



# **ANNUAL REPORT**

**2005 - 2006**



**WELCURE DRUGS & PHARMACEUTICALS LTD.**



## WELCURE DRUGS & PHARMACEUTICALS LTD.

**Welcure** is an **ISO 9001:2000** and **WHO-GMP Certified Company**. **Welcure** has to its credit the most modern and sophisticated manufacturing facilities of International Standards which include ultramodern plant, machinery and equipment, own R & D, in house testing laboratory and captive power generation. **Welcure** manufactures a large variety of pharmaceutical formulations, covering almost all ailments, **about 300 in numbers**. Some of our known products include :

### MEDICINE

BRUCURE, IBUCURE & RELAXON FORTE

DICLO-PLUS, DIMCIN PLUS, DMART PLUS, WELGESIC

MR, WELRELEEF, ACEWEL, ACEWEL PLUS, SPINACH

NIMESULIDE, NIMAGYL TD

COLDREST & COLDHIST- EX

CEZEN & CEZEN FORTE, CEZEN CD, LORWEL

KUFFWEL, X-DRYL, X-DRYL FORTE

RENACT DM&DC, OMEJEL DM, MEFA PD, SPASWEL,

WELSPAS, ATPASE, LANAX, PANTOWEL

DIGICIN M, RENACT, OMEJEL

LOPCURE

CALBIPLEX

WORMICIDE

X-CLOX -LB, DOXEL-LB, XECURE-LB

WELOXY, CIPCIN, CEPHA-KID, NORWEL, OXCIN, FLOXO

NORTIN, CIPCIN-TNZ, OXCIN OZ, OXCIN TZ, FLOXO-OZ

SERVO

B-REST

NORKID

WELGRA

LIVOMAX, DROXWEL, CEFUROXIL, ERYTHROWEL

ROXYCURE, CEDOXIME, CUREXIM

IVAWEL

MICAL

AVERINE

WEL Fe Na, MAXYRED

WELCAL

WELSEE

NEETAL, NIMAGYL, PC

DEX TOP, WELCORT, B ZEX

DUBAMOL

### THERAPEUTICAL INDICATIONS

◆ BODY PAIN, JOINT PAIN, INFLAMMATIONS, INFLAMMATORY CONDITIONS

◆ BODY PAIN, FEVER, JOINT PAIN, ARTHRITIS, MUSCLE PAIN, LOW BACK PAIN, CERVICAL SPONDYLITIS, STIFF NECK, SPRAIN & STRAIN

◆ RHEUMATOID ARTHRITIS, HEADACHE, ENT INFLAMMATIONS

◆ NASAL CONGESTION, MUSCULAR PAIN, HEADACHE, BODYACHE, SNEEZING

◆ ALLERGY, SNEEZING, SINUSITIS, COUGH, COLD

◆ ALLERGIC / DRY / SMOKER'S COUGH, HEADACHE & FEVER ANTI COUGH

◆ ULCERS, HYPERACIDITY, REFLUX, GASTRITIS, STOMACH, SPASM & PAIN

◆ ANTACID, FOR HYPERACIDITY & GASTRITIS

◆ LOOSE MOTIONS & DIARRHEA

◆ VITAMIN SUPPLEMENT, WEAKNESS, DEBILITY

◆ HOOKWORM, RINGWORM, THREADWORM & MIXED INFESTATION.

◆ ANTIBIOTIC, ENT INFECTIONS

◆ STRONG ANTIBIOTIC FOR UPPER & LOWER RESPIRATORY INFECTIONS,

POWERFUL ANTIBIOTICS & ANTI PROTOZOALAGAINST INFECTIONS

◆ ANTI INFLAMMATION IN PRE & POST OPERATIVE & INJURY CASES

◆ ANXIETY, DEPRESSION, PANIC DISORDER

◆ FOR PAEDIATRIC INFECTION & DIARRHEA

◆ TREATMENT OF ERECTILE DYSFUNCTION

◆ BROAD SPECTRUM ANTIBIOTIC FOR URINARY TRACT & SOFT TISSUE INFECTIONS

◆ SCABIES, PEDICULOSIS, FILARIASIS, INTESTINAL NEMATODE INFECTION

◆ HEALTHY PREGNENCY

◆ RENAL COLICS, POST OPERATIVE PAIN, BILARY COLICS

◆ TREATMENT FOR IRON DEFICIENCY

◆ CALCIUM DEFICIENCY, OSTEOPOROSIS

◆ VITAMIN C SUPPLEMENT, SKIN DISORDERS

◆ FOR PAIN, INFLAMMATION ASSOCIATED WITH FEVER

◆ STEROID (ANTI-INFLAMMATORY)

◆ ANTI AEMETIC

**JAUNDIF - A SINGLE DOSE REMEDY FOR JAUNDICE, LIVER DISEASES AND HEPATITIS DISORDER.**

**PINASHIN - A SINGLE DOSE REMEDY FOR SINUSITIS, CHRONIC SINUSITIS, SINUSITIS HEADACHE, ALLERGIC RHINITIS, NASAL, POLYPS AND ALL RHINOLOGICAL SYMPTOMS**

WELCURE DRUGS & PHARMACEUTICALS LIMITED

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



**WELCURE DRUGS & PHARMACEUTICALS LTD.**



ISO 9001:2000 AND WHO-GMP CERTIFIED COMPANY

**Board of Directors**

Shri D. C. Jain (Mg. Director)  
Shri S. S. Dhanoa  
Shri R. K. Pandey  
Shri Sanjeev Jain (Whole-Time Director)  
Shri Sandeep Jain (Whole-Time Director)  
Shri Shri Nath Prasad Ojha  
Shri M. L. Bhateja  
Shri Sudhir Chandra

**Audit Committee**

Shri R. K. Pandey, Chairman  
Shri S. S. Dhanoa  
Shri M. L. Bhateja  
Shri Sudhir Chandra

**Shareholders & Investors Grievance Committee**

Shri R. K. Pandey, Chairman  
Shri S. S. Dhanoa  
Shri M. L. Bhateja  
Shri Sudhir Chandra

**Remuneration Committee**

Shri R. K. Pandey, Chairman  
Shri S. S. Dhanoa  
Shri M. L. Bhateja  
Shri Sudhir Chandra

**Company Secretary**

Silky Chhabra

**Auditors**

Gauba, Gauba & Associates

**Internal Auditors**

Anil Jain DD & Company  
Rama Shanker Tiwari

**Manager Accounts & Taxation**

Sanjay Aggarwal

**Cost Auditors**

Aseem Jain, Cost Accountant

**Bankers**

State Bank of India

**Factory & Regd. Office**

Welcure Drugs & Pharmaceuticals Ltd.  
A-1129, RIICO Industrial Area, Phase-III,  
Bhiwadi-301019 (Rajasthan)

**Corporate Office**

301-305, Mohan Palace,  
L.S.C., C Block,  
Saraswati Vihar, Delhi-34

**Share Transfer Agent**

Intime Spectrum Registry Ltd.,  
A-31, 3rd Floor, Naraina,  
Industrial Area, Phase-I,  
Near PVR Cinemas, Delhi-28

## WELCURE DRUGS & PHARMACEUTICALS LIMITED

### DIRECTORS REPORT :

Directors hereby present the Fourteenth Annual Report together with Audited Statements of Account of the Company for the year ended 31<sup>st</sup> March 2006.

### FINANCIAL RESULTS Sales & Profitability :

The Total Sales of the Company together with the sales of its wholly owned subsidiary company is Rs. 17.00 Crores for the year 2005-06 as compared to Rs. 31.78 Crores for the year 2004-05. The combined net loss is Rs. 1.85 Crores for the year 2005-2006 as compared to Net Profit of Rs. 38 Lacs previous year. The consolidated Income & Profitability Statement of the Company is as under :

Figures in Rs. Lacs

Particulars	Welcure		Subsidiary Co.		Combined	
	2005-06	2004-05	2005-06	2004-05	2005-06	2004-05
Sales	841	1176	859	2002	1700	3178
Other Income	87	498	3	1	90	499
Total Income	928	1674	862	2003	1790	3677
Expenditure	1046	1566	830	1981	1876	3547
Interest	36	33	15		51	33
Depreciation	42	44	1	2	43	46
Provision for taxation	0	12	5	1	5	13
Profit after tax	(196)	19	11	19	(185)	38

Apart from its own manufacture & sales, the Company manufactured products for various Multinational Companies and reputed pharma house like Lupin Ltd., Zydus Cadila Healthcare Ltd., Intas Pharmaceuticals Ltd. and others, by itself or through its Loan Licensees. Thus the company manufactured the goods to the extent of Rs. 17.90 Crores during the year under operation as per details hereunder-

Figures in Rs. Lacs

Sales	2005-06	2004-05
Welcure & its subsidiary	1700	3178
Others	90	499
Total	1790	3677

### EXPORTS :

During the year under review, no export could be made. However, we have made exports to Korea in the month of April & May 2006; and good exports orders are expected during the current year.

### DIVIDEND :

With a view to conserve the resources of the Company, the Directors do not recommend any dividend for the year under review.

### WHO-GMP CERTIFICATION & QUALITY

The company was accredited with international WHO-GMP Certificate, application for its renewal has been made. The Company also continued to maintain coveted certification of ISO 9001:2000 version by ABS QUALITY EVALUATION INC. of Texas and accredited by ANSI Registrars of Accreditation Board of USA. The Company maintains highest standards in International requirements namely Safety, Health and Environmental Protection i.e. 'SHE' in production. The Company has benchmarked its Standards of Operation as per International Standards for manufacturing to ensure high standards of quality, safety and efficacy of pharmaceutical formulations.

### INDUSTRY SCENARIO :

Government, vide notification no. 2/2005-CE(N.T.), dated 7<sup>th</sup> January 2005, imposed excise duty on the basis of Retail Sale Price of the Medicines with effect from 08.01.2005 as against the Invoice Sales

Price. Under the new notification, the Excise Duty payable is three to four times more than the excise duty payable before notification. This has given a dent to most of the small & medium size companies like Welcure. Company's sales declined to bottom level immediately on this notification. Customers of the company stopped to purchase goods from the company because these are available at lower rate from the manufacturers who have set up their units in excise free zones. In view of this notification most of the companies, for whom the company had been manufacturing and supplying the goods have reduced their business considerably.

The cut-throat competition from Giant Pharma Companies and dumping of pharmaceutical formulations, even below cost, gave a big dent to the Sales Turnover of Medium Size Companies like ours. It had been very difficult for the medium size Pharmaceutical Companies to withstand the cutthroat competition from big Pharma houses that changed their strategies of jumping into the sales of generics pharmaceutical products, which hitherto had been the domain of medium size companies like ours.

In spite of this set back and dent, the Company is still able to withstand and continues its operations, whereas many others of same size units already closed down their operations.

### PRODUCT PROFILE

To maintain its customer base, the Company started getting some of its products manufactured from Excise Free Zones. The medicines cover remedy for almost all the diseases which includes Analgesics, Anti-Aids (HIV+), Anti-allergic, Anti-amoebic, Anti-bacterial, Antibiotics, Anti-cancers, Anti-diabetics, Anti-diarrhea, Anti-malarial, Antipyretics, Anti-ulcerates, Corticosteroids, Cough & Cold preparations, Gastro-intestinal, Life saving medicines, Pain Killers, Sedatives, Tranquilizers, Vitamins etc. Its leading brands namely DICLO PLUS, RENACT, IBUCURE, COLDREST, DIGICIN, NIMAGYL, WORMICIDE etc. continue to hold high share in the market. Company has added new product range like AMNEST-AT, ASCAPAR, ATPASE, AVERINE, CELENT-A, CEDOXIME-LB, DOTLIN, FLOXO, GLANASE, KOXCURE, MICAL, NEETAL, SPINACH, TIRON, WELFE NA, WELSEE, XECURE LB, ZCORIK-KIT, JAUNDIF, PINASHIN in its Ethical Division-All Care.

### WELCURE TEST HOUSE

The Licensing Authority Drugs Control Organisation had granted a license to Company's Unit "Welcure Test House" to work as an independent analytical and commercially laboratory and as Research and Development unit. The Laboratory continues to hold its high status.

### CORPORATE GUARANTEE

Because of continued carry over losses and insufficiency of stocks and debtors, the Bankers of the Company were reluctant to renew the Banking facilities of the Company. The Bankers demanded the Corporate Guarantee of Akums Drugs & Pharmaceuticals Ltd. (Akums) wherein the Bank and some of the Directors are common. Akums in turn demanded Corporate Guarantee of the Company; which was given. Akums also provided higher credit facilities on the goods being purchased by the Company. Later, the Company revoked its Corporate Guarantee; in view of the suggestion made by the Auditors.

## WELCURE DRUGS & PHARMACEUTICALS LIMITED

### DIRECTORS' RESPONSIBILITY STATEMENT :

Directors hereby state that:

1. In the preparation of Annual Accounts, the applicable accounting standards have been followed;
2. We have selected such accounting policies and applied them consistently and made judgements 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 profit of the company for that period;
3. We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. We have prepared the Annual Accounts on a going concern basis.

### DIRECTORS

Mr. Sudhir Chandra was appointed as Additional Director of the Company with effect from 31.12.2005. Mr. Ram Awadh, Works Director submitted his resignation and was relieved on 28.02.2006.

Mr. Shri Nath Prasad Ojha was therefore appointed as a Director of the Company with effect from 15.02.2006 to hold office upto the forthcoming Annual General Meeting; he is also appointed as a Works Director for 5 years from that date.

The Company has received notice(s) under section 257 of the Companies Act, 1956, from one of its members, proposing the appointment of Mr. Shri Nath Prasad Ojha and Mr. Sudhir Chandra as Directors of the Company.

Shri R.K. Pandey retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

The Board recommends the appointment/re-appointment of Mr. Sudhir Chandra, Mr. Shri Nath Prasad Ojha and Mr. R.K. Pandey.

### SUBSIDIARY COMPANIES

In terms of section 212 of the Companies Act, 1956, the Particulars of Subsidiary Company; and in terms of section 211(3)(C) of the Companies Act 1956, read with Accounting Standard 21, issued by the Institute of Chartered Accountants of India, a Consolidated Financial Statement of Welcure Drugs & Pharmaceutical Ltd. & its wholly owned subsidiary A. K. Laboratories Ltd. are being included in the Annual Accounts of the Company.

### PARTICULARS OF EMPLOYEES :

During the year ended 31st March 2006, 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 & FOREIGN EXCHANGE EARNINGS & OUTGO.

Information pursuant to Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 is given as under:  
CONSERVATION OF ENERGY - Optimum energy conservation steps

are being taken to reduce per unit cost. Power factor is being monitored continuously as energy conservation measure. A diesel storage tank exists for regular availability of fuel for Power Generating Unit. Impact of this has been saving in energy due to power factor improvement, maintenance of proper voltage supply and proper load distribution. Power & fuel consumption details are as under:

	2005-2006	2004-2005
(i) Units (Lacs) of Electricity Purchased (RSEB)	4.02	11.08
(ii) Total Amount (Rs. Lacs)	21.15	52.45
(iii) Rate per Electricity Unit (Rs.)	5.26	4.73
(iv) Units (Lacs) Own Generation (through D.G. Set)	0.14	0.98
(v) Diesel Oil (Ltrs in Lacs)	0.07	0.50
(vi) Cost per unit (Rs.)	14.39	11.53

TECHNOLOGY ABSORPTION - Company's R&D unit is continuing to bring improvement in quality & processes.

FOREIGN EXCHANGE EARNINGS & OUTGO - NIL

### LISTING FEE OF SHARES

The Company has paid the Listing Fee to the Bomaby Stock Exchange Ltd. Mumbai. Shares of the Company has been delisted from the Delhi Stock Exchange with effect from 20<sup>th</sup> March 2006.

### MANAGEMENT DISCUSSION ANALYSIS & CORPORATE GOVERNANCE REPORT

In terms of the Listing Agreement, Management Discussion and Analysis Report is annexed and forms part of the Annual Report. A report on Corporate Governance along with the Auditors' Report on its compliance is also annexed forming part of the Annual Report.

### COST AUDIT

In terms of section 233 (1-B) of the Companies Act, 1956, M/s Aseem Jain & Associates, Cost Accountants have been duly appointed as Cost Auditors of the Company, for the financial year 2005-06.

### AUDITORS

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

### ACKNOWLEDGMENT

Directors place on record their thanks for the support extended to the Company by its Customers, Dealers, Suppliers, Bankers, Employees, Investors, Medical Professionals, and other Government and local authorities.

For & on behalf of the Board of Directors

Place : Delhi.  
Date : 29-05-2006

D. C. Jain  
Chairman

## WELCURE DRUGS & PHARMACEUTICALS LIMITED

### CORPORATE GOVERNANCE REPORT

#### 1. WELCURE'S PHILOSOPHY

Welcure believes in the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for effective management and discharge of its responsibility for sustainable development of all stakeholders, customers and society.

Welcure believes that a well constituted and competent Board of Directors can alone efficiently adopt Corporate Governance framework of "Perspective, Plans, Policy, Processes, Productivity, Performance & People." The Board must effectively monitor the corporate resources comprising of "Men, Money, Machines, Material, Marketing, Management & Motivation." In pursuance to its philosophy, Company endeavors to provide a colour-less document for fair, unbiased, accurate, authentic and factual information in most concise and succinct manner to its shareholders, lenders, customers, bankers, government and people at large. In short, WELCURE believes in Transparency, Proper Communication, Accountability, Compliances beyond Regulations, Professionalism, Disclosures, Ethical Conduct, Fair Business policies, Self Disciplining Code, Social Responsiveness, National Health, Growth, Goodwill, Trust & Confidence of Stakeholders, Confidence in creativity among various constituents.

#### 2. BOARD OF DIRECTORS

The Board consists of the following:

##### (a) Promoter & Executive Directors:

**Shri D. C. Jain**, B. Com., LL.B., M.I.L. (Hons.), G.D.I.M., M.I.I.A., A.M.I.B.M., F.A.S.M., F.C.S. is Chairman cum Managing Director and founder of the Company and has over four decades experience in controlling various industries as top level Company Executive. He had been President of the Institute of Company Secretaries of India. He is a Director of two other companies.

**Dr. Sanjeev Jain**, B.Com., M.B.B.S. (Bio), M.B.A., A.M.I.M.A. looks after marketing and material procurement of the Company. He has over two decades experience in the field of pharmaceuticals. Under his dynamic leadership and professional approach, the Company was able to sustain inspite of adverse business conditions. He has brought in export business during the current year. He is a Director of three other Companies.

**Shri Sandeep Jain**, B.Com., LL.B., M.B.A., F.M.S.P.I., A.M.I.M.A. looks after Production and Quality Control Departments of the company. He has over two decades of experience of running pharmaceutical formulation business. Due to his efforts the Company received various National & International Recognitions & Quality Certificates. He has been showered with many awards like Gold Medal for Management, Order for Merit Award, Samaj Shri Award for excellence in management, Outstanding personalities award 1998 and Man of the year 1999 award. He is a Director of three other companies.

##### (b) Independent Executive Director:

**Shri S.N.P. Ojha**, B.Sc., has approximately 14 years of experience in manufacture of pharmaceuticals including 4 years experience

with the Company. He has adequate technical qualification & knowledge; and has also been approved as Competent Manufacturing Chemist by Drugs Control Department, Rajasthan. He is in-charge and Director responsible for day-to-day affairs of Bhiwadi Factory including Compliance of Drugs and other Laws relating to Factory.

##### (c) Independent Non-Executive Directors:

**Shri R. K. Pandey**, M.Com., D.B.A., LL.B., F.C.S. is a leading Financial Consultant with a high Financial and Accounting background. He had been Executive Director of the Delhi Stock Exchange Association Ltd for 16 years and Financial Advisor to a U.P Government Undertaking. He is the Chairman of the Company's Audit Committee, Remuneration Committee and Shareholders and Investors Grievance Committee. He is a Director of seven other Companies, and member of three Board Committees of these Companies.

**Shri S.S. Dhanoa**, I.A.S (Retd.), B.Sc., LL.B., GSPIA (Pittsburgh U.S.A) had been Election Commissioner of India, Health Secretary, Government of India and Chief Secretary, Punjab. He is a Director of one more Company. He is the member of one Board Committee of that Company; and also the member of the Company's Audit Committee, Remuneration Committee and Shareholders & Investors Grievance Committee.

**Shri. M.L. Bhateja**, B.Sc., has approximately 30 years of experience in the field of marketing of Bulk Drugs and Pharmaceutical Formulations including Tablets, Capsules, Injections, Syrups, Dry Syrups, Ear and Eye Drops & Ointments. He had worked for almost 24 years with Ranbaxy Laboratories Limited as Regional Sales Manager. He is not a Director in any other Company. He is a member in Company's Audit Committee, Remuneration Committee and Shareholders & Investors Grievance Committee.

**Shri. Sudhir Chandra**, B.Sc., B. Tech (Hons.) and Dip. (Ing.), has over 40 years working experience in Management & Systems including 2 year experience in Pharmaceuticals. He is highly experience & matured person. His association has been with some of the leading industries in India and abroad, providing a high rate of work satisfaction throughout his career. He is not a Director in any other Company. He is a member in Company's Audit Committee, Remuneration Committee and Shareholders & Investors Grievance Committee.

##### (c) Meetings:

Four Board Meetings were held during the financial year on 25.05.2005, 29.07.05, 28.10.05 and 28.01.06. Last Annual General Meeting was held on 29.07.2005. The Annual General Meeting and all the four Board meetings were attended by all the Directors except the meetings held on 29.07.2005 not attended by Shri Sanjeev Jain and Shri S.S. Dhanoa.

#### 3. AUDIT COMMITTEE

##### (i) Constitution of Audit Committee

R.K. Pandey (Chairman of the Committee)	Non Executive Director
S.S. Dhanoa	Non Executive Director
M.L. Bhateja	Non Executive Director
Sudhir Chandra	Non Executive Director



## WELCURE DRUGS & PHARMACEUTICALS LIMITED

### (ii) Functions of the Committee

- (a) Review of periodical results before submission to the Board; Review of Annual Financial Statements before submission to the Board; especially with regard to the Directors Responsibility Statement, the changes in accounting policies and practices, major accounting entries, significant adjustments arising out of audit, the going concern assumption, compliance with accounting standards, compliance with stock exchange & legal requirements concerning Listing, Legal and Financial Statements, Disclosures of related party transaction, qualification in the Audit Report.
- (b) Oversight of Company's Financial reporting process & disclosures for correctness, sufficiency & credibility; and to look into the reasons for substantial defaults in payment to depositors, creditors and government dues.
- (c) Reviewing performance of statutory and internal Auditors; *adequacy of internal control systems; review findings, investigations & follow ups of Internal & External Auditor's appointment, removal, functioning, staffing, reporting structure and frequency of Internal audit.*
- (d) Discussion with Auditors regarding their observation on accounts; and adequacy and compliance of internal control system.
- (e) Recommendation on appointment and removal of external auditor(s); and fixation of audit fee, out of pocket expenses and payment of other services.
- (f) Other compliances of Companies Act and Stock Exchange.
- (g) Carry out of any other function as per the terms of reference.

### (iii) Powers of the Committee

- (a) To investigate into any activity within its terms of reference.
- (b) To access the information contained in the Company records
- (c) To seek information from any employee
- (d) To obtain and to have access to outside legal and other professional advice
- (e) To secure attendance of outsiders with relevant expertise
- (f) To bind the Board with its audit report on financial management.

### (iv) Meetings

During the financial year Four Meetings of Audit Committee were held on 25.05.2005, 29.07.05, 28.10.05 and 28.01.06; and were attended by all the Audit Committee members except Shri S.S. Dhanoa who could not attend the meeting on 29.07.2005.

## 4. REMUNERATION COMMITTEE

### (i) Constitution of Remuneration Committee

R.K. Pandey (Chairman of the Committee)	Non Executive Director
S.S. Dhanoa	Non Executive Director
M.L. Bhateja	Non Executive Director
Sudhir Chandra	Non Executive Director

### (ii) Functions of the Committee & Remuneration Policy

The committee would be entrusted with the function and responsibility of approving the remuneration to be paid to the managerial personnel of the Company including its Directors, Whole

Time Directors, Managing Director(s) and Relatives of Directors; whose remuneration is fixed within the ceiling limits prescribed by Government under Schedule XIII of the Companies Act 1956. Remuneration paid to Directors during the financial year 2005-2006 is given under Notes to the Accounts. Generally functions of Remuneration Committee are entrusted and combined with Audit Committee.

## 5 SHAREHOLDERS AND INVESTORS GRIEVANCE COMMITTEE

### Constitution of the Committee

R.K. Pandey (Chairman of the Committee)	Non Executive Director
S.S. Dhanoa	Non Executive Director
M.L. Bhateja	Non Executive Director
Sudhir Chandra	Non Executive Director

## 6 GENERAL BODY MEETINGS

Last Four Annual General Meetings were held in Bhiwadi on 18.7.2002, 31.7.2003, 28.07.2004 and 29.07.2005 all at 9.00 A.M. All resolutions at these meetings were passed by show of hands.

## 7 DISCLOSURES

There were no transactions of the company of material nature with related parties that may have potential conflict with the interest of the Company at large. No penalties or strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

## 8. MEANS OF COMMUNICATION

Annual reports of the Company are sent to each shareholder of the Company. Half-yearly/ Quarterly results are normally published in *Financial Express* and *Jansatta newspapers* and copies thereof are sent to the Stock Exchanges as per Listing Agreement.

## 9. MANAGEMENT DISCUSSION & ANALYSIS

Management-Discussion & Analysis is being included in the Annual Report.

## 10. CODE OF CONDUCT

The Board has formulated a code of conduct for the Board members and Senior management Personnel of the Company. All Board members and Senior management personnel have affirmed their compliance with the code.

## 11. DISCLOSURE ON RISK MANAGEMENT

The Company had laid down procedure to minimize and to inform Board Members about the risk assessment and management, which is periodically reviewed by the Board.

## 12. CEO/CFO CERTIFICATION

A Certificate from the CEO/CFO on the financial statement of the Company was placed and considered by the Board.

**WELCURE DRUGS & PHARMACEUTICALS LIMITED****9. GENERAL SHAREHOLDER INFORMATION**

AGM: Date, Time & Venue		28.07.2006; 9.00 AM; A-1129, RIICO Industrial Area, Phase III, Bhiwadi, (Rajasthan)										
Financial Calendar		01-04-2005 to 31-03-2006										
Date of Book Closure		14-7-2006 to 28-07-2006 (both days inclusive)										
Dividend Payment Date		No Dividend proposed										
Stock Exchange Listing		Listing Bombay Stock Exchange Ltd.; Delisted Delhi Stock Exchange										
Stock Code		Bombay-524661										
Market Price Data & Performance/Comparison												
Particulars	Apr05	May05	Jun05	Jul05	Aug05	Sep05	Oct05	Nov05	Dec05	Jan06	Feb06	Mar06
Low	2.70	7.85	8.73	8.03	8.11	16.30	10.50	10.80	8.8	8.20	6.20	5.15
High	10.73	11.80	11.75	10.70	18.03	25.00	17.90	14.00	12.69	10.50	8.69	7.10
Registrar & Transfer Agent			M/s Intime Spectrum Registry Ltd., A-31, 3rd Floor, Near PVR Cinemas, Naraina Industrial Area, Phase-I, New Delhi-110 028.									
Share Transfer System			All orderly received transfers are processed & registered within 30 days.									
Dematerialisation of Shares and Liquidity			Trading in a dematerialised form w.e.f. 27-02-2001 Connectivity with CDSL & NSDL 15-11-2000. ISIN No. INE331C01017; Shares traded at Bombay Stock Exchange, Mumbai, (BSE).									
Distribution of Share Holding as on AGM held on 29.07.2005			Directors and their Relatives 5444400 Shares 40.293% Body Corporate 1279923 Shares 9.472% Non Resident Indians 316695 Shares 2.344% Others 6471082 Shares 47.899%									
Nominal Value of Shares			No of shareholders		% to total		Amount in Rs.		% to total			
Up to Rs. 2500			14524		67.538		19213920		14.227			
2501 5000			4583		21.311		17559390		12.994			
5001 10000			1603		7.454		12926300		9.566			
10001 20000			570		2.651		8685440		6.427			
20001 30000			99		0.460		2537260		1.878			
30001 40000			36		0.167		1302500		0.964			
40001 50000			22		0.102		1059000		0.784			
50001 100000			34		0.158		2423710		1.794			
100001 & above			34		0.158		69413480		51.367			
Total			21505		100.00		135121000		100.00			
Pending GDRs, ADRs etc			Nil									
Plant Location			A-1129, RIICO Industrial Area, Phase-III, Bhiwadi, Rajasthan									
Correspondence Address			<u>Regarding Shares</u> :M/s Intime Spectrum Registry Ltd., A-31, 3rd Floor, Near PVR Cinemas, Naraina Ind. Area, Phase-I, New Delhi-110 028.  <u>Other Matters</u> : Welcure Drugs & Pharmaceuticals Ltd. A-1129, RIICO Ind. Area, Ph-III, Bhiwadi, or 301-305, Mohan Place L.S.C., Saraswati Vihar, Delhi-34.									