



**WELCURE DRUGS &  
PHARMACEUTICALS LTD.**



**Annual Report**

**2013-2014**



## **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.

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### **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<sup>nd</sup> Second Annual Report together with Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March 2014.

### STATE OF COMPANY'S AFFAIRS

The company had a total income of Rs. 5.08 lacs (previous year Rs. 5.35 Lacs) ; and after deducting the total expenditure of Rs. 4.79 lacs (previous year figure Rs. 4.07 lacs), the company had a net profit of Rs. 0.29 lacs (previous year Rs. 1.28 lacs). Total income basically comprise of commission Rs. 3.76 lacs (Previous year Rs. 3.24 lacs), Interest Rs. 0.13 lacs (Previous year Rs. 0.31 lacs) and other income Rs. 1.19 (Previous year Rs. 1.78).

### 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.

### COMMENTS ON AUDIT REPORT AND SECRETARIAL AUDIT REPORT

There are no qualification or reservation or adverse remark or disclaimer made by the auditors in their report.

### DIRECTORS' RESPONSIBILITY STATEMENT

Directors hereby state that:

1. Applicable accounting standards have been followed in the preparation of Annual Accounts.
2. Directors had 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 of the company for that period;
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956/2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. The Directors had prepared the Annual Accounts on a going concern basis.
5. The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
6. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

### STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS (Section 149(6) of COMPANY'S ACT, 2013

The Board of Directors of the Company is of the opinion that :

- a) The independent directors are persons of integrity and possess relevant expertise and experience.
- b) The independent directors have given a statement on declaration that:
  - i) None of the independent directors is or was a promoter of the Company or its holding, subsidiary or associate company.
  - ii) None of the independent directors is related to promoters or directors in the company, its holding, subsidiary or associate company.
  - iii) None of the independent directors has or had any pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters or directors, during the two immediately preceding financial years or during the current financial year.
  - iv) None of the relatives of independent directors has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters or directors, amounting to two percent or more of its gross turnover or total income or Rupees Fifty Lakhs, during the two immediately preceding financial years or during the current financial year.

v) Neither any independent director nor his relatives:

- (i) Holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years.
- (ii) Is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year; of:
  - a) A firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
  - b) Any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;
- (iii) Holds together with his relatives two per cent or more of the total voting power of the company; or
- (iv) Is a chief executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the company.

### NOMINATION AND REMUNERATION COMMITTEE AND STAKE-HOLDERS RELATIONSHIP COMMITTEE

No remuneration has been paid or is being paid to any of the Directors or key Managerial Personnel during the financial year. Therefore no such committee meeting was held.

### FORMAL ANNUAL EVALUATION OF BOARD, COMMITTEES AND THE DIRECTORS

Paid up Capital of the Company is less than Rs. 25.00 Crore; therefore formal annual evaluation of the Board, Committee and of individual directors is not applicable in terms of section 134(3)(p) of the Companies Act, 2013.

### 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. Extract of annual return have been included in Corporate Governance Report.

### DIRECTORS

Shri D.C. Jain is liable to retire by rotation and is eligible for re-appointment. The Board recommends for his re-appointment.

### 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.

### 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 laid down under the Companies Act, 2013 and the rules made thereunder and they are eligible for appointment & not disqualified to act as Auditors of the Company to Audit Accounts of the Company for the Financial Year 2014-2015 and that there are no matters of conduct pending against the firm or any of the auditor.

The Board recommends their appointment.

**For & on behalf of the Board of Directors**

Place : Delhi  
Date : 21.04.2014

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, Uttrakhand, 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: 21.04.2014

**Sudhir Chandra,  
Mg. Director**

**D.C. Jain  
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 other 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 45 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 sixteen 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 33 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 of 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 27.04.2013, 29.07.2013, 28.10.2013 & 20.01.2014. Last Annual General Meeting was held on 29.07.2013. The Annual General Meeting and all the four Board meetings were attended by all the directors except the Annual General Meeting held on 29.07.2013 & Board Meetings held on