



Ahlcon Parenterals (India) Limited

**INTEGRATING TODAY'S STRATEGY WITH
TOMORROW'S PROGRESS.**

SEEING THINGS IN A DIFFERENT LIGHT.



1 9TH A N N U A L R E P O R T 2 0 1 0 - 1 1

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Bikramjit Ahluwalia, Chairman

Dr. Rohini Ahluwalia
Executive Vice Chairperson, CEO

Ms. Sudarshan Walia, Director

Mr. Arun Kumar Gupta, Director

Prof. G.P. Talwar, Director

Dr. S.S. Arora, Director

Dr. S.C.L. Gupta, Director

Mr. S.K. Sachdeva, Director

COMPANY SECRETARY

Mr. Ranjan Kumar Sahu

BANKERS

Punjab & Sind Bank

Syndicate Bank

State Bank of Bikaner & Jaipur

AUDITORS

M/s Arun K. Gupta & Associates

Chartered Accountants,

D-58, East of Kailash

New Delhi - 110065

REGISTERED OFFICE

4, Community Centre, Saket,
New Delhi-110017

Telefax: +91-11-26852036

CORPORATE OFFICE

M-1, Saket, New Delhi-110017

Tel No. 011-40504562

MANUFACTURING FACILITIES

SP-917 & 918, Phase III, Bhiwadi - 301019

Dist. Alwar, Rajasthan

Tel: 01493 - 225304-07, Fax: 01493 - 221045

WEBSITE

www.ahlconindia.com

email: cssahu@ahlconindia.com

CONTENTS

Vision Statement	01	Ahlcon's Diary	04	Chairman's Message	08	Notice	10	Directors' Report	13
Management Discussion & Analysis Report	17	Report on Corporate Governance	20	Auditors' Report	26				
Balance Sheet	30	Profit and Loss Account	31	Schedules	32	Cash flow statement	48		
Balance sheet abstract	49								

VISION STATEMENT

Ahlcon's vision is to represent global pharmaceutical leadership through innovation, culture and growth guided by an unwavering commitment to significantly improve the lives of patients.

Innovation based on bold leadership in science and medicine resulting in the discovery, development and delivery of high-quality, differentiated products focused on patient needs.

A culture based on good corporate citizenship that empowers employees through collaboration, inclusion, trust and timely decision making.

Sustainable growth in corporate value by leveraging core therapeutic areas, and an industry-leading pipeline and product portfolio.

Ahlcon's Mission

- "Discover, develop, manufacture and successfully market pharmaceutical products.
- Provide total customer satisfaction and achieve leadership in chosen markets, products and services across the globe, through excellence in technology, based on world-class research and development.
- Responsible to the Society.
- Good Corporate Governance driven by high ethical standards and best practices."



INTEGRATING TODAY'S STRATEGY WITH TOMORROW'S PROGRESS.

SEEING THINGS IN A DIFFERENT LIGHT.

Established in the year 1992 with a vision to provide affordable life saving Intravenous Fluids complying with the highest regulatory standards, to people across the world regardless of geographic and socio-economic barriers, Ahlcon today is a well established Parenterals / ophthalmic company engaged in the business of manufacturing and exporting the entire range of parenterals / ophthalmic products, in addition to the domestic markets and going forward at a very interesting point of its evolution. Backed by solid fundamentals in the form of state-of-the-art manufacturing facilities, skilled manpower, quality products, excellent systems and high end operational capacities the company

is driven by a new level of energy, excitement and urgency to look beyond the present and scale new heights in frontier science and set new milestones in the global pharmaceutical industry. To achieve this goal, we are committed to integrate our robust business strategies to ensure our constant progress in the future.

A commitment which will herald the beginning of a new journey for an exceptional future for all its stakeholders by simultaneously addressing the challenges of today and investing in the opportunities of tomorrow. A commitment to integrate today's strategy with tomorrow's progress.





AHLCON'S DIARY

Ahlcon Parenterals (India) Ltd, is engaged in the business of manufacturing Life-Saving Intravenous Fluids, Eye and Ear Drops, respules and nasal formulations by employing a highly sophisticated production process with six machines having annual capacity of 45 Millions of LVP and 144 millions of SVP through the Aseptic Form-Fill-Seal Technology imported from Switzerland and USA.

With an installed capacity of 45 million bottles per annum for LVP in pack size from 100ml to 500ml, the Company has launched 200 ml, 250ml and 300ml packs in the manufacturing process. The company is in the process of launching flexi bag 500 ml and 1000 ml and EURO Head bottle of 500 ml. The Company also has capacity of 144 million vials/ampoules of Eye Drops and nasal care products and Injections in the fill size of 20 ml, 10ml,

5ml, 3ml & 2ml, both in transparent and white opaque packs as SVP.

Leveraging India's globally competitive cost base and exceptional scientific people resource, we have initiated and set up our in-house Research and Development facilities. Providing affordable medicine to people across the world, regardless of their geographic and socio-economic barrier is not just a slogan for us. It is a way of life that permeates every decision and every action at Ahlcon Parenterals (India) Limited. With this commitment we are confident of scaling new frontiers in the field of pharmaceutical products and see our Company rated as one amongst the best manufacturers of Large and Small Volume Parenterals and eye drops in India and abroad.



OUR PEDIGREE

Ahlcon is set to complete 20 glorious years of existence in January 2012, in the field of manufacturing Intravenous Fluids and ophthalmic products. A journey that has been marked with several milestones being achieved by the company. We have been accredited with the quality certification WHO-GMP International and ISO 9001:2008 within a very short span of time since inception. What remains sacrosanct at the Ahlcon family is our stringent quality commitment. A commitment which has helped us cross geographical and socio-economic barriers.

THE YEAR THAT WAS...

2010-11 was a year which saw the company establishing global footprints on the back of its international presence and initiatives to increase visibility for its brands in the overseas markets. The company participated in exhibitions and seminars overseas to network with prospective clients and also raise awareness for its business products with existing customers. In spite of a rather sluggish year for the pharmaceutical sector over the world, we are proud to report that your company sustained business and recorded spontaneous growth.

THE YEARS THAT WILL BE....

At Ahlcon we are far from complacent in our business. We fully understand that we live in fast changing and exciting times and that tomorrow belongs to the proactive and creative minds. To prepare us for this change we are focussed on harnessing the power of innovative research. From 1st April, 2011, the company has been placing tremendous emphasis on R&D activities. It now has a dedicated team of scientists in place to take the company's R&D efforts to the next level. The company has approached the Government of Science & Technology for registration of its R&D department / facilities. With all these initiatives in place and an impressive track record till date, Ahlcon is at the cusp of accelerated growth and progress. The company believes that leveraging innovative minds, dynamic technologies and powerful synergies will herald the beginning of a new journey and all stakeholders will stand to benefit from this.



ROBUST BUSINESS STRATEGIES... FOR TOMORROW'S PROGRESS

STRONG PRODUCT PIPELINE

Apart from viewing our R&D capabilities as a vital component of our business strategy, our strategy of having a good product portfolio and high value products (such as Euroheads which have European Acceptance) and Flexi bags will provide a sustainable, long term competitive advantage.

STRONG FINANCIALS

This combined with strong built-in reserves depicting financial muscle and healthy balance sheet will allow us to share wealth with shareholders in the future through a good dividend policy or by prudently reinvesting in the business, which again will reap benefits for shareholders.





BREAKING BARRIERS FOR A STRONGER WHOLE

To become a company par excellence, it is looking at automation of its different functions through the implementation of ERP which will lead to integration of different functions, single point data collation and access and informed decision making in real time.

ENVIRONMENT CONDUCIVE TO GROWTH

Another important aspect is the company's emphasis on creating environmentally good conditions for R&D, for offering a stimulating work environment to employees and ensuring excellent manufacturing processes and activities for reporting best practices.

SOCIALLY RESPONSIBLE ORGANISATION

The company is committed to looking beyond business and is continuously embarking on a plethora of Corporate Social Responsibility initiatives.



CHAIRMAN'S MESSAGE



Dear Stakeholders,

I am very pleased to present you with the annual report of Ahlcon Parenterals (India) Limited at an interesting juncture in its journey. Your company is well on its way to complete twenty years of splendid existence, and it is with a deep sense of pride that I reflect on the years gone by and redefine the goals for the future. This report endeavours to provide you a review of our activities in 2010-11 as well as take you through our strategy, targets, expectations which we have set for ourselves for attainment of vigorous growth in the years ahead.

SUCCESS IN IMPLEMENTING STRATEGIES

Our main objective is to become one of India's leading pharmaceutical companies and attain revenue growth both in India and abroad through a combination of organic and inorganic strength. As a company we are committed to reviewing our business strategy on an ongoing basis with the aim of increasing shareholder value. We achieved a very significant measure of success in implementing our business strategies in 2010-11, reaching most of our goals including successfully and timely commissioning of the new additional LVP line of production, in addition to posting a satisfactory set of financial and operational results considering the sluggishness of the pharmaceutical sector in general for the year under review. While your company reported a positive sales growth, profitability suffered on the back of excess volatility in input prices and mounting governmental pressure to reduce drug prices. Our sales turnover increased from Rs 5063 lakhs in 2009-10 to Rs 6277 lakhs in 2010-11. Direct

Export Sales have risen by 44% over last year which highlights the recognition of our quality products in the overseas markets and also the successful implementation of our well thought out direct export strategies in addition to the third party exports. I would also like to state that despite decrease in the volume of profits, the Board has recommended a dividend payout similar to last years, subject to shareholder approval, with the objective of rewarding shareholders for the trust they have shown in the company at all times.

LOOKING AHEAD

We at Ahlcon are focussed on increasing our momentum in the branded business in our key markets. To achieve this goal, we are not only changing but we are changing ahead of time. At the heart of the organisation lies the spirit and will to experiment, to take calculated risks and learn from them. We are cognizant of the fact that innovation and technological development are the lifeblood of our business and our success in the markets rests on how we deploy these assets. Thus at Ahlcon, our investment in research and development has been initiated to meet the challenge of unmet medical needs. A strong new product pipeline, one that is continually replenished, will be our aim for the coming years to ensure our success as a branded pharmaceutical company.

As pharmaceutical companies scan for new growth opportunities over the next decade, they have realized that some of the most pioneering are to be found in the world's emerging economies. In recent years, the global pharmaceutical industry has shown high interest in India due to its sustained economic growth, healthcare