

Annual Report

2012-2013



**WELCURE DRUGS &
PHARMACEUTICALS LTD.**



WELCURE DRUGS & PHARMACEUTICALS LTD.

Board of Directors (All Non-Whole timers & Honorary)

Shri Sudhir Chandra (Managing Director)
Shri D. C. Jain - Director & Secretary
Shri M. L. Bhateja - Director & C.F.O.
Shri R. K. Pandey - Director
Shri S. S. Dhanoa - Director

Audit Committee

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

Shareholders & Investors Grievance Committee

Shri M.L.Bhateja, Chairman
Shri S. S. Dhanoa
Shri Sudhir Chandra

Remuneration Committee

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

Accounts Committee

Shri D.C.Jain, Chairman
Shri R.K.Pandey
Shri M. L. Bhateja

Auditors

M.K. Goswami & Co.

Internal Auditors

V.P.Gupta & Co.

Registered Office

B-9 &10, Laxmi Towers,
L.S.C., C Block,
Saraswati Vihar, Delhi-34

Share Transfer Agent

Link Intime (India) Pvt. Ltd.,
44, Community Centre, 2nd Floor,
Naraina Industrial Area, Phase-I,
Near PVR Naraina, New Delhi-28.

WELCURE DRUGS & PHARMACEUTICALS LIMITED

BOARD'S REPORT :

The Board hereby presents the Twenty First Annual Report together with Audited Statements of Account of the Company for the year ended 31st March 2013.

FINANCIAL RESULTS

The company had commission income of Rs. 5.35 lacs (previous year figure Rs. 19.05 Lacs) ; and after deducting the total expenditure of Rs. 4.07 lacs (previous year figure Rs. 29.33 lacs), the company had a net profit of Rs. 1.28 lacs (previous year loss Rs. 10.28 lacs).

DIVIDEND

In view of the accumulated losses and non availability of liquid funds, dividend declaration is neither possible nor recommended for the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Directors hereby state that:

1. Applicable accounting standards have been followed in the preparation of Annual Accounts.
2. We have selected such accounting policies and applied them consistently and made judgments 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 / loss 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

Shri R.K. Pandey & Shri S.S. Dhanoa are liable to retire by rotation and are eligible for re-appointment. The Board recommends for their re-appointment.

PARTICULARS OF EMPLOYEES

During the year ended 31st March, 2013, no employee of the

company was drawing a remuneration in excess of the limits specified under section 217(2A) of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

Company has closed its operations and sold its Bhiwadi unit and therefore Information pursuant to Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988, is not applicable.

LISTING FEE OF SHARES

The shares of the company are listed on a recognized stock exchange 'Bombay Stock Exchange' and up to date Listing Fee is paid.

MANAGEMENT DISCUSSION ANALYSIS & CORPORATE GOVERNANCE REPORT

Management Discussion & Analysis Report and a Report on Corporate Governance along with the Auditors' Report are annexed and forms part of the Annual Report in accordance with the terms of the Listing Agreement.

AUDITORS

M/s. M.K. Goswami & Co. holds the office as Auditors till the conclusion of the forthcoming annual general meeting; and are eligible for re-appointment.

The company has received a letter from M/s M.K. Goswami & Co., Chartered Accountants, that they hold peer review certificate from Peer Review Board of the Institute of Chartered Accountants of India & their appointment, if made at the forthcoming Annual General Meeting, would be within the ceiling limits prescribed under section 224(1-B) of the Companies Act, 1956 and that they were not disqualified to act as Auditors of the Company for the year 2013-14.

The Board recommends their appointment.

For & on behalf of the Board of Directors

Place : Delhi
Date : 27.04.2013

Sudhir Chandra
Mg. Director

D.C. Jain
Director

WELCURE DRUGS & PHARMACEUTICALS LIMITED

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Industry Structure & Developments: Pharma Industrial development is divided into two parts. One, in Tax free Zones, like J&K, Himachal, Uttarakhand, Sikkim, & other North-Eastern States, where the pharmaceutical industry has developed at a very fast pace; and the other, the MRP based pharmaceutical industries, which are required to pay excise on Maximum Retail Price less abatement are sinking day by day except a few which are thriving mainly due to Exports or heavy profit margins.

Opportunities & Threats: Due to continued losses, the company has paucity of funds to carry on business of the company properly.

Product-Wise Performance : Business activity of the company was closed during the year 2011-12; and therefore, no product was sold during the year.

Outlook : The Company has paucity of funds and is searching for a partner or collaborator for financial assistance to come out from such situation.

Risks & Concerns : Company has no funds even to meet

minimum required expenses; and therefore it has to find a financial partner/ Collaborator/amalgamator.

Internal Control Systems & their Adequacy : Welcure has been having strong and adequate internal audit and control systems. Independence of the audit and compliance function is ensured by direct reporting of the Internal Auditor to the Audit Committee of the Board.

Operational vis-a-vis Financial Performance: Company did not have sufficient funds to carry on business activity in the company.

Material Developments In Human Resources / Industrial Relations Front: Presently no employee has been on the pay roll of the company.

Cautionary statement: Statements in this Report are based on reasonable assumptions and the Management does not guarantee the accuracy of the assumptions.

For & on behalf of the Board of Directors

Place : Delhi

Date : 27.04.2013

Sudhir Chandra, Mg. Director

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

1. WELCURE'S PHILOSOPHY

In WELCURE, Corporate Governance philosophy stems from our belief that corporate governance is a key element in enhancing investor confidence. The Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it.

WELCURE complies with the requirements of the guidelines on Corporate Governance as stipulated in Clause-49 of the Listing Agreement. The fundamental concern of corporate governance is to ensure the conditions whereby a company's directors and managers act in the interest of the company and its various stakeholders.

2. BOARD OF DIRECTORS

The Board of WELCURE defines the Company's policy. There are five directors in the company which includes the Managing Director and four Non-Executive Directors. The Board of Directors and its committees meet at regular intervals.

a) Promoter Director

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 a Non-executive Director and Honorary Company Secretary and founder & only promoter of the Company; and has nearly five 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 member of company's accounts committee.

b) Managing Director:

Shri Sudhir Chandra, B.Sc., B. Tech (Hons.) and Dip. (Ing.), is a Non-Whole Time Honorary Managing Director of the Company. He has over 44 years working experience in Management & Systems including 9 years experience in Pharmaceuticals. He had been associated with some of the

leading industries in India and abroad, providing a high rate of work satisfaction throughout his career. He is a member of Company's Audit Committee, Remuneration Committee and Shareholders & Investors Grievance Committee.

a) Independent Non-Executive Directors:

i) 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 and Remuneration Committee and a member of other committees. He is a Director of fifteen other companies and member of committees of three other companies.

ii) 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 member of the Company's Audit Committee, Remuneration Committee and Shareholders & Investors Grievance Committee.

iii) Shri M.L. Bhateja, B.Sc., has approximately 32 years of experience in the field of marketing of Pharmaceutical Formulations. He had worked for 24 years with Ranbaxy Laboratories Limited as Regional Sales Manager. He is also member in Company's Audit Committee, Remuneration Committee, Accounts Committee and Shareholders & Investors Grievance Committee. He is also honorary Chief Finance Officer of the Company.

(c) Board Meetings

Four Board Meetings were held during the financial year dated 27.04.2012, 28.07.2012, 20.10.2012 & 14.01.2013. Last Annual General Meeting was held on 28.07.2012. The Annual General Meeting was attended by all directors except Shri S.S.Dhanoa and all the four Board meetings were