



**ANNUAL REPORT  
1998-1999**

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**WELCURE DRUGS & PHARMACEUTICALS**

सर्वे भवन्तु सुखिनः  
सभी स्वस्थ हों, सुखी हों, समृद्ध हों।



**WELCURE DRUGS & PHARMACEUTICALS LTD.**

**Board of Directors**

Shri D. C. Jain (Mg. Director)  
Shri Harihar Lal  
Shri S. S. Dhanoa  
Dr. V. B. Lal  
Shri R. K. Pandey  
Dr. Sanjeev Jain (Whole-Time Director)  
Shri Sandeep Jain (Whole-Time Director)

**Auditor**

Gauba, Gauba & Associates

**Bankers**

Vijaya Bank

**Factory & Regd. Office**

A-1129, RIICO Ind. Area, Phase-III,  
Bhiwadi-301019 (Rajasthan)

**Corporate Office**

301-305, Mohan Place, Local Shopping Complex,  
C-Block, Saraswati Vihar, Delhi-110034

## WELCURE DRUGS &amp; PHARMACEUTICALS LIMITED

## DIRECTORS' REPORT

Your Directors have pleasure in presenting their Seventh Annual Report and the Audited Statements of Account for the year ended 31st March, 1999.

## FINANCIAL RESULTS

Year ended	31.3.99	(Rs. in lacs) 31.3.98
Net Sales (including exports)	2011.50	3791.70
Other Income	1.44	3.24
Profit before depreciation & taxation	37.23	34.42
Depreciation	20.80	18.06
Profit Before Tax	16.43	16.36
Provision for taxation	1.82	1.87
Net Profit after tax	14.61	14.49
Total Reserves & Surplus	118.10	103.49

Past couple of years have witnessed a slowing down of Indian economy; cutting across most sectors with profits falling and sales looking sluggish. It had been very difficult for the medium size pharmaceutical companies to withstand cut throat competition with multinational companies who changed their strategy of jumping into sale of generics pharmaceutical products which hitherto had been the domain of our size companies. While many medium size pharma organisations are already limping or experiencing the worse, others are groping in the dark, searching for escape routes and are in a dilemma about future course of action. Multinationals and big size pharmaceutical companies have grabbed business of medium size companies and have thrived at the sufferings of medium size companies. Discouraging activities and policies of National Pharmaceutical Pricing Authority (NPPA) and Drug Price Control Order (DPCO) have favoured the industries using inferior dumped cheaper raw material as against the industries using high quality Indian raw material. New Patent law appears to have been beneficial to the multinationals and to worsen the domestic pharmaceutical industry. In such a worst condition, your company has stuck to selective marketing strategies of low priced better profit margin products; and therefore was able to maintain its level of profits, inspite of fall in sales.

## DIVIDEND

Keeping in view inadequate profits and the need to conserve resources, your Directors are constrained not to recommend any dividend for the year under review.

## EXPORT

Company has entered into a Distribution Agreement with an Indonesian Company for selling the Company's medicines in Indonesia against advance payments.

## Collaboration with Russia

The company has entered into a collaboration Agreement with a Russian Company to act as their sole selling agent for a unique medicine STEVIOSE, an alternate to Sugar, Saccharin and Aspartame, with no calories and no adverse side effects. It is a sure cure for several diseases including diabetes & high blood pressure. This product has a very good demand in countries like Japan.

## ISO-9002 CERTIFICATION - A QUALITY MARK

Welcure continues to enjoy an enviable reputation for supplying quality standards in the domestic and international markets. Company maintains GMP standards for its products and processes. A rare double accreditation by RAB, U.S.A & RVA Neitherland for its quality products and processes is being awarded to your company through ISO-9002 Certification by ABS Quality Evaluation Inc., Texas.

## RESEARCH AND DEVELOPMENT

The Company is actively involved in R&D activities for the upgradation of technology, reduction in costs, optimum utilization of resources and improvement in quality of its products for both local and exclusive export market. Company's newly set up micro-biological testing laboratory has been approved by the Drugs Controller, Rajasthan.

## LIQUID ORAL PLANT

Company has added a new liquid oral plant in Bhiwadi and licence for this new activity has also been received from the Drugs controller, Rajasthan. Company was hitherto been manufacturing tablets, capsules and dry syrups. Better sales and profitability is expected during the current year.

## PRODUCT RANGE

As part of an on going process, your company has further expanded and widened its product manufacturing range. The newly

## WELCURE DRUGS &amp; PHARMACEUTICALS LIMITED

added products of the Company OMEPHAZOLE, ALPRIDOLAM, CIPROFLOXACIN, DICLOFAN PLUS, ETHATOL, NIMESULIDE, PYRAZINAMIDE, PEFLOX, WELSPAS, AMICURE-P, GRISEOFULVIN, CYPROHYPTADINE are expected to make substantial additions to sales turnover during the current year.

## YEAR 2000 (Y2K) COMPLIANCE

Hardware and Software in commercial and secretarial areas have been made Y2K compliant.

## LISTING AT STOCK EXCHANGE

Your Company is listed on Delhi, Jaipur, Mumbai Stock Exchanges and has neither been delisted nor its trading ever been suspended during the year.

## SUBSIDIARY COMPANY

As required under section 212 of the companies Act, 1956, the audited accounts and other relevant particulars of A.K. Laboratories Ltd., a wholly owned subsidiary of your company, for the year ended 31st March 1999 are annexed.

## PARTICULARS OF EMPLOYEES

During the year under review, there was no employee drawing remuneration in excess of the amount prescribed under section 217(2A) of the companies Act 1956.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION &amp; FOREIGN EXCHANGE EARNING &amp; OUTGO.

Information pursuant to Companies (Disclosure of Particulars in Report of Board of Directors) Rules 1988 is given as under:

## (A) CONSERVATION OF ENERGY

- Optimum energy conservation steps are being taken to reduce per unit cost.
- Power factor is being monitored continuously as a part of energy conservation measures.
- An underground diesel storage tank exists for regular availability of fuel for Power Generating Unit. Impact of (a) (b) and (c) above has been saving in energy due to power factor improvement, maintenance of proper voltage supply and proper load distribution.

## d) (i) Power and fuel consumption

	1998-99	1997-98
a) Electricity purchased (RSEB)		
i) Units (lacs)	3.19	2.80
ii) Total Amount (Rs. in lacs)	11.02	11.48
iii) Rate per Unit (Rs.)	3.45	4.10
b) Own Generation (through D.G. Set)		
i) Units (lacs)	0.43	0.52
ii) Diesel Oil (lacs ltrs.)	0.24	0.30
iii) Cost per Unit (Rs.)	5.12	4.52

(i) Coal/Furnace oil is not applicable.

## (B) TECHNOLOGY ABSORPTION

- As a part of technology absorption, Company's R&D unit is continuing to bring improvement in quality and manufacturing processes.

## (C) FOREIGN EXCHANGE EARNINGS AND OUTGO

- Company is continuing to feed the export market.
- Total Foreign Exchange earning aggregates to Rs. 758,738 and expenditure is nil.

## DIRECTORS

Dr. V.B. Lal and Shri S.S. Dhanda, Directors of the Company retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment. Board recommends their re-appointment.

Shri Sanceep Jain, Director, has been awarded Gold Medal for Management Order of Merit Award, Samaj Shree award for his excellence in Management, Certificate of Merit, Outstanding personalities Award 1998, Best citizen of India Award and Man of the Year 1999 Award.

Shri Sandeep Jain completes his term of five years as wholetime director on 31-7-99. The Board has, Subject to confirmation by shareholders, approved his re-appointment as whole time Director for a further period of five year w.e.f. 1.8.99.

## AUDITORS

M/S Gauba, Gauba & Associates, Chartered Accountants, retire at the forthcoming Annual General Meeting and have given a confirmation to the effect that their re-appointment, if made, at the forthcoming annual general meeting, would be in conformity with the limits specified in section 224 (1-B) of the Companies Act, 1956.

## ACKNOWLEDGEMENT

Your Directors place on record their deep appreciation and gratitude for the assistance and co-operation extended to the Company by its Officers, Staff, Workers, and other Employees, Bankers, Medical Profession & Trade Customers, Dealers, Suppliers and Investors. We also thank to various Government and local authorities for their continuous support for the progress of the company.

For & on behalf of the Board of Directors

Place : Delhi.  
Date : 15th May, 1999

D. C. Jain  
Chairman