

<i>8th</i>
<i>Annual Report</i>
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AHLCON

**PARENTERALS
(INDIA) LIMITED**

**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 RICO Ltd.

Mr. N.P. Kumar
Nominee Director of IFCI Ltd.

Mrs. Sudarshan Walia
Mr. Arun Kumar Gupta
Mr. V.K. Sachdeva
Dr. M.P. Vaidya

Mr. Nilanchal Pradhan
Company Secretary

FINANCIAL INSTITUTION
IFCI Limited

BANKERS
Allahabad Bank
State Bank of Bikaner & Jaipur

AUDITORS
Arun K. Gupta & Associates
D -58, East of Kailash,
New Delhi -110065

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.**
DSE House
3/1, Asaf Ali Road,
New Delhi -11002
2. **The Stock Exchange, Mumbai**
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal 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 2000-2001 has been paid to all the Stock Exchanges.

**NOTICE**

Notice is hereby given that the Eighth Annual General Meeting of AHLCON PARENTERALS (INDIA) LIMITED will be held on Friday, the 29th. September, 2000 at 4.30 P.M. at the Ahlcon Public School, Mayur Vihar, Phase-I, New Delhi-110092 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2000, and Profit & Loss Account 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. Arun Kumar Gupta, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Dr. M.P. Vaidya, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Ms. Sudarshan Walia, who retires by rotation and, being eligible, offers herself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and authorise the Board of Directors to fix their remuneration. M/s. Arun K. Gupta & Associates, Chartered Accountants, are the retiring Auditors and, being eligible, offer themselves for reappointment.

Special Business

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

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the following Clause, be and is hereby added after Clause 9 to the Articles of Association of the company :

Article 9A :- Buy back of shares

Notwithstanding anything contained in these Articles, the company may buy back its own shares or securities, as the Board of Directors may think fit and as and when necessary, and such buy back of shares or securities shall be made subject to such terms and conditions and approvals, as may be permitted by law."

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

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the following Clause, be and is hereby added after Clause 43 to the Articles of Association of the company:

43.A:- Nomination for shares securities

Notwithstanding any thing contrary contained in these Articles of the company, every holder of shares in or holder of debentures of, a company may, at any time nominate, in the prescribed manner and as per law, a person to whom his shares in, or debentures of, the company shall vest in the event of this death.

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

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if



any, of the Companies Act, 1956, the following clause, be and is hereby added after Clause 46 to the Articles of Association of the company:

46A. DEMATERIALISATION OF SECURITIES

(i) "Definitions"

For the purpose of the Articles:-

"Beneficial Owner" Means a person/person(s) whose name is recorded as such with depository.

"SEBI" means the Securities & Exchange Board of India.

"Depository" means a company formed and registered under the companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India Act, 1992, and

"Security" means such security as may be specified by SEBI from time to time.

(ii) "Dematerialisation of securities"

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and offer securities in a dematerialised form pursuant to the Depositories Act 1996.

(iii) "Option for Investors"

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt for out of a depository, if permitted by the law, in respect of any security and in the manner provided by the Depositories Act, and the company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificate of Securities.

If a person opts to hold his security with a depository, the company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as beneficial owner of the security.

(iv) "Securities in depositories to be in fungible form"

All securities held by the depository shall be dematerialised and be in fungible form. Nothing contained in the Section 153, 153A, 153B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

(v) "Rights of depositories and beneficial owners"

(a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer or ownership of security on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository, as the registered owner of the securities shall not have any voting rights or other rights in respect of the securities held by it.

(c) Every person holding securities of the company and whose name entered as the beneficial owner in the records of the depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.



(vi) "Service of Documents"

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

(vii) "Transfer of Securities"

Nothing contained in Section 108 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

(viii) "Allotment of securities dealt with a depository"

Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the company shall intimate the details thereof to the depository immediately on allotment of such securities.

(ix) "No Distinctive Numbers"

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall be applicable for the securities held with a depository.

(x) "Register and index of beneficial owners"

The register and index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be Register and Index of Members and Security holders for the purposes of these Articles."

New Delhi-110017
Dated 28.08.2000

By order of the Board
For **AHLCON PARENTERALS (INDIA) LIMITED**

Nilanchal Pradhan
Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN, 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the company shall remain closed from 16.9.2000 to 28.9.2000 (both days inclusive).
3. All documents referred to 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 the 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.

AHLCON**ANNEXURE TO NOTICE****Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956.**

Item No. 6 : In terms of Section 77 A & 77B of the Companies Act, 1956 Companies have been authorised to buy back their shares in the event if it is found to be beneficial to the company and such buy back should have been authorised by the Articles of the company. To explore the benefits provided by this Section in future, the above said Articles is needed to be included in the present set of Articles.

Any amendment to the Articles of Association is to be approved by the Shareholders by means of a special resolution.

The Board therefore, recommends the above resolution for your approval.

None of the Directors are interested in the above said resolution.

Item No. 7 : As per the Notification issued by Securities Exchange Board of India dated 29.05.2000, the company's shares are put under the compulsory demat list which will be effective from 26th December 2000. The Board has approved the Dematerialisation of the securities and an agreement has been entered into with both Depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. (NSDL & CDSL) Consequent to the dematerialisation of securities, certain procedural provisions are required to be included in the set of Articles of the company.

Any amendment to the Articles of Association is to be approved by the shareholders by means of a special resolution.

The Board therefore, recommends the above resolution for your approval.

None of the Directors are interested in the above said resolution.

Item No. 8

In terms of Section 109A of the companies Act, 1956, the share holders, debenture holders and deposit holders of companies have been allowed to make a nomination for their holdings. To bring a provision on the same line in the Articles of Association, the above mentioned clause is to be included in the present set of Articles.

Any amendment to the Articles of Association is to be approved by the shareholders by means of a special resolution.

The Board therefore, recommends the above resolution for your approval.

None of the Directors are interested in the above said resolution.

New Delhi-110017
Dated 28.08.2000

By order of the Board
For **AHLCON PARENTERALS (INDIA) LIMITED**

Nilanchal Pradhan
Company Secretary



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DIRECTOR'S REPORT

To The Members,

Your Directors have pleasure in presenting the Company's Eighth Annual Report together with the audited accounts for the year ended 31st March, 2000.

Financial Results :

(Rs. in Lacs)

For the year ended	31.03.2000 (Current Year)	31.03.1999 (Previous Year)
Sales and other Income	899.7	1007.6
Gross operating Profit	270.1	380.8
Financial Charges	117.8	298.0
Cash Profit/(Loss)	152.3	82.8
Depreciation	98.9	88.6
Misc. expenditure written off	24.9	24.9
Profit/(Loss) before tax	28.5	(30.7)
Provision for tax	—	—
Profit/(loss) after tax	28.5	(30.7)
Liabilities written back sacrificed by a financial Institution	584.0	—
Provision for doubtful debts written back	25.5	—
Balance brought forward from previous year	(911.6)	(880.9)
Profit/(loss) carried forward	(273.7)	(911.6)

Operations and performance

During the year under review, your company registered post tax profits of Rs. 28.5 Lacs as against the loss of Rs. 30.7 Lacs incurred in the previous year, even though the turnover declined to Rs. 899.7 lacs as compared to the previous year turnover of Rs. 1007.6 Lacs.

The company could achieve a capacity utilisation of 89% as compared to 97% in the previous year. This is on account of essential major maintenance exercise undertaken, as a result of which, capacity is being fully utilised in the ensuing period.

Year of Restructuring : As reported in the previous year's report that the company is under the purview of the Board of Industrial and Financial Reconstruction (BIFR) and the BIFR had circulated a Rehabilitation Scheme for the revival of the company. Your Directors are pleased to inform that the Hon,ble BIFR has approved the Rehabilitation Scheme for the revival of the company on 17.12.1999 which is under active implementation by all concerned. According to the said Rehabilitation Scheme, the IFCI Limited has been appointed as the Monitoring Agency for the revival of the company and itself has also sacrificed interest liability of the company of Rs. 584 lacs. The promoters have also

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infused funds in the form of loan and capital in a phased manner and fulfilled their commitment to meet the cost of the Scheme.

Your directors are committed and are also confident of early revival of the company under the aegis of BIFR.

Prospects : In the current year, the upward momentum is expected to continue. Your directors are also exploring the possibilities of adding some other value added products to the existing production stream. Therefore, we may look forward of optimum capacity utilisation and production efficiency. Customer demand for your company's products in the select segments is expected to absorb entire available capacities.

Exports : In spite of the recession in the international market, your company has achieved an export turnover of Rs. 56.10 Lacs. Your directors are putting their best efforts to increase the level of foreign exchange earnings in the ensuing period.

Directors : In accordance with the provisions of the companies, Act, 1956 and Articles of Association of the Company, Mr. Arun Kumar Gupta, Dr. M.P. Vaidya and Ms. Sudarshan Walia, Directors of the company retire by rotation and being eligible, offer themselves for reappointment.

Auditor's Reports : The notes on accounts referred to the Auditors Reprt 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, 1991 is furnished in the Annexure forming part of this report.

Particulars of employees : During the year under review, no employee was in receipt of remuneration exceeding the specified limits. Hence, no disclosure under Section 217(2-A) of the companies Act, 1956, is required to be made.

Y2K compliance : As reported in the previous year, steps had been taken to make the Company Y2K compliant and thereby the company has not been effected at all by the so called Y2K Bug. The costs involved are not substantial.

Acknowledgements : Your Directors wish to place on record their sincere gratitude to the Hon,ble BIFR for grant of the Rehabilitation Scheme for revival of the company. Your Directors also wish to place on record their appreciation to the IFCI Limited, RIICO Limited and Allahabad Bank for the Continued support and co-operation extended by them. Further, your directors acknowledge the support and the goodwill extended by the employees, customers and suppliers.

For and on behalf of the Board of Directors

New Delhi
28.08.2000

Bikramjit Ahluwalia
Chairman

**ANNEXURE TO THE DIRECTORS' REPORT****I- Conservation of Energy**

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

1. General reduction in energy consumption level by minimum use of lighting and fans in the production/packing area, stores, office and corridors and area outside the plant.
2. Timely preventive maintenance of Electrical motors and accessories.

(A) (i). Electricity, power and fuel consumption		Current Year	Previous Year
(a) Purchased:			
Units		1081088	1149488
Total amount (Rs.)		4673015	3959606
Average Rate per Unit (Rs.)		4.32	3.44
(b) Own Generation:			
Units Generated		193917	328515
Units generated per liter of Diesel oil		3.15	2.90
Average Cost per Unit (Rs.)		3.25	3.17
(ii). Fuel (Furnace Oil/LDO) :			
Units (Ltrs.)		429630	452020
Total amount (Rs.)		3428161	2739472
Average Rate/Unit (Rs.)		7.98	6.06
(B) Consumption (value) per unit of production:			
Electricity		0.427	0.366
Fuel (Furnace Oil/LDO)		0.276	0.200

II- Technology absorption, adoption 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 import substitution of material and superior quality products.

III- Foreign Exchange earnings and outgo :

	Current Year	(Rs. In Lacs) Previous year
Foreign Exchange earnings	56.12	69.29
Foreign Exchange Outgo :		
(a) Foreign Travel	6.45	4.52
(b) Imports - Machinery and spares	8.65	14.42
(c) Imports - Raw Materials	122.00	130.23
(d) Imports - Capital Goods	—	4.33
(e) Bank charges and interest on Imports and exports	0.54	3.13
(f) Registration charges	5.22	11.10
(g) Membership & Subscription	0.04	—
(h) Repair and Maintenance (Plant & Machinery)	2.19	—

For and on behalf of the Board of Directors

New Delhi
28.08.2000

Bikramjit Ahluwalia
Chairman