



# **Ahlcon Parenterals (India) Limited**

**22<sup>nd</sup> ANNUAL REPORT 2013-14**

# 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, IInd 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

Mizuho Bank  
Deutsche Bank  
HDFC Bank Ltd.  
Punjab & Sind Bank  
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](http://www.ahlconindia.com)  
email: [ranjan.sahu@ahlconindia.com](mailto:ranjan.sahu@ahlconindia.com)

# CONTENTS

Notice....	01	Director's Report....	09	Management Discussion & Analysis Report....	13
Report on Corporate Governance....	16	Independent Auditor's Report....	23	Balance Sheet...	26
Statement of Profit & Loss....	27	Notes....	28	Cash Flow Statement....	49



# NOTICE

Notice is hereby given that the 22nd Annual General Meeting of Ahlcon Parenterals (India) Limited will be held on Monday, the 29th day of September 2014 at 3.00PM at FICCI K.K. Birla 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 2014, 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 Mr. Anand Chandrashekhar Apte (DIN: 01677401), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting of the Company and authorise the Board of Directors/Audit Committee to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

M/s Arun K. Gupta & Associates, Chartered Accountants are the retiring Auditors and being eligible, offer themselves for reappointment.

**"RESOLVED** that pursuant to the provisions of Section 139 of the Companies Act, 2013 and Rules made thereunder and pursuant to the recommendations of Audit Committee and approval of Board, M/s. Arun K Gupta & Associates., Chartered Accountants (Registration No. 000605N), be and is hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this AGM till the conclusion of the third Annual General Meeting of the Company to be held in 2017 (subject to ratification by members at every AGM held after this AGM) at such remuneration as shall be fixed by the Board of Directors of the Company upon recommendations of the Audit Committee."

## SPECIAL BUSINESS

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

**"RESOLVED** that Mr. Arun Kumar Gupta, (DIN:371289) already an Independent Director pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges and who is eligible to remain in office as an Independent Director pursuant to Section 149 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement effective from 1st October, 2014, continue to act as an Independent Director of the Company for a term of 5 (five) consecutive years with effect from April 1, 2014 up to March 31, 2019, and shall not be liable to retire by rotation."

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

**"RESOLVED** that Dr. S. S. Arora, (DIN : 371867) already an Independent Director pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges and who is eligible to remain in office as an Independent Director pursuant to Section 149 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory

modification(s) or re-enactment thereof) read with Schedule IV of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement effective from 1st October, 2014, continue to act as an Independent Director of the Company for a term of 5 (five) consecutive years with effect from April 1, 2014 up to March 31, 2019 and shall not be liable to retire by rotation."

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

**"RESOLVED** that Dr. S. C. L. Gupta, (DIN : 359155) already an Independent Director pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges and who is eligible to remain in office as an Independent Director pursuant to Section 149 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement effective from 1st October, 2014, continue to act as an Independent Director for a term of 5 (five) consecutive years with effect from April 1, 2014 up to March 31, 2019, and shall not be liable to retire 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 Sections 196, and read with sec 197 and schedule V of the Companies Act 2013 and pursuant to Companies ( Appointment and remuneration of Managerial Personnel ) Rule 2014 and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification(s), or re-enactment thereof for the time being in force) and pursuant to Managing Director agreement dated 01.10.2012 and Article 108 of the Articles of Association of the Company and approval of the Central Government, if required, the Managerial remuneration of the Managing Director be increased as set out in the explanatory statement attached to this notice and contained in the Agreement with effect from 1st April, 2014 for a period of one year with annual increment of upto maximum 20% in accordance with provisions under Companies Act, 2013.

**RESOLVED FURTHER** that notwithstanding anything contained herein above where, if in any financial year during the term of employment of Mr. Arun Mudgal (DIN : 06366992), 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 authority if and to the extent necessary and 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 the Board be and is hereby authorised to do all such acts, deeds and things as may be deemed necessary to give effect to the above resolutions.

**RESOLVED FURTHER** that any one of the Director 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 Companies Act, 2013 to give effect to the above resolutions."

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 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and clause 49 of the listing agreement, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to enter into a related party contract with M/s. B Braun Medical (India) Limited for manufacturing, purchase, sale, supply of goods and services for a period of 3 years for a maximum amount per annum, as mentioned in the explanatory statement and as per the terms and conditions mentioned in the contract"

**RESOLVED FURTHER** that the Board of Directors be and is hereby authorised to decide upon the nature and value of the products, goods, materials, services or facilities to be transacted with M/s. B Braun Medical (India) Limited and to do all such acts, matters and things as may be necessary to give effect to the above resolution".

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

**"RESOLVED** that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the appointment of M/s Kabra and Associates, Cost Accountants, as Cost Auditors as appointed by the Board of Directors of the Company as such to conduct the audit of the cost records of the Company for the financial year 2014-15 and the payment of remuneration as mentioned in the explanatory statement (including out of pocket expenses as may be incurred in connection with the audit but excluding out of pocket expenses as may be incurred in connection with the outstation travels as per actuals) and Service Tax as may be applicable.

**RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorized to do all such acts, matters, deeds and things as maybe necessary to give effect to the above resolution."

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 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and clause 49 of the listing agreement, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to enter into a related party contract with Oyster Medisafe Private Limited for purchase, sale, supply of goods and services for a period of 3 years for a maximum amount per annum, as mentioned in the explanatory statement and as per the terms and conditions mentioned in the contract."

**RESOLVED FURTHER** that the Board of Directors be and is hereby authorised to decide upon the nature and value of the products, goods, materials, services or facilities to be transacted with Oyster Medisafe Private Limited and to do all such acts, matters and things as may be necessary to give effect to the above resolution

By order of the Board

For AHLCON PARENTERALS (INDIA) LIMITED

Place : New Delhi

Dated: 12.08.2014

Ranjan Kumar Sahu

Company Secretary

PAN: ATDPS7346D

#### 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 22nd September 2014 to 29th September 2014 (both days inclusive) for the purpose of Annual General Meeting.
5. While approving the Final Accounts Statements for the year ended on 31st March 2014, the Board has not recommended any dividend on the Equity Shares and has approved for payment of due dividend only of 6% Cumulative, Redeemable Preference Shares amounting to ₹ 3,94,882/- (exclusive tax on dividend) for the year 2013-14.
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 regard 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 FINIAL DIVIDEND	AGM DATE	DUE DATE
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 INTERIM DIVIDEND	BOARD MEETING DATE	DUE DATE
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 and 2005-06 was transferred to the Investor Education and Protection Fund of the Central Government on 05.11.2012 and 05.11.2013 respectively and the unpaid/unclaimed Dividend for the year 2006-07 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 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. Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the company as on 20.09.2013 (date of last Annual General Meeting) on the website of the company ([www.ahlconindia.com](http://www.ahlconindia.com)) as also on the Ministry of Corporate Affairs website.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA for registration of transmission/transposition, deletion of name etc.
11. 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.
12. 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.
13. 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.
14. 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.
15. Electronic copy of the Notice of the 22nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to for all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes. For members who have not registered their email address for all other members, Physical copies of the Notice of the 22nd

Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

16. Members may also note that Notice of 22nd Annual General Meeting and Annual Report for 2013-14 will also be available on Company's website at [www.ahlconindia.com](http://www.ahlconindia.com) for their download.
- 17.: As per Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the items of business set out in the attached Notice may be transacted also through electronic voting system as an alternative mode of voting. The Company is providing the facility of casting vote through the electronic voting system ("e-voting") under an arrangement with The Central Depository Services (India) Limited ("CDSL") as specified more fully in the instruction hereunder provided that once the vote on a Resolution is casted, a Member shall not be allowed to change it subsequently.

**The procedure and instructions for e-voting as given in the Notice of the 22nd Annual General Meeting are hereunder for easy reference:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME - Ahlcon Parenterals (India) Limited" from the drop down menu and click on "SUBMIT".
- (iv) Now, enter your User ID as given overleaf in the box.
- (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders).
DOB*	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Bank Details*	Enter the Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

\*Please enter any one of the details in order to login. Incase both the details are not recorded with the depository or company please enter the member id / folio number in the Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.





- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for Ahlcon Parenterals (India) Limited to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

#### GENERAL INSTRUCTIONS:

- (A) The e-voting period commences on 23rd September 2014 (9.00 a.m.) and ends on 25th September, 2014 (6.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (C) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cutoff date (record date) of 29th August, 2014.
- (D) Mr. Santosh Pradhan Practicing Company Secretary (Membership No. FCS 6973 & CP No. 7647), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (E) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.ahlconindia.com](http://www.ahlconindia.com) and on the website of CDSL within two (2) days of passing of the resolutions

at the AGM of the Company and communicated to the BSE Limited.

- 18. Since the company is providing the facility of e-voting to the shareholders, there shall be no voting by show of hands at the Annual General Meeting.
- 19. The shareholders who will be physically present at the Annual General Meeting shall be provided with polling papers to cast their votes at the meeting.
- 20. The shareholders can opt for only one mode of voting i.e. e-voting or physical polling at the meeting. In case of voting by both the modes, vote casted through e-voting will be considered final and voting through physical ballot will not be considered.
- 21. Shareholders are requested to bring their copy of Annual Report to the meeting.
- 22. **An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 in relation to the Special Business is annexed hereto and forms part of this Notice:**

#### Item No.4

Mr. Arun Kumar Gupta, was appointed as a Director of the Company prior to 1st April, 2014, being the date of notification of section 149 of the Companies Act, 2013. He is eligible to continue as an 'Independent Director' under the Companies Act, 2013 (the “Act”) and the revised Clause 49 of the Listing Agreement with the Stock Exchanges that will come into effect from 1st October, 2014. However, the records of the Ministry of Corporate Affairs need to take a note that the said Director is an 'Independent Director' being appointed prior to 1st April, 2014, and is not liable to retire by rotation pursuant to section 149(13) of the Act. Pursuant to section 149(10) of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company. Pursuant to Explanation to sub-section (11) of section 149 of the Act, any tenure of an Independent Director on the date of commencement of the Act shall not be counted as a term for the purpose of counting his term in office. Pursuant to the revised Clause 49 of the Listing Agreement that is made applicable with effect from 1st October, 2014 by the Securities and Exchange Board of India, any person who has already served as an Independent Director for five years or more in a company as on 1st October, 2014 shall be eligible for appointment on completion of his present term for one more term of up to five years only.

The Company has also received notices from Mr. Gupta along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of Mr. Arun Kumar Gupta for the office of Directors of the Company. In the opinion of the Board Mr. Arun K. Gupta, fulfill the conditions for their appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement and are independent of the management.

Hence, Mr. Arun Kumar Gupta, who has already served for more five years or more, is eligible for appointment for only one term of 5 consecutive years on completion of his term.

The Members are requested to consider the continuation of Mr. Arun Kumar Gupta as an Independent Director under the Companies Act, 2013 whose period of office shall not be liable to retire by rotation.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or otherwise interested in this resolution except Mr. Arun Kumar Gupta.



Your Directors recommend the resolution for your approval as a Special Resolution.

#### Item No.5

Dr. S.S. Arora was appointed as a, Director of the Company prior to 1st April, 2014, being the date of notification of section 149 of the Companies Act, 2013. He is eligible to continue as an 'Independent Director' under the Companies Act, 2013 (the "Act") and the revised Clause 49 of the Listing Agreement with the Stock Exchanges that will come into effect from 1st October, 2014. However, the records of the Ministry of Corporate Affairs need to take a note that the said Director is an 'Independent Director' being appointed prior to 1st April, 2014, and is not liable to retire by rotation pursuant to section 149(13) of the Act. Pursuant to section 149(10) of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company. Pursuant to Explanation to sub-section (11) of section 149 of the Act, any tenure of an Independent Director on the date of commencement of the Act shall not be counted as a term for the purpose of counting his term in office. Pursuant to the revised Clause 49 of the Listing Agreement that is made applicable with effect from 1st October, 2014 by the Securities and Exchange Board of India, any person who has already served as an Independent Director for five years or more in a company as on 1st October, 2014 shall be eligible for appointment on completion of his present term for one more term of up to five years only.

The Company has also received notices from Dr. Arora along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of Dr. S. S. Arora for the office of Directors of the Company. In the opinion of the Board Dr. S. S. Arora, fulfill the conditions for their appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement and are independent of the management.

Hence, Dr. S. S. Arora, who has already served for more five years or more, is eligible for appointment for only one term of 5 consecutive years on completion of his term.

The Members are requested to consider the continuation of Dr. S. S. Arora as an Independent Director under the Companies Act, 2013 whose period of office shall not be liable to retire by rotation.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or otherwise interested in this resolution except Dr. S. S. Arora.

Your Directors recommend the resolution for your approval as a Special Resolution.

#### Item No.6

Dr. S.C. L. Gupta, was appointed as a, Director of the Company prior to 1st April, 2014, being the date of notification of section 149 of the Companies Act, 2013. He is eligible to continue as an 'Independent Director' under the Companies Act, 2013 (the "Act") and the revised Clause 49 of the Listing Agreement with the Stock Exchanges that will come into effect from 1st October, 2014. However, the records of the Ministry of Corporate Affairs need to take a note that the said Director is an 'Independent Director' being appointed prior to 1st April, 2014, and is not liable to retire by rotation pursuant to section 149(13) of the Act. Pursuant to section 149(10) of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company. Pursuant to Explanation to sub-section (11) of section 149 of

the Act, any tenure of an Independent Director on the date of commencement of the Act shall not be counted as a term for the purpose of counting his term in office. Pursuant to the revised Clause 49 of the Listing Agreement that is made applicable with effect from 1st October, 2014 by the Securities and Exchange Board of India, any person who has already served as an Independent Director for five years or more in a company as on 1st October, 2014 shall be eligible for appointment on completion of his present term for one more term of up to five years only.

The Company has also received notices from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of Mr. S.C.L. Gupta for the office of Directors of the Company. In the opinion of the Board Dr. S.C.L. Gupta, fulfill the conditions for their appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement and are independent of the management.

Hence, Dr. S.C.L. Gupta, who has already served for more five years or more, is eligible for appointment for only one term of 5 consecutive years on completion of his term.

The Members are requested to consider the continuation of Dr. S.C.L. Gupta as an Independent Director under the Companies Act, 2013 whose period of office shall not be liable to retire by rotation.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or otherwise interested in this resolution except Dr. S.C.L. Gupta.

Your Directors recommend the resolution for your approval as a Special Resolution.

#### Item No. 7

##### **Increase of Remuneration of Mr. Arun Mudgal, Managing Director**

In view of excellent contribution made by Mr. Arun Mudgal, Managing Director towards the growth of the company, the Nomination & Remuneration Committee and the Board of Directors at their meeting held on 12.06.2014 have decided to increase the remuneration of Managing Director from ₹ 3,89,585 per month (excluding performance incentive of ₹ 8,25,000/- per annum) to ₹ 438541/- per month (excluding performance incentive) in accordance with provision of Sections 196 and 197 Schedule V of the Companies Act 2013 and pursuant to Companies (Appointment and Remuneration of Managerial Personnel) Rule 2014, and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification(s), or re-enactment thereof for the time being in force) and pursuant to Managing Director agreement dated 01.10.2012 and subject to approval of the shareholders of the company.

As per the profit of the company for the year ended 31.03.2014, under review, the proposed remuneration shall be within the prescribed limit provided under section 197 and schedule V of the companies Act 2013. The Company can continue to pay the remuneration by ₹ 5,29,073/- Per month with an annual increment upto maximum 20% every year in future years if the same is approved by the shareholders at their meeting.

The Remuneration Committee in its meeting held on 12th June, 2014 recommended the ratification for the payment of aforesaid remuneration and proposed remuneration as set out in the AGM Notice and Explanatory Statements.



#### Details about the Managing Directors:

**Mr. Arun Mudgal** **Managing Director**

Date of Birth: 6th August, 1961

Age: 53 years

Qualification:

Master in Pharma

MBA (International Business)

Mr. Arun Mudgal a seasoned pharmaceutical and healthcare professional by qualification and having more than 27 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 area: Operation 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:

1. Oyster Medisafe Private Limited

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

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

Mr. Mudgal was appointed as the Managing Director of the Company for a period from 28.09.2012 to 27.09.2017 which was approved by the Shareholders in the meeting held on 20.09.2013.

An abstract of the remuneration payable to him as Managing Director of the Company during the year 2014-15 as under:-

Name of the Director	Arun Mudgal
Designation	Managing Director
Terms and Conditions including Remuneration Per Annum	(Amount In Rs.)
Basic Salary	18,53,954/-
HRA	9,26,977/-
perquisites	1,80,936/-
performance and incentives	10,86,384/-
Others	23,00,628/-
Total Remuneration per month	63,48,879/-

Other terms, if any: Payment of remuneration as per the Managing director Agreement dated 01.10.2012 and as per limit provided under section 197 and schedule V of the Companies Act 2013.

The Members are requested to consider the approval of remuneration to be paid to Mr. ArunMudgal, Managing Director of the Company under the Companies Act, 2013.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or otherwise interested in this resolution except Mr. Arun Mudgal.

Your Directors recommend the resolution for your approval as an Ordinary Resolution.

#### Item no.8

**Approval for entering into related party transactions by the company in accordance with section 188 and clause 49 of the listing agreement:**

The company has entered with B. Braun Medical (India) Pvt. Ltd. a manufacturing agreement and a service agreement for purchase and sale of pharmaceutical products and availing of service for sale and supply of its products in tender and other business.

Pursuant to section 188 of the Companies Act, 2013 the Board at their meeting held on 13.05.2014 approved the related party transactions with B Braun Medical (India) Pvt. Ltd. Further, pursuant to revised Clause 49 of the Listing Agreement, w.e.f. 01.10.2014 the related party transaction is subject to shareholders approval at their meeting.

The particulars of the transaction pursuant to para 3 of Explanation (1) to Rule15 of the Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

##### 1. Name of the related party :

B. Braun Medical (India) Pvt. Ltd

##### 2. Name of the director or key managerial personnel who is related:

- a. Mr. Anand Apte,
- b. Mr. Manfred Mahrle

##### 3. Nature of relationship:

The Company is an associate company.

##### 4. Nature, material terms, monetary value and particulars of the contract:

- a. Particulars of Contract: Manufacturing Agreement and Services Agreement.
- b. Nature of Contract: For sale and purchase of goods and services.
- c. **Material Terms:**
- d. Value of the Contract maximum : sale of good and provide services for the year 2014-15 ₹ 25 crores, for the year 2015-16 ₹ 30 crores and for the year 2016-17 ₹ 40 crores between Ahlcon and B. Braun Medical (India) Pvt. Ltd.

##### 5. Any other information relevant or important for the members to make a decision on the proposed transaction: None.

The Members are requested to consider the approval of entering into the related party transactions with B. Braun India Medical Pvt. Ltd. as per the provisions of section 188 of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or otherwise interested in this resolution except Mr. Anand Chandrashekhar Apte and Mr. Manfred Mahrle.

Based on the above, your Directors recommend the above resolution for your approval as a Special Resolution.

#### Item No.9

Ratification Remuneration of Cost Auditor

The Board, on the recommendation of the Audit Committee, has





approved the appointment of the Cost Auditors M/s Kabra and Associates, Cost Accountant, New Delhi, holding valid certificate of practice no. 000075 to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 at a remuneration of ₹ 50000/-plus applicable taxes and out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in resolutions set out at Item No. 9 of the Notice.

The company has received a letter from the Cost Auditor that the appointment, if made, will be within the prescribed limit under the section 224(1B) of the Act.

The Board recommends Ordinary Resolutions set out at Item No. 9 of the Notice for approval by the shareholders.

10. Approval for entering into related party transactions by the company in accordance with section 188 and clause 49 of the listing agreement:

The company has proposed to entered into contract/ agreement with Oyster Medisafe Private Limited an associate company for purchase, sale and supply of goods and services.

Pursuant to section 188 of the Companies Act and pursuant to revised Clause 49 of the Listing Agreement, w.e.f. 01.10.2014, the Board at their meeting held on 13.05.2014 approved the proposed contract with Oyster Medisafe Private Limited subject to approval of shareholders at their meeting.

The particulars of the transaction pursuant to para 3 of Explanation (1) to Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

1. Name of the related party: Oyster Medisafe Private Limited
2. Name of the director or key managerial personnel who is related:
  - a. Mr. Anand Chandrashekhar Apte
  - b. Mr. Manfred Mahrle
  - c. Mr. Arun Mudgal
3. Nature of relationship: The Company is an associate company.
4. Nature, material terms, monetary value and particulars of the contract:
  - a. Particulars of Contract: Manufacturing and supply Agreement
  - b. Nature of Contract: For sale and purchase of goods and services
  - c. Material Terms:

d. Value of the Contract maximum : purchase of good and provide services for the year 2014-15 ₹ 10 crores, for the year 2015-16 ₹ 15 crores and for the year 2016-17 ₹ 20 crores between Ahlcon and Oyster Medisafe Private Limited.

5. Any other information relevant or important for the members to make a decision on the proposed transaction: None.

The Members are requested to consider the approval of proposed contracts with Oyster Medisafe Private Limited as related party transactions as per the provisions of section 188 of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or otherwise interested in this resolution except Mr. Anand Chandrashekhar Apte, Mr Manfred Mahrle and Mr. Arun Mudgal as common directors of both company.

Based on the above, your Directors recommend the above resolution for your approval as a Special Resolution.

#### **BRIEF PROFILE OF THE DIRECTOR SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANCE TO 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:

Mr. Anand Chandrashekhar Apte Non Executive Chairman

DOB: 30th April, 1971,

Age: 43 years,

Qualification:

MSc in Microbiology, MBA (full time) with specialization in Marketing and Finance and Post graduate diploma in Human Resource Management

Mr. Anand Chandrashekhar Apte, a seasoned healthcare professional by qualification and having more than 19 years of experience in operation of pharmaceutical and health care companies, management of various business segment in India and abroad.

Nature of expertise: His expertise in specific functional area: 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
3. B Braun Medical Trust Foundation

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

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



**b. Mr. Arun Kumar Gupta Independent Director**

DOB: 27-12-1949 Age: 65 years

Mr. Arun Kumar Gupta is a Fellow member of the Institute of Chartered Accountants of India, as well as an Associate member of The Institute of Cost Accountants of India. He is also qualified as a Management Accountant from The Institute of Chartered Accountants of India. He is a Commerce Graduate from the prestigious Shri Ram College of Commerce, Delhi.

Mr. Gupta was nominated by Govt. of India between 1992 – 1995 to the Central Council of The Institute of Chartered Accountants of India, the highest governing body of the accountants in the country.

Mr. Gupta has vast experience in almost entire financial accounting spectrum including systems formulations, MIS, internal control, audit, taxation, and corporate laws. He has also been involved in few merger and acquisitions for small and medium enterprises. He has also been responsible for revival of many sick industrial units. Mr. Gupta has also successfully handled arrangement of loan fund to over fifty companies. He has been a part of several teams for negotiating formation of joint ventures in India with Foreign Companies. He has also appeared as an Accounting Expert before International Chamber of Commerce, Paris.

He is Director and Chairman of Audit Committee of the following companies:

1. Ahluwalia Contracts (India) Limited
2. Satia Synthetics Limited

He is also associated with number of NGO's both as a member and as an advisor.

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

**c. Dr. S.S.Arora Director**

DOB: 16-01-1959 Age: 55 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.

**d. Dr. S. C. L. Gupta Director**

DOB: 21.07.1953 Age: 61 years  
Qualification MBBS, M.S, M.I.S.C.O.

Dr. Gupta is an M.S, M.I.S.C.O. Former 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

**For AHLCON PARENTERALS (INDIA) LIMITED**

Place: New Delhi

Dated: 12.08.2014

**Ranjan Kumar Sahu**

(Company Secretary)

PAN: ATDPS7346D