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CS	NA	DPY	09/01
RO	<input checked="" type="checkbox"/>	DTV	01/01
TRA	<input checked="" type="checkbox"/>	AL	<input checked="" type="checkbox"/>
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Annual Report

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AHLCON

PARENTERALS

(INDIA) LIMITED



AHLCON

BOARD OF DIRECTORS

Mr. Bikramjit Ahluwalia
Chairman

Mr. M.K.G. Pillai
Managing Director

Dr. Rohini S. Ahluwalia
Whole Time Director

Mr. A.K. Sharma
Nominee Director of RIICO Ltd.

Mrs. Sudershan Walia

Mr. Arun Kumar Gupta

Mr. A.L. Batra

Mr. V.K. Sachdeva

Dr. M.P. Vaidya

FINANCIAL INSTITUTION

The Industrial Finance Corporation
of India Limited

BANKERS

Allahabad Bank
State Bank of Bikaner & Jaipur

AUDITORS

Arun K. Gupta & Associates
R-7A, Green Park,
New Delhi-110 016

FINANCIAL ADVISORS

Soni Industrial Restructuring Consultants
K-19, Kailash Colony,
New Delhi - 110 048

SHARE TRANSFER AGENTS

Shree Balajee Computer Services (P) Ltd.
2nd Fl., A-39-40, W.H.S.,
Kirti Nagar, New Delhi - 110 015

STOCK EXCHANGES

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

1. The Delhi Stock Exchange
Association Ltd.,
West Plaza, I.G. Stadium,
Indraprastha Estate,
New Delhi - 110 002
2. The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers,
25th Floor, Dalai Street,
Mumbai - 400 001
3. Jaipur Stock Exchange Ltd.
Stock Exchange Building,
Jawaharlal Nehru Marg,
Malviya Nagar,
Jaipur - 302017
4. The Calcutta Stock Exchange
Association Ltd.
Calcutta Stock Exchange Building,
7, Lyons Range,
Calcutta - 700 001

REGISTERED OFFICE

4, Community Centre,
Saket, New Delhi-110 017

WORKS

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

Note : Annual listing fee for the year 1997-98 has been paid to all the Stock Exchanges.

AHLCON**NOTICE**

Notice is hereby given that the Sixth Annual General Meeting of the members of Ahlcon Parenterals (India) Limited will be held on Wednesday, 30th September, 1998, at 4 p.m. at Ahlcon Public School, Mayur Vihar – Phase I, New Delhi – 110 092 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statements of Accounts of the Company as at 31st March, 1998 and for the year ended on that date together with Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Dr. M.P. Vaidya who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mrs. Sudarshan Walia who retires by rotation and, being eligible, offers herself for reappointment.
4. To appoint a Director in place of Mr. M.K.G. Pillai who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and authorize the Board of Directors to fix their remuneration. M/s. Arun K. Gupta & Associates, Chartered Accountants, are the retiring Auditors and, being eligible, offer themselves for reappointment.

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

By order of the Board of Directors
For Ahlcon Parenterals (India) Ltd.

New Delhi, 31st July, 1998

M. K. G. Pillai
Managing Director

NOTES

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective, must be received by the Company at its Registered Office not later than 48 hours before the commencement of the meeting.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from 16th September to 30th September, 1998 (both days inclusive).
3. All documents referred in the Notice are open for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day prior to the date of the Annual General Meeting.
4. Members/Proxies should bring attendance slips duly filled in for attending the meeting.
5. It will be appreciated that queries, if any, on Accounts and Operations of the Company are sent to the Corporate office of the Company ten days in advance of the meeting so that the information may be made readily available.



DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in presenting the Company's Sixth Annual Report together with the Audited Accounts for the nine months period ended 31st March, 1998.

Financial Results :

(Rs. in Lakhs)

For the period ended	31.03.1998 (9 months)	30.06.1997 (12 months)
Sales and Other Income	586.5	800.8
Gross operating profit	64.3	88.1
Interest	184.7	234.3
Cash Profit/(Loss)	(120.4)	(146.2)
Depreciation	63.6	91.5
Misc. expenditure written off	24.1	196.2
Profit (Loss) before tax	(208.1)	(433.9)
Provision for tax	-	-
Profit/(Loss) after tax	(208.1)	(433.9)
Misc. expenditure written back	64.2	-
Balance brought forward from Pr. Year	(737.0)	(303.1)
Profit/(Loss) carried forward	(880.9)	(737.0)

During the period under review, the accounting period has been changed from 30th June to 31st March to synchronize with the uniform accounting year for the purpose of the Companies Act and Income Tax Act.

Operations : The period under review continued to be a difficult year for the Company. However, despite industry pressures and intense competition on account of surplus capacity, the capacity utilisation improved to 74% as against 70% during the previous year. This was mainly on account of the continued thrust on contract packaging and focus on exports.

The Company registered sales of Rs. 576 Lakhs (including export sales of Rs. 79 Lakhs) in the 9 month period as against Rs. 796 Lakhs in the previous year. Though the Company achieved gross operating profits of Rs. 64 Lakhs, it suffered a cash loss of Rs. 120 Lakhs, on account of huge interest burden.

Reference to BIFR : As reported in the previous year's report, the Company had made a Reference to Board for Industrial and Financial Reconstruction (BIFR) u/s 15(1) of the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 and an enquiry u/s 16 of the said Act is in progress. The Company is hopeful of evolving an acceptable scheme under the aegis of BIFR. A turnaround plan focussing at redefining the product-mix, target customers and restructuring of long

AHLCON

term loans of IFCI by entering into "One Time Settlement" of their dues has been submitted to the IFCI for their consideration.

Prospects : The current year is witnessing an upward swing in customer demand, which is expected to result in a higher turnover and better performance. The Company continues to maintain its focus on contract packaging and high value added products with better margins for selected customer segments and the thrust on exports.

Directors : In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. M.K.G. Pillai, Dr. M.P. Vaidya and Mrs. Sudershan Walia, Directors of the Company, retire by rotation and being eligible offer themselves for reappointment.

Auditors' Report : The notes on the accounts referred to in the Auditor's report are self-explanatory and therefore do not call for any further comments.

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

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings/Outgo : The information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is furnished in the Annexure forming part of this report.

Acknowledgments : Your Directors wish to place on record their appreciation to the Industrial Finance Corporation of India, Rajasthan State Industrial Development and Investment Corporation Limited and Allahabad Bank for the continued support and cooperation extended by them. Your Directors also acknowledge the support and the goodwill extended by the employees, customers and suppliers.

For and on behalf of the Board of Directors

Bikramjit Ahluwalia
Chairman

New Delhi, 31st July, 1998



ANNEXURE TO THE DIRECTORS' REPORT :

A. Conservation of Energy

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

1. Use of steam condensation back in Boiler leading to energy conservation of about 20% in the run of Boiler, water pumps & other auxiliaries.
2. General reduction in energy consumption level by minimum use of lighting & fans in the production/packing area, stores, office & corridors & area outside the Plant.
3. Timely preventive maintenance of Electrical motors and accessories including timely replacement of carbon brushes.

(A) Power and fuel consumption

	Current Year	Previous Year
1. Electricity		
(a) Purchased :		
Unit	567944	960585
Total Amount (Rs.)	1989175	3052323
Average Rate/Unit	3.50	3.18
(b) Own Generation :		
Units generated	351903	322188
Units per ltr. of diesel oil	2.96	2.56
Average Cost/Unit	3.10	3.03
2. Fuel (Furnace Oil/LDO) :		
Unit (K. Ltrs.)	275660	527840
Total Amount (Rs.)	1637593	3881455
Average Rate/Unit	5.94	7.35

(B) Consumption (value) per unit of production :

Electricity	0.394	0.40
Fuel (Furnace Oil/LDO)	0.209	0.398

B. Technology Absorption; Adaptation and Innovation :

The Company manufactures I V Fluids using the FFS (Form-Fill-Seal) technology imported from Rommelag AG of Switzerland in the year 1993 which is fully absorbed and as a result of which the Company is able to derive the benefits of imports substitution of material and superior product quality.

C. Foreign Exchange Earnings and Outgo :

	Current Year	Previous Year
Foreign Exchange Earnings	78.54	15.67
Foreign Exchange Outgo		
(a) Foreign Travel	7.86	2.18
(b) Imports – Machinery/spares	1.94	8.30
(c) Imports – Raw Material	80.13	139.42
(d) Bank Charges & Interest on Imports & Exports	1.89	4.28
(e) Legal Expenses	–	0.14

For and on behalf of the Board of Directors

Bikramjit Ahluwalia
Chairman

New Delhi, 31st July, 1998

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AUDITORS' REPORT

To,
The Members of
Ahlcon Parenterals (India) Limited

We have audited the attached Balance Sheet of M/s Ahlcon Parenterals (India) Limited as at 31-03-1998 and also the annexed Profit and Loss Account for the year ended on that date and report that:

1. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
2. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
3. The Balance Sheet and Profit & Loss Account dealt with by the report are in agreement with the books of account.
4. In our opinion and to the best of our information and according to the explanations given to us the said accounts read together with Notes to the Accounts (Schedule No. 18) and in particular (a) note no.11 regarding writing back of the Miscellaneous expenditure (representing Deferred Revenue Expenditure) amounting to Rs. 42.82 lacs (Net) which results in under statement of loss by the same amount, (b) note no. 1(b) regarding non provision of gratuity as the same is accounted for on cash basis, the amount of gratuity liability on actuarial valuation has also not been determined, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
 - (i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 1998.
 - (ii) In the case of the Profit & Loss Account, of the Loss of the Company for the year ended 31st March, 1998.
5. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government under Section 227(4A) of the Companies Act, 1956 and also on the basis of such checks as we considered appropriate, we further state that :
 - (i) The Company has maintained proper records of fixed assets showing full particulars including quantitative details and locations thereof. We have been informed that the fixed assets have been physically verified during the year and no discrepancy was found.
 - (ii) None of the fixed assets have been revalued during the year.
 - (iii) We have been explained by the management that the stocks of finished goods, stores, spare parts and raw materials except those in transit and lying with third parties, have been physically verified at reasonable intervals during the year.
 - (iv) In our opinion, the procedure of physical verification of stocks followed by the management are reasonable and adequate in view of the size of the company, and the nature of its business.
 - (v) No material discrepancy has been noticed on verification of the stocks as compared to the books records.
 - (vi) On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper and in accordance with the normally accepted accounting principles.



- (vii) In our opinion, the terms and conditions of interest free loans obtained from the companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956 are prima-facie not prejudicial to the interest of the Company. We have been explained that the Company has not taken any loan from the Company under the same Management as defined under section 370(1-B) of the Companies Act, 1956.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to any company, firm or other parties listed in the register maintained under section 301 of the Companies Act, 1956, and/or to the Company under the same management as defined under section 370(1-B) of the Companies Act, 1956.
- (ix) The Company has given interest free loans to its employees which are being recovered regularly as per the stipulated terms wherever made.
- (x) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, goods in trade including components, plant & machinery, equipments and other assets and for sale of goods during the year.
- (xi) According to the information and explanations given to us the company has not entered into any contract or arrangements entered into the register maintained u/s 301 of the Companies Act 1956 for purchase of goods and materials and sale of goods, materials and services and aggregating during the year to Rs. 50,000/- or more in respect of each party.
- (xii) As explained to us, the Company has determined the stock of unserviceable or damaged stores, raw materials and finished goods and necessary provisions have been made in the accounts.
- (xiii) No deposits within the meaning of section 58 A of the Companies Act, 1956 and rules framed thereunder have been accepted by the Company during the year.
- (xiv) In our opinion reasonable records have been maintained by the Company for the sale and disposal of realisable production scrap. The Company has no by-products.
- (xv) The Company's internal audit system needs to be strengthened, commensurate with the size and nature of its business.
- (xvi) The Central Government has prescribed the maintenance of cost records under section 209 (i) (d) of the Companies Act, 1956. We have broadly reviewed the records as maintained. In our opinion the Company has prima-facie maintained the cost records. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (xvii) As per the records, the Company is generally regular in depositing Employees State Insurance and Provident Fund dues with the appropriate authorities.
- (xviii) As per the information and explanations given to us, there is no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty which were outstanding for a period of more than six months from the date they become payable.
- (xix) According to the information and explanations given to us and the records of the company examined by us no personal expenses have been charged to revenue account other than those payable under contractual obligations or those in accordance with generally accepted practices.