.65 Lakhs has been recovered from customer		
<b>ii. Provision for Litigation/Disputes (Refer Note below)</b>		
Balance at the beginning of the Year	57.47	34.48
Additions	16.00	22.99
Amount used	–	–
Unused amount reversed	(23.17)	–
<b>Balance at the end of the Year</b>	<b>50.30</b>	<b>57.47</b>
<b>iii. Provision for Delayed Supplies</b>		
Balance at the beginning of the Year	2.0	16.72
Additions	–	–
Amount used	–	–
Unused amount reversed	–	14.72
<b>Balance at the end of the Year</b>	<b>2.00</b>	<b>2.00</b>
<b>iv. Provision for EPCG</b>		
Balance at the beginning of the Year	1,327.27	–
Additions	210.65	1,327.27
Amount used	–	–
Unused amount reversed	–	–
<b>Balance at the end of the Year</b>	<b>1,537.92</b>	<b>1,327.27</b>
<b>iv. Provision for other matters</b>		
Balance at the beginning of the Year	60.00	–
Additions	–	60.00
Amount used	–	–
Unused amount reversed	(60.00)	–
<b>Balance at the end of the Year</b>	<b>–</b>	<b>60.00</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” 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, 2020

## NOTE 40 – DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

(a) Derivatives outstanding as at the reporting date

Amount in Lakhs, unless otherwise stated

PARTICULARS	PURPOSE	CURRENT YEAR 31ST MARCH, 2020 (₹)		PREVIOUS YEAR 31ST MARCH, 2019 (₹)	
		FOREIGN CURRENCY IN LAKHS	AMOUNT IN LAKHS	FOREIGN CURRENCY IN LAKHS	AMOUNT IN LAKHS
Forward contracts to	Hedge of:				
Buy EURO	Trade Payable	2.67	219.37	118.02	9,165.65
Sell USD	Trade Receivable	3.99	298.76	–	–

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

PARTICULARS	FOREIGN CURRENCY DENOMINATION	CURRENT YEAR 31ST MARCH, 2020 (₹)		PREVIOUS YEAR 31ST MARCH, 2019 (₹)	
		FOREIGN CURRENCY IN LAKHS	AMOUNT IN LAKHS	FOREIGN CURRENCY IN LAKHS	AMOUNT IN LAKHS
Trade Payable	EUR	–	–	4.35	337.73
Interest Accrued but not Due on Deferred Payment Liabilities	EUR	–	–	0.27	20.74
Trade Receivable	USD	7.26	539.93	12.40	857.54

## NOTE 41 – DUES TO MICRO AND SMALL ENTERPRISES

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	CURRENT YEAR 31ST MARCH, 2020 (₹)	PREVIOUS YEAR 31ST MARCH, 2019 (₹)
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	83.19	210.64
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	29.68	28.35
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	409.65	1,060.44
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
Interest paid under Section 16 of MSMED Act to suppliers registered under the MSMED Act, beyond the appointed day during the year.	–	–
Interest due and payable towards suppliers registered under MSMED Act for payments already made.	1.33	12.19
Further interest remaining due and payable for earlier years.	28.35	2.76

## 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, 2020. 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.



## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

### NOTE 43

In the last month of FY 2019-20, the COVID-19 pandemic developed rapidly into a global crisis, forcing government to enforce lock-down of all economic activities. For the Company, the immediate priority was to ensure the health and well-being of all employees, and to minimize the disruption of operations and services to all customers. The Company has made detailed assessment of its liquidity position for a period of at least one year from the balance sheet date, of the recoverability and carrying values of its assets comprising property, plant and equipment, Trade Receivables, Inventory, other current and non-current assets and ability to pay its liabilities as they become due by utilising unavailed credit facilities from banks and financial support from the holding company and effectiveness of internal financial controls at the balance sheet date and has concluded that there are no material impact or adjustments required in the financial statements. Based on the above assessment, the Management strongly believes that there is no material impact on business operations and financial positions of the Company due to the COVID-19 pandemic. Further, due to improved situations and relaxations being given in certain parts of the Country, the Company will be able to meet its future demands without any major disruptions. However, the Company will continue to monitor any material changes in future economic conditions as and when they arise.

### NOTE 44

The Company has carried out an independent review for assessing compliance up to March 31, 2019 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, 2020 with the aforesaid Transfer Pricing Rules. However, on the basis of self-assessment of the operations during the period April 1, 2019 to March 31, 2020 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 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

Nehal Upadhayay

Partner

M. No. 115872

Place : Mumbai

Date : 21.08.2020

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

Indranil Mukherjee

Director

DIN No. 06692898

Place : Mumbai

Date : 07.08.2020

Ranjan Kumar Sahu

Company Secretary

Place : New Delhi

Date : 07.08.2020

Gabriel Sabate

Director and Chief Financial Officer

DIN: 08518258

Place : Barcelona

Date : 07.08.2020



# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2020

Amount in Lakhs, unless otherwise stated

PARTICULARS	YEAR ENDED 31ST MARCH, 2020	₹	YEAR ENDED 31ST MARCH, 2019	₹
<b>A. Cash Flows from Operating Activities</b>				
Loss Before tax		(1,558.64)		(4,757.20)
<b>Adjustments for:</b>				
Depreciation and Amortisation		2,161.44		3,267.67
Loss / (Gain) on Sale/Scrap of Fixed Assets (Net)		(2.40)		16.82
Provision for Doubtful Debts		-		37.75
Bad Debts Written Off		34.04		-
Reversal of provision for doubtful debts (Net)		(29.14)		-
Provision for Doubtful Advances and Security Deposits		68.78		39.69
Provision for EPCG Obligation		210.65		1,327.27
Liabilities/ Provisions no longer required written back		(94.75)		(43.04)
Interest Income		(20.45)		(13.86)
Finance Cost		2,721.33		2,834.01
Unrealised foreign exchange gain (net)		(56.74)		(16.58)
<b>Operating Profit Before Working Capital Changes</b>		<b>3,434.12</b>		<b>2,692.53</b>
<b>Changes in Working Capital:</b>				
Increase in Trade payables		17.30		65.29
Increase/(Decrease) in Other Current Liabilities		(1,358.35)		1,354.45
Increase in Provision		94.43		1,066.46
(Increase)/Decrease in Trade Receivables		479.94		(353.64)
(Increase)/Decrease in Inventories		140.65		(941.53)
Decrease in Loans and Advances		4.38		87.55
(Increase)/Decrease in Unamortised Premium on Forward Contracts		211.15		(120.58)
(Increase)/Decrease in Other Current and Non-Current Assets		(55.39)		84.90
(Increase)/Decrease in Other Bank Balances		(0.41)		0.85
<b>Net Cash Generated from Operations before Tax</b>		<b>2,967.82</b>		<b>3,636.98</b>
(Tax Paid)/ Tax Refund - Net		58.54		(61.84)
<b>Net Cash Generated from Operating Activities (A)</b>		<b>3,026.36</b>		<b>3,874.44</b>
<b>B. Cash flow from Investing Activities</b>				
Purchase of Tangible/ Intangible Assets (including Capital Work-in-Progress)		(939.95)		(949.84)
Proceeds from Sale of Tangible Assets/ Intangible Assets		4.78		1.92
Interest received		17.19		15.48
<b>Net Cash used in Investing Activities (B)</b>		<b>(917.98)</b>		<b>(932.44)</b>
<b>C. Cash flow from Financing Activities</b>				
Interest and Other Finance Cost Paid		(2,678.08)		(3,622.00)
Repayment of Deferred payment Liability		(9,165.65)		(299.30)
Proceeds from Borrowings from Bank (Net)		9,713.87		3,486.06
Repayment of Mizohu Bank Loan		-		(10,000.00)
Proceeds from ECB Loan		-		7,500.00
<b>Net cash used in Financing Activities (C)</b>		<b>(2,129.86)</b>		<b>(2,935.24)</b>



# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2020

Amount in Lakhs, unless otherwise stated

PARTICULARS	YEAR ENDED 31ST MARCH, 2020 ₹	YEAR ENDED 31ST MARCH, 2019 ₹
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(21.48)	6.76
Cash and Cash Equivalents at the beginning of the Year	49.52	42.76
Cash and Cash Equivalents at the end of the Year	28.04	49.52
Cash and cash equivalents comprise of:		
Cash on Hand	0.48	0.48
Bank Balances:		
In Current Accounts	27.56	47.86
Demand deposits (less than 3 months maturity)	-	1.18
Cash and cash equivalents at the end of the Year	28.04	49.52

**Notes:**

- The above cash flow statement has been prepared under the ' Indirect Method ' as set out in the Accounting Standard-3 on "Cash Flow Statements"
- Previous year figures have been reclassified to confirm with current year presentation.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No : 012754N/N500016

Nehal Upadhayay

Partner

M. No. 115872

Place : Mumbai

Date : 21.08.2020

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

Indranil Mukherjee

Director

DIN No. 06692898

Place : Mumbai

Date : 07.08.2020

Ranjan Kumar Sahu

Company Secretary

Place : New Delhi

Date : 07.08.2020

Gabriel Sabate

Director and Chief Financial Officer

DIN: 08518258

Place : Barcelona

Date : 07.08.2020

# 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

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