



Ahlcon Parenterals (India) Limited

21st ANNUAL REPORT 2012-13

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Anand Chandrashekhar Apte, Chairman

Mr Arun Mudgal, Managing Director

Mr. Manfred Gregor Mahrle, Director

Mr. Arun Kumar Gupta, Director

Dr. S.C.L. Gupta, Director

Dr. S.S. Arora, Director

REGISTERED OFFICE

Unit No. 201- 205, IIInd Floor,
ND Mall- 1, Plot No. 2- 4, Wazirpur District Centre,
Netaji Subhash Place,
Delhi- 110034
Tel No.+91-11-42344234,

COMPANY SECRETARY

Mr. Ranjan Kumar Sahu

BANKERS

Punjab & Sind Bank

Deutsche Bank

HDFC Bank Ltd.

Syndicate Bank

State Bank of Bikaner & Jaipur

MANUFACTURING FACILITIES

SP-917 & 918, Phase III, Industrial Area,
Bhiwadi - 301019
Dist. Alwar, Rajasthan
Tel: +91- 01493 - 305300,
Fax: +91-01493 - 221045

AUDITORS

M/s. Arun K. Gupta & Associates
Chartered Accountants,
D-58, East of Kailash,
New Delhi - 110065

WEBSITE

www.ahlconindia.com
email: cssahu@ahlconindia.com

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NOTICE

Notice is hereby given that the 21st Annual General Meeting of Ahlcon Parenterals (India) Limited will be held on Friday the 20th day of September 2013 at 03.00 P.M. at FICCI Golden Jubilee Auditorium, 1, Tansen Marg, New Delhi-110001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2013, 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 Dr. S. C. L. Gupta, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Dr S. S. Arora, who retires by rotation and being eligible, offers himself for reappointment.
4. 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/ Audit Committee 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

5. 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, Mr. Anand Chandrashekhar Apte, Additional Director of the Company who hold office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from him proposing his appointment as Director of the Company along with a deposit of ₹500/-, be and is hereby appointed a Director of the Company, and that Mr. Apte's period of office shall be liable to determination by retirement by rotation."

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, Mr. Arun Mudgal, Additional Director of the Company who hold office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from him proposing his appointment as Director of the Company along with a deposit of ₹500/-, be and is hereby appointed a Director of the Company, and he shall continue to hold the office as Managing Director of the Company and that Mr. Mudgal'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, Mr. Manfred Gregor Mahrle, Additional Director of the Company who hold office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from him proposing his appointment as Director of the Company along with a deposit of ₹500/-, be and is hereby appointed a Director of the Company, and that Mr. Mahrle's period of office shall be liable to determination by retirement by rotation."

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

"RESOLVED THAT in suppression of the resolution passed by the company in the General Meeting held on 30th September, 2005 and pursuant to the provision of Section 293 (1) (d) and applicable provisions, if any, of the Companies Act 1956 (including any statutory modifications or re-enhancement thereof) and pursuant to Articles 52 and 53 of Articles of Association of the Company, consent of the company be and hereby accorded to the Board of Directors of the Company (hereinafter referred to as the Board) to borrow money from time to time from banks, Financial Institution, or any other Lending Institution or Lenders- whether Government or Private- or from any other persons on such terms and conditions as the Board may consider suitable, upto a limit not exceeding ₹500 crores. notwithstanding that the monies, to be borrowed together with monies already borrowed by the Company by way of Loans (apart from temporary loans obtained by the Company in the ordinary course of business) will exceed the aggregate of the paid up capital and free reserves of the company."

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

Confirmation of the Appointment and payment of Remuneration to Managing Director

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII of the said Act, (including any statutory modification(s), or re-enactment thereof for the time being in force) and pursuant to Article 108 of the Articles of Association of the Company and subject to the approvals of the Central Government, if required, Mr. Arun Mudgal be and is hereby appointed as the Managing Director of the Company for a period of five years with effect from 28.09.2012 and authorized to exercise substantial powers of management subject to superintendence, control and direction of Board of Directors.

"RESOLVED FURTHER THAT notwithstanding anything contained herein above where, if in any financial year during the term of employment of Mr. Arun Mudgal, the Company has no profits or its profits are inadequate, the Company will pay remuneration to Mr. Arun Mudgal as specified in the employment agreement as minimum remuneration subject to compliance with the applicable laws and the approval of the appropriate authorities if and to the extent necessary and applicable under the applicable laws; notwithstanding that the same is in excess of the maximum



remuneration permitted to be paid to Mr. Arun Mudgal as the Managing Director of the Company under the applicable provisions of the Companies Act.

"RESOLVED FURTHER THAT any one of the Directors and/or the Company Secretary of the Company be and is hereby severally authorized to sign and file the prescribed forms with the Registrar of Companies along with the requisite fees and to comply with all other provisions of the applicable laws including without limitation with the provisions of Section 302 of the Companies Act, 1956 in respect of this appointment."

By order of the Board

For AHLCON PARENTERALS (INDIA) LIMITED

Place : New Delhi
Dated : 12.08.2013

Ranjan Kumar Sahu
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. Proxies shall not have any voting rights except on a poll.
3. Only bonafide members of the company whose names appear on the Register of Members/ Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The company reserves its right to take all steps as may be deemed necessary to restrict non members (excluding valid proxy holder) from attending the meeting.
4. The Register of Members and Share Transfer Books of the company shall remain closed from 13th September 2013 to 20th September 2013 (both days inclusive) for the purpose of Annual General Meeting.
5. While approving the Final Accounts Statements for the year ended on 31st March 2013, the Board has not recommended any dividend on the Equity shares and has approved for payment of due dividend only on the 6% Cumulative, Redeemable Preference Shares amounting to ₹ 5,40,000/- (excluding tax on dividend) for the year 2012-13.
6. Those members who have so far not encashed their dividend warrants for the below mentioned financial years, may claim or approach the company for the payment thereof as the same will be transferred to the Investor Education and Protection Fund of the Central Government, pursuant to section 205C of the Companies Act, 1956 on the respective dates mentioned there against. Intimation in this regards is being sent to the concerned shareholders periodically. Kindly note that after such dates, members will lose their right to claim such dividend.

FINANCIAL YEAR ENDED	AGM DATE	DUE DATE
FINAL DIVIDEND		
31.03.2006	30.09.06	05.11.2013
31.03.2007	29.09.07	04.11.2014
31.03.2008	30.09.08	05.11.2015
31.03.2009	30.09.09	05.11.2016
31.03.2010	17.09.10	23.10.2017
31.03.2011	30.09.11	05.11.2018
FINANCIAL YEAR ENDED	BOARD MEETING DATE	DUE DATE
INTERIM DIVIDEND		
31.03.2012	13.02.2012	20.03.2019

7. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the unpaid/unclaimed Dividend for the year 2004-05 was transferred to the Investor Education and Protection Fund of the Central Government on 05.11.2012 and the unpaid/unclaimed Dividend for the year 2005-06 will be transferred to Investor Education and Protection Fund of the Central Government on the due date.
8. Members those who may not have received/ encashed the dividend warrants for the year 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and Interim Dividend 2011-12 may claim it/ apply for revalidation either to the RTA or the Secretarial Department of the company.
9. All documents referred in the notice are open for inspection at the Registered Office of the company at : Unit No. 201-205, IIInd Floor, ND Mall-1, Plot No. 2-4, Wazirpur District Centre, Netaji Subhash Place, Delhi-110034 between 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the Annual General Meeting.
10. 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.
11. It will be appreciated that queries, if any, on accounts and operations of the company are sent to the Registered Office of the company ten days in advance of the meeting so that the information may be made readily available.
12. Shareholders are requested to immediately intimate the change in email address, correspondence address and bank details, if any, to the Company's Registrar and Share Transfer Agent M/s MAS Services Ltd, T- 34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110020 for payment of dividend, Annual Report and other documents from time to time. Those who are holding their shares in dematerialized form should notify to their Depository Participants, change/ correction in their address/ bank account particulars etc.
13. Shareholders are requested to bring their copy of Annual Report to the meeting.



14. Annexure to Notice: Explanatory Statement u/s 173(2) of the Companies, Act, 1956.

Item No. 5

Pursuant to Article 80 of the Articles of Association of the Company Mr. Anand Chandrashekhar Apte was appointed as an Additional Director by the Board at their meeting held on 28.09.2012. In terms of provisions of Section 260 of the Companies Act 1956, the Additional Director appointed by the Board of Directors shall hold office only upto the date of the next Annual General Meeting of the company. Accordingly, Mr. Anand Chandrashekhar Apte shall cease to hold office at the conclusion of this Annual General Meeting unless re-appointed by the shareholders. Your Company has received in writing from him along with ₹ 500/- for his appointment as a 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 Mr. Anand Chandrashekhar Apte as director on the Board, your directors recommend passing of the resolution set out at item No. 5 of this notice.

None of the Directors except Mr. Anand Chandrashekhar Apte, is interested in the above said resolution.

Item No. 6

Pursuant to Article 80 of the Articles of Association of the Company Mr. Arun Mudgal was appointed as an Additional Director by the Board at their meeting held on 28.09.2012 and further appointed as Managing Director of the Company w.e.f. 28th September, 2012. In terms of provisions of Section 260 of the Companies Act 1956, the Additional Director appointed by the Board of Directors shall hold office only upto the date of the next Annual General Meeting of the company. Accordingly, Mr. Arun Mudgal shall cease to hold office at the conclusion of this Annual General Meeting unless re-appointed by the shareholders. Your Company has received in writing from him along with ₹ 500/- for his appointment as a Director on the Board under Section 257 of the Companies Act 1956 and he shall continue to act as the managing Director of the Company.

In view of the valuable supervision and control that can be lent to the Company by Mr. Arun Mudgal as director on the Board, your directors recommend passing of the resolution set out at item No. 6 of this notice.

None of the Directors except Mr. Arun Mudgal is interested in the above said resolution.

Item No. 7

Pursuant to Article 80 of the Articles of Association of the Company Mr. Manfred Gregor Mahrle was appointed as an Additional Director by the Board at their meeting held on 28.09.2012. In terms of provisions of Section 260 of the Companies Act 1956, the Additional Director appointed by the Board of Directors shall hold office only upto the date of the next Annual General Meeting of the company. Accordingly, Mr. Manfred Gregor Mahrle shall cease to hold office at the conclusion

of this Annual General Meeting unless re-appointed by the shareholders. Your Company has received in writing from him along with ₹ 500/- for his appointment as a Director on the Board under Section 257 of the Companies Act 1956.

In view of the valuable leadership that can be lent to the Company by Mr. Manfred Mahrle as director on the Board, your directors recommend passing of the resolution set out at item No. 7 of this notice.

None of the Directors except Mr. Manfred Gregor Mahrle, is interested in the above said resolution.

Item No. 8

Extension of Borrowing Power Limit:

Encouraged by the overwhelming results of the past successful expansions in the business, your company has already started working on plans to grow further. It is imperative that the requirements of increased borrowing funds will be a pre requisite to give effect.

The Company has envisaged to enhance its existing production capacity by addition of Rommelag FFS Technology - High capacity Machines, with a mission to achieve and further addition of value added products in its products portfolio to meet the incremental demand of local and international markets.

In the earlier mandate given by the shareholders the borrowing power of the company was restricted upto ₹100 crores as per resolution passed in the AGM held on 30.09.2005.

For taking recourse to such kind of activities, the existing borrowing limit of the company is proposed to be increased to ₹ 500 crores from the existing ₹ 100 Crores.

As per the provisions of sections 293(1) (d) of the Companies Act, 1956, the borrowing powers of the Board of directors of the Company in excess of the paid up capital and free reserve of the company has to be approved by an ordinary resolution in the general meeting.

Therefore, board recommends approving item no.8 by way of passing an ordinary resolution.

None of the Directors of the company are interested in the resolution.

Item No. 9

Confirmation of the Appointment and payment of Remuneration to Managing Director

Mr Arun Mudgal, Managing Director is a seasoned professional being Master in Pharma as well as Master in International Business by qualification and having more than 26 years of rich experience in operation of pharmaceutical, healthcare business segment in India and abroad. His expertise is in specific functional areas i.e: Operations Management Business Managements, Project Managements, etc.



In consequence of Change of Management and Control from the erstwhile Promoters to B. Braun Singapore PTE Limited, Mr. Arun Mudgal, Director of the Company was appointed by the Board at their meeting held on 28.09.2012, as Managing Director.

As required under Section 302 of the Companies Act, 1956 (the Act), the main terms and conditions of appointment together with the memorandum of concern or interest are as per abstract:

Name of Director	Arun Mudgal
Designation	Managing Director
Terms and conditions including remuneration per month:	(₹)
Basic Salary	137026/-
Perquisites	12836/-
Others	191306/-
Total remuneration per month	341168/-
Other terms , if any	Payment of remuneration as per agreement dated 01.10.2012
Tenure of appointment	28.09.2012 to 27.09.2017

The Remuneration Committee and Board of directors of the company considered and approved the Managing Director agreement dated 01.10.2012 in accordance with Schedule XIII of Companies Act, 1956 subject to approval by the Shareholders of the Company in the ensuing Annual General Meeting.

MINIMUM REMUNERATION

If in any financial year during the term of employment of Mr. Arun Mudgal, the Company has no profits or its profits are inadequate, the Company will pay remuneration to Mr. Arun Mudgal as specified in the employment agreement as minimum remuneration subject to compliance with the applicable laws and the approval of the appropriate authorities if and to the extent necessary and applicable under the applicable laws; notwithstanding that the same is in excess of the maximum remuneration permitted to be paid to Mr. Arun Mudgal as the Managing Director of the Company under the applicable provisions of the Companies Act.

MEMORANDUM OF CONCERN OR INTEREST

None of the Directors are interested in the resolution except Mr. Mudgal, as a beneficiary.

Your directors passed the resolution for his appointment as a Managing Director.

15. INFORMATION REQUIRED TO BE FURNISHED IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES

The particulars of the Directors who are proposed to be appointed / reappointed are as given below:

- a. **Dr. S. C. L. Gupta,** **Director**
 DOB: 21.07.1953, Age: 60 years
 Qualification: MBBS, M.S, M.I.S.C.O.

Dr. Gupta is an M.S, M.I.S.C.O. Standing Member of Delhi Legislative Assembly. He has to his credit a very rich experience in the Medical Profession and has been bestowed with many prestigious awards for his outstanding performance in his field. He is presently serving many reputed hospitals as consultant surgeon and oncologist.

He was inducted to the Board of your company on 29th January, 2003 as Independent Director and till then serving continuously.

He is not holding any shares and directorship in any other company

- b. **Dr. S.S. Arora,** **Director**
 DOB: 16.01.1959, Age: 54 years,
 Qualification: MBBS, MD.

Dr. Arora is an MBBS, MD and having the Fellowship of American Association of Respiratory Care, USA. He is having a very large experience in the pharmaceutical field. Presently, he is a Senior Consultant, Batra Hospital, New Delhi.

Being a senior consultant for a large group of hospitals, he has his expertise in establishing strategies for marketing of pharmaceutical products. He possesses in-depth knowledge on analysis of pharmaceutical market data.

He was inducted to the Board of your company on 30th January, 2002 as Independent Director and till then serving continuously.

He is not holding any shares and directorship in any other company.

- c. **Mr Anand Chandrashekhar Apte,** **Non Executive Chairman**
 DOB: 30.4. 1971, Age: 42 years,
 Qualification: MSc in Microbiology, MBA with specialization in Marketing and Finance Post graduate diploma in Human Resource Management

Mr. Anand Chandrashekhar Apte is a seasoned healthcare professional by qualification and having more than 18 years of experience in operation of pharmaceutical and health care companies, management of various business segment in India and abroad.

Nature expertise: His expertise in specific functional areas: Business Management, Project Management, operation management etc.

He was inducted to the Board of your company on 28th September, 2012 in the capacity as Chairman of the Board and till then serving continuously.

**Other Directorship:**

1. B Braun Medical (India) Private limited
2. Oyster Medisafe Private Limited

Mr. Apte is member in one committee of Ahlcon Parenterals (India) Limited.

Mr. Apte was not holding any Equity Shares of Ahlcon Parenterals (India) Limited.

d. Mr Arun Mudgal,	Managing Director
Date of Birth: 06-08-1961,	Age: 51 years,
Qualification:	Master in Pharma, MBA (International Business)

Mr. Arun Mudgal is a seasoned healthcare professional by qualification and having more than 26 years of experience in operation of pharmaceutical and health care companies in India, management of various business segment in India and abroad.

Nature expertise: His expertise in specific functional areas: Operations Management, Business Management, Project Management, etc.

He was inducted to the Board of your company on 28th September, 2012 in the capacity as Managing Director of the Company and till then serving continuously.

Other Directorship:

Oyster Medisafe Private Limited

Mr. Mudgal is member in one committee of Ahlcon Parenterals (India) Limited

Mr. Mudgal was not holding any Equity Shares of Ahlcon Parenterals (India) Limited.

e. Mr. Manfred Mahrle ,	Non Executive Director
Date of Birth:	01.12.1971, Age: 41 years,
Qualification:	University Degree in Business Administration from Vienna University of Economics (Mag. rer. soc. oec.)

Experience: Mr. Manfred Gregor Mahrle is the Chief Financial Officer of B Braun's Asia Pacific Region since November 2011. He has been with B Braun for over 13 years developing B Braun's Avitum Service Provider Business in Europe. His prior experience as the Managing Director of B Braun Austria and Regional Head for B Braun Avitum in Central and Eastern Europe provides him with substantial expertise in the medical devices and services industry. Before B Braun, Mr Mahrle was working for one of the big four auditing companies.

He was inducted to the Board of your company on 28th September, 2012 as a director of the Company and till then serving continuously.

He is also serving other board of Private and Foreign Companies in the capacity of director:

Indian Private Companies:.

1. B. Braun Medical (India) Pvt. Ltd.
2. Oyster Medisafe Pvt. Ltd.

Foreign Companies:.

1. B. Braun Medical Supplies Inc.
2. B. Braun Avitum Philippines Inc.
3. B. Braun Singapore Pte Ltd.
4. B. Braun Singapore Holdings Pte Ltd.
5. B. Braun Pakistan Pvt. Ltd.
6. PTBB B. Braun Medical Indonesia
7. B. Braun (Thailand) Ltd.
8. B. Braun Medical Production Ltd.
9. B. Braun Vietnam Co Ltd.
10. B. Braun Korea Co Ltd.
11. B. Braun Australia Pty Ltd
12. B. Braun New Zealand Pty Ltd.
13. B. Braun Lanka Pvt Ltd
14. B. Braun Medical (Shanghai) International Co Ltd.
15. B. Braun Medical (Suzhou) Co Ltd
16. B. Braun (China) Investment Co Ltd
17. B. Braun Aesculap Japan Ltd
18. B. Braun Avitum Shanghai Trading Co Ltd
19. B. Braun Medical (HK) Ltd
20. B. Braun Medical Industries Sdn Bhd
21. B. Braun Medical Supplies Sdn Bhd
22. B. Braun Pharmaceutical Industries Sdn Bhd
23. B. Braun Needle Industries Sdn Bhd
24. B. Braun Surgical Sdn Bhd
25. B. Braun Precision Engineering Sdn Bhd
26. Aesculap Surgical Industries Sdn Bhd
27. Aesculap Scientific Tools Sdn Bhd
28. Promedipharma Sdn Bhd

Mr. Mahrle was not holding any Equity Shares of Ahlcon Parenterals (India) Limited

For AHLCON PARENTERALS (INDIA) LIMITED

Place: New Delhi
Dated: 12.08.2013

Ranjan Kumar Sahu
Company Secretary



DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 21st Annual Report on the business and operations of the Company for the financial year ended 31st March 2013.

FINANCIAL RESULTS

(₹ in lacs)

FOR THE YEAR ENDED	31.03.2013 CURRENT YEAR	31.03.2012 PREVIOUS YEAR
Sales (including excise) and other Income	11910.60	8707.78
Gross operating Profit	2594.30	1454.22
Financial Charges	295.37	369.91
Cash Profit	2298.93	1084.31
Deprecation	360.51	339.60
Provision for doubtful debts/ obsolete Stock	104.04	85.03
Provision for doubtful debts written back	(31.89)	(45.94)
Prior period Adjustments	(2.59)	(17.82)
Profit before Tax	1868.86	723.44
Provision for Deferred Tax	(56.36)	5.34
Provision for Current Tax	633.82	216.58
MAT Credit Entitlement	-	(5.85)
Income Tax Paid for earlier years	4.44	7.43
Profit after Tax	1286.96	499.93
Balance brought forward from previous year	2632.41	2282.44
Profit available for appropriation	3919.38	2782.37
Proposed Final Dividend on Preference Shares	5.40	1.35
Interim Dividend on Preference Shares	-	4.05
Tax on Interim Dividend on Preference Shares	-	0.66
Tax on Proposed Dividend on Preference Shares	0.81	0.22
Interim Dividend on Equity Shares	-	72.00
Tax on Interim Dividend on Equity Shares	-	11.68
Profits transferred to General Reserve	-	60.00
Profit carried forward	3913.17	2632.41

OPERATIONAL PERFORMANCE

Your Directors feels highly satisfied about Operational Performance of the company as it has continued to surpass all its previous records since

inception and has achieved a sales turnover of ₹10770 lacs as compared to the previous year sales turnover of ₹ 7970 lacs thereby registering a growth of 35%. The Company's Net Profit has recorded substantial growth of 157.42% by scaling up from the previous year figure of ₹ 499.93 lacs to ₹ 1286.96 lacs.

Directors are putting constant thrust on productivity, enhancement, cost optimization and customer satisfaction by producing their quality products enabling continuous growth track, in the Operational results of the Company

DIVIDEND

While approving the Final Accounts Statements for the year ended on 31st March 2013, the Board has not recommended any dividend on the Equity shares and has approved for payment of due dividend only on the 6% Cumulative, Redeemable Preference Shares amounting to ₹ 5,40,000/- (excluding tax on dividend) for the year 2012-13.

This is keeping in view of the Company's need for upgradation of existing facilities, its growth plans and the intent to finance such plans through internal accruals to the maximum. Your directors certainly believe that this would increase shareholder value and eventually lead to a higher return threshold.

EARNING PER SHARE

EPS (Earning Per Share) is ₹ 17.79, as compared to the previous year's figure of ₹ 6.94, growth of 156.34% as compared to the previous year.

MATERIAL CHANGES IN THE COMPANY DURING THE FINANCIAL YEAR TO WHICH THE BALANCE-SHEET RELATES:

NOTING OF CHANGE IN CONTROL OF THE COMPANY FROM THE ERSTWHILE PROMOTERS TO B. BRAUN SINGAPORE PTE. LIMITED

The open offer made by the acquirer company M/s B Braun Singapore PTE Ltd had been completed in accordance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The acquirer company, acquired 54,00,112 equity shares of ₹ 10 each aggregating to 75% of the paid up equity share capital of the Company out of which 15,80,811 equity shares of ₹ 10 each aggregating to 21.96% of the paid up equity share capital of the Company have been transferred from public shareholders and 38,19,301 equity shares of ₹ 10 each aggregating to 53.04% of the paid up equity share capital of the Company have been transferred from Mr. Bikramjit Ahluwalia and persons acting in concert with him to B. Braun Singapore PTE. Limited under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and recorded the relevant Forms FC-TRS in accordance with the applicable provisions under Foreign Exchange Management Act, 1999 and other applicable laws.

The Board of Directors at its meeting held on 28.09.2012 took on record the transfer of equity shares of 75% from the erstwhile promoters and



public shareholders to B. Braun Singapore PTE. Limited and effected the change of control and management of the company. B Braun Singapore PTE. Limited nominated directors to the Board of directors of the Company with immediate effect.

EXPANSION / PRODUCT DEVELOPMENT

The Company has envisaged enhancing its existing production capacity by addition of Rommelag FFS Technology - High capacity Machines, with a mission to achieve and further addition of value added products in its products portfolio to meet the incremental demand of local and international markets.

RESEARCH & DEVELOPMENT

The Company has Research & Development Division at Bhiwadi, duly 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 to development of new formulations and registrations of products. The details of R & D is as per Form -B, forming part to the Annexure to the Director's Report.

In respect of weighted tax benefit under the R & D expenditure, the company has obtained the certificate from the prescribed authority under sec 35(2AB) of the Income tax Act, 1961.

EXPORTS

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.

Taking advantage of the increased demand of Indian pharmaceutical products, in the international market, the company has carried on registration and arrangement with several international agencies for increasing the base of export markets. Further plans are underway to increase the direct and indirect exports to various countries. As a result of this, during the year under review, the export sales were 2616 lacs as compared to the previous year's figure of ₹1519 lacs, achieving a growth of 72% approx.

As informed in our previous reports, 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 pipe line 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 Punjab & Sind Bank, Deutsche Bank which has been providing financial assistance to our company for various purposes and for which we express our hearty commends.

DIRECTORS

Mr Bikramjit Ahluwalia, Chairman, Dr Rohini Ahluwalia, Whole Time Director, Ms Sudershan Walia, director and Mr S K Sachdeva non executive director of the company had resigned from the directorship of the Company with effect from 28th September, 2012. The Board records its sincere appreciation of the valuable contribution and learned advice rendered by Mr Ahluwalia, Dr Rohini Ahluwalia, Ms Walia and Mr Sachdeva during their tenure as a director of the Company.

The Promoter Company M/s B Braun Singapore Pte Ltd nominated Mr Anand Chandrashekar Apte, Mr Arun Mudgal and Mr Manfred Gregor Mahrle as additional directors to the board of the Company with effect from 28th September, 2012.

Another long time member of the board, Professor G. P. Talwar, Independent Director has tendered his resignation due to personal reason effective from 15.10.2012 and the Board records its sincere appreciation and take on records, the resignation of Professor G P Talwar from the post of an Independent Director.

The present directors have vast experience in the industry & their timely directions/under executions shall provide long term benefits to the company.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the company, Dr S C L Gupta and Dr S S Arora Directors of the company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

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. The details of the directors, seeking appointment/reappointment is provided under the "Report on Corporate Governance" forming part of this Annual Report.

ELEVATION:

Mr Anand Chandrashekar Apte, as an additional director, was elected as the Chairman of the board with effect from 28.09.2012. Mr. Apte is a seasoned professional, having a vast experience in this Industry & his guidance and directions are providing enduring benefits to the Company.



Mr Arun Mudgal, as an additional director with effect from 28.09.2012 was elevated with immediate effect as the Managing Director of the company. Mr Mudgal is a seasoned professional having more than 26 years of reach experience in operation of pharmaceutical, healthcare business segment in India and abroad. His expertise is in specific functional areas i.e: Operations Management, Business Managements, Project Managements, etc.

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 alongwith 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 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, 2013 on a 'going concern' basis.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section titled "Report on Corporate Governance" has been annexed to this Annual Report.

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. 9 (ii) 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 Arun. K. Gupta & Associates, Chartered Accountants, Statutory Auditors of the company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. We recommend for their reappointment.

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 2013-14 with a remuneration of ₹ 50,000/- settled mutually. 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.

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.

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 (2A) 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 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.

ACKNOWLEDGEMENTS:

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

Place: New Delhi
Date: 12.08.2013

Anand Chandrashekhar Apte
Chairman