

Annual Report

2021-22



**WELCURE DRUGS &
PHARMACEUTICALS LIMITED**

WELCURE DRUGS & PHARMACEUTICALS LTD.

Board of Directors

Shri Sudhir Chandra, Managing Director
Shri Gagan Juneja, Independent Director & C.F.O
Mohd Shahbaz Alam, Independent Director
Ms. Mitashi Bisaria, Non-Executive Director & Company Secretary
Shri D.C. Jain, Non-Executive Director

Audit Committee

Shri Gagan Juneja, Chairman
Mohd Shahbaz Alam -Member
Ms. Mitashi Bisaria -Member

Stakeholder Relationship Committee

Shri Gagan Juneja, Chairman
Mohd Shahbaz Alam -Member
Ms. Mitashi Bisaria -Member

Nomination and Remuneration Committee

Shri Gagan Juneja, Chairman
Mohd Shahbaz Alam -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: delhi@linkintime.co.in

BOARD'S REPORT FOR FINANCIAL YEAR 2021-22

To the Members,

Welcure Drugs & Pharmaceuticals Ltd.

The Board hereby presents the Thirtieth (30th) 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, 2022 in terms of Section 134(3) of Companies Act, 2013.

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, 2022, 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.

29th Annual General Meeting of the Company for the financial year 2020-21 was held on 12.07.2021

30th Annual General Meeting of the Company for the financial year 2021-22 is scheduled to be held on 27.06.2022.

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 Company does not grant any loan or give any guarantee or made any investment during the period under review pursuant to section 186 of the Companies Act, 2013; therefore, the said clause is not applicable on the Company.

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. 22,000/- was paid to non-executive directors, during the financial year 2021-22 for attending Audit Committee meetings and Board Meetings of the Company. Director Remuneration of Rs. 129,000 was paid to Shri Sudhir Chandra. 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 2021-22, the total revenue (including other income) was Rs. 10.50 Lakhs (Rs. 13.33 Lakhs in the previous year), and had a net Profit after tax of Rs. 2.36 lakhs as against the Profit of Rs.5.51 lakhs in previous year.

i) Reserves

The net profit/loss after tax of Rs. 2.36/- lakhs have 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 2021-22. 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. M.L. Bhateja is not associated with Company due to his sudden demise w.e.f. 28.04.2021
2. Mohd Shahbaz Alam was appointed as Additional Director under category of Non-Executive Independent on 12.07.2021, 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.
3. Re-appointment of Mr. Sudhir Chandra as a Managing Director of the Company w.e.f 01.02.2022

In accordance with the provisions of Section 152 of the Companies Act, 2013, Ms. Mitashi Bisaria, Director (DIN 08660802), will retire at the ensuing Annual General Meeting and being eligible and offered herself 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 appointment 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 2021-22, now their tenure had expired; therefore, the Board had re-appointment M/s A.K. Nandwani & Associates as the secretarial auditor of the Company for the financial year 2022-23.

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 A"**.

The secretarial report is self-explanatory and any observation, qualification are duly responded by the Company within the timeframe.

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 2021-22, 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 2022-23.

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 B"**

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 – C"**

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, will made available to the shareholders on their request.

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: 15.04.2022

Sudhir Chandra
Managing Director
DIN: 00323545

Gagan Juneja
Director & CFO
DIN: 08914005

Form No. MR-3
SECRETARIAL AUDIT REPORT

For the financial year ended 31.03.2022

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Welcure Drugs and Pharmaceuticals Limited

B-9 &10, Laxmi Towers, LSC, C-Block, Saraswati Vihar, Delhi-110034

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Welcure Drugs and Pharmaceuticals Limited** (hereinafter called the company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. The verification of the records has been done and the information has been obtained with limited available resources due to COVID-19.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2022 according to the provisions of:

- (i) The Companies Act, 2013 and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (to the extant applicable)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-