

Wellcome

Annual Report

Year Ended
31st December 1998

Burroughs Wellcome (India) Limited

REPORT

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
ACM	✓	✓	SHI	✓
YE	✓	✓		



BURROUGHS WELLCOME (INDIA) LIMITED

- C.** Article 12 of the Articles of Association be substituted by the following :
- Register and Index of members The Company shall cause to be kept a Register and Index of Members in accordance with all applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 with details of shares held in material and dematerialised forms in any media as may be permitted by law including in any form of electronic media.
- D.** Article 14 of the Articles of Association be substituted by the following :
- Shares to be numbered progressively and no share to be sub-divided The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.
- E.** The following article with marginal note be inserted after the existing Article 14 and be numbered as Article 14A.
- Dematerialised Shares The Company shall be entitled to dematerialise its existing shares, rematerialise its shares held in the Depositories and/or to offer its fresh shares in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.
- F.** Article 24 of the Articles of Association be substituted by the following :
- Company not bound to recognise any interest in share other than that of registered holder Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any two or more persons or the survivor or survivors of them.
- G.** Article 53 of Articles of Association be substituted by the following :
- Register of Transfers The Company shall keep a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share and debenture held in material form.

BURROUGHS WELLCOME (INDIA) LIMITED

Registered Office : 252, Dr. Annie Besant Road, Worli, Mumbai 400 025.

**NOTICE TO MEMBERS**

THE FIFTIETH ANNUAL GENERAL MEETING OF BURROUGHS WELLCOME (INDIA) LIMITED WILL BE HELD ON MONDAY, THE 3RD MAY, 1999, AT 3.00 P.M., AT THE PATKAR HALL, S.N.D.T. WOMEN'S UNIVERSITY, NATHIBAI THACKERSEY ROAD, 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, 1998 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 dividend for the year ended 31st December, 1998.
3. To appoint a Director in place of Mr S N Talwar 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.

SPECIAL BUSINESS

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

RESOLVED THAT pursuant to Section 31 and other applicable provisions, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) the Articles of Association of the Company be and are hereby amended, altered and/or substituted in the manner and to the extent as is set out hereinbelow :

- A.** Article 2 of the Articles of Association shall include the following definitions in alphabetical order with marginal notes :
- | | |
|------------------|---|
| Beneficial Owner | 'Beneficial Owner' shall mean beneficial owner as defined in clause (a) of sub-section (1) of section 2 of the Depositories Act, 1996. |
| Depositories Act | 'Depositories Act' means the Depositories Act, 1996 including any statutory modification or re-enactment thereof for the time being in force. |
| Depository | Depository shall mean a Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996. |
- B.** Article 2 sub-clause (j) of the existing Articles of Association, be deleted and the following with the marginal note be substituted in its place :
- | | |
|--------|---|
| Member | Member means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of Association of the Company and the beneficial owner(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996. |
|--------|---|



H. Following Article shall be inserted as 64-A of the Articles of Association and shall read as follows :

Transfer and
Transmission of shares
held in electronic
form

In the case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

NOTES

1. The Register of Members of the Company and the Share Transfer Books will remain closed from 13th April 1999 to 3rd May 1999, both days inclusive.
2. The Dividend as recommended by the Board, if sanctioned at the Meeting, will be payable on and after 13th May, 1999 to those Members whose names are on the Company's Register of Members on 3rd May, 1999.
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. You may now avail of the facility of nomination by nominating in the prescribed form a person to whom your shares in the Company shall vest in the event of your death. Interested shareholders may write to the Company/Registrars & Transfer Agents, MCS Limited, for the prescribed form.
8. **All unclaimed dividends upto the financial year ended 31st March, 1995 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. Please encash your Dividend Warrants immediately on their receipt by you, as Dividends remaining unclaimed for seven years are now required to be transferred to the 'Investor Education and Protection Fund' to be established by the Central Government under the amended provisions of the Companies Act, 1956, and you shall not be able to claim any unpaid dividend from the said fund or from the Company thereafter.

BURROUGHS WELLCOME (INDIA) LIMITED



EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956

Item No. 5

Some of the provisions of the Companies Act, 1956, have been amended to facilitate the Depository System consequent to the passing of the Depositories Act, 1996 and the introduction of the Depository System. It is, therefore, proposed to alter the Articles of Association of the Company in certain respects so that they conform to the amended provisions of the Companies Act, 1956 and the Depositories Act, 1996.

The Board recommends the passing of the Special Resolution contained in Item No. 5 of the accompanying Notice.

A copy of the existing Articles of Association of the Company and the proposed amendments will be available for inspection by members at the Registered Office of the Company between 3 to 5 p.m. on any working day (Monday to Friday) excluding bank holidays prior to the date of the Annual General Meeting and will also be available for inspection at the Meeting.

None of the Directors of the Company is concerned or interested in passing of the Resolution.

Mumbai : 25th February, 1999
Registered Office :
252, Dr. Annie Besant Road, Worli,
Mumbai 400 025.

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



Wellcome

BURROUGHS WELLCOME (INDIA) LIMITED
Fiftieth Annual Report
1998

Board of Directors

Chairman

D S Parekh

Managing Director

H R Khusrokh

Directors

P V Nayak

S N Talwar

V Thyagarajan

A T H Wong

Company Secretary

D C Tanna

Executive Management

H R Khusrokh

Managing Director

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**DIRECTORS' REPORT**

TO THE MEMBERS

The Directors have pleasure in submitting their Report for the year ended 31st December, 1998.

1. RESULTS & DIVIDEND

The results for the year ended 31st December 1998 are given below.

	Year ended 31st December 1998	Year ended 31st December 1997
	Rs. '000s	Rs. '000s
Profit before Taxation	38,96,42	28,17,89
Less : Provision for Taxation	14,06,00	10,15,00
Profit after Tax	24,90,42	18,02,89
Add : Balance brought forward from the previous year	93,27	65,77
Amount available for disposal	<u>25,83,69</u>	<u>18,68,66</u>
Appropriations (Transfers) :		
Reserve for Contingencies	4,00,00	--
Equity Dividend	4,58,84	3,67,14
Corporate Dividend Tax (Previous year includes Rs. 21.54 lacs for final dividend of 1996)	45,88	58,25
Transfer to General Reserve	16,00,00	13,50,00
Balance retained in Profit & Loss Account	78,97	93,27
	<u>25,83,69</u>	<u>18,68,66</u>

The Directors recommend the payment of dividend of 50% (i.e. Rs. 5/- per share) which, if approved by the Members at the Annual General Meeting, will absorb a sum of Rs. 458.84 lacs. The Dividend Tax borne by the Company on this year's dividend is Rs. 45.88 lacs.



2. SALES

Sales amounted to Rs. 203.16 crores as compared with sales of Rs. 187.50 crores for the previous year, registering a growth rate of 8.4%.

3. PROFITS

Profit Before Tax was Rs. 38.96 crores for the year ended 31st December 1998 as compared with the profit of Rs. 28.18 crores for the previous year registering a growth of 38%. The substantial improvement in profit performance of the Company was mainly due to lower input costs arising from purchasing and operational efficiencies.

4. FINANCE

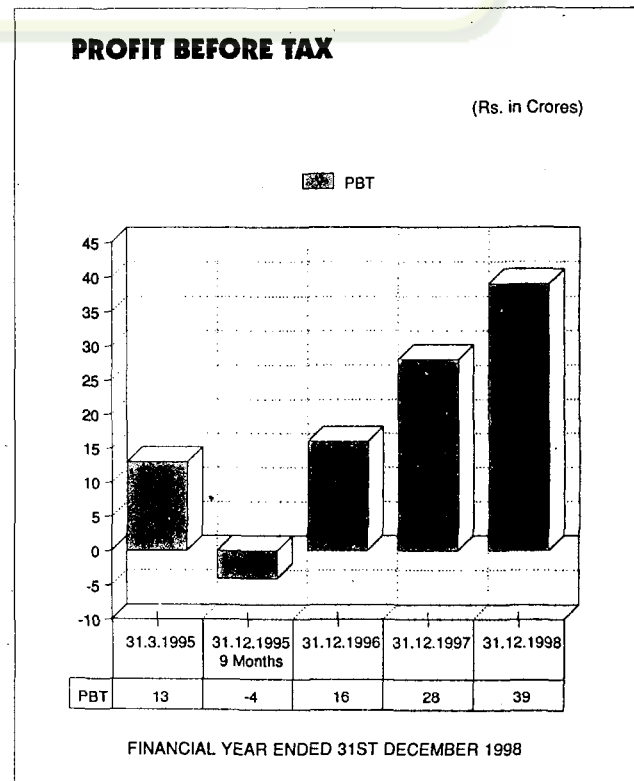
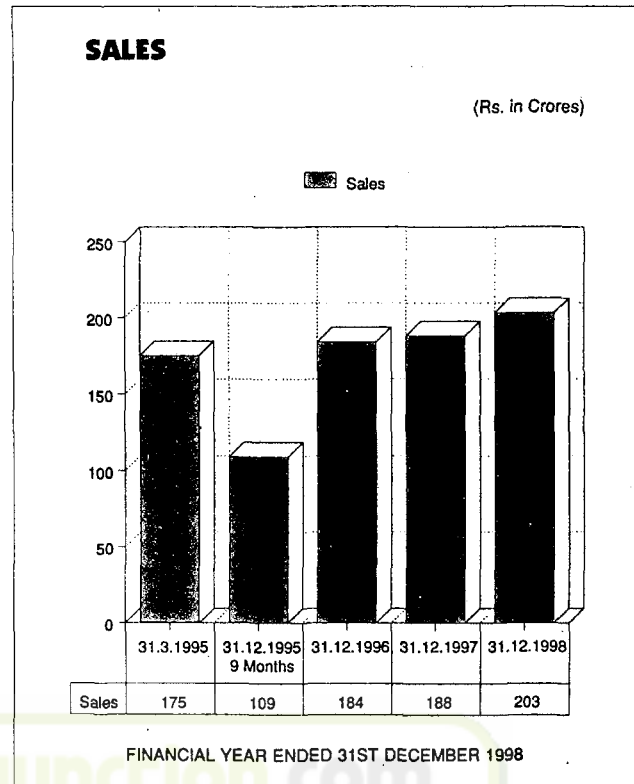
Internal generation of funds increased significantly due to an all-round improvement in performance. Capital expenditure incurred during the year under review amounted to Rs. 127 lacs. Funds surplus to operational needs have been invested.

5. OPERATIONS

(i) Pharmaceuticals

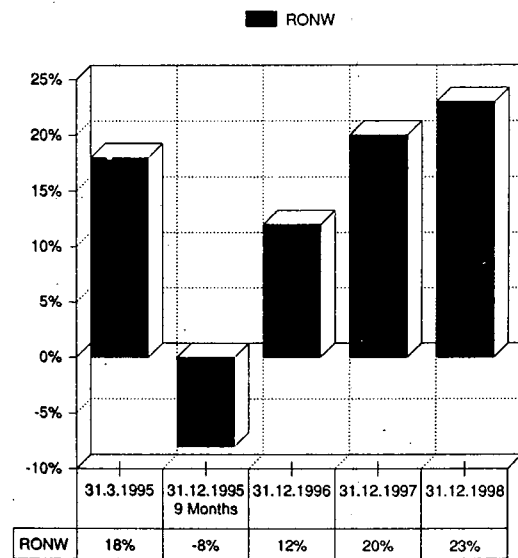
Sales during the year were higher as compared to previous year registering a growth of over 8%.

The newer products like Cefspan and Cefizox as well as Fersolate CM have done extremely well. The Company's leading product, Septran, has shown a modest volume growth. In the anaesthesia segment, sales of Tracrium have registered an improved performance. The product Cefspan Suspension which was introduced during the year has been



BURROUGHS WELLCOME (INDIA) LIMITED

RETURN ON NET WORTH



FINANCIAL YEAR ENDED 31ST DECEMBER 1998

very well received by the medical profession. Initiatives like Rural Marketing and Direct Marketing have helped to increase sales.

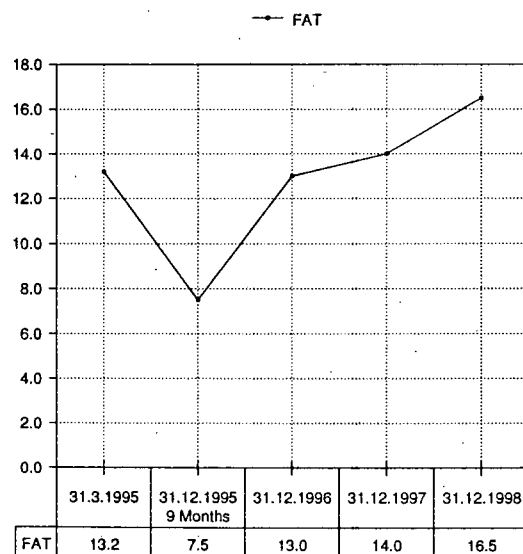
During the year, the Company's field staff accepted employment with Glaxo India Limited, and, the promotion and marketing of the Company's products is now undertaken by Glaxo India Limited.

Production value of tablet formulations has increased by 9% over last year. The upgradation of Tablet Department in the second phase has been completed. This has resulted in eliminating manual handling of materials and dust generation, and, improvement of productivity and yields.

Protection of environment and safety have been given high priority as usual. Regular training programmes on fire-fighting and general safety awareness were conducted during the year.

FIXED ASSETS TURNOVER

(Number of Times)



FINANCIAL YEAR ENDED 31ST DECEMBER 1998

(ii) Exports

Exports of the Company's products on f.o.b. basis amounted to Rs. 13.71 crores for the year as compared to Rs. 17.43 crores in the previous year. Lower exports were mainly due to stoppage of exports of Trimethoprim to the Glaxo Wellcome Group, offset by increased exports of Sulphamethoxazole. During 1998, the Company exported drugs and formulations to Germany, UK, Mexico, Iran, Indonesia and South Korea. The Company continues to enjoy the status of recognised Export House.

6. EMPLOYEE RELATIONS

The Company continued to have cordial relations with its employees.