

# 11th

## Annual Report

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# 1998-99



**WELLMANS**

For Dr. Wellmans Homoeopathic Lab. Ltd.



Chairman/Mg. Director

**DR. WELLMANS HOMOEOPATHIC  
LABORATORY LIMITED**



**BOARD OF DIRECTORS**

**DR. GURMEET S. DHINGRA**  
(Chairman & Managing Director)

**MRS. RENU DHINGRA**  
(Whole Time Director)

**DIRECTORS**

**DR. K.S. DHINGRA**  
**DR. PRITAM SINGH**

**AUDITORS**

**MATTA & ASSOCIATES**  
Chartered Accountants  
JD-21C, Pitam Pura  
Delhi-110034

**REGISTERED OFFICE**

AM-2, Dilkhush Industrial Estate,  
G.T. Karnal Road  
Delhi-110033

**WORKS**

A-108, Wazirpur Industrial Estate,  
Delhi-110052

AM-4, Dilkhush Industrial Estate,  
G.T. Karnal Road, Delhi-110033

**BANKERS**

**DENA BANK**  
Arya Samaj Road, Karol Bagh,  
New Delhi-110005

**FINANCIAL INSTITUTION**

**SMALL INDUSTRIAL DEVELOPMENT BANK OF INDIA (SIDBI)**  
Y.M.C.A. Cultural Centre,  
1, Jai Singh Road,  
New Delhi-110001

<b>CONTENTS</b>	<b>Page No.</b>
Auditor's Report.....	1
Annexure.....	2
Balance Sheet.....	4
Profit & Loss Account.....	5
Schedules.....	6-11
Notes to Accounts.....	12
Cash Flow Statement.....	17
Balance Sheet Abstract.....	18



## REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of M/s Dr. Wellmans Homoeopathic Laboratory Ltd. as at 31st March, 1999 and Manufacturing, Trading, Profit & Loss Account of the company for the year ended on that date and report that:-

1. As required by the Manufacturing and other companies (Auditor's Report) order 1988 issued by the company law Board in terms of section 227(4A) of the Companies Act, 1956 we enclose in the annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
2. Further to our Comments in Annexure referred to in Paragraph 1 above, read with notes on accounts attached we state that:-
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion proper accounts as required by law have been kept by the Company so far as appears from our examination of such books.
  - c) The Balance Sheet, Manufacturing, Trading and Profit and loss account referred to in this report are in agreement with the books of accounts.
  - d) In our opinion, the attached Balance Sheet and Profit & Loss Account comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.
  - e) In our opinion and to the best of our information and according to the explanations given to us, the said Balance sheet and Profit and loss account read together with the notes thereon give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view:-
    - i) In the case of Balance sheet of the state of affairs of the Company as at 31st March, 1999 and
    - ii) In the case of Manufacturing, Trading & Profit and loss account of the Losses of the Company for the year ended on that date.

**for MATTA & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**(ANIL MATTA)  
PARTNER**

PLACE : DELHI

DATE : 31.12.99



ANNEXURE REFERRED TO IN PRARGRAPH 1 OF OUR REPORT OF EVEN DATE

1. The company is still under the process of updating the records to show full particulars including quantitative details and situation of fixed assets for all its locations. As per the company's policy of physical verification of all its field assets after every two years, the company has not conducted any verification of assets during the year, since the same was done during the previous year.
2. None of the fixed Assets have been revalued during the year.
3. The finished goods, stores, spare parts and Raw materials excluding materials in transit were physically verified by the Management, wherever practicable during the year and the procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and nature of its business. According to the explanations given to us, discrepancies noticed during such verification by the management has duly been adjusted in the records. There is no change in the valuation of stocks during the year as compared to immediate preceeding year. The closing stocks were physically checked by the management at the close of the year.
4. The company has not taken any loans, secured or unsecured, from companies firms or other parties listed in the Register maintained under section 301 of the companies Act, 1956 or from companies under the same management within the meaning of section 370(1-B) of the Companies Act, 1956.
5. The company has not granted any loans, secured or unsecured, to firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956.
6. The company has not granted loans or advances in the nature of loans during the year under consideration.
7. There is an adequate internal Control Procedure Commensurate with the size of the company and the nature of its business for the purchase of stores, raw materials including components, plant and machinery. equipments and other assets, and for the sale of goods.
8. The Company has neither Purchased nor sold any stores, raw materials or components exceeding aggregate value of Rs. 50,000/- in pursuance of section 301 of the Companies Act, 1956.
9. The Company has not accepted any deposits from the public.
10. The Company does not have any internal Audit system.
11. Maintenance of cost records has not been prescribed by the Central Govt. under section 209(1)(d) of the Companies Act, 1956 for any of the products of the company.
12. There were no unserviceable or damaged/deteriorated stores, raw materials and finished goods.



13. The company is never regular in depositing PF and ESI dues with the appropriate authorities, during the year.
14. As explained to us, there are no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty and excise duty which were outstanding at 31st March, 1999 for a period of more than six months from the date they became payable except sales tax for Rs. 31727/=.
15. According to the information and explanations given to us and the records of the company examined by us, no personal expenses have been charged to revenue account.
16. The company is not a sick industrial company within the meaning of clause (O) of sub-section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1956.

**for MATTA & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**(ANIL MATTA)  
PARTNER**

PLACE : DELHI

DATE : 31.12.99

**BALANCE SHEET AS ON 31st MARCH, 1999**

PARTICULARS	SCH.	AS AT 31st MARCH, 1999 (Rs.)		AS 31st MARCH, 1998 (Rs.)	
<b>A. SOURCES OF FUNDS</b>					
Share Holders					
Share Capital	1	44281000.00		44281000.00	
Reserve & Surplus	2	2500000.00	46781000.00	2500000.00	46781000.00
Loan Funds					
Secured Loans	3	22385175.92		21321893.39	
Unsecured Loans	4	2361092.88	24746268.80	2960552.21	24282445.60
		<b>Total Rs. 71527268.80</b>		<b>71063445.60</b>	
<b>B. APPLICATION OF FUNDS</b>					
Fixed Assets :					
Gross Block	5	12708551.07		12720164.07	
Less : Depreciation		2340245.27		1673595.86	
Net Block		10368305.80		11046568.21	
Capital work in Progress		8437546.82	18805852.62	7952861.89	18999430.10
Investment	6		190000.00		190000.00
Current Ass.. Loans & Adv.	7				
Current Assets					
- Inventory		11291023.20		16736243.00	
- Sundry Debtors		13207917.47		16270638.77	
- Cash & Bank Balances		412251.52		3675698.89	
- Loans & Advances		13619316.18		15590438.34	
		38530508.37		52273019.00	
Less : Current Liabilities & Provisions					
- Current Liabilities	8	6779496.54		9372533.74	
- Provisions		Nil		1391250.00	
<b>Net Current Assets :</b>			31751011.83		41509235.26
<b>Miscellaneous Expenditure</b>	9		2012554.70		2300062.51
(To the extent not written of or adjusted)					
<b>Profit and Loss Account</b>			18767849.65		8064717.73
		<b>Total Rs. 71527268.80</b>		<b>71063445.60</b>	

(GURMEET S. DHINGRA)  
Managing Director

(RENU DHINGRA)  
Director

AS PER OUR SEPARATE REPORT OF EVEN DATE ANNEXED.  
For **MATTA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

PLACE : Delhi  
DATE : 31.12.1999

(Sd/-)  
**(ANIL MATTA)**  
PARTNER



**PROFIT & LOSS ACCOUNT FOR PERIOD ENDING ON 31st MARCH 1999.**

<b>PARTICULARS</b>	<b>SCH.</b>	<b>AS AT 31st MARCH, 1999 (Rs.)</b>	<b>AS 31st MARCH, 1998 (Rs.)</b>
<b>INCOME</b>			
Sales and other Income	10	23664736.96	46556548.09
Variation in stocks	12	(-) 4777129.80	3488058.00
	<b>Total Rs.</b>	<b>18887607.16</b>	<b>50044606.09</b>
<b>EXPEDITURE</b>			
Material Mfg. & Operating Exp.	11	11206018.82	21458855.58
Personnel Expenses	13	4154088.87	5300315.00
Admn. & selling Expenses	14	9259455.37	27395782.89
Financial Charges	15	4304526.61	3655083.51
Depreciation		666649.41	623118.26
	<b>Total Rs.</b>	<b>29590739.08</b>	<b>58433155.24</b>
<b>NET PROFIT/LOSS BEFORE TAXATION :</b>		(-) 10703131.92	(-) 8388549.15
(-) Represent net loss			
Provision for Taxation		0.00	0.00
<b>NET PROFIT/LOSS</b>		(-) 10703131.92	(-) 8388549.15
(-) Represent net loss			
Profit/Loss brought forward from previous year		(-) 8064717.73	323831.42
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		(-) 18767849.65	(-) 8064717.73
Transferred to General Reserve		0.00	0.00
<b>BALANCE CARRIED OVEFR</b>		(-) 18767849.65	(-) 8064717.73

(-) Represent net loss

**(GURMEET S. DHINGRA)**  
Managing Director

**(RENU DHINGRA)**  
Director

AS PER OUR CERTIFICATE APPENDED  
ON THE FOOT OF THE BALANCE SHEET  
For **MATTA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

PLACE : Delhi  
DATE : 31.12.1999

(Sd/-)  
**(ANIL MATTA)**  
PARTNER



PARTICULARS	AS AT 31st MARCH, 1999 (Rs.)	AS 31st MARCH, 1998 (Rs.)
<b>Schedule (1)</b>		
<b>SHARE CAPITAL</b>		
Authorised Capital 5500000 Equity Share Rs. 10/= each (Previous Year 5500000 Equity Share Rs. 10/= each)	55000000.00	55000000.00
Issued Subscribed & Paid Up : 5066900 Equity Share of Rs. 10/= each (Previous Year 5066900 Equity Share Rs. 10/= each)	50669000.00	50669000.00
Less : Calls in Arrears	6388000.00	6388000.00
<b>Total Rs.</b>	<b>44281000.00</b>	<b>44281000.00</b>
<b>SCHEDULE (2)</b>		
<b>RESERVE &amp; SURPLUS</b>		
General Reserve	2500000.00	2500000.00
	2500000.00	2500000.00
<b>SCHEDULE (3)</b>		
<b>SECURED LOANS :</b>		
A) FROM BANKS		
Cash Credit	17180412.02	17583794.09
B) Financial Institutions		
Terms Loan	4543273.00	2763864.00
C) From Others		
	661490.90	974235.30
<b>Total Rs.</b>	<b>22385175.92</b>	<b>21321893.39</b>
<b>NOTES:-</b>		
1. Cash Credit is secured by:		
(a) Hypothecation of stock of Raw Material, Spares, Consumable stores stock in process, Finished Goods, Packing Material and Book Debts.		
(b) Personal guarantee of directors.		
2. Term Loan from Financial Institution is secured by:		
(a) First charge on machinery.		
(b) Personal Guarantee of Directors.		
3. Secured Loan from others are secured against vehicles.		
<b>SCHEDULE (4)</b>		
<b>UNSECURED LOANS</b>		
From Directors (Interest Free)	144092.88	481552.21
From Others	2217000.00	2479000.00
<b>Total Rs.</b>	<b>2361092.88</b>	<b>2960552.21</b>





## SCHEDULE (5)

S.NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		AS ON 01.04.98	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.99	UPTO 31.03.98	ADDITION DURING THE YEAR	UPTO 31.03.99	AS AT 31.03.99	AS AT 31.03.98
1.	Plot No. 1.	417025.00	0.00	0.00	417025.00	0.00	0.00	0.00	417025.00	417025.00
2.	Plant & Machinery	4854773.63	13910.00	0.00	4868683.63	773399.42	230905.86	1004305.28	3864378.35	4081374.21
3.	Furniture & Fixture	674023.09	47700.00	0.00	721723.09	115237.90	43468.06	158705.96	563017.13	558785.19
4.	Electric Installation	559788.97	0.00	0.00	559788.97	66778.24	26589.97	93368.21	466420.76	493010.73
5.	Patents	873212.00	0.00	87723.00	785489.00	0.00	0.00	0.00	785489.00	873212.00
6.	Vechile	3087126.65	0.00	0.00	3087126.65	529890.47	293277.03	823167.50	2263959.15	2557236.18
7.	Office Equipment	933273.70	14500.00	0.00	947773.70	122687.85	44589.06	167676.91	780096.79	810585.85
8.	Renovation	820941.03	0.00	0.00	820941.03	65601.98	27419.43	93021.41	727919.62	755339.05
9.	Tenency Right	500000.00	0.00	0.00	500000.00	0.00	0.00	0.00	500000.00	500000.00
	Total Rs.	12720164.07	76110.00	87723.00	12708551.07	1673595.86	666649.41	2340245.27	10368305.80	11046568.21
	Previous Year	11803017.07	1279870.00	362723.00	12720164.07	1050477.60	623118.26	1673595.86	11046568.21	9124441.28



PARTICULARS	AS AT 31st MARCH, 1999 (Rs.)	AS 31st MARCH, 1998 (Rs.)
<b>SCHEDULE (6)</b>		
<b>INVESTMENT (UNQUOTED)</b>		
19000 Calcutta Chemical Corp. (P) Ltd.		
Shares of Rs. 10/- each	190000.00	190000.00
<b>Total Rs.</b>	<b>190000.00</b>	<b>190000.00</b>
<b>SCHEDULE (7)</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>A. CURRENT ASSETS</b>		
Inventory		
(As takes valued and certified by the management)		
1. Stock in trade (Raw Material at cost)	3081850.00	3749940.00
2. Finished Goods (at cost or net realisable value, whichever is lower)	8083573.20	12676303.00
3. Work in progress (at Raw Material cost plus direct expenses apportioned)	125600.00	310000.00
	11291023.20	16736243.00
<b>Sundry Debtors</b>		
(Unsecured and considered good) Over six months:-		
Considered good	8944597.15	10782602.45
Others (Considered good)	4263320.32	13207917.47
	5488036.32	16270638.77
<b>Cash and Bank Balances</b>		
Cash in hand	403746.70	1166345.33
Bank Balances:-		
In current accounts with Scheduled Banks	8504.82	9353.56
Cheque in hand	0.00	412251.52
	2500000.00	3675698.89
	24911192.19	36682580.66
<b>B. LOANS AND ADVANCES</b>		
(Unsecured considered good)		
Security Deposits	786295.00	833895.00
Income tax advance	207349.71	1598599.71
Advance recoverable in cash or in kind or value to be received:-		
Capital Advance	5050000.00	5050000.00
Suppliers	2054898.99	1086266.29
Other Advance	4979589.00	5918849.81
Other Deposits	23683.00	28683.00
Advance to Staff	221961.31	766627.74
Excise Duty Deposit	5539.17	17516.79
Share Application Money Pending Allotment	290000.00	13619316.18
	290000.00	15590438.34
<b>Total Rs.</b>	<b>38598206.17</b>	<b>52273019.00</b>



**SCHEDULE (8)  
CURRENT LIABILITIES AND PROVISIONS**

1. Current Liabilities			
Sundry Creditors			
For Capital Expenditure	97200.00	98200.00	
For Goods Supplied	3358596.46	5388650.37	
For Advance from and Credit Balances of Customers	542001.32	3997797.78	1837228.28 7324078.65
Other liabilities		2109222.76	1325979.09
Security Deposit from Dealers (Including Interest Accrued)		672476.00	722476.00
		6779496.54	9372533.74
2. Provisions			
Provisions for Taxation		Nil	1391250.00
<b>Total Rs.</b>		<b>6779496.54</b>	<b>10763783.74</b>

**SCHEDULE (9)  
MISCELLANEOUS EXPENDITURE**

(To the extent not written off)			
As per last Balance Sheet		2300062.51	2587570.32
Less: Written off during the year		287507.81	287507.81
<b>Total Rs.</b>		<b>2012554.70</b>	<b>2300062.51</b>

**SCHEDULE (10)  
SALES AND OTHER INCOME**

Sale less returns	23654891.96	46548737.09	
Interest	0.00	2938.00	
Miscellaneous income	9845.00	4873.00	
Damage/Claim recd.	0.00	0.00	
<b>Total Rs.</b>	<b>23664736.96</b>	<b>46556548.09</b>	

**SCHEDULE (11)  
MATERIAL MANUFACTURING AND OPERATION EXPENSES**

Raw Material Consumed			
- Stock as on 01.04.1998	3749940.00	4598094.00	
Add: Purchases	9503010.20	19315694.97	
	13252950.20	23913788.97	
Less: Closing Stock	3081850.00	3749940.00	
	10171100.20	20163848.97	
Excise Duty	580977.62	851684.55	
Freight Inward	18908.00	51802.00	
Electricity & Fuel	279333.00	252748.06	
Testing Fees	11100.00	410.00	
Factory Rent	144600.00	138362.00	
<b>Total Rs.</b>	<b>11206018.82</b>	<b>21458855.58</b>	

**SCHEDULE (12)****VARIATION IN STOCK**

Stock in trade (at close) Finished goods	8083573.20		12676303.00	
Stock in process	125600.00	8209173.20	310000.00	12986303.00
<hr/>				
Stock in trade (at commencement)				
Finished goods	12676303.00		9237345.00	
Stock in process	310000.00	12986303.00	260900.00	9498245.00
<hr/>				
<b>Total Rs.</b>		<b>(-) 4777129.80</b>		<b>3488058.00</b>
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**SCHEDULE (13)****PERSONNEL EXPENSES**

Salary, Wages and Bonus		3393844.77		4213799.82
Contribution to Provident Fund and Employees				
State Insurance Scheme	412633.10			532367.43
Director's Remuneration	168000.00			264000.00
Staff Welfare and Other Allowances	179611.00			290147.75
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<b>Total Rs.</b>		<b>4154088.87</b>		<b>5300315.00</b>
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**SCHEDULE (14)****ADMINISTRATIVE AND SELLING EXPENSES**

Selling & Distribution Expenses				
Selling & Distribution Charges	1600005.08		4085541.92	
Advertisement & Publicity	41298.50		149540.00	
Commission & Brokerage	2286606.06		1867249.38	
Depot Maintenance Charges	1759043.39		3458312.06	
Trade and other Discounts	Nil		12146412.95	
Sales Tax Charges	9982.90		13532.00	
Freight & Cartages	362892.22	6059828.15	608141.00	22328729.31
<hr/>				
<b>Administrative Expenses</b>				
Printing and Stationary	109334.10		210470.05	
Postage and Telegrams	53176.55		90271.50	
Auditors Remuneration:				
Auditor Expenses	1889.00		0.00	
Audit Fees	30000.00		30000.00	
Tax Audit	10000.00		10000.00	
Other Services	10000.00		10000.00	
Legal & Professional	347851.00		681233.00	
Repair & Maintenance	424549.42		611555.51	
Tour & Travelling	314873.00		1053456.83	
Conveyance	99779.50		200021.00	
Fees & Subscription	6235.00		69989.00	
General Charges	109940.58		164105.00	
Rent, Rates & Taxes	321742.81		492588.00	
Telephone & Telex	343733.65		571593.62	
Diwali Expenses	114168.00		37555.00	
Insurance Charges	88586.00		226869.00	
Lease Rental	Nil		46666.66	
Security Charges	52800.00		61726.00	
Computer & Software Charges	21380.00		86869.00	
Donation	6987.00		27080.00	
Books & Periodical	4696.00		9773.60	
Patents Written Off	87723.00		87723.00	
Gratuity A/c	352674.80			
Miscellaneous Expenditure Written Off	287507.81	3199627.22	287507.81	5067053.58
<hr/>				
<b>Total Rs.</b>		<b>9259455.37</b>		<b>27395782.89</b>
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**SCHEDULE (15)**

**FINANCIAL CHARGES**

Bank Interest and Bank Charges	2889861.34	3075856.15
Interest on Loan	930085.99	321645.72
Interest on Application Money Deb	-----	45047.00
Interest on Debenture	472871.28	160774.42
Interest on Deposits	Nil	47181.00
Interest on Party	11708.00	4579.22
	-----	-----
<b>Total Rs.</b>	<b>4304526.61</b>	<b>3655083.51</b>
	=====	=====



**NOTES FORMING PART OF ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICY  
FOR THE YEAR ENDED 31st MARCH, 1999**

1. Previous years' figures have been rearranged, recasted and regrouped wherever considered necessary.
2. The Break up of Expenditure on Employees getting remuneration.
 

	No. of Employees	Salary paid
Not less than Rs. 600000.00 during the year	NIL	NIL
Not less than Rs. 50000.00 p.m. for persons employed for the part of the year	NIL	NIL
3. No provision for Taxation in terms of section 115 JA of I.T. Act has been made during the year under consideration
4. No Provision for payment of dividend has been made due to losses during the year under consideration .
5. Depreciation is provided on straight line method basis applying the rates specified under chapter XIV of the Companies Act, 1956.
6. The current assets, loans & advances are as certified by the management.
7. Balance confirmation in respect of balance appearing under the head, Current Assets and Current Liabilities and Loans and Advances have not been received. Similarly, pending reconciliation and obtaining confirmation from Sundry Debtors, balance as shown in the accounts are as per the Company's books and in view of the management are good for recovery.
8. Balance standing to the debit of contract assigned on turnkey basis for installation of Plant & Machinery as on 31.03.1999 has been shown under Capital Work in Process pending completion of the installation contract.
9. We have been informed by the Management that the Company yet not created charge with the Registrar of Companies for issue of non convertible debentures during the last year.
10. The company was regularly defaulter for payment of ESI dues (Employees and Employer). The detail of ESI dues are given below:-

**DETAIL OF EMPLOYEE STATE INSURANCE (E.S.I.) EXPENSES LATE PAYMENT  
AMOUNT DUE ON YEAR ENDING AS ON 31.03.99**

MONTH	AMOUNT	DUE DATE	DATE OF DEPOSITS
April	12283.20	21.05.98	04.06.98
May	13399.00	21.06.98	11.09.98
June	12369.00	21.07.98	11.09.98
July	12206.00	21.08.98	Nil/No Payment yet
August	12411.00	21.09.98	Nil/No Payment yet
September	10759.50	21.10.98	Nil/No Payment yet
October	10710.45	21.11.98	Nil/No Payment yet
November	10380.00	21.12.98	Nil/No Payment yet
December	9924.95	21.01.99	Nil/No Payment yet
January	9666.00	21.02.99	Nil/No Payment yet
February	8793.00	21.03.99	Nil/No Payment yet
March	7003.75	21.04.99	Nil/No Payment yet



- 11 The company was regularly defaulter for payment of EPF dues (Employees and Employer).  
The detail of EPF dues are given below:-

**DETAIL OF EMPLOYEE PROVIDENT FUND EXPENSES LATE PAYABLE  
AND DUE ON YEAR ENDING AS ON 31.03.99**

MONTH	AMOUNT	DUE DATE	DATE AND AMOUNT OF DEPOSITS
April	58760.00	20.05.98	27935.00
May	64526.00	20.06.98	30928.00
June	59164.00	20.07.98	28218.00
July	56004.00	20.08.98	26711.00
August	56911.00	20.09.98	27090.00
September	50864.00	20.10.98	26339.00
October	50514.00	20.11.98	25957.00
November	48595.00	20.12.98	24290.00
December	48370.00	20.01.99	Nil/No Payment
January	45839.00	20.02.99	Nil/No Payment
February	39761.00	20.03.99	Nil/No Payment
March	33739.00	20.04.99	Nil/No Payment
			-----
			<b>Total Rs. 220348.00</b>
			-----

12. Additional information pursuant to the provision of Part-II of Schedule VI to the Companies Act, 1956.
- a) Value of Imports on CIF basis  
Raw Material-Lactose  
(Previous Year) Nil  
(Nil)
- b) Expenditure in Foreign Currency  
(Previous Year) Nil  
(501086.00)
- c) Earning in Foreign Exchange  
Exports Sales Nil  
(Previous Year) (Nil)
- d) Remittances in Foreign Exchange Nil  
(Previous Year) (Nil)

**e) LICENCED & INSTALLED CAPACITY & PRODUCTION:-**

LICENSED	INSTALLED	PRODUCTION CAPACITY	CAPACITY	(NO. OF Pcs)
I.	Biochemic Medicines & Combination single remedies and wellmoplex (25gm/450gm)	N.A.	Not yet determined	7,28,062 (13,35,607)
II.	Patent Tablets	N.A.	Not yet determined	42,446 (43,046)
III.	Patented Medicines	N.A.	Not yet determined	3,49,538 (6,47,361)
IV.	Mother Tincture and Dilution	N.A.	Not yet determined	29,907 (22,65,720)
V.	Blister Strips	N.A.	Not yet determined	1,12,167 3,10,887)

Note : Figures in brackets are figures for the previous year.



## f) TURNOVER AND CLASSES OF GOODS

## 1. MANUFACTURED ITEMS :

ITEM	OPENING STOCK		SALES		CLOSING STOCK	
	AMOUNT Rs.	QUANTITY NO. OF PCS	AMOUNT Rs.	QUANTITY NO. OF PCS.	AMOUNT Rs.	QUANTITY NO. OF PCS.
Biochemic Medicine Compound and Single Remedies (25 Grams)						
Willmoplex	16,02,842.00 (6,87,814.00)	1,16,491 (62,937)	40,47,247.82 (79,88,378.76)	7,53,837 (12,82,053)	9,75,200.00 (16,02,842.00)	90,716 (1,16,491)
Patent Medicines	49,50,525.80 (34,96,923.00)	1,83,051 (1,42,505)	1,19,38,934.20 (2,05,01,330.18)	4,72,118 (6,06,815)	16,93,200.00 (49,50,525.80)	60,471 (1,83,051)
Patent Tablets	1,25,962.00 (48,463.00)	6,419 (2,704)	6,64,738.54 (12,55,850.38)	43,490 (39,331)	1,07,500.00 (1,25,962.00)	5,375 (6,419)
Globules	12000.00 (Nil)	500 (Nil)	1,88,520.00 (6,12,534.80)	500 (25,522)	Nil (12,000.00)	Nil (500)
Mother Tincture & Dilution (Ltrs.)	50,93,000.00 (46,20,305.00)	19,490 (25,386)	58,24,904.43 (1,11,53,197.24)	32,339 (38,235)	44,52,300.00 (50,93,000.00)	17,058 (19,490)
Blister Strips	5,47,200.00 (Nil)	36,480 (Nil)	9,90,546.97 (49,84,115.93)	1,06,233 (2,74,407)	6,36,200.00 (5,47,200.00)	42,414 (36,480)
Total Rs.	12331529.80 (88,53,505.00)		23654891.96 (4,64,95,407.29)		7864400.00 (1,23,31,529.80)	

## (G) TRADE ITEMS :

ITEM	OPENING STOCK		PURCHASES		SALES		CLOSING STOCK	
	AMOUNT Rs.	QUANTITY IN KGS.	AMOUNT Rs.	QUANTITY IN KGS.	AMOUNT Rs.	QUANTITY IN KGS.	AMOUNT Rs.	QUANTITY IN KGS.
Cosmetics	344773.20	43096	Nil	Nil	Nil	Nil	3,44,773.20	43,096
Previous Year	(3,83,840.00)	(47,980)	(Nil)	(Nil)	(39,066.80)	(4,884)	(3,44,773.20)	(43,096)
Lactose	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Previous Year	(Nil)	(Nil)	(12,600.00)	(300 Kg)	(14,263.00)	(300 Kg)	(Nil)	(Nil)
Total Rs.	3,44,773.20		Nil		Nil		3,44,773.20	43,096
Previous Year	(3,83,840.00)		(12,600.00)		(53,329.80)		(3,44,773.20)	(43,096)
G. Total (F+G)	1,26,76,303.00				2,36,54,891.96		82,09,173.20	
Previous Year	(92,37,345.00)				(4,65,48,737.09)		(1,26,76,303.00)	



**(H) RAW MATERIAL CONSUMED:**

ITEM	OPENING STOCK		PURCHASES		CONSUMPTION		CLOSING STOCK	
	AMOUNT Rs.	QUANTITY IN KGS.	AMOUNT Rs.	QUANTITY IN KGS.	AMOUNT Rs.	QUANTITY IN KGS.	AMOUNT Rs.	QUANTITY IN KGS.
Lactose/Imprinted Previous Year	Nil (78,000.00)	Nil (1,500)	Nil (Nil)	Nil (Nil)	Nil (78,000.00)	Nil (1,500)	Nil (Nil)	Nil (Nil)
Indigenous Previous Year	37842.50 (Nil)	825 (Nil)	8,89,259.00 (17,07,762.50)	18900 (37,575)	8,87,101.50 (18,69,920.00)	18975 (36,750)	40,000.00 (37,842.50)	750 (825)
Chemicals & Other Raw Material Previous Year	305000.00 (3,25,000.00)	- (-)	25,48,279.26 (12,14,163.37)	- (-)	23,30,429.26 (12,34,163.37)	- (-)	5,22,850.00 (3,05,000.00)	- (-)
Packing Material Previous Year	3717097.50 (44,55,994.00)	- (-)	60,65,471.94 (1,63,81,169.10)	- (-)	72,63,569.44 (1,71,20,065.60)	- (-)	25,19,000.00 (37,17,097.50)	- (-)
Total Previous Year	40,59,940.00 (48,58,994.00)		95,03,010.20 (1,93,03,094.97)		1,04,81,100.20 (2,01,02,148.97)		30,81,850.00 (40,59,940.00)	

**13. SIGNIFICANT ACCOUNTING POLICIES****A. Basis for preparation of accounts**

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India & the Accounting Standards notified by Central Govt. of India.

**B. Revenue Recognition**

All incomes & expenditure are accounted for on accrual basis in terms of Provisions of section 145(1) of I.T. Act, 1961.

Sales are recognised when goods are supplied and are recorded net of trade discounts, rebates & sales taxes but it does not include inter-divisional transfers.

**C. Fixed Assets**

- Fixed Assets are stated at cost or revalued amount less depreciation. Capital work in progress are carried at cost.
- The cost of a Fixed Asset comprises its purchase price and any directly attributable cost for bringing the asset in an operational condition for its intended use. Expenditure incurred on account of additions, improvements and renewals is capitalised and repairs and maintenance expenditure is charged to the Profit and Loss Account.

**D. Depreciation**

Depreciation is provided on straight line method basis applying the rates specified under chapter XIV of the Companies Act, 1956.



**E. Valuation of Inventories**

- a) Finished goods have been valued at lower of cost or net realisable value.
- b) Raw Material have been valued at cost.
- c) Goods in process have been valued at raw material cost incurred up to the stage of production plus direct expenses apportioned.

**F. Write off of Expenses**

As per the generally accepted accounting principles, the company has decided to write off the patents acquired by it over a period of 14 years. Accordingly, a sum equal to 1/14th of the amount of patents acquired has been written off by debit to the Profit & Loss Account.

**G. Miscellaneous Expenditure**

This represents expenditure incurred in connection with public issue of its equity shares in April, 1996. The management has decided to write off the expenses during the next Ten years. Accordingly, a sum equal to 1/10<sup>th</sup> of the expenditure so incurred has been debited to the Profit & Loss Account.

**H. Capital Work-in-Progress**

All expenditure, including advances given during the project construction period are accumulated and shown as Capital Work-in-Progress until the assets are ready for use. Assets under construction are not depreciated.

**I. Investments**

All investments (unquoted) are stated at cost.

**J. Treatment of Retirement Benefits**

- a) The contributions to Provident Fund & Family Pension Fund are charged to Profit & Loss Account every year.
- b) As regard liability towards leave encashment, the employees have the option of either encashing or availing the unavailed leave at the time of retirement/leaving service. The liability on this account, therefore, cannot be estimated and accrued till the employees exercise their option.

**K. Treatment of Contingent Liabilities**

Contingent Liabilities have not been provided in books of Accounts.

**L. General**

Accounting policies not referred to otherwise are consistent with generally accepted Accounting principles.

The above information has been furnished by the management and relied upon by the auditors.

**(GURMEET S. DHINGRA)**

Managing Director

**(RENU DHINGRA)**

Director

**for MATTA & ASSOCIATES  
CHARTERED ACCOUNTANTS**

PLACE : DELHI  
DATE : 31.12.99

**(ANIL MATTA)  
PARTNER**

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE  
PERIOD 01.04.98 TO 31.03.99

PARTICULARS	1998-99		1997-98	
	DETAIL	AMOUNT	DETAIL	AMOUNT
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit Tax as per Profit & Loss Account		(10703131.92)		(8388549.15)
Adjusted For :				
1. Depreciation	666649.41		623118.26	
2. Interest/Other Income	Nil		(2938.00)	
3. Interest Expenses	4304526.61		3655083.51	
4. Expenses Written off	375230.81	5346406.83	375230.81	4650494.58
		(5356725.09)		(3738054.57)
<b>Operating Profit working Capital Changes</b>				
Adjusted form :				
1. Trade & Other Receivable	5033843.46		9115865.00	
2. Inventories	5445219.80		(2639904.00)	
3. Trade Payable	(3984287.20)	6494776.06	1369743.50	7845704.50
		1138050.97		4107649.93
<b>Cash generated from operations</b>				
1. Interest paid other than Long Term Borrowing	(3831655.33)		(3552198.51)	
2. Direct Taxes Paid	Nil	(3831655.33)	(8750.00)	(3560948.51)
		(2693604.36)		546701.42
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
1. Purchases of Fixed Assets (Including capital work in progress)	(560794.93)		(2956201.89)	
2. Sale of Fixed Assets	Nil		275000.00	
3. Interest Income	Nil		2938.00	(2678263.89)
Net Cash used in Investing Activities		(560794.93)		
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
1. Proceeds from Debenture	(62000.00)		2279000.00	
2. Proceeds from Issue of Share	Nil		100000.00	
3. Proceeds from Borrowing	(834176.80)		868514.01	
4. Proceeds from Long term Borr.	1360000.00		2500000.00	
5. Repayments of Long term Borr.	Nil		(560000.00)	
6. Interest on Long term Borrowing	(472871.28)		(111209.00)	
Net Cash used in Financing Activities		(9048.08)		5076305.01
Net increase in Cash and Cash Equivalents (A+B+C)		(3263447.37)		2944742.54
Opening Balance of Cash and Cash Equivalents		3675698.89		730956.35
Closing Balance of Cash and Cash Equivalents		412251.52		3675698.89

For MATTA & ASSOCIATES  
Chartered Accountants(GURMEET S. DHINGRA)  
Managing Director(RENU DHINGRA)  
Director(ANIL MATTA)  
PartnerPlace : Delhi  
Date : 31/12/1999

**AUDITORS' CERTIFICATE**

We have examined the attached Cash Flow Statement of Dr. Wellmans Homeopathic Laboratory Ltd for the period ended 31st March, 1999. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of listing agreements with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 31st December, 1999 to the member of the Company.

**For MATTA & ASSOCIATES**  
Chartered Accountants

Sd/-

**ANIL MATTA**

Partner

Place : Delhi

Dated : 31/12/1999

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. Registration Details**

Registration	31593			State Code	55	(Refer Code List)
Balance Sheet Date	31	03	99	Date	Month	Year

**II. Capital raised during the year (Amount in Rs. Thousands)**

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)**

Total Liabilities	71527	Total Assets	71527
Sources of Funds			
Paid-up Capital	44281	Reserves & Surplus	2500
Secured Loans	22385	Unsecured Loans	2361
Application of Funds		Share Application Money	---
Net Fixed Assets	18806	Investments	190
Net Current Assets	31751	Misc. Expenditure	2012
Accumulated Losses	10768		

**IV. Performance of Company (Amount in Rs. Thousands)**

Turnover	23665	Total Expenditure	34368
Profit/Loss before Tax	10703	Profit/Loss After tax	10703
(Please tick appropriate box + for profit - for loss)			
Earning per share in Rs.	-----	Dividend Rate %	Nil

**V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)**

Item Code No. (ITC Code)	
Product Description	MANUFACTURING OF MEDICINES
Item Code No. (ITC Code)	
Product Description	
Item Code No. (ITC Code)	
Product Description	

**For MATTA & ASSOCIATES**  
Chartered Accountants

**(GURMEET S. DHINGRA)**  
Managing Director

**(RENU DHINGRA)**  
Director

**(ANIL MATTA)**  
Partner

Place : Delhi

Date : 31/12/1999

# Dr. Wellmans Homoeopathic Laboratory Limited



**KS :**  
**, WAZIRPUR INDL. AREA,**  
**1-110052**

**REGD. OFFICE :**  
**AM-2, DILKHUSH INDUSTRIAL ESTATE**  
**G.T. KARNAL ROAD, DELHI-110033**  
**TEL. 7248504, 7458875**

## DIRECTORS REPORT

Your directors have pleasure in presenting the 11th Report of the Company alongwith Audited Accounts for the year ended 31st March, 1999.

(Rs. In Lacs)

Particulars	Current Year 31/03/99	Previous Year 31/03/98
Total Income	224.44	445.46
Profit/(loss) before interest & Depreciation	(57.32)	(41.10)
Interest	43.04	36.55
Depreciation	6.67	6.23
Profit/(loss) after interest & Depreciation	(107.03)	(83.88)
Provision for tax	Nil	Nil
Net Profit/ (loss) for Appropriation	(107.03)	(83.88)
Appropriation		
Transfer to General Reserve	Nil	Nil
Proposed Dividend	Nil	Nil
Issue of Bonus Shares	Nil	Nil
Balance Carried Forward	Nil	Nil

### DIVIDEND

Keeping in view the financial figures during the current year, your directors unable to recommend any dividend for the year 1998-99.

### PROJECTION VS. PERFORMANCE :-

The Financial Projections for the year ended 31st March, 1999 as indicated in Prospectus dated 01.03.96 and actual targets achieved for the year are as under :-

PARTICULARS	ACTUAL	PROJECTIONS AS PER PROSPECTUS DT.1.3.96
NET SALES	236.65	1334.53
PROFIT/(LOSS) AFTER TAX	(107.03)	422.13

There was over all recession in the industry. Sales of the Company has also been effected due to entry of some multinationals in Homoeopathy in India. Financial tightness also effected our performance.

### Review of Operation :

The financial results achieved by the company during the year 1997-98 have not such as expected, primarily due to depressed market condition, during the year review. The company has incurred net loss amounting Rs. 107.03 lacs. The Company is cutting into overheads and marketing cost to meet recessions.

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**ALL CORRESPONDENCE TO REGISTERED OFFICE ONLY.**

Dr. Wellmans Homoeopathic Laboratory Limited



KS :

, WAZIRPUR INDL. AREA,  
11-110052

REGD. OFFICE :

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G.T. KARNAL ROAD, DELHI-110033  
TEL. : 7248504. 7458875

- 2 -

**DEPOSITS**

During the year under review, your Company has not revived any deposits the provisions of section 58-A of Companies Act, 1956.

**PARTICULARS OF THE EMPLOYEES**

During the year, there was no employee who falls under the provision of section 21(2A) of Companies Act, 1956 read with Companies (particulars of employees) Rules, 1957.

**DIRECTORS**

DR. G.S. Dhingra Mg. Director and Mrs. Renu Dhingra liable to retire by rotation shall retire at ensuing Annual General Meeting but eligible to offer himself for re-appointment. Your Directors has recommended his appointment as Director of the Company.

**AUDITORS**

M/s. Mitts & Associates Chartered, Accountants shall retire at the conclusion of this Annual General Meeting but are eligible for reappointment for next term.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO**

Information pursuant to Section 217 (1) (3) of Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of board of Directors) Rules, 1988 is given in annexure of this report.

**ACKNOWLEDGEMENTS**

Your Directors wish to express their gratitude to SIDBI, Dena Bank and Other Government Authorities for their wholehearted co-operation and assistance extended to the Company and to shareholders of the Company for their confidence reposed in the Company.

Your Director wish to thank the employees of the Company for their dedicated and valuable contribution to the growth of the Company.

for and on behalf of the Board

Place : Delhi

Date : 25.02.2000

(DR. GURMEET S. DHINGRA)  
CHAIRMAN & MANAGING DIRECTOR

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**ANNEXURE OF DIRECTORS' REPORT**

**CONSERVATION OF ENERGY**

Regular preventive maintenance of all plant and machinery is carried out for enhancing productivity and efficiency of machinery resulting in considerable power saving.

contd...P3

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**ALL CORRESPONDENCE TO REGISTERED OFFICE ONLY.**

Dr. Wellmans Homoeopathic Laboratory Limited



KS :  
WAZIRPUR INDL. AREA,  
110052

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G.T. KARNAL ROAD, DELHI-110033  
TEL. : 7248504, 7458375

-: 3 :-

**Power and fuel consumption**

Particulars	Year ended 31/03/99	Year ended 31/03/98
1. Electricity		
(a) Purchased Units	68,806	48,897
Total amount(Rs)	2,68,343	1,46,693
Rate/Unit(Rs)	3.90	3.00
(b) Own generation		
Through Diesel Generator Units	26,528	36,719
Units per liter of diesel oil	3.10	2.58
Cost/unit (Rs.)	82,239	94,734

**TECHNOLOGY ABSORPTION**

Company has developed in house R&D Department in order to develop new products & improve the quality of products.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars	Year ended 31/03/99	Year ended 31/03/98
1. Foreign exchange earning	Nil	29,866
2. Foreign exchange outgoing		
(a) Purchase of Raw Material i.e. Lactose	Nil	Nil
(b) Expenditure in Foreign Currency	Nil	5,01,086

for and on behalf of the Board

(DR. GURMEET S. DHEINGRA)  
CHAIRMAN & MANAGING DIRECTOR

Place : Delhi  
Date : 25.02.2000

ALL CORRESPONDENCE TO REGISTERED OFFICE ONLY.

Dr. Wellmans Homoeopathic Laboratory Limited



KS :  
WAZIRPUR INDL. AREA,  
-110052

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TEL. : 7248504, 7458875


**NOTICE**

**FURTHER** to the NOTICE for holding 11th Annual General Meeting of Dr. Wellmans Homoeopathic Laboratory Ltd., Notice is hereby given that the adjourned 11th Annual General Meeting of the members of the Company will be held on Thursday the 23rd March 2000 at 9.00 A.M. at Khasra No. 183/3, Near Saya Automobiles, Siraspur, Opp. Gurdwara Harbhan Singh, Delhi to transact the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1999 and Profit and Loss Account for the Year ended on that date and the Reports of the Directors and Auditors thereon.

Registered Office :  
AM-2, Dilkhush Indl. Estate,  
G.T. Karnal Road,  
DELHI - 110 033.  
Place : New Delhi  
Date : 31.12.1999

By order of the Board  
  
(G.S. DHINGRA)  
Managing Director

**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. A proxy need not be a Member of the Company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the commencement of the meeting.
- 2) The above adjourned meeting is being held in pursuance to the resolution passed at the original Annual General Meeting held on 31.12.1999.

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**ALL CORRESPONDENCE TO REGISTERED OFFICE ONLY.**



Dr. Wellmans Homoeopathic Laboratory Limited



KS :  
8, WAZIRPUR INDL. AREA,  
DELHI-110052

REGD. OFFICE :  
AM-2, DILKHUSH INDUSTRIAL ESTATE  
G.T. KARNAL ROAD, DELHI-110033  
TEL. : 7248504, 7458875

-: 2 :-

- 3) Members are requested to notifying change in their address immediately to the Company at its Registered Office.
- 4) Members who have multiple folios in identical names or joint accounts in same order are requested to send all share certificates to the Company at its Registered Office for consolidation of all such shareholding into one folio to facilitate better service.
- 5) Members are requested to intimate to the Company, queries, if any, regarding these accounts at least ten days before the meeting, to enable the Management to keep the required information readily available at the meeting.
- 6) Additional copies of Accounts will not be available for distribution at the Annual General Meeting, Members are therefore requested to bring the copies of their report and accounts with them.

Registered Office :  
AM-2, Dilkhush Indl. Estate,  
G.T. Karnal Road,  
DELHI - 110 033.  
Place : New Delhi  
Date : 31.12.1999

By order of the Board

(G.S. DHINGRA)  
Managing Director

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ALL CORRESPONDENCE TO REGISTERED OFFICE ONLY.