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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
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YE	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>



Wellcome

ANNUAL REPORT

**YEAR ENDED
31st DECEMBER 1997**

BURROUGHS WELLCOME (INDIA) LIMITED





Wellcome

BURROUGHS WELLCOME (INDIA) LIMITED

Forty-Ninth Annual Report

1997

Board of Directors

Chairman

T Thomas

Managing Director

H R Khusrokhan

Directors

P V Nayak

S N Talwar

V Thyagarajan

A T H Wong

Company Secretary

D C Tanna

Executive Management

H R Khusrokhan

Managing Director

Dr S M Dixit

Vice-President

- Technical & I.R.

D C Tanna

Vice-President & Company Secretary

Auditors

Lovelock & Lewes

Bankers

Corporation Bank

Societe Generale

Standard Chartered Bank

State Bank of India

Union Bank of India

Registered Office

**252, Dr Annie Besant Road, Worli,
Mumbai 400 025.**

Registrars & Transfer Agents

MCS Limited

Plot No. D-27

MIDC Industrial Area, Road No. 11,

Andheri (East), Mumbai 400 093.

BURROUGHS WELLCOME (INDIA) LIMITED

NOTICE TO MEMBERS

THE FORTY-NINTH ANNUAL GENERAL MEETING OF BURROUGHS WELLCOME (INDIA) LIMITED WILL BE HELD ON THURSDAY, THE 30TH APRIL, 1998, AT 10.30 A.M., AT THE BIRLA MATUSHRI SABHAGAR, 19 MARINE LINES, MUMBAI - 400 020, TO TRANSACT THE FOLLOWING BUSINESS :

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st December, 1997 and the Balance Sheet as at that date together with the Report of the Directors and the Report of the Auditors thereon.
2. To declare a final dividend for the year ended 31st December, 1997.
3. To appoint a Director in place of Mr P V Nayak who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

NOTES

1. The Register of Members of the Company and the Share Transfer Books will remain closed from 21st April 1998 to 30th April 1998, both days inclusive.
2. The Dividend as recommended by the Board, if sanctioned at the Meeting, will be payable on and after 12th May, 1998 to those Members whose names are on the Company's Register of Members on 30th April, 1998.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE LODGED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
4. Members are requested to intimate immediately change of address, if any, to the Company quoting reference to their Registered Folio Number.
5. Please always quote your Folio Number and our Company's name in all your correspondence with MCS Limited, Plot No. D-27, MIDC Industrial Area, Road No. 11, Andheri (East), Mumbai 400 093, who are acting as our Registrars & Share Transfer Agents. Your Folio Number is stated in the Share Certificate and also on the attendance slip sent with this report.
6. If you have shares registered in the same name or in the same order of names but in several Folios, please let us know so that we may consolidate the several Folios into one Folio.
7. Please encash your Dividend Warrants immediately on their receipt by you, as Dividends remaining unclaimed for three years are required to be transferred to the General Revenue Account of the Central Government under the provisions of the Companies Act, 1956, and the amounts thereof will have to be claimed from the Registrar of Companies, Maharashtra.



8. **Accordingly all unclaimed dividends upto the financial year ended 31st March, 1994 have been transferred to the General Revenue Account of the Central Government. Members who have not encashed the dividend warrants upto the said period are requested to claim the amount from the Registrar of Companies, Maharashtra.**
9. The Dividend listed below, remaining unclaimed, will be deposited by the Company with the Central Government by the date specified thereagainst :

Dividend for the year ended	Date of Declaration	Date of Dividend Warrant	Due Date of Deposit with Central Government
March 31, 1995	September 29, 1995	October 9, 1995	November 12, 1998

Mumbai : 26th February, 1998
 Registered Office:
 252, Dr. Annie Besant Road, Worli,
 Mumbai 400 025.

By Order of the Board
D C Tanna
 Vice-President & Company Secretary



BURROUGHS WELLCOME (INDIA) LIMITED**DIRECTORS' REPORT**

TO THE MEMBERS

The Directors have pleasure in submitting their Report for the year ended 31st December, 1997.

1. RESULTS & DIVIDEND

The results for the year ended 31st December 1997 are given below.

	12 months ended 31st December 1997	12 months ended 31st December 1996
	Rs. '000s	Rs. '000s
Profit before Taxation.....	28,17,89	16,34,06
Less: Provision for Taxation.....	10,15,00	6,80,00
Profit after Tax.....	18,02,89	9,54,06
Add: Balance brought forward from the previous year.....	65,77	56,20
Amount available for disposal.....	18,68,66	10,10,26
Appropriations (Transfers):		
Equity Dividend.....	3,67,14	3,44,49
Corporate Dividend Tax (including Rs. 21.54 lacs for final dividend of 1996).....	58,25	—
Transfer to General Reserve.....	13,50,00	6,00,00
Balance retained in Profit & Loss Account.....	93,27	65,77
	18,68,66	10,10,26

An interim dividend of 15% (i.e. Rs. 1.50 per share) was paid in January 1998 absorbing Rs. 137.72 lacs. Your Directors are pleased to recommend a final dividend of 25% (i.e. Rs. 2.50 per share) which, if approved by the Members at the Annual General Meeting will absorb a sum of Rs. 229.42 lacs. Rs. 36.71 lacs have been appropriated towards payment of Dividend Tax on the Dividends for 1997. The total dividend for the year works out to 40% which is the same as the dividend paid last year.



2. SALES

During the year, on account of the steep reduction announced in the ceiling prices of Septran Formulations as well as the general slowdown in the pharmaceuticals market, the domestic sales growth was nominal (approximately 1%). However, export sales recorded a significant growth of 12.5% over the previous year.

3. PROFITS

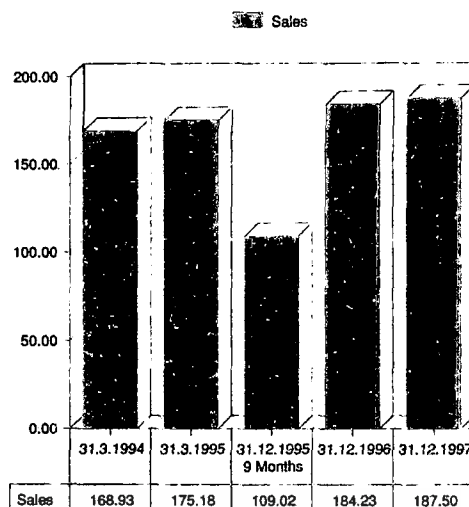
Profit Before Tax was Rs. 28.18 crores for the year ended 31st December 1997 as compared with the profit of Rs. 16.34 crores for the previous year. After making necessary adjustments for the following exceptional non-recurring items, the profit for 1997 is 14.3% higher than the previous year:

- (a) The profit for the year 1996 is after making a charge of Rs. 1103 lacs in respect of non-recurring payments under the Company's Voluntary Retirement Schemes as against Rs. 83 lacs incurred on this account in 1997.
- (b) Other Income for the year 1996 includes a non-recurring income of Rs. 350 lacs being compensation in lieu of alternative accommodation.
- (c) As a result of change in the method of accounting of stores, spares and samples the profit for the year 1996 was lower by Rs. 151 lacs.

The improvement in the performance of the Company despite marginal increase in sales for the year was mainly on account of tighter control on input costs and lower interest costs resulting from improved working capital management.

SALES

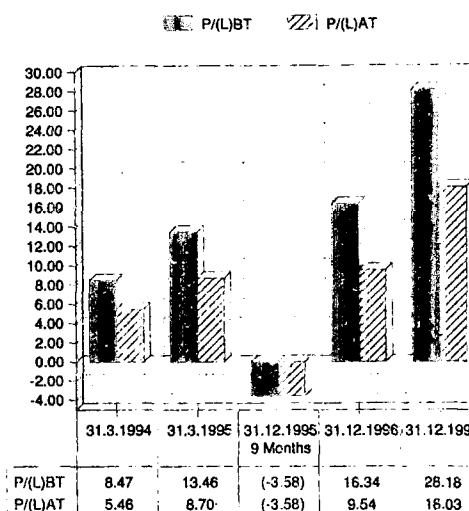
(Rs. in Crores)



FINANCIAL YEAR ENDED 31ST DECEMBER 1997

PROFIT/(LOSS)

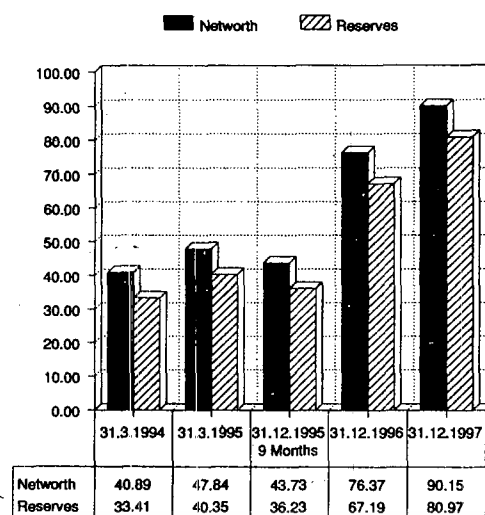
(Rs. in Crores)



FINANCIAL YEAR ENDED 31ST DECEMBER 1997

BURROUGHS WELLCOME (INDIA) LIMITED**NET WORTH**

(Rs. in Crores)



FINANCIAL YEAR ENDED 31ST DECEMBER 1997

4. FINANCE

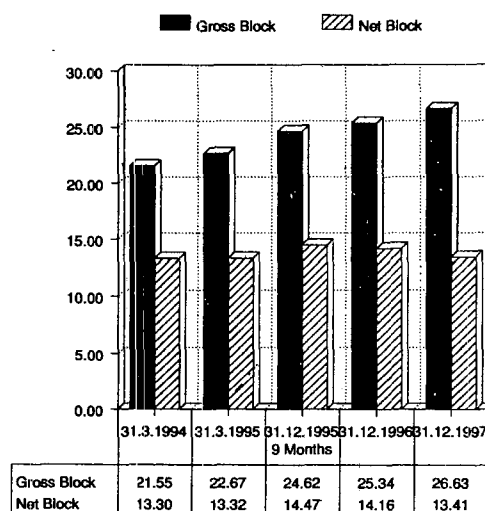
Internal generation of funds increased significantly due to improved margins and tighter control on capital expenditure and working capital, resulting in marked reduction in borrowings. Capital expenditure incurred during the year under review amounted to Rs. 164 lacs.

5. OPERATIONS**(i) Pharmaceuticals**

The growth in the pharmaceuticals market has slowed down during the year 1997. Despite the reduction in the price of the Company's leading product, Septran, the Company's sales were marginally higher during the year as compared to last year. The Actifed range of products have done well during the year.

FIXED ASSETS

(Rs. in Crores)



FINANCIAL YEAR ENDED 31ST DECEMBER 1997

New products like Zovirax 800 mg., Zovirax Suspension, Zovirax Ophthalmic Ointment, Calpol Plus and Fersolate CM were introduced during the year 1997 and have been well received by the medical profession and will help the Company in gaining additional market share in the future.

Collaborative initiatives in 1997 like Rural Marketing and Direct Marketing, alongwith Glaxo India Limited, also helped in establishing the Company's products in a difficult year and will help build business in future.

Production value of formulations has increased marginally over last year. Productivity increases were seen in Tablet, Liquid and Sterile Departments. The first phase of upgradation of the Tablet Department, initiated last year has



now been completed. A second phase of upgradation of the Tablet Department has now been initiated.

Protection of the environment and safety have been given high priority as usual and there have been continuous efforts on regular training on general safety and awareness. The Chemical Division of the Company won a second prize in the Safety Performance Competition for the year 1996-97 conducted by the Mutual Aid Group, Bhandup-Mulund Industrial Area in collaboration with the Directorate of Industrial Safety & Health, Government of Maharashtra.

(ii) Exports

Exports of the Company's products on f.o.b. basis amounted to Rs. 17.43 crores for the year as compared to Rs. 15.49 crores in the previous year. During the year, the Company exported bulk drugs and formulations to various countries like Germany, U.K., Australia, Iran, South Korea etc. The Company currently enjoys the status of a recognised Export House. Efforts are being made to expand the product portfolio besides adding new markets.

6. EMPLOYEE RELATIONS

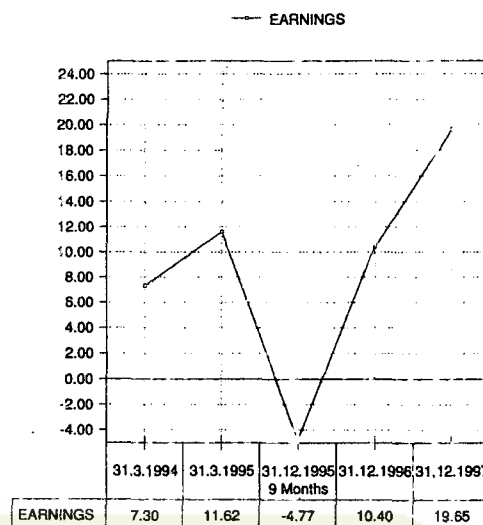
The Company continued to have cordial relations with its employees.

7. DIRECTORS

Mr P V Nayak retires by rotation and is eligible for re-appointment. The Board recommends his re-appointment.

EARNINGS - Per Rs. 10/- Equity Share

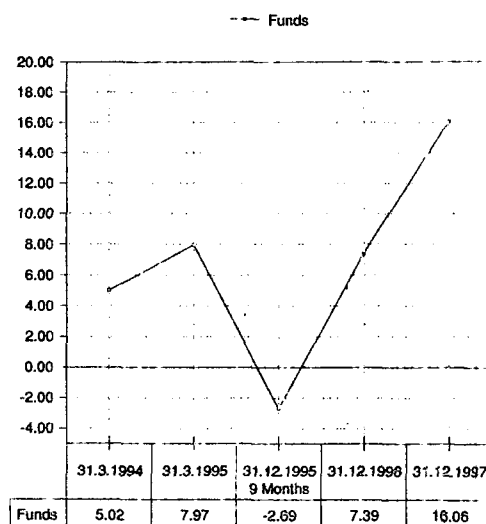
(Rs. in Crores)



FINANCIAL YEAR ENDED 31ST DECEMBER 1997

INTERNAL GENERATION OF FUNDS

(Rs. in Crores)



FINANCIAL YEAR ENDED 31ST DECEMBER 1997

BURROUGHS WELLCOME (INDIA) LIMITED

8. AUDITORS' REPORT

The Auditors' have made a reference in their report to the non-provision of any amount against the demand of Rs. 1.91 crores raised by the Government of India, Ministry of Chemicals & Fertilisers, New Delhi. The Company's position in this regard is explained in Note No. 8 of Schedule 'R' to the Accounts.

9. AUDITORS

The Auditors, Messrs. Lovelock & Lewes, retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

dematerialised electronic form, your Company has, in December 1997, entered into an agreement with the National Securities Depository Limited (NSDL) and the Company's Registrars & Transfer Agents, MCS Limited.

- (ii) The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed. The particulars of employees required to be furnished under Section 217(2A) of the Companies Act, 1956 are also annexed.
- (iii) The Directors express their appreciation for the contribution made by employees to the successful operations of the Company during the year.

10. GENERAL

- (i) With a view to enable shareholders to hold and trade their shares in a

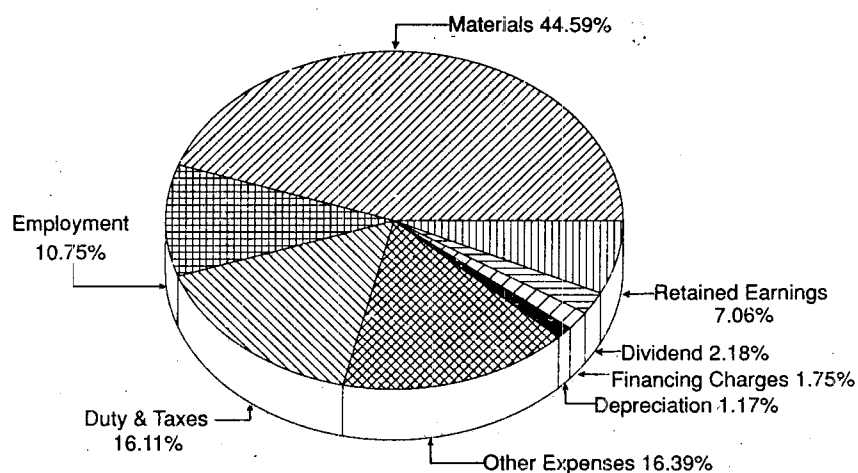
For and on behalf of the Board

T Thomas
Chairman

Mumbai : 26th February, 1998

DISTRIBUTION OF INCOME

31st December 1997



FINANCIAL YEAR ENDED 31ST DECEMBER 1997