

Annual Report

2020-21



**WELCURE DRUGS &
PHARMACEUTICALS LIMITED**

WELCURE DRUGS & PHARMACEUTICALS LTD.

Board of Directors

Shri Sudhir Chandra, Managing Director
Shri Gagan Juneja, 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 Gagan Juneja, Chairman
Shri M.L. Bhateja -Member
Ms. Mitashi Bisaria -Member

Stakeholder Relationship Committee

Shri Gagan Juneja, Chairman
Shri M.L. Bhateja -Member
Ms. Mitashi Bisaria -Member

Nomination and Remuneration Committee

Shri Gagan Juneja, Chairman
Shri M.L. Bhateja -Member
Ms. Mitashi Bisaria -Member

Statutory Auditors

M/s V.P. Gupta & Co.

Internal Auditors

M/s Vibhor Gupta & Associates

Regd. Office

B-9, 10, Laxmi Towers
L.S.C, C- Block,
Saraswati Vihar, Delhi-110034
E-mail for Members: 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

BOARD'S REPORT FOR FINANCIAL YEAR 2020-21

To the Members,

Welcure Drugs & Pharmaceuticals Ltd.

The Board hereby presents the Twenty Ninth (29th) 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, 2021 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, 2021, 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.

28th Annual General Meeting of the Company for the financial year 2019-20 was held on 06.07.2019

29th Annual General Meeting of the Company for the financial year 2020-21 is scheduled to be held on 12.07.2021.

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 detection 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. 18,000/- was paid to non-executive directors, during the financial year 2020-21 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 of the Company.

STATE OF AFFAIRS- AUDITED IND AS FINANCIAL STATEMENTS

During the Financial Year 2020-21, the total revenue (including other income) was Rs. 13.33 Lakhs (Rs. 8.25 Lakhs in the previous year), and had a net Profit after tax of Rs. 5.51 lakhs as against the Loss of Rs.0.94 lakhs in previous year.

i) Reserves

The net profit/loss after tax of Rs. 5.51 lakhs has been retained in the profit & loss account and has been carried forward to the Balance sheet accordingly.

ii) Dividend

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

MATERIAL CHANGES AND COMMITMENTS

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 Directors 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 2020-21. 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

During the year under review, following changes took place in the composition of Board of Directors:

1. Mr. Nitin Singhal had resigned from the position of Director w.e.f 01.07.2020
2. Mr. Gagan Juneja was appointed as Additional Director under category of Non-Executive Independent on 16.10.2020, 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.

Further, Mr. M.L. Bhateja had attained the age of 75 years and on the recommendation of Board and pursuant to Regulation of SEBI (LODR) Regulations, 2015; his appointment shall be placed before the shareholders for their approval by way of special resolution in the ensuing Annual General Meeting for his continuation of Directorship as the Non-Executive Director.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Sudhir Chandra, Managing Director (DIN 00323545), 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.

Apart from above no changes were done in the constitution of the Board of 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.

DISQUALIFICATIONS OF DIRECTORS

Pursuant to Section 164 of the Companies Act, 2013, no director has incurred any disqualification on account of non-compliance with any of the provisions of the Act.

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:

M/s V.P. Gupta & Co. (FRN-000699N), Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of 28th Annual General Meeting till the conclusion of 33rd Annual General Meeting for the period of 5 years to audit the accounts of the Company from the financial year 2020-21 to 2024-25. Every year Company has received the certificate that they are eligible to be continued and not disqualified in accordance with the provisions of the Companies Act, 2013.

Further, the Notes to Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments. The Auditors' report does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDITOR:

As per the Provisions of Section 204(1) read with Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has been carrying out audit of its secretarial records.

M/s A.K. Nandwani & Associates. Company Secretary in practice had been appointed as Secretarial Auditor to conduct the Secretarial Audit of the Company for the Financial Year 2020-21, now their tenure had expired; therefore, the Board had re-appointed M/s A.K. Nandwani & Associates as the secretarial auditor of the Company for the financial year 2021-22.

The Secretarial Audit Report in Form MR-3 obtained from M/s A.K. Nandwani & Associates, 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, with regard to Internal Audit, M/s Vibhor Gupta & Associates, were appointed as Internal auditor of the Company to audit the accounts for the financial year 2020-21 now their tenure has expired. Hence, the Board has re-appointed M/s Vibhor Gupta & Associates as the Internal Auditor of the Company for the financial year 2021-22.

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 as **"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 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.

APPOINTMENT AND REMUNERATION POLICY

Your Directors had stated that the Company has framed a proper Appointment and Remuneration Policy defining its composition, authority, responsibility and reporting functions and such other information as required pursuant to Section 178 of the Companies Act, 2013.

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 : 26.04.2021

Sudhir Chandra
Managing Director
DIN: 00323545

M. L. Bhateja
Director & CFO
DIN: 00323523