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Annual Report
2001 - 2002

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AHLCON PARENTERALS (INDIA) LIMITED
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BOARD OF DIRECTORS

Mr. Bharat R. Ahluwalia
Chairman

Mr. M. K. G. Pillai
Managing Director

Dr. Rahul S. Ahluwalia
Whole Time Director

Mrs. Sudarshan Vaid
Mr. Arun Kumar Gupta
Mr. V. K. Bandhana
Dr. G. P. Talwar
Dr. S. S. Arora

Mr. Nilanchal Pradhan
Company Secretary

BANKERS
Allahabad Bank
State Bank of Bikaner & Jaipur

AUDITORS
Arun K. Gupta & Associates
(I-5H, East of Kailash,
New Delhi - 110065

SHARE TRANSFER AGENTS
Sharex Dataxpo Computer Service (P) Ltd
2nd fl., A-30-40, W.H.S.
Kati Nagar, New Delhi - 110015

For Dematerialisation of Shares
ISIN No. INE 027C01011

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

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

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 - 110002

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

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Note : Annual listing fee for the year 2002-2003 has been paid to all the Stock Exchanges

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NOTICE

Notice is hereby given that the Tenth Annual General Meeting of AHLCON PARENTERALS (INDIA) LIMITED will be held on Monday, the 30th September, 2002 at 3.00 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 2002, 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 K Gupta, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Smt. Sudarshan Wasu, who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint a Director in place of Dr. Rohini S Ahluwalia, who retires by rotation and being eligible, offers herself for reappointment.
5. To appoint Auditors to hold office from the conclusion of the 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 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 an Ordinary Resolution:

   "RESOLVED that pursuant to the provisions of Section 257 and other applicable provisions of the Companies Act, 1956, Dr. S. S. Arora, Additional Director of the Company whose period of office ceases at the conclusion of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member proposing his appointment as Director of the Company along with a deposit of Rs.500/-, be and is hereby appointed a Director of the Company, and that Dr. S. S. Arora's period of office shall be liable to determination by retirement by rotation."

7. 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 257 and other applicable provisions of the Companies Act, 1956, Dr. G P Talwar, Additional Director of the Company whose period of office ceases at the conclusion of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member proposing his appointment as Director of the Company along with a deposit of Rs.500/-, be and is hereby appointed a Director of the Company, and that Dr. G P Talwar's period of office shall be liable to determination by retirement by rotation.

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as an Ordinary Resolution"

"RESOLVED that pursuant to the provisions of Section 198, 269 read with Schedule XIII, Section 309, 310 and other applicable provisions of the Companies Act, 1956, approval of the Company be and is hereby accorded to increase of remuneration of Dr. Hothi S. Ahluwalia, Whole Time Director of the Company, for a period of 5 years with effect from 1st April, 2002 as per the following :-

a) Basic Salary @ 22,500/-(Rupees Twenty Two Thousand Five Hundred only) per month with an annual increment of Rs.1000/- in the monthly salary.

b) Free supply of gas, electricity, water, furniture and furnishing at the residence, subject to the ceiling that the expenditure incurred by the company on the same valued as per the Income Tax Rules1962, shall not exceed 20% of the basic salary.

c) Leave Travel Allowance for self and family once in a year and from any place in India subject to a ceiling of one month's basic salary in a year.

d) Reimbursement of medical expenses for self and family subject to a ceiling of one month's basic salary in a year or three month's basic salary in a block of three years.

e) Premium for Mediclaim Policy for self and spouse subject to a ceiling of policy amount of Rs. 10,00,000/-(Rupees Ten Lack only).

f) Fees of maximum of two clubs, subject to the condition that Life Membership Fees shall not be allowed.

g) Personal Accident Insurance the premium of which shall not exceed Rs.1,000/- (Rupees One Thousand) only) per annum.

h) Free telephone facility at residence, subject to the condition that personal long distance calls shall be reimbursed from the Whole Time Director.

i) Provision of car for use in Company's business, subject to the condition that use of car for private purposes shall be recovered from the Whole Time Director or reimbursement of expenses incurred on conveyance in case of use of personal car for Company's business.

j) Gratuity not exceeding one half month's salary for each completed year of service.

k) Contribution to Provident Fund and pension Fund subject to specified ceilings in applicable law."

"RESOLVED FURTHER THAT pursuant to the provisions of Schedule XIII Part II, Section 2 the aggregate of monthly remuneration payable to the said Whole Time Director, inclusive of the value of all perquisites (other than those specifically exempted under section II of Part II of the Schedule), shall not exceed the ceiling limits specified therein."

"RESOLVED FURTHER THAT the Company shall reimburse the Whole Time Director all expenses incurred on entertainment, traveling and/or any other expenses incurred solely for the purpose of business of the Company and that the same shall not be considered a part of remuneration."

9. 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 198, 269 read with Schedule XIII, Section 309, 310 and other applicable provisions of the Companies Act, 1956, approval of the Company be and is hereby accorded to increase of remuneration of Mr. M.K.G. Pillai, Managing Director of the Company, for a period of 5 years with effect from 1st April, 2002 as per the following :-

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[illegible] increment of Rs. [illegible] in the monthly salary.

b) House Rent Allowance or provision of rented accommodation subject to the condition that the expenditure by the company on hiring such accommodation or on HRA shall not exceed 60% of the basic salary.

c) Leave Travel Allowance for self and family once in a year to and from any place in India subject to a ceiling of one month's basic salary in a year.

d) Free supply of gas, electricity, water, furnishing or furnishing as the residence, subject to the ceiling that the expenditure incurred by the company on the same valued as per the Income Tax Rules 1962, shall not exceed 20% of the basic salary.

e) Reimbursement of Medical expenses for self and family subject to a ceiling of one month's basic salary in a year or three month's basic salary in a block of three years.

f) Premium for Mediclaim Policy for self and spouse subject to a ceiling of policy amount of Rs. 10,00,000/-(Rupees Ten Lacs Only).

g) Fees of maximum of two clubs, subject to the condition that Life Membership Fees shall not be allowed.

h) Personal Accident Insurance, the premium of which shall not exceed Rs.1,000/-(Rupees One Thousand only) per annum.

i) Free telephone facility at residence, subject to the condition that personal long distance calls shall be recovered from the Managing Director.

j) Provision of car for use for Company's business, subject to the condition that use of car for private purposes shall be recovered from the Managing Director or reimbursement of expenses incurred on conveyance in case of use of personal car for Company's business.

k) Gratuity not exceeding one half month's basic salary for each completed year of service.

l) Contribution to Provident Fund and Pension Fund subject to specified ceilings in applicable law."

"RESOLVED FURTHER THAT pursuant to the provisions of Schedule XIII, Part II, Section II the aggregate of monthly remuneration payable to the said Managing Director, inclusive of the values of all perquisites (other than those specifically exempted under section II of Part II of the Schedule), shall not exceed the ceiling limits specified therein."

"RESOLVED FURTHER THAT the Company shall reimburse the Managing Director all expenses incurred on entertainment, traveling and/or any other expenses incurred solely for the purpose of business of the Company and that the same shall not be considered a part of remuneration."

10 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 372A and other applicable provisions, if any, of the Companies Act, 1956, the Corporate Guarantee given by the Board of Directors of the company in their meeting held on 15th January 2002 in favour of Allahabad Bank, towards due payment of principal, interest and other dues of Allahabad Bank, towards Bank Guarantee Limits (non- fund-based) of Rs. 10 Crores which has been granted to M/s Ahluwalia Contracts (India) Limited, be and is hereby confirmed."

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

Nilanchal Pradhan
Company Secretary

New Delhi-110017
Dated: 28.06.2002

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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 16th September to 28th September 2002 (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 the attendance slips duly filled in for attending the meeting. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
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 at least 10 days in advance of the meeting so that the information may be made readily available.
6. Shareholders are requested to intimate the change in address, if any, to the Company's Registrar and Share Transfer Agent M/s Sharex Dataplex Computer Services (P) Limited, at 2nd Floor, A-35-40, WHS, Kirti Nagar, New Delhi.
7. Shareholders are requested to bring their copy of Annual Report to the meeting.

ANNEXURE TO NOTICE:

Explanatory Statement u/s 173(3) of the Companies, Act, 1956.

Item No. 6 & 7 : Pursuant to Article 80 of the Articles of Association of the Company Dr. S. S. Arora and Dr. G.P. Talwar were appointed as Additional Directors by the Board at their meeting held on 31/01/2002. In terms of provisions of Section 260 of the Companies Act 1956, the Additional Directors ceases to hold office at the conclusion of this Annual General Meeting unless re-appointed by the shareholders. Your Company has received in writing from members of the Company along with Rs.500/- each proposing appointments of Dr. S. S. Arora and Dr. G.P Talwar as Director on the Board under Section 257 of the Companies Act 1956. In view of the valuable guidance that can be lent to the Company by Dr. S. S. Arora and Dr. G.P Talwar as directors on the Board , your directors recommend passing of the resolution set out at item No. 6 &7 of the notice.

Dr. G.P Talwar is an eminent scientist of the country and has been honoured with several prestigious awards for his contribution to the Medical Science. He is well known as the Father of Immunology by the medical scientists. He was holding several important positions in the past, namely a few Director - National Institute of Immunology, Professor and HOD of Biochemistry, AIIMS, New Delhi. Presently he is serving as the founder director of Talwar Research Foundation.

Dr. S.S. Arora, one among the well known physicians in the Delhi Hospital, at New Delhi and having a vast experience in his medical profession. Presently he is serving as Senior Consultant in Batra Hospital.

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The Directors are retire under 255 with the expert advice of Both (Dr. G.P. Talwar and Dr. S.S. Arora, the Company would be highly benefited and recommend the acceptance of the resolutions.

None of the Directors except Dr. S. S. Arora and Dr. G P Talwar are interested in the above said resolution as appointees.

Item No. 8 & 9 : It has become apparent from the present financial results of the company that it is surging ahead to set a new height within a very short period of time. It is well known to the shareholders that only due to the hard efforts put by the Executive Directors of the Company, it has become possible for the Company to come out of the purview of the BIFR before the schedule time set by the Authority. Keeping in view the present business scenario of the Company and the long standing quality service provided by Mr. MK G Pillai, Managing Director, and Dr. Rohini S Ahluwalia, Whole-Time Director, the Board of Directors of the company decided to revise their remuneration and approved the same on their meeting held on 28.04.2002

According to the provisions of Schedule XIII read with Sections 198,269,309 and 310 of the Companies Act 1956, any increase in remuneration of the Executive Directors should have the approval of the shareholders in their meeting by way of an ordinary resolution

The Board therefore, recommends the mentioned resolutions for your approval.

None of the Directors except Dr. Rohini S Ahluwalia herself and Mr. Balmurali Ahluwalia and Ms. Sudarshan Wahi being her relatives, are interested in the above said resolution at item no. 8.

None of the directors except Mr. M K G Pillai is interested in the above said resolution at item no 9.

Item No. 10 : M/s Ahlywalia Contracts (India) Limited, besides being the promoter company, also has played a vital role for the existence and survival of your company at many times. The said Ahlywalia Contracts (India) Limited was sanctioned by the Allahabad Bank a financial assistance by way of non-fund based Bank Guarantee limits of Rs. 10 Crores as dated 05.01.2002 and as per the terms and conditions for the same, requested your company for issuance of a Corporate Guarantee in favour of the said bank.

Then as per the provisions of Section 372A of the Companies Act, 1956, a company can make loan, give any guarantee or provide security or invest in securities, aggregating to the extent of 60 % of the paid up capital and free reserves or 100% of its free reserves, whichever is more with the consent of the Board. But when such limit exceeds the above said limit it can do so with the consent of the shareholders by way of previously authorised special resolution. However the Board can give such guarantee without being previously authenticated by a special resolution if the resolution of the Board is confirmed within 12 months, in a General Meeting of the Company or the Annual General Meeting held immediately after passing of the resolution, whichever is earlier

As the Corporate Guarantee for Rs.10 Crores was more than 60% of the paid up capital and free reserves of the Company, it was not feasible at that time to take previous approval of the shareholders and the Board, by way of a resolution passed in their meeting, given their consent to extend the guarantee

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

None of the Directors are interested in the above said resolution

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

New Delhi-110017
Dated 29.06.2002

Manohar Pushkarna
Company Secretary

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To The Members,

Your Directors have pleasure in presenting their report on the business and operation of your Company for the year ended 31st March 2002.

Financial Results:

(Rs. in Lacs)

For the year ended	31.03.2002 (Current Year)	31.03.2001 (Previous year)
Sales and other Income	1475.3	1138.2
Gross operating Profit	429.4	251.0
Financial Charges	26.7	75.1
Cash Profit	369.7	174.9
Depreciation	200.8	92.3
Misc. expenditure written off	4.8	4.8
Profit before Tax	168.9	78.7
Provision for deferred Tax	42.1	-
Provision for Current Tax	15.8	-
Profit after Tax	131.0	78.7
Provision for doubtful debts/advances written back	13.8	33.7
Balance brought forward from previous year	(161.4)	(373.7)
Profit /(Loss) carried forward	(94.8)	(161.4)

Operations and Performance :

Inspite of stiff competition in the I.V.Fluid industry, your Company has outperformed all projections and achieved an overall growth in term of turnover and profitability. During the Year under review, the Company created additional capacity of 200 Lacs of bottles in SVP line and was able to achieve 83% capacity utilisation of the installed capacity in the first year of operation. The installed capacity in LPV line was utilised completely during the year as it has been in the previous year.

The turnover for the financial year 2001-2002 increased by 30% to Rs.1475.3 Lacs over the previous financial year 2000-2001, of Rs. 1138.2 Lacs. The net profits recorded a growth of 140% in Rs. 188.9 Lacs as compared to the previous year's Rs.78.7 Lacs.

Corporate Review :

After coming out of the purview of the BIFR, it was a challenge before the Board to restructure the overall corporate activities to effectively counter the threats posed by the giant players from both the national and international level. The quality concept of pharma industry has undergone major changes calling for new technologies to meet the international quality requirements. The Directors are pleased to state that your company has achieved the most desired GMP (Good Manufacturing Practice) Standard, which is accepted internationally for pharma products. Your company is totally committed to improve and maintain its quality consciousness only because of which it has sustained in this market in difficult times.

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Expansion:

It was the essence of the time to increase the range of products and volume to sustain in the niche market, which your company has developed and also to meet the demand of the valued customers whose numbers are growing day by day. Being alive to changed industrial scenario, your company has already diversified into Ophthalmic / Eye care products by creating addition of capacities of 300 Lacs bottles in SVP (Small Volume Parenterals) whereby the products range has also increased to a great extent. Your company has also carried on a 3rd phase of expansion in SVP line by creating of further additional capacity of 360 Lacs bottles. The commercial production in these products line has already been started and the effect of the same can be noticed in the current period's financial statements.

Exports:

Due to the sluggish and volatile international market, the Company has developed third parties in India, for export of the products, who have a better marketing network internationally. In such practice, apart from saturated payment, your company is also benefited by getting credit for its export obligations under the EPCG Scheme and in some cases the DEPB benefits also. Under the direct export, the company has been able to earn Rs.40.78 Lacs in comparisons to Rs. 60.70 Lacs in the Previous year. However in addition to the direct exports, the company has achieved indirect export through third parties Rs 79.88 Lacs, making the total exports, to Rs.120.66 Lacs. Your Directors are continuously exploring the possibilities to increase the export earnings and are quite hopeful that with an improvement in the international business scenario, the same will surely pick-up.

Directors.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Arun K Gupta, Smt. Sudarshan Walia, Dr. Rohini S. Ahluwalia, Directors of the Company retire by rotation and being eligible offer themselves for reappointment. Keeping in views the long standing service provided by them, your Directors hope for their re-appointment to the Board.

To broad base the Board with professionals who have enough experience in the pharmaceutical fields, your directors have appointed Dr. G P Talwar, a eminent scientist and Dr. S S Arora, a well known physician, as additional Directors to the Board. The Board hopes that they shall be appointed as regular Directors with your approval.

Directors' Responsibility Statement : Pursuant to the requirement under Section 217 (2AA) of the Companies Act,1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

(i) That the applicable accounting standards have been followed along with proper explanation relating to material departures in the preparation of annual accounts.

(ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 profit or loss of the Company for the year under review;

(iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2002 on a 'going concern' basis.

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Corporate Governance :

Your Company has been practicing the principles of good corporate governance over the years and the Board of Directors lays strong emphasis on transparency, accountability and integrity. The company has taken adequate steps to ensure that the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements of the Stock Exchanges are complied with. As per the schedule of implementation specified there under, it has been applicable to the company from 1st April 2002 and therefore, the detailed report on the same will be incorporated in the forthcoming Annual Report. In compliance with the terms and conditions, the Company changed the composition of the existing Audit Committee by the following :

Mr. Arun Kumar Gupta,	Independent Director	Chairman
Mr. V.K. Sachdeva	Independent Director	Member
Dr. S.S. Arora	Independent Director	Member
Dr. Rohini S Ahluwalia	Whole Time Director	Member

The Company has also constituted other two Committees i.e. Share Holders Grievance Committee and Remuneration Committee with terms of reference to carry out the functions specified under the clause.

Auditors' Report :

The notes on accounts referred to the Auditors' 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 Earning & 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.

Industrial Relation :

The Company continued to maintain very healthy, cordial and harmonious industrial relations at all levels and the 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. The enthusiasm and unstinting efforts of employees have enabled the Company to remain in the forefront of the industry despite severe competition.

Acknowledgements :

Your Directors would like to express their grateful appreciation to the Allahabad Bank for their timely financial help and assistance at all phases of working to make it successful.

They also express their grateful appreciation for the assistance and cooperation received from the shareholders, RIICO and various government authorities. Last but not the least, the directors wish to place on record their deep sense of appreciation for the devoted services of the Executives, Staff and workers of the Company for its success.

For and on behalf of the Board of Directors

New Delhi - 110017
Dated : 29.08.2002

Bikramjit Ahluwalia
Chairman

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