


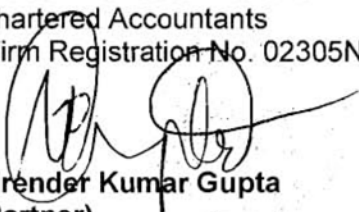


FORM A

(Pursuant to clause 31(a) of Listing Agreement)

S.No	Particulars	Details
1.	Name of the Company	Welcure Drugs & Pharmaceuticals Limited
2.	Annual Financial Statements for the year ended	31 st March 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Since Inception
5.	Signed by- <ul style="list-style-type: none"> • Managing Director • Chief Finance officer(CFO) • Audit Committee Chairman • Auditors of the Company 	<p>Mr. Sudhir Chandra </p> <p>Mr. M.L. Bhateja </p> <p>Mr. R.K. Pandey </p> <p>Refer our Audit Report dated 21.04.2014 On the annual financial statements of the Company For M.K. Goswami & Co. Chartered Accountants (Firm Registration No. 02305N)  Virender Kumar Gupta (Partner) (Membership No. 084450)</p>



**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.

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 Twentynd Second Annual Report together with Audited Financial Statements of the Company for the year ended 31st 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; or
- 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

Sudhir Chandra,

D.C. Jain

Date: 21.04.2014

Mg. Director

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

WELCURE DRUGS & PHARMACEUTICALS LIMITED

27.04.2013, 29.07.2013 and 20.01.2014 respectively not attended by Shri S.S. Dhanoa.

3. AUDIT COMMITTEE

(i) Audit Committee Constitution: R.K.Pandey (Chairman), S.S.Dhanoa, M.L.Bhateja, Sudhir Chandra

(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) Approval of appointment of Chief Financial Officer.

(e) Discussion with Auditors regarding their observation on accounts; and adequacy and compliance of internal control system.

(f) Recommendation on appointment and removal of external auditor(s); and fixation of audit fee, out of pocket expenses and payment of other services.

(g) Other compliances of Companies Act and Stock Exchange.

(h) Carry out any other function as per the terms of reference and as contained in Companies Act, 2013.

(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.

(g) Compliance of Schedule N of Companies Act, 2013

(iv) Meetings

During the financial year four Meetings of Audit Committee were held on 27.04.2013, 29.07.2013, 28.10.2013 & 20.01.2014; and were attended by all the Audit Committee members except the meeting held on 27.04.2013, 29.07.2013 and 20.01.2014 not attended by Shri S.S. Dhanoa.

4. ACCOUNTS COMMITTEE

(i) Constitution: D. C. Jain (Chairman), R. K. Pandey & M.L. Bhateja.

(ii) Functions of the Accounts Committee

Approving the Quarterly Financial results, if Board Meeting not being held & Perusal of Limited Review Report.

(iii) Meetings: During the year three meetings of the Accounts Committee were held on 29.07.2013; 28.10.2013 and 20.01.2014 and were attended by all the Account Committee members. In all the three meetings, the committee perused the Limited Review Reports.

5. REMUNERATION COMMITTEE

(i) Constitution: R. K. Pandey (Chairman), S. S. Dhanoa, M.L. Bhateja & Sudhir Chandra

No meeting was held during the year, as no remuneration is being paid to any of the directors, their relatives or Key Managerial Personnel.

6. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

(i) Constitution: M.L. Bhateja (Chairman), S.S. Dhanoa & Sudhir Chandra

(ii) Functions: To look into Investor's Grievances. Its functions are entrusted and combined with Audit Committee.

7. GENERAL BODY MEETINGS

Last Annual General Meeting was held at Delhi on 29.07.2013. Prior to that two Annual General Meetings were held at Delhi & Bhiwadi on 28.07.2012 and 18.07.2011, respectively at 9.00 AM. All resolutions at these meetings were passed by show of hands.

8. 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.

9. 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.

10. MANAGEMENT DISCUSSION & ANALYSIS

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

11. 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.

12. DISCLOSURE ON RISK MANAGEMENT

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

13. CEO/CFO CERTIFICATION

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

WELCURE DRUGS & PHARMACEUTICALS LIMITED

14. GENERAL SHAREHOLDER INFORMATION

AGM: Date, Time & Venue	28th July 2014 ; 9.00 A.M.; AF 9-10, Shiv Mandir Dharamshala, Shastri Nagar, Delhi-52											
Financial Calendar	01-04-2013 to 31-03-2014											
Date of Book Closure	15.07.2014 to 28.07.2014 (both days inclusive)											
Dividend Payment Date	No Dividend proposed											
Stock Exchange Listing	Bombay Stock Exchange Ltd. ;											
Stock Code	Bombay – 524661											
Market Price Data & Performance Comparison												
Particulars	Apr 13	May 13	Jun 13	Jul 13	Aug 13	Sep 13	Oct 13	Nov 13	Dec 13	Jan 14	Feb 14	Mar 14
Low	1.53	1.64	1.64	1.49	1.42	0.89	0.85	0.85	0.68	0.74	0.96	1.10
High	1.72	1.70	1.70	1.56	1.42	1.35	0.90	0.95	0.91	0.96	1.32	1.28
Registrar & Transfer Agent	Link Intime India Pvt. Ltd., 44, Community Centre, 2 nd Floor, Naraina Industrial Area, Phase –I, Near PVR Naraina, New Delhi-110028.											
Share Transfer System	All orderly received transfers are processed & returned within 30 days											
Dematerialization 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 29.07.2013	Promoter Director 1908400 Shares 14.12% Directors' Relatives 4055600 Shares 30.01% Bodies Corporate 1491095 Shares 11.04% Non resident Indians 230154 Shares 1.70% Others 5826851 Shares 43.12%											
Nominal Value of Shares (as on 29.07.2013)	No of shareholders				% to Total Shareholders		Total Amt. in Rs.		% to Total Amount			
Up to Rs. 2500	11515				67.159		14948750		11.063			
2501 5000	3527				20.570		13605620		10.069			
5001 10000	1299				7.576		10721450		7.935			
10001 20000	490				2.858		7634770		5.650			
20001 30000	125				0.729		3226530		2.338			
30001 40000	41				0.239		1475830		1.092			
40001 50000	47				0.274		2251950		1.667			
50001 100000	66				0.385		4746870		3.513			
100001 & above	36				0.210		76509230		56.623			
Total	17146				100.00		135121000		100.000			
Pending GDRs, ADRs etc.	Nil											
Plant Location (2012-13)	N.A.											
Correspondence Address	Regarding Shares: Link Intime India Pvt. Ltd., 44, Community Centre, 2 nd Floor, Naraina Industrial Area, Phase –I, Near PVR Naraina, New Delhi-110 028 Of the Company. Welcure Drugs & Pharmaceuticals Ltd., B-9 & 10, Laxmi Towers II, Block-C, Saraswati Vihar, Delhi-110034. CIN No. L24232DLI996PLC227773											

Place : Delhi
Date : 21.04.2014

For & on behalf of the Board of Directors
Sudhir Chandra
Mg. Director

D. C. Jain
Director

WELCURE DRUGS & PHARMACEUTICALS LIMITED

CERTIFICATE

The Members of Welcure Drugs & Pharmaceuticals Ltd.

We have examined the compliance of conditions of corporate governance by Welcure Drugs & Pharmaceuticals Ltd., for the year ended on March 31, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges. The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders / Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **A.K. NANDWANI & ASSOCIATES**

Proprietor

A.K. Nandwani

FCS-4754, CP-3107

Place: New Delhi.

Date: 21.04.2014

INDEPENDENT AUDITORS REPORT

To the members of Welcure Drugs & Pharmaceuticals Ltd. Report on the Financial Statements

We have audited the accompanying financial statements of Welcure Drugs & Pharmaceuticals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report 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 books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (bb) The Company does not have any branch office(s), therefore is not required to appoint any separate branch auditor/s;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act; and
 - (e) On the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **M.K. Goswami & Co.**
Chartered Accountants
(FRNo. 02305N)
Virender Kumar Gupta
Partner M.No.084450

Place : Delhi
Date : 21.04.2014

WELCURE DRUGS & PHARMACEUTICALS LIMITED

ANNEXURE TO THE AUDITORS' REPORT

(Referred to our Report of even date)

- (i) The Company has not owned fixed assets during the year. Accordingly, clause 4 (i) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (ii) The Company has not held any stock during the year. Accordingly, clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (iii) The Company has not granted/ taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Since there are no such loans, the other clause 4 (iii) (b) and (c) not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of the business with regard to services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) In our opinion and according to the information and explanations given to us, the company has not dealt for the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
- (vi) According to the information and explanations given to us, the company has not accepted deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, this clause relating to maintenance of cost records is not applicable to company as no production activities are carried out by the Company during the year.
- (ix) (a) According to the information and explanations given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including income tax and other statutory dues applicable to it.
(b) According to the information and explanations given to us, no amounts in respect of above were in arrears as at 31.03.2014 for a period of more than six months from the date they became payable.
(c) According to the information and explanation given to us,

there are no dues of income tax, and other statutory dues, which have not been deposited on account of any dispute.

- (x) According to the information provided to us, the accumulated losses of the company are more than fifty percent of its net worth. The company has not incurred cash loss during the financial year covered by our audit and also not incurred any loss in the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the company has not taken any loan from a financial institution, bank or debentureholders during the year.
- (xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund/nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xiv) As per information provided to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xv) According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, the Company did not avail any term loan during the year.
- (xvii) According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment.
- (xviii) According to the information and explanation given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanation given to us, during the period covered by our audit report, the company has not issued any debentures and not created any security or charge for the same.
- (xix) According to the information and explanation given to us, during the period covered by our audit report, the company has not raised any money by public issue.
- (xx) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For M.K. Goswami & Co.
Chartered Accountants
(FRNo. 02305N)
Virender Kumar Gupta
Partner (MNo.084450)

Place : Delhi
Date : 21.04.2014

WELCURE DRUGS & PHARMACEUTICALS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2014

PARTICULARS	Notes	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
I EQUITY AND LIABILITIES :			
1. Shareholders' Funds			
a) Share Capital	2	121,185,125	121,184,125
b) Reserves & Surplus		1,506,000	1,506,000
(i) General Reserves			
(ii) Surplus		(123,518,259)	(123,646,443)
Opening Balance		29,439	128,184
Add : Net Profit for the year		(123,488,820)	(123,518,259)
		(797,695)	(828,134)
2. Current Liabilities		1,330,000	1,332,500
Expenses Payables			
TOTAL		532,305	504,366
II ASSETS			
1. Current Assets			
(a) Cash and Bank Balances			
(i) Cash and Cash equivalents		51948	466110
Balance with Scheduled bank (current a/c)		150,860	
Fixed Deposit accounts (incl. accrued interest)			
(Original maturity period less than 3 months)			
(ii) Other Bank Balances		258092	
Fixed Deposit accounts (incl. accrued interest)			
(Balance maturity period less than 12 months)		460,900	466110
(b) Other Current Asset		71,405	38,256
Tax Deducted at sources		532,305	504,366
TOTAL		532,305	504,366

Summary of Significant Accounting Policies 1

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
For M.K.Goswami & Co.
Chartered Accountants
(FRNo. 02305N)

Virender Kumar Gupta
Partner
M. No. 084450
Place : Delhi
Date : 21.04.2014

Sudhir Chandra
Managing Director

D.C. Jain
Director cum Co. Sec.

M.L.Bhateja
Director cum CFO

R.K.Pandey
Director

WELCURE DRUGS & PHARMACEUTICALS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Notes	For the year ended 31-3-2014 (Rs.)	For the year ended 31.3.2013 (Rs.)
I. Revenue from Operations			
Commission Income		376,782	324,700
II. Other Income			
Interest Income		12,938	31,949
Misc. Income		119,151	178,590
		<u>132,089</u>	<u>210,539</u>
III. Total Revenue (I+II)		<u>508,871</u>	<u>535,239</u>
IV. Expenses :			
Other Expenses			
Printing & Stationery		22575	23,215
Conveyance Expenses		27983	30000
Fees & Subscription expenses		121135	123,515
Legal & Professional expenses		104104	29613
Telecommunication & postage expenses		78306	86389
Bank Charges		578	364
Director Sitting fees		26,000	30,000
Misc. Expenses		58751	43959
Payment to Auditors		40,000	40,000
		<u>479432</u>	<u>407055</u>
V. Profit / (Loss) before / after tax (III-IV)		<u>29439</u>	<u>128184</u>
VI. Earnings Per Equity Share	9		
(Nominal value of Rs. 10/- per share)			
Basic and Diluted		0.00	0.01

Summary of Significant Accounting Policies 1

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
For M.K.Goswami & Co.
Chartered Accountants
(FRNo. 02305N)

Virender Kumar Gupta
Partner
M. No. 084450
Place : Delhi
Date : 21.04.2014

Sudhir Chandra
Managing Director
D.C. Jain
Director cum Co. Sec.

M.L.Bhateja
Director cum CFO
R.K.Pandey
Director

WELCURE DRUGS & PHARMACEUTICALS LIMITED

Notes to financial statements for the year ended March 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Accounting : The financial statements are prepared under historical cost convention and comply with the notified accounting standards of Companies Accounting Standards Rules, 2006.

1.2 Use of Estimates : The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the result of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

1.3 Revenue Recognition : Revenue is recognised on accrual basis.

1.4 Taxation : Provision for Taxation comprises of Income Tax Liability on the profits for the year chargeable to tax and Deferred Tax resulting from timing differences between Book and Tax profits. The Deferred Tax assets/ Liability is provided in accordance with the Accounting standard-22(AS-22), "Accounting for Taxes on Income". Where Minimum Alternate Tax (MAT) is applicable, it is provided in the statement of Profit and Loss irrespective of the Tax Credit benefits envisaged in the Income Tax Act, 1961.

1.5 Cash and Cash Equivalents : Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand.

2. Share Capital

(Amount in Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
Authorised		
16,000,000 (16,000,000) Equity Shares of Rs. 10/- each	160,000,000	160,000,000
Issued, Subscribed & Paid up		
13,512,100 (13,512,100) Equity Shares of Rs. 10/- each	135,121,000	135,121,000
Less : Calls unpaid on 2,795,200 (2,795,200) equity shares of Rs. 10/- each	(13,935,875)	(13,936,875)
Total	121,185,125	121,184,125

2(a) Reconciliation of Equity Shares outstanding at the beginning and at end of the reporting year.

	As at March 31-03-14 No. of Shares Rs.		As at March 31-03-13 No. of Shares Rs.	
At the beginning of the year	13,512,100	121,185,125	13,512,100	121,184,125
Issued during the year				
At the end of the year	13,512,100	121,185,125	13,512,100	121,184,125

2(b) Terms/ Rights attached to Equity Shares

The company has only one class of equity shares having a face value of Rs. 10 per share. Each equity shareholder is entitled to one vote per share. In the event of winding up of the company, the equity shareholders shall be entitled to be repaid remaining assets of the company in the ratio of the amount of capital paid up on such equity shares.

2(c) Details of Share holders holding more than 5% shares in the Company.

Name of Shareholder	No. of shares	As at 31.3.2013		As at 31.3.2012	
		% Holding	No. of shares	% Holding	No. of shares
1. Shri D.C. Jain	1,908,400	14.12	1,908,400	14.12	
2. Shri Sandeep Jain	1,710,000	12.66	1,710,000	12.66	
3. Mrs. Lata Jain	1,386,400	10.26	1,386,400	10.26	
4. Shri Sanjeev Jain	960,200	7.11	960,000	7.10	
5. M/s Vizwise Commercial Pvt. Ltd.	797,692	5.90	797,692	5.90	

3. Contingent Liability

There is no claim against the Company, which is to be acknowledged as a debt. (Previous Year Nil)

WELCURE DRUGS & PHARMACEUTICALS LIMITED

4. Payment to Statutory Auditors :

Particulars	2013-2014 (Rs.)	2012-2013 (Rs.)
Payment to the auditor as		
(a) Auditor	25,000	25,000
(b) For other services	5,000	5,000
(c) For reimbursement of expenses	10,000	10,000
Total	40,000	40,000

5. Realised value of current assets

In the opinion of the Board and to the best of the knowledge and belief, the value on realisation of current assets in the ordinary course of business will not be less than the amount at which they are stated in Balance Sheet.

6. Foreign Exchange

No earning in foreign exchange during the year was Nil (Previous Year was Nil). Also, there is no expenditure in foreign exchange during the year (Previous Year Nil).

7. Segment Reporting

During the year, the Company has entered into business activities of one segment only. Hence, the requirement of segment reporting as per Accounting Standard 17 is not applicable.

8. Related Party Disclosures

Company has not entered into any transaction with the related party (Sh. D.C. Jain, Director) during the year.

9. Earnings Per Share (EPS) as per Accounting Standard-20 is calculated as under :

Particulars	2013-2014 (Rs.)	2012-2013 (Rs.)
Profit/(Loss) after Tax as per Statement of Profit and Loss (Rs.)	29,439	128,184
Weighted Average Number of Equity Shares (Basic & Diluted)	12,118,510	12,118,410
Nominal Value of the Shares (Rs.)	10	10
Earning Per Share- Basic & Diluted (Rs.)	0.00	0.01

10. Accounting for Taxes on Income

In accordance with Accounting Standard 22 "Accounting for Taxes on Income" (AS 22), the company has accounted for deferred taxes during the year as under :

The major component of deferred tax assets are :

Deferred Tax Assets:-	As at 31st March 2014 (Rs.)	As at 31st March 2013 (Rs.)
Carried forward losses	25,913,972	25,949,061
Unabsorbed depreciation	1,123,724	1,123,724
U/s 40A (7) of I tax Act	421,785	421,785
Total	27,459,481	27,494,570

Due to timing difference for above items, deferred tax assets has been worked out to Rs. 2,74,59,481/- (Previous year Rs. 2,74,94,570/-). As a matter of prudence deferred tax assets is not being recognized, as per Accounting Standard-22 Accounting for Taxes on Income.

11. Due to paucity of funds, an amount of Rs. 13,00,000/- (Previous Year Rs. 13,00,000/-) is still payable to one of the employee of the company and outstanding under the head expenses payable as on 31.03.2014.
12. During the year under audit, the Company has continued to temporally suspend its main business operation. However, business activity of procuring orders on behalf of other party from customers in pharma sector is being continued and the Company received service charges of Rs. 3,76,782.00 during the year (Previous year Rs. 3,24,700.00)
13. Previous year figures have been regrouped / rearranged wherever considered necessary for comparison.

As per our report of even date attached
For M.K.Goswami & Co.
Chartered Accountants
(FRNo. 02305N)

Virender Kumar Gupta
Partner
M. No. 084450
Place : Delhi
Date : 21.04.2014

Sudhir Chandra
Managing Director

D.C. Jain
Director cum Co. Sec.

M.L.Bhateja
Director cum CFO

R.K.Pandey
Director

WELCURE DRUGS & PHARMACEUTICALS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-3-2014

	2013-2014 (Rs.)	2012-2013(Rs.)
A. Cash Flow from Operating Activities		
Net Profit before tax	29,439	128,184
Adjustment for :		
Add:Interest Received	(12,534)	(31,949)
Operating Profit before Working Capital Change	16,905	96,235
Adjustments for Working Capital Changes :		
Trade & Other Receivables	(33,149)	(32,470)
Trade & Other Payables	(2,500)	(2,500)
Cash generated from operations	(18,744)	61,265
Net Cash from Operating Activities (A)	(18,744)	61,265
B. Cash Flow from Investing Activities		
Deposits/Proceeds from FDR maturity	(258,092)	266,419
Interest Received	12,534	31,949
Net Cash used in Investing Activities (B)	(245,558)	298,368
C. Cash Flow from Financing Activities		
Proceeds from Share Capital (calls unpaid)	1,000	-
Net Cash used in Financing Activities (C)	1,000	-
Net change in Cash and Cash Equivalents (A+B+C)	(263,302)	359,633
Opening Balance of Cash and Cash Equivalents	466,110	106,477
Closing Balance of Cash and Cash Equivalents	202,808	466,110

As per our report of even date attached
For M.K.Goswami & Co.
Chartered Accountants
(FRNo. 02305N)

Virender Kumar Gupta
Partner
M. No. 084450
Place : Delhi
Date : 21.04.2014

Sudhir Chandra
Managing Director
D.C. Jain
Director cum Co. Sec.

M.L.Bhateja
Director cum CFO
R.K.Pandey
Director

NOTICE

Notice is hereby given that the Twenty second Annual General Meeting of the members of Welcure Drugs & Pharmaceuticals Ltd. will be held on Monday, 28th July, 2014 at 9.00 A.M. at AF 9-10, Shiv Mandir Dharamshala, Shastri Nagar, Delhi- 110052 to transact the following business:

ORDINARY BUSINESS

1. The consideration of Financial Statements for the year ended 31st March, 2014 and the Reports of the Board of Directors and Auditors.
2. The appointment of a Director in place of Shri D.C.Jain, who retires by rotation and is eligible for reappointment.
3. The appointment, and the fixing of the remuneration of the Auditors.

Place -Delhi
Date 21.4.2014

By Order of Board of Directors
D.C. Jain
Director & Company Secretary

NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll only and a proxy need not be a member of the Company. In order to be effective, proxy forms duly completed should be deposited at the registered office of the Company not less than 48 hours before the time fixed for the meeting.
2. The Register of Members & Share Transfer books will remain closed from 15.07.2014 to 28.07.2014 (both days inclusive).

WELCURE DRUGS & PHARMACEUTICALS LTD.

ADMISSION SLIP

Member's Folio No. Client ID. DP ID.
Name of Member.....
No. of Shares.....
Name of the Proxy.....
(if attending for member)

I HEREBY RECORD MY PRESENCE AT THE ANNUAL GENERAL MEETING OF WELCURE DRUGS & PHARMACEUTICALS LTD. ON MONDAY 28th JULY, 2014 AT 9.00 A.M. AT AF 9-10, SHIV MANDIR DHARAMSHALA, SHASTRI NAGAR, DELHI-110052

SIGNATURE OF THE MEMBER/PROXY

NOTES :

1. Please produce this admission slip duly filled in and signed at the entrance to the meeting. Entry to Member/Proxy will be permitted after verification of signature(s). No duplicate slip will be issued at the meeting. Member/Proxy must bring his photo identification proof.
2. Members are requested to bring their copies of the Annual Report.

WELCURE DRUGS & PHARMACEUTICALS LTD.

CIN No. L24232DL 1996PLC227773

Regd. off : B-9&10, Laxmi Towers, L.S.C. Block C, Saraswati Vihar, Delhi-110034

PROXY FORM

Folio No./ Client ID..... DP ID.....
I/We, being the member(s) of shares of the above named company, hereby
appoint..... R/o..... or failing him
..... R/o.....

as my/our proxy to attend and vote for me/us on my/our behalf at the 22nd Annual General Meeting of the Company to be held on the, 28th Day of July, 2014 at 9.00 A.M. at AF 9-10, Shiv Mandir Dharamshala, Shastri Nagar, Delhi-110052 and at any adjournment thereof.

Signed this..... day of..... 2014

Signature of the member(s).....

Signature of Proxy.....

Affix
Revenue
Stamp

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company at B-9 & 10, Laxmi Towers, LSC, C Block, Saraswati Vihar, Delhi-110034, not less than forty eight hours before the commencement of the Meeting.

WELCURE DRUGS & PHARMACEUTICALS LIMITED

BOOK-POST

If undelivered, please return to :
WELCURE DRUGS & PHARMACEUTICALS LTD.
B- 9 &10, Laxmi Towers, LSC, 'C' Block,
Saraswati Vihar, Delhi-34.

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