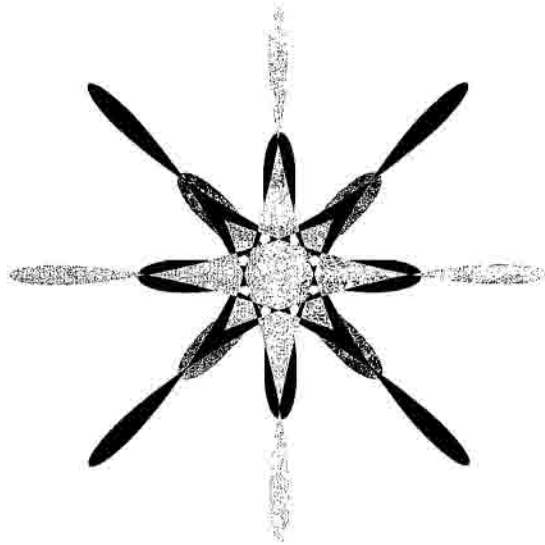


# Annual Report

2016-2017



**WELCURE DRUGS & PHARMACEUTICALS LTD.**

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## **WELCURE DRUGS & PHARMACEUTICALS LTD.**

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

Shri Sudhir Chandra (Managing Director)  
Shri M. L. Bhateja - Director & C. F. O.  
Shri D. C. Jain - Director  
Shri S. S. Dhanoa - Director  
Ms. Rashi Aggarwal- Director & Company Secretary

### **Audit Committee**

Shri Sudhir Chandra  
Shri S. S. Dhanoa  
Shri M. L. Bhateja  
Ms. Rashi Aggarwal

### **Shareholders & Investors Grievance Committee**

Shri M.L.Bhateja, Chairman  
Shri S. S. Dhanoa  
Shri Sudhir Chandra  
Ms. Rashi Aggarwal

### **Remuneration Committee**

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

### **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-110034

### **Share Transfer Agent**

Link Intime (India) Pvt. Ltd.,  
44, Community Centre, 2nd Floor,  
Naraina Industrial Area, Phase-I,  
Near PVR Naraina,  
New Delhi-110028.

# WELCURE DRUGS & PHARMACEUTICALS LIMITED

## BOARD'S REPORT:

The Board hereby presents the Twenty Fifth Annual Report together with Audited Financial Statements of the Company and Auditors Report for the year ended 31<sup>st</sup> March 2017 in terms of section 134(3) of Companies Act, 2013.

### 1. Extract of Annual Return

Extract of the Annual Return as provided under section 92(3) of the Companies Act, 2013 in form MGT-9 is annexed as Annexure-I.

### 2. Numbers of Meetings of The Board

The Details are given in Para 2(d) of Corporate Governance Report.

### 3. Directors Responsibility Statement

Directors hereby state that:

- In the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The 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 and loss of the company for that period;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the Annual Accounts on a going concern basis; and
- The Directors had laid down internal financial controls over financial reporting to be followed by the company and that such internal financial controls are adequate and were operating effectively, for ensuring the orderly and efficient conduct of business, including adherence to company's policies, the safeguarding its assets, prevention and detection of frauds and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information.
- 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.

### 4. Details in Respect of Fraud

In terms of provisions of section 134(3) (ca) no fraud was reported by auditors under section 143(12) of the Companies Act, 2013

### 5. Statement of Declaration by Independent Directors (Section 149(6))

- The Board of Directors of the Company is of the opinion that:
  - The independent directors are persons of integrity and possess relevant expertise and experience.
  - The independent directors have given a statement on declaration that:
    - None of the independent directors is or was a promoter of the Company or its holding, subsidiary or associate company.
    - None of the independent directors is related to promoters or directors in the company, its holding, subsidiary or associate company.
    - 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.
    - 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.
    - Neither any independent director nor his relatives:
      - 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.
      - 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 firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
      - 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;

- Holds together with his relatives two per cent or more of the total voting power of the company; or
- 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.

### 6. Audit Observations

(i) By the Auditor in his Audit Report:

No Qualifications, reservations or adverse remarks or disclaimer was made by the auditor in his audit report.

(ii) By the Company Secretary in practice in his Secretarial Audit Report:

No Qualifications, reservations or adverse remarks or disclaimer was made by the secretarial auditor in his audit report.

### 7. Loans, Guarantees & Investment

During the year under review, the company has not provided any loan, guarantee or investment in terms of Section 186 of the Companies Act, 2013.

### 8. Related Party Transactions

No contract or arrangements with related parties were entered into by the Company, in terms of Section 188 of the Companies Act, 2013.

### 9. State of Company's Affairs

The Company had a total income of Rs. 8.95 lacs (Previous Year Rs. 15.3 Lacs); and after deducting the total expenditure of Rs. 6.20 Lacs (Previous year Rs. 6.75 Lacs), the company had a net profit of Rs. 2,75,684/- (Previous year Rs. 8.55 lacs)

### 10. Reserves

The net profit after tax of Rs. 2,75,684/- has been retained in the profit & loss account and has been carried forward to the Balance Sheet accordingly.

### 11. 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.

### 12. Material Changes and Commitment

No material changes and commitments occurred, which may affect the financial position of the Company, between the end of the financial year of the Company to which the financial statements relate and the date of the report.

### 13. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

(a) **Conservation of energy**-Company has no manufacturing operations; therefore provision relating to disclosure of Conservation of Energy is not applicable to the Company.

(b) **Technology absorption**- During the year under review no new technology was absorbed and no expenditure was incurred on Research & Development.

(c) **Foreign exchange earnings and outgo** - Foreign exchange earnings and outgo were nil during the current year.

### 14. Risk Management Policy

The details are given in Para 12 of Corporate Governance Report.

### 15. Corporate Social Responsibility

During the year under review, the net worth of the Company is less than Rs. 500.00 crore; turnover is less than Rs. 1000.00 crore; and net profit is less than Rs. 5.00 crore; therefore constitution of corporate Social Responsibility Committee is not applicable in terms of section 135(1) of the Companies Act, 2013.

### 16. Formal Annual Evaluation of Board, Committee and the Directors

The Company's Board of Directors is dedicated to act in good faith; exercise their judgement on an informed basis and in the best interest of the company and its stakeholders. The company makes all compliances under the overall direction of the Board of Directors within the framework laid down by various statutes, more particularly by the Companies Act, 2013; the articles of Association, SEBI listing regulations and internal code of conduct.

### 17. Nomination and Remuneration Committee (Section 178(1))

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. The functions of Stakeholders Relationship Committee are combined and entrusted with Audit Committee.

However, sitting fee of Rs. 30,000/- was paid to all four non-executive directors, during the financial year 2016-17 for attendance of Board and Company Meeting of the Company. No sitting fees was paid to Mr. D.C.Jain, Promoter,

# WELCURE DRUGS & PHARMACEUTICALS LIMITED

## 18. Financial Summary & Highlights

Revenue from Operations	Other Income	Total Income	Profit Before Tax (PBT)	Profit After Tax (PAT)
8,95,940	-	8,95,940	2,75,684	2,75,684

**19. Change in Nature of Business** - During the year under review, there has been no change in the nature of business of the Company.

**20. Directors & Key Managerial Personnel** - During the year, no director has been appointed or resigned from the Company. Shri Sudhir Chandra was re-appointed as Honorary Managing Director of the Company with effect from 01.02.2017 for a period of five years as his previous tenure of five years had expired. Ms. Rashi Aggarwal re-designated as woman Director of the Company, and her office shall be liable to retire by rotation.

Mr. D.C.Jain retires by rotation at the forthcoming Annual General Meeting of the Company and is eligible for re-appointment. The Board recommends his appointment.

**21. Subsidiaries, Joint ventures or Associate Companies** - During the period under review no Company became or ceased to be its subsidiaries, joint venture or associate company.

**22. Fixed Deposits under Chapter V** - The Company had not accepted any deposit from its Directors, employees or general public during the year, and there is no unpaid or unclaimed deposit at the end of the year.

**23. Material Court Orders** - During the year no material court orders were passed by any regulators, tribunals or courts which impact the going concern & company's operation in future.

**24. Internal Control System and their Adequacy** - The Company has adequate system of internal control to safeguard and protect from loss, unauthorised use or disposition of its assets and adequate system and operating effectiveness of internal financial controls over financial reporting. All the transactions are properly authorized, recorded and reported to the management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The management of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

**25. 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 2017-2018 and that there are no matters of conduct pending against the firm or any of the auditor.

The Board recommends their appointment.

**26. Cost Audit** - Provisions of Rule 3 of Companies (Cost Records and Audit) amendment Rules, 2014, related to maintenance of cost records is not applicable to the Company, as the Company does not have an annual turnover of rs. 35 cr. or more during immediately preceding financial year. Therefore the Company is also not required to appoint cost auditor for the financial year 2016-17.

**27. Secretarial Audit** - M/s A. K. Nandwani & Associates, Company Secretaries was appointed as secretarial auditor to conduct the secretarial audit of the Company for the financial year 2016-17. The Company has received the secretarial audit report from M/s A.K. Nandwani & Associates, Company Secretaries in form MR.3 for the financial year 2016-17.

**28. Composition of Audit Committee** - The details of composition of Audit Committee, in terms of section 177(8) are given in Para 3(i) of Corporate Governance report.

**29. Vigil Mechanism Policy** - The Company has no employee; and therefore no Vigil Mechanism Policy/Whistle blower Mechanism has been established, however the Directors of the Company can directly report any grievances to the Board of the Company.

**30. Prevention of Sexual Harassment of Women** - During the period under review, no woman was in employment of the company. Therefore no internal complaint committee was set up under Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**31. 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.

**32. Management Discussion Analysis & Corporate Governance Report** - Management Discussion & Analysis Report, Report on Corporate Governance and a secretarial audit report along with the Auditors' Report are annexed and forms part of the Annual Report in accordance with the terms of the SEBI (Listing obligation and Disclosure Requirements) regulation, 2015.

**33. Certificate for Compliance of Corporate Governance** - Certificate from Practicing Company Secretary regarding Compliance of Conditions of Corporate Governance as provided in clause D of Schedule V of the SEBI listing Regulation, 2015 is annexed.

Place: Delhi

Date: 01.05.2017

For & on behalf of Board of Directors

Sudhir Chandra, Rashi Aggarwal

Mg. Director

Director & Co. Secretary

(DIN:00323545)

(DIN:06978655)

## 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 provisions on Corporate Governance as specified in regulations 17 to 27 and Para C.D and E of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. 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. 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.L.A., A.M.I.B.M. F.A.S.M., F.C.S. is a Non-executive Director 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.

**b) Managing Director - Shri Sudhir Chandra**, B.Sc., B. Tech (Hons.) and Dip. (Ing., West Germany), is a Non-Whole Time Honorary Managing Director of the Company. He has over 48 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, Nomination & Remuneration Committee, Shareholders & Investors Grievance Committee.

**c) Independent Non-Executive Directors ; 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, Nomination & Remuneration Committee and Shareholders & Investors Grievance Committee.

**ii) Shri M. L. Bhateja**, B.sc. has approximately 36 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, Nomination & remuneration Committee and Shareholders & Investors Grievance Committee. He is also honorary Chief Finance Officer of the Company.

**d) Woman Director - Ms. Rashi Aggarwal**, B.Com (Hons.) & Associate Member of Institute of Company Secretaries of India, is a independent woman Director and Honorary Company Secretary of the Company. She has over 6.5 years of experience of handling secretarial matters. She is also a member of Company's Audit Committee and Shareholders & Investors Grievance Committee.

**e) Board Meetings** - Four Board Meetings were held during the financial year on 25.04.2016, 25.07.2016, 17.10.2016 & 07.01.2017. Last Annual General Meeting was held on 25.07.2016.

## WELCURE DRUGS & PHARMACEUTICALS LIMITED

### Attendance of Directors at Board Meeting & last AGM

Name of Director	Board Meeting Attended	AGM
D.C.Jain	4	Yes
Sudhir Chandra	4	Yes
M.L. Bhateja	4	Yes
S.S.Dhanoo	4	No
Rashi Aggarwal	3	Yes

e) Number of other Board of Director or Committees in which a Director is a Member or Chairperson - Ms. Rashi Aggarwal is also a director in May and Baker Pharmaceuticals Limited.

### 3. AUDIT COMMITTEE

(i) **Audit Committee Constitution:** S.S.Dhanoo, M.L.Bhateja, Sudhir Chandra and Ms. Rashi Aggarwal

#### (ii) Functions of the Committee

- (a) Oversight of Company's financial reporting process & disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- (c) Approval of payment to statutory auditors for any other services rendered by them to the Company.
- (d) Reviewing with the management the quarterly/annual financial statements before submission to the Board for approval, especially with regard to the Directors Responsibility Statement, the changes in accounting policies and practices, major accounting entries, significant adjustments arising out of audit, compliance with listing and other legal requirements relating to financial statements, Disclosures of related party transaction, modified opinion in the draft audit report.
- (e) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- (f) Evaluation of internal financial controls and risk management systems.
- (g) Reviewing the adequacy of internal audit function, if any.
- (h) Carry out any other function as per the terms of reference and as contained in Companies Act, 2013 and Para B of SEBI (Listing Obligations & Disclosure Requirement) Regulation, 2015.

#### (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 IV of Companies Act, 2013

#### (iv) Meetings

During the financial year four Meetings of Audit Committee were held on 25.04.2016, 25.07.2016, 17.10.2016 & 07.01.2017; and were attended by all the Audit Committee members except the meeting held on 07.01.2017 not attended by Ms. Rashi Aggarwal.

### 4. NOMINATION AND REMUNERATION COMMITTEE

S. S. Dhanoo, M.L. Bhateja & Sudhir Chandra are members. No meeting was held during the year, as no remuneration is being paid to any of the directors, their relatives or Key

Managerial Personnel. However, for other functions its power are entrusted and combined with Audit Committee.

The Committee function includes the formulation of criteria for evaluation of performance of independent directors. Some of the specific issues and questions that should be considered in the performance evaluation of an independent Director are Attendance and participations in the meetings and timely inputs on the minutes of the meetings, Adherence to ethical standards & code of conduct of the company and disclosure of non-independence, as and when it exists and disclosure of interest, raising of valid concerns to the board and constructive contribution to resolutions of issues at meetings, Interpersonal relations with other directors and management, Objective evaluation of Board's performance, rendering independent, unbiased opinion and safeguarding interest of whistle-blowers under vigil mechanism and safeguard of confidential information.

### 6. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

M.L. Bhateja (Chairman), S.S. Dhanoo, Sudhir Chandra & Rashi Aggarwal are members. The Committee function includes looking into Investor's Grievances. Its functions are entrusted and combined with Audit Committee. At the end of financial year 31.03.2017, no investor complaint was pending.

### 7. GENERAL BODY MEETINGS

Last Annual General Meeting was held at Delhi on 25.07.2016. Prior to that two Annual General Meetings were held at Delhi on 27.07.2015 and 28.07.2014, 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 uploaded on BSE Listing Portal as per regulation 47 of SEBI (Listing obligation and disclosure requirement) Regulations, 2015.

### 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. Duly signed Declaration to this effect is annexed.

### 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. The provision of constituting Risk Management Committee shall not be applicable to the Company in terms of regulation 21 of SEBI listing Regulation, 2015.

### 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.