

# **Annual Report**

**2019-2020**



**WELCURE DRUGS &  
PHARMACEUTICALS LIMITED**

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

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### **Board of Directors**

Shri Sudhir Chandra, Managing Director  
Shri Nitin Singhal, Independent Director  
Shri M.L. Bhateja, Independent Director & C.F.O.  
Ms. Mitashi Bisaria, Non-Executive Director & Company Secretary  
Shri D.C. Jain, Non-Executive Director

### **Audit Committee**

Shri M.L. Bhateja, Chairman  
Shri Nitin Singhal-Member  
Shri Sudhir Chandra - Member  
Ms. Mitashi Bisaria -Member

### **Stakeholder Relationship Committee**

Shri M.L. Bhateja, Chairman  
Shri Nitin Singhal-Member  
Shri. Sudhir Chandra  
Ms. Mitashi Bisaria -Member

### **Nomination and Remuneration Committee**

Shri M.L. Bhateja, Chairman  
Shri D.C. Jain, Member  
Shri Nitin Singhal-Member

### **Statutory Auditors**

V.P. Gupta & Co.

### **Internal Auditors**

Vibhor Gupta & Associates

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### **Regd. Office**

B-9, 10, Laxmi Towers  
L.S.C, C- Block,  
Saraswati Vihar, Delhi-110034  
E-mail for Members: [investor.welcure@gmail.com](mailto:investor.welcure@gmail.com)

### **Share Transfer Agent**

Link Intime (India) Pvt. Ltd.  
Noble Heights, 1st Floor, NH-2,  
C-1 Block LSC, Near Savitri Market,  
Janakpuri, New Delhi- 110058  
E-mail ID: [bharatb@linkintime.co.in](mailto:bharatb@linkintime.co.in)

## **DIRECTORS' REPORT**

**To the Members,**

**Welcure Drugs & Pharmaceuticals Ltd.**

The Board hereby presents the Twenty Eighth Annual Report together with Audited Financial Statements comprising Balance Sheet, the statement of Profit and Loss (including other comprehensive income), the cash flow statement and the statement of changes in Equity of the Company and Auditors Report for the Financial Year ended 31st March 2020 in terms of Section 134(3) of Companies Act, 2013.

### **EXTRACT OF ANNUAL RETURN**

In accordance with Sections 134(3)(a) and 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as “**Annexure-A**”

### **MEETINGS OF THE BOARD & COMMITTEES**

A tentative calendar of Meeting is prepared and circulated well in advance to the Directors. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013, Secretarial Standard - 1 and Listing Regulations.

During the year ended March 31, 2020, the Board and Audit Committee met 4 times. The details of Board/committee meetings and the attendance of Directors are provided in the Corporate Governance Report, which forms a part of this Report.

Further, all the recommendations of Audit Committee were accepted by the Board of Directors.

27<sup>th</sup> Annual General Meeting of the Company for the financial year 2018-19 was held on 29.07.2019

28<sup>th</sup> Annual General Meeting of the Company for the financial year 2019-20 is scheduled to be held on 06.07.2020

### **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirements of Section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, your Directors hereby confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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;

- c) 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;
- d) The directors had prepared the annual accounts on a going concern basis;
- e) The Company is not listed, yet the director had laid down internal financial controls 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 detention of frauds and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information.
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- g) The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

## **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.

## **STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS**

All Independent Directors have given declaration that they meet the criteria of independence as provided under Section 149 of the Act and Regulation 16(1) (b) of the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). The Independent Directors have also confirmed that they have complied with the Company's code of conduct.

## **AUDIT OBSERVATIONS**

### **(i) Statutory Auditor:**

No qualifications, reservation or adverse remarks or disclaimer was made by the auditor in his audit report

### **(ii) Secretarial Auditor:**

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

**(iii) Internal Auditor:**

No qualifications, reservation or adverse remarks or disclaimer was made by the Internal auditor in his audit report.

**LOANS, GUARANTEES AND INVESTMENTS:**

The details of Loans, Guarantees and Investments covered under Section 186 of the Act form part of the notes to the financial statements.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH THE RELATED PARTIES:**

There were no related party transactions during the year as specified under section 188 of Companies Act, 2013. However, sitting fee of total Rs. 20,000/- was paid to non-executive directors, during the financial year 2019-20 for attending Audit Committee meetings and Board Meetings of the Company. Director Remuneration of Rs. 84,000 was paid to Shri Sudhir Chandra. No sitting fee was paid to Mr. Sudhir Chandra, Managing Director. No remuneration or sitting fee was paid to D.C. Jain, Promoter Director.

**STATE OF AFFAIRS- AUDITED IND AS FINANCIAL STATEMENTS**

During the Financial Year 2019-20, the total revenue (including other income) was 828,498/- (Rs. 811,482/- in the previous year), and had a net Loss after tax of INR (94,315/-) as against the profit of Rs. 38,781/- in previous year.

**i) Reserves**

The net profit/loss after tax of INR (94,315/-) has been retained in the profit & loss account and has been carried forward to the Balance sheet.

**ii) Dividend**

Further, no dividend was proposed to be declared during the period under review

The Financial Statement, in accordance with the Companies Act, 2013 ("the Act"), Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and applicable Accounting Standards forms part of this Report.

**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.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

### **a. Conservation of energy**

Company has no manufacturing operations; therefore provisions relating to disclosure of conservation of energy are 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.

## **RISK MANAGEMENT**

The Company has well defined process to ensure risks are identified and steps to treat them are put in place at the right level in the management. The operating managers are responsible for identifying and putting in place mitigation plan for operational and process risks. Key strategic and business risks are identified and managed by the senior leadership team in the organization.

The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and has established a framework for mitigating controls and reporting mechanism of such risks. Some of the risks that the Company is exposed to are: (i) Financial Risk (ii) Regulatory Risks (iii) Human Resources Risks (iv) Strategic Risks

## **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.

## **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 read with the Rules issued thereunder, Regulation 17(10) of the Listing Regulations and the circular issued by SEBI dated 5th January, 2017 with respect to Guidance Note on Board Evaluation, the evaluation of the annual performance of the Directors/Board/Committees was carried out for the Financial Year 2019-2020. A statement on annual evaluation by the Board of its performance and performance of its Committees as well as Individual Directors forms part of the Corporate Governance Report.

## **CHANGE IN NATURE OF BUSINESS**

During the year under review, there has been no change in the nature of business of the Company.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **1. Directors**

Mr. M.L. Bhateja was re-appointed as Independent Director for the further period of 5 years till 31.03.2024 and Mr. D.C. Jain continued to be Non-Executive Director after the approval of shareholder in 27<sup>th</sup> AGM held on 29.07.2019. Further, Ms. Mitashi Bisaria was appointed as Additional Non-Executive Director on 11.01.2020 who shall be eligible for re-appointment as per Section 152 and other applicable provisions of the Act or Listing Regulations subject to the approval of the shareholders.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. D.C. Jain, Non-Executive Director (DIN 00323379), will retire at the ensuing Annual General Meeting and being eligible and offered himself for re-appointment. The Board recommends the re-appointment in the ensuing Annual General Meeting.

### **2. Key Managerial Personnel**

Ms. Rashi Goel, Company Secretary of the Company had resigned from the services of the Company w.e.f. 20.05.2019. The Directors place on record their deep appreciation for the valuable contributions made by her during their tenure on the Board.

Further, the Board in its meeting held on July 29, 2019 appointed Ms. Mitashi Bisaria as a Company Secretary & Compliance Officer of the Company.

## **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.

## **FIXED DEPOSITS UNDER CHAPTER V**

The Company has 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.

## **MATERIAL COURT ORDERS PASSED**

During the year no material order was passed by any regulators, tribunals or courts which impacts the going concern & company's operations in future.

## **DETAILS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

The Company has put in place adequate internal financial controls over financial reporting. These are reviewed periodically and made part of work instructions or processes in the Company. The Company continuously tries to automate these controls to increase its reliability. This ensures orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention of errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The internal financial controls with reference to the financial statements were adequate and operating effectively.

**PREVENTION OF SEXUAL HARASSMENT:**

Yours Directors state that during the period under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

The Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. The details of Vigil Mechanism (Whistle Blower Policy) adopted by the Company have been disclosed in the Corporate Governance Report attached to this report and form an integral part of this report.

**STATUTORY AUDITORS:**

The Auditors, M/s. V.P. Gupta & Co., Chartered Accountants, New Delhi, the Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and have given confirmation/certificate that their re-appointment, if made, at the forthcoming Annual General Meeting, would be within the ceiling limit; and within the term provided; and they are eligible and not disqualified as per the provisions of Section 139 and 141 of the Companies Act, 2013; and also that no matter of conduct is pending against the firm.

The Board recommends for their appointment at the forthcoming annual general meeting for the period of Five years and who shall hold the office from the conclusion of the ensuing Annual General Meeting till the conclusion of the 33rd Annual General Meeting to conduct the audit of financials from 2020-21 to 2024-25.

**SECRETARIAL AUDITOR:**

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 2019-20 .

The Secretarial Audit Report in Form MR-3 obtained from M/s A.K. Nandwani & Associates, Company Secretaries, for the said financial year is annexed herewith and forms part of this report as “**Annexure-B**”.

**INTERNAL AUDITOR**

As per the Provisions of section 138 read with Rule 13 of The Companies (Accounts) Rules, 2014, M/s Vibhor Gupta & Associates, Chartered Accountants, were appointed as Internal Auditor of the Company for the Financial Year 2019-20.

**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

## **CORPORATE GOVERNANCE**

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with a certificate from the Auditors on its compliance forms an integral part of this report as “**Annexure C**”

A certificate from the Practising Company Secretary confirming compliance of conditions of Corporate Governance as stipulated in Part E of the Schedule V of the Listing Regulations is annexed to the Corporate Governance Report.

## **MANAGEMENT DISCUSSION & ANALYSIS**

Management Discussion and Analysis Report, as stipulated under the Listing Regulations is presented in a separate Section forming part of this Annual Report. (**Annexure – D**)

## **DISCLOSURE UNDER SECTION 148 OF COMPANIES ACT, 2013:**

Company is not required to maintain the cost records and accounts as specified under section 148 of Companies Act, 2013 as it not applicable on the Company.

## **PARTICULAR OF EMPLOYEES:**

Details as required under the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, which form part of the Directors’ Report, will be made available to any shareholder on request, as per provisions of Section 136(1) of the said Act.

## **PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Designated Persons and their immediate relatives. The Code requires pre-clearance for dealing in the Company’s shares and prohibits the purchase or sale of Company shares by the Designated Persons and their immediate relatives while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

## **SECRETARIAL STANDARD OF ICSI**

The Company has complied with the Secretarial Standard-1 on ‘Meetings of the Board of Directors’ and Secretarial Standard-2 on ‘General Meetings’ issued by the Institute of Company Secretaries of India.

## **TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

The Company was not required to transfer any amount to the Investor Education and Protection Fund during the year under review.

For and on behalf of the Board  
**Welcure Drugs & Pharmaceuticals Limited**

Place : Delhi  
Date : 11.05.2020

**Sudhir Chandra**  
Managing Director  
DIN: 00323545

**M. L. Bhateja**  
Director & CFO  
DIN: 00323523

**EXTRACT OF ANNUAL RETURN****as on Financial Year ended on 31.03.2020*****Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.***

<b>I REGISTRATION &amp; OTHER DETAILS:</b>		
	<b>CIN</b>	L24232DL1996PLC227773
ii	<b>Registration Date</b>	06.08.1996
iii	<b>Name of the Company</b>	Welcure Drugs and Pharmaceuticals Limited
iv	<b>Category/Sub-category of the Company</b>	Public Company having a Share Capital
v	<b>Address of the Registered office &amp; contact details</b>	B-9 & 10, Laxmi Towers, LS.C., c-Block, Saraswati Vihar, Delhi-110034
vi	<b>Whether listed company</b>	Yes
	<b>Name , Address &amp; contact details of the Registrar &amp; Transfer Agent, if any.</b>	Link Intime (India) Pvt. Ltd. Noble Heights, 1 <sup>st</sup> Floor, Plot NH-2, C-1, Block-LSC, Janakpuri, New Delhi-110028

<b>II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>			
	All the business activities contributing 10% or more of the total turnover of the company shall be stated		
<b>SL No</b>	<b>Name &amp; Description of main products/services</b>	<b>NIC Code of the Product /service</b>	<b>% to total turnover of the company</b>
1	Pharmaceuticals Goods	46497-Wholesale of Pharmaceutical and medical goods as per NIC-2008	100%

<b>III PARTICULARS OF HOLDING , SUBSIDIARY &amp; ASSOCIATE COMPANIES</b>					
<b>SI No</b>	<b>Name &amp; Address of the Company</b>	<b>CIN/GLN</b>	<b>HOLDING/ SUBSIDIARY/ ASSOCIATE</b>	<b>% OF SHARES HELD</b>	<b>APPLICABLE SECTION</b>
<i>NIL</i>					