



**Ahlcon Parenterals (India) Limited**

**25<sup>TH</sup> ANNUAL REPORT 2016-17**

# CORPORATE INFORMATION

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## BOARD OF DIRECTORS

Mr. Andreas Walde, Chairman

Mr. Indranil Mukherjee, Managing Director

Mr. Arun Kumar Gupta, Director

Dr. S.C.L. Gupta, Director

Dr. S.S. Arora, Director

## REGISTERED OFFICE

Plot No. 30 & 30 E, 2<sup>nd</sup> Floor, Shivaji Marg,  
Najafgarh Road Industrial Area,  
New Delhi – 110015  
Tel No.011– 42344234

## COMPANY SECRETARY

Mr. Ranjan Kumar Sahu

## BANKERS

Mizuho Bank  
Deutsche Bank  
HDFC Bank Ltd.  
Syndicate Bank  
State Bank of Bikaner & Jaipur

## MANUFACTURING FACILITIES

SP-917 & 918, Phase III, RIICO Industrial Area,  
Bhiwadi – 301019,  
Dist. Alwar, Rajasthan.  
Tel: 01493 – 305300, Fax: 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)

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# NOTICE

Notice is hereby given that the 25<sup>th</sup> Annual General Meeting of Ahlcon Parenterals (India) Limited will be held on Wednesday, the 27<sup>th</sup> day of September 2017 at 4.00 PM at Plot No. 30 & 30 E, 2<sup>nd</sup> Floor, Shivaji Marg, Najafgarh Road Industrial Area, New Delhi - 110015 to transact the following business :

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March 2017, 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. Andreas Walde, (DIN:07331893), who retire by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s. Price Waterhouse Chartered Accountants LLP, (FRN:012754N/N500016), as Statutory Auditors of the Company, in place of the retiring auditors M/s Arun K Gupta & Associate, Chartered Accountant (FRN: 000605N) to hold the office from the conclusion of this Annual General Meeting till the conclusion of 30<sup>th</sup> Annual General Meeting to be held in the year 2022 and to fix their remuneration, by considering and if thought fit, passing with or without modification(s), the following resolution as ordinary resolution:

**"RESOLVED** that pursuant to the provisions of Section 139,141(2) and 142 and other applicable provisions, if any of the Companies Act, 2013 and pursuant to the recommendations of Audit Committee and Board M/s. Price Waterhouse Chartered Accountants LLP, (FRN: 012754N/N500016) be and are hereby appointed as the Statutory Auditors of the Company, in place of the retiring auditors M/s Arun K Gupta & Associate, Chartered Accountant (FRN:000605N), to hold the office from the conclusion of this Annual General Meeting till the conclusion of 30<sup>th</sup> Annual General Meeting to be held in the year 2022, subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual general Meeting, and the Board of Directors of the Company be and are hereby authorised to fix such remuneration including out of pocket expenses as may be recommended by the Audit Committee of the Company."

## SPECIAL BUSINESS

4. Appointment of Mr. Indranil Mukherjee (DIN:06692898) as Director of the Company:

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 under sec 161 of the Companies Act 2013 and other applicable provisions of the Companies Act 2013, Mr. Indranil Mukherjee (DIN: 06692898), Additional Director of the Company who was required to hold the office upto the date of this Annual General Meeting, and in respect of whom the Company had received a notice in writing from a member, proposing his appointment as Director of the Company be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation."

5. Ratification of the payment of remuneration of Cost Auditor

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 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 to conduct the audit of the cost records of the Company for the financial year 2017-18 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 Goods and Services Tax as may be applicable be and is hereby ratified".

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

6. Waiver of Excess Remuneration paid to the Managing Director:

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 197 (9) and (10) of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, subject to the approval of the Central Government, and such other approvals, as may be required, approval of the Members be and is hereby accorded to the Board of Directors of the Company to waive the recovery of excess remuneration paid, over and above the limits as prescribed under the Schedule V of the Companies Act 2013 amounting to ₹7,31,633/- paid to Mr. Arun Mudgal (DIN:06366992), Ex-Managing Director, during the Year 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017.

**RESOLVED FURTHER THAT** subject to the approval of the Central Government if any, waiver of excess managerial remuneration of ₹7,31,633/- paid to Mr. Arun Mudgal, (DIN: 06366992), Ex-Managing Director during the year 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017 be and is hereby approved.

**"RESOLVED FURTHER THAT** the Board of Directors/ Company Secretary of the Company be and is hereby authorized to do all such acts, matters and things as may be considered it to be necessary or desirable to give effect to this Resolution in this regard."

7. Appointment of Mr. Indranil Mukherjee (DIN: 06692898) as the Managing Director of the Company

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 sec 196, read with sec 197 and Schedule V of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013, (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 on the recommendation of the Nomination and Remuneration Committee and Board, the



approval of the members of the Company be and is hereby accorded to appoint Mr. Indranil Mukherjee as the Managing Director of the Company for a period of 5 (Five) years with effect from 1<sup>st</sup> September, 2017 without remuneration and is authorized to exercise substantial powers of management subject to superintendence, control and direction of Board of Directors.

**RESOLVED FURTHER THAT** Mr. Andreas Walde, (DIN: 07331893) Director of the Company is authorized for and on behalf of the Company to negotiate, deal, agree, finalise, sign, execute, edit, modify and or deliver the employment agreement to be entered into between the Company and the Managing Director.

**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 under the Companies Act 2013 in respect of this appointment."

By order of the Board

**For AHLCON PARENTERALS (INDIA) LIMITED**

Place : New Delhi

Ranjan Kumar Sahu

Dated: 18.08.2017

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 Thursday the 21<sup>st</sup> day of September 2017 to Wednesday, the 27<sup>th</sup> day of September 2017 (both days inclusive) for the purpose of Annual General Meeting.
5. While approving the Final Accounts Statements for the year ended on 31<sup>st</sup> March 2017, the Board has not recommended any dividend on the Equity Shares.
6. Those members who have so far not encashed their unpaid 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 124 of the Companies Act, 2013 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 FINAL DIVIDEND	AGM DATE	DUE DATE
31.03.2010	17.09.2010	23.10.2017
31.03.2011	30.09.2011	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 124(5) of the Companies Act, 2013, the unpaid /unclaimed Dividend for the year 2004-05, 2005-06, 2006-2007, 2007-08 and 2008-09 was transferred to the Investor Education and Protection Fund of the Central Government on 05.11.2012, 05.11.2013, 05.11.2014, 05.11.2015 and 5.11.2016 respectively and the unpaid/unclaimed Dividend for the year 2009-10 will be transferred to Investor Education and Protection Fund of the Central Government on the due date.
8. 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.
9. All documents referred in the notice are open for inspection at the Registered Office of the Company at : Plot No. 30 & 30 E, 2<sup>nd</sup> Floor, Shivaji Marg, Najafgarh Road Industrial Area, New Delhi - 110015 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 corporate 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. Electronic copy of the Notice of the 25<sup>th</sup> 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 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 25<sup>th</sup> 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.



14. As per Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2017, 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 National Depository Services (India) Limited ("NSDL") 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.
15. The Annual Report of the Company for the year ended March 31, 2017 and the Notice convening 25<sup>th</sup> Annual General Meeting (AGM) of the Company is attached herewith together with the Attendance Slip, E-voting Instructions and Proxy Form (in Annual Report). These documents are also available at the Registered Office of the Company for inspection during 11:00 A.M. to 1:00 P.M on any working day except Saturdays and Sundays. If you desire to have a copy of Annual Report in physical form, kindly write to MAS SERVICES LTD. (Registrar and Transfer Agent), T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi-110020 email:- info@masserv.com or sm@masserv.com or to Company at above address, e-mail:- ranjan.sahu@ahlconindia.com and the same will be provided free of cost.
- The Resolutions proposed at the 25<sup>th</sup> AGM of the Company will be transacted through remote e-voting (facility to cast vote from a place other than the venue of the AGM) and through Ballot Paper at the AGM in terms of the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015. The Company has engaged the services of National Securities Depository Limited (NSDL) for this purpose. The remote e-voting facility is available at the link <https://www.evoting.nsdl.com>.
- The remote e-voting facility will be available during the following voting period:
- Commencement of remote e-voting  
Saturday, September 23, 2017 at 09.00 A.M. (IST)
- End of remote e-voting  
Tuesday, September 26, 2017 at 5.00 P.M. (IST)
- The cut-off date (i.e. the record date) for the purpose of remote e-voting is September 20, 2017.
- The details and instructions for remote e-voting forms an integral part of the Notice convening the 25<sup>th</sup> AGM to be held on September 27, 2017.
16. The procedure and instructions for e-voting is given hereunder for easy reference:
- The initial password is provided in the box overleaf.
  - Open e-mail and open PDF file viz. "APL-remote e-Voting.pdf" with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
  - Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
  - Click on Shareholder-Login.
  - Put user ID and password as initial password noted in step (a) above. Click Login.
  - Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - Select "EVEN" of "AHLCON PARENTERALS (INDIA) LIMITED".
  - Now you are ready for remote e-voting as Cast Vote page opens.
  - Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - Upon confirmation, the message "Vote cast successfully" will be displayed.
  - Once you have voted on the resolution, you will not be allowed to modify your vote.
  - Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPGFormat) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail to [agrawal.kundan@gmail.com](mailto:agrawal.kundan@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
  - If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
  - You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  - The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 20<sup>th</sup> September, 2017.
  - Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 20<sup>th</sup> September, 2017, will be provided the notice through by post after the cut-off date. Such members may also obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [info@masserv.com](mailto:info@masserv.com).
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
  - A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.





- u. Mr. Kundan Agrawal, Practicing Company Secretary (Membership No. FCS-7631 & CP No. 83) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- v. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- w. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- x. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.ahlconindia.com](http://www.ahlconindia.com) and on the website of NSDL immediately after the declaration of result by the Chairman.
- 17. Shareholders are requested to bring their copy of Annual Report to the meeting.
- 18. **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

##### **Appointment of Mr. Indranil Mukherjee (DIN:06692898) as Director of the Company:**

Pursuant to Article 80 of the Articles of Association of the Company Indranil Mukherjee (DIN: 06692898) was appointed as an Additional Director by the Board at their meeting held on 18.08.2017. In terms of provisions of Section 161 of the Companies Act 2013, 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. Indranil Mukherjee shall cease to hold office at the conclusion of this Annual General Meeting unless his appointment is ratified by the shareholders. Your Company has received in writing from him alongwith a deposit of ₹ 1,00,000/- for his appointment as a Director on the Board under Section 161 of the Companies Act 2013. In view of the valuable leadership that can be lent to the Company by Mr. Indranil Mukherjee as director on the Board, your directors recommend passing of the resolution set out at item No.4 of this notice.

The proposed resolution does not relate to or affect the business interest of any other Company in which the Promoter, Director, Manager or Key Managerial Personnel have substantial interest.

None of the Directors & their Relatives are interested in the proposed resolution except Mr. Indranil Mukherjee.

The directors recommend the said resolution for the approval of the members of the Company by Ordinary Resolution.

#### Item No. 5

##### **Ratification of the payment of 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, 2018 at a remuneration of ₹50,000/- plus applicable Goods and Services Tax and out of pocket expenses. The company has received a letter from the Cost Auditor that the appointment, if made, will be within the prescribed limit under section 224(1B) of the Act.

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 2017-18.. 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.

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.5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

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.5 of the Notice.

The directors recommend the said resolution for the approval of the members of the Company by Ordinary Resolution.

#### Item No. 6

##### **Waiver of Excess Remuneration paid to the Managing Director:**

It was informed that the Company has paid managerial remuneration to Mr. Arun Mudgal, Ex-Managing Director of the Company, in accordance with the requisite approvals of shareholders at their Annual General Meetings, as mandated by the provisions of section 197 read with Schedule V of the Companies Act 2013. However due to losses incurred during the year, the managerial remuneration exceeds the limits specified in Schedule, so it is required approval of shareholders at their meeting by way of a Special resolution for the waiver of excess remunerations paid to the ex-managing director during the period ended 31<sup>st</sup> March, 2017.

Managerial remuneration paid during the year 2016-17 is ₹23,31,085/- with an excess of ₹7,31,633/- in accordance with Section II of Part II of Schedule V of Companies Act, 2013 and based on Effective Capital of the Company due to losses incurred during the year.

So, the Board of Directors at their meetings held on 18th August, 2017 approved the waiver of such excess managerial remuneration paid during the financial period as set forth in the above resolutions, subject to approval of the shareholders' and/or the Central Government if any.



The table below shows the excess amount paid to managerial personnel for the financial year ended 31<sup>st</sup> March, 2017 under Section 197 of the Companies Act, 2013:

Particulars	Salary and Perquisites Paid during the financial year ended March 31, 2017 (A)	Maximum Permissible limit under Schedule V of Companies Act, 2013	Excess payment (A-B)
Mr. Arun Mudgal	₹ 23,31,085/-	₹ 42,00,000/- P.A based on Effective Capital	Excess ₹ 7,31,633/-

None of the Directors or key managerial personnel of the Company or their relatives except the aforesaid Managing Director is in any way concerned or interested in the proposed resolution.

Your directors recommended the resolution as set out at Item No. 6 of the notice for your approval as a Special Resolution.

#### Item No. 7

#### Appointment of Mr. Indranil Mukherjee (DIN:06692898) as the Managing Director of the Company.

Mr. Indranil Mukherjee (DIN: 06692898) is a seasoned healthcare professional by qualification and having more than 20 years of experience in operation of pharmaceutical and healthcare companies, management of various business segments in India and abroad. His expertise in specific functional areas such as Business Management, Marketing Management, Project Management, Operation Management etc. Specializes in the field of Chemistry followed by professional education in management from different universities/institutes including IIM Kolkata.

Mr. Mukherjee, is holding the position as an additional director of the Company and his appointment will be confirmed by the shareholders in this 25<sup>th</sup> AGM of the Company as set out in the item no. 4 of the Notice, further the board also approved his appointment as a Managing Director of the Company with effect from 1st September, 2017, and he is eligible to be appointed as a Managing Director of the Company by the shareholders in the ensuing 25<sup>th</sup> AGM of the Company.

He has adequate knowledge, skill and 20 years experience in pharmaceutical and healthcare business, which was similar to our company business and capable to handle and control the affairs of this company.

He is also holding the position of Director in B Braun Medical (India) Pvt. Ltd. and which is associated with our company and deal with same line of business.

The Nomination Committee and Remuneration committee recommended his name to the board for appointment as a Managing Director of the company without any remuneration at their meeting held on 18.08.2017 for a period of 5 years with effect from this meeting.

The Board approved in its meeting held on 18.08.2017, that, in consequence of resignation of erstwhile Managing Director and on the recommendation of Nomination & Remuneration Committee and subject to the provision of sec 196, read with sec 197 and Schedule V of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and according to Article - 108 of the Articles of Association of the company, Mr. Indranil Mukherjee be appointed as a Managing Director of the company by the Board for a period of 5 years with effect from 01.09.2017, subject to approval of the shareholders in the ensuing Annual General Meeting of the Company.

Statement as per item (iv) of third proviso of Section II of Part II of Schedule V

#### I. GENERAL INFORMATION

- Nature of industry: Pharmaceutical Industry.
- Date or expected date of commencement of commercial production: Commercial production started since 1994
- Financial Performance: The Company's financial results during the immediately preceding 3 years as under:  
(₹ in lacs)

Financial Year	Gross Sales	Profit before tax	Profit after tax
2013-14	13358	3006	1950
2014-15	12966	2088	1701
2015-16	13380	(2377)	(1853)

- Export performance and net foreign exchange collaborations.

During the year under review, the company's export performance was ₹2390 lacs.

#### II. INFORMATION ABOUT THE APPOINTEE

- Name: Mr. Indranil Mukherjee
- DOB: 11<sup>th</sup> February, 1972, Age: 45 years,
- Qualification: Specializes in the field of Chemistry followed by professional education in management from different universities/institutes including IIM Kolkata.
- Remuneration: The appointee is in receipt of no remuneration
- Job Profile and his Suitability: Mr. Indranil Mukherjee already holding the position as an Additional Director of the Company with effect from 18.08.2017 subject to approval at the ensuing AGM and be designated as the Director of the Company. He possess adequate knowledge, skill and 20 years of experience in pharmaceutical and healthcare business, which is similar to our company business and is capable to handle and control the affairs of this company. He is an expert in specific functional areas such as Business Management, Marketing Management, Project Management, Operation Management etc.
- Remuneration Proposed: He is proposed to be appointed without any remuneration
- Pecuniary Relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: He was inducted to the Board of your company on 18.08.2017 as an Additional Director of the Company, and till then serving continuously. Further, Mr. Mukherjee is not holding any Equity Shares of Ahlcon Parenterals (India) Limited.

None of the directors, KMP and relative is concerned and interested except Mr. Mukherjee in the above resolution.

Your directors recommended the resolution as set out at Item No. 7 of the Notice for your approval as a Ordinary Resolution.

#### For AHLCON PARENTERALS (INDIA) LIMITED

Place: New Delhi

Dated: 18.08.2017

Ranjan Kumar Sahu

(Company Secretary)

PAN: ATDPS7346D

# DIRECTORS' REPORT

## To the Members,

Your Directors have pleasure in presenting the 25<sup>th</sup> Annual Report on the business and operations of the Company for the financial year ended 31<sup>st</sup> March 2017.

## FINANCIAL RESULTS

(₹ in lacs)

FOR THE YEAR ENDED	31.03.2017 CURRENT YEAR	31.03.2016 PREVIOUS YEAR
Total Revenue	13599.90	11941.75
Profit before Finance Cost, Depreciation & Amortisation and Tax	1977.35	892.50
Finance Cost	1,729.43	1,656.78
Profit/(Loss) before, Depreciation & Amortisation and Tax	247.92	(764.28)
Depreciation & Amortisation	1630.20	1612.83
Profit before Tax	(1382.28)	(2377.11)
Tax Expense	-	(523.81)
Profit/(Loss) after Tax	(1382.28)	(1853.30)
Balance brought forward from previo us year	5543.43	7396.73
Profit available for appropriation	4161.16	5543.43
Final Dividend on Preference Shares	-	-
Tax on Dividend on Preference Shares	-	-
Profits transferred to General Reserve	-	-
Profit carried forward	4161.16	5543.43

## OPERATIONAL PERFORMANCE

Your Directors present the Operational performance of the company, which in the company has achieved a sales turnover of ₹ 13538 lacs (net of excise) as compared to the previous year sales turnover of ₹ 11900 lacs (net of excise) hereby register a growth of 13.76%.

The company's Net Loss during the year recorded ₹1382.28 lacs as compare to previous year figure profit of ₹1853.30 lacs, due to price discrimination, cut throat competition, entry of new entities in the market, government price regulatory mechanism and delay of execution of the initial phase of new plant leading to an additional depreciation and interest cost on the operational performance.

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 31<sup>st</sup> March 2017, the company having Loss of ₹1382.28 lacs and the Board has not recommended any dividend on the Equity Shares.

## EARNING PER SHARE

EPS (Earning Per Share) is ₹(19.20) as compared to the previous year's

figure of ₹ (25.74) hereby a leading to a decline of EPS ₹ (6.54) as compare to the previous year.

## MATERIAL CHANGES AND COMMITMENT SUBSEQUENT TO THE BALANCE-SHEET RELATES:

Mr. Anand Chandrashekhkar Apte, Managing Director tendered his resignation on 08.08.2017 from the position of Managing Director of the Company.

The Board of Directors has taken on record the resignation of Mr. Anand Chandrashekhkar Apte on 18.08.2018 from the position of Director and Managing Director and has relieved him from all posts, places of profit and/or any advisory or honorary posts and/or from the membership of Committees formed by the Board of Directors of the Company with effect from the closing hour on 31st August, 2017.

All directors appreciate Mr. Apte's contribution towards the organization.

In view of the resignation of Mr. Anand Chandrashekhkar Apte and, for smooth operation of the company, the remuneration committee and the board has considered and approved the appointment of Mr. Indranil Mukherjee (DIN : 06692898) as director with immediate effect and Managing Director of the Company with effect from 1<sup>st</sup> September, 2017.

The board has also appointed Mr. Andreas Walde as the Chairman of the Board with effect from 18<sup>th</sup> August, 2017.

## RESEARCH & DEVELOPMENT

The company has R & D 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 and development of new formulations and registrations of products. The details of R & D are 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.

Further plans are underway to increase the direct and indirect exports to various countries. Due to the unrest in some export market, like Yemen, Russia and Ukraine export sales during the year under review is increased to ₹2390.18 lacs (Net off rebates & returns) as compared to the previous year's figure of ₹1876.66 Lacs. there by increasing the export performance by 27.36%.

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 Mizuho Bank Ltd and Deutsche Bank which have been providing financial assistance to our company for various purposes and for which we express our hearty commends.

#### **DIRECTORS:**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013.

In accordance with the provisions of the Companies Act, and Articles of Association of the company, Mr. Andreas Walde, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. During the year under review Mr. Arun Mudgal, Managing Director resigned from the board with effect from 17.08.2016. During the year under review Mr. Anand Chandrashekhhar Apte, was appointed as the Managing directors with effect from 17.08.2016 in place of Mr. Mudgal.

During the year under review one of the Non Executive Director Mr. Andreas Walde appointed by the board with effect from 18.03.2016 was confirmed by the share holders at their 24<sup>th</sup> Annual General Meeting and appointed as a director of the Company.

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.

#### **BOARD OF DIRECTORS**

The Board is having an appropriate composition of Directors. All the Directors are equipped with variety of perspectives and skills, to ensure effectiveness of the Board, facilitating efficient discharge of duties and adding value in the context of the Company's circumstances.

#### **COMPOSITION OF BOARD OF DIRECTORS**

##### **(a) NUMBER OF MEETINGS OF THE BOARD**

Four Board Meetings of the Company were held during the year on the following dates:

**I.15.07.2016, II.17.08.2016, III.15.12.2016 IV, 14.02.2017**

##### **(b) AUDIT COMMITTEE**

The Audit Committee is having an appropriate composition of members. The Board has constituted an Audit Committee comprising with minimum number of Independent Directors. Mr. Arun K. Gupta, an Independent Director and a Chartered Accountant by profession, as the Chairman of the Committee. The role and powers of the audit committee as stipulated by the Board in accordance with Sec 177 of the Company's Act 2013.

The Board reconstituted the committee with the following members:

NAME OF THE DIRECTOR	DESIGNATION	NATURE OF DIRECTORSHIP
Mr. Arun Kumar Gupta	Chairman	Independent Director
Dr. S. C.L. Gupta	Member	Independent Director
Dr. S. S. Arora	Member	Independent Director
Mr. Anand Apte	Member	Non Executive Director
Mr. Arun Mudgal*	Member	Executive Director

\*Mr Mudgal resigned with effect from 17.08.2016 as managing director of the Company.

Statutory Auditors and the Internal Auditors of the Company were also invited to attend the Audit Committee meetings along with the Incharge of Finance (CFO) and Company Secretary. As per the need, other key functionaries of the company were also invited to attend the meetings.

Under sec 177(4): Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include,

- The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters.

The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.

The Audit Committee shall have authority to investigate into any matter in relation to the items specified in sub-section (4) or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

The auditors of the Company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.

The Board's report under sub-section (3) of section 134 shall disclose the composition of an Audit Committee and where the Board had not accepted any recommendation of the Audit Committee, the same shall be disclosed in such report along with the reasons therefor.



The committee meets from time to time with the terms of reference specified in writing by the Board which shall, inter alia, include other activities as specified under sec 177(4) of the Companies Act 2013.

During the year under review, four Audit Committee Meetings of the Company were held.

#### c) DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 134 of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are 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 loss of the company for the year under review.
3. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions under the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. The directors had prepared the annual accounts for the financial year ended 31st March, 2017 on a going concern basis; and
5. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### (d) A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149

Every independent director shall give disclosure at their first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence.

#### THE EXTRACT OF THE ANNUAL RETURN AS PROVIDED UNDER SUB-SECTION (3) OF SECTION 92

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31<sup>st</sup> March, 2017 made under provisions of Section 92(3) of the Act is attached as "Annexure I" which forms part of this Report.

#### COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION (3) OF SECTION 178

The Nomination and Remuneration Committee shall, while formulating the policy under sub-section (3) confirmed that –

- (a) In the Company, the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

The Board has set up a Nomination & Remuneration Committee to formulate company's policy on remuneration packages of the executive directors and determine the same from time to time.

The Committee has been reconstituted by the board and the composition and other details of the Nomination and Remuneration Committee are as follows:

#### Details of remuneration paid to Executive Director, for the year 2016-17 :

		(In ₹)
Basic Salary		6,80,707
HRA		3,40,353
Perquisites		66,437
Performance Incentives		3,98,882
Other		8,44,706
Total Remuneration		23,310,85

Other Terms, if any:

The 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.

Statement of sitting fees paid to Non-Executive Director for the year 2016-17 and their shareholding position as on 31.03.2017.

NON EXECUTIVE DIRECTOR	SITTING FEES ₹	SHARE HOLDING
Mr. Andreas Walde	NIL	NIL
Mr. Anand Chandrashekhar Apte	NIL	NIL
Mr. Arun Kumar Gupta	70,000	NIL
Dr. S. S. Arora	60,000	NIL
Dr. S. C. L. Gupta	70,000	NIL

The above figures are inclusive of fees paid for the attendance of the Committee meetings excluding service tax.

The committee meet from time to time for formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.