

## **BOARD OF DIRECTORS**

- |                            |   |                      |
|----------------------------|---|----------------------|
| 1. Shri. Chiranjiv Singh   | : | Managing Director    |
| 2. Smt. Hariti Singh       | : | Whole Time Director  |
| 3. Shri. Gurcharan Singh   | : | Independent Director |
| 4. Shri. Arun Kumar Bhakoo | : | Independent Director |
|                            | : |                      |

## **BANKERS**

1. STATE BANK OF INDIA  
SME Branch, Plot No. 89-90, Administrative Office  
Building (Ground Floor) Near MC Office, Sector 68,  
Mohali, Punjab 160 064
2. HDFC BANK LTD.  
College Road, Ropar-140001, Punjab
3. UCO BANK  
SCO-55-57, Bank Square Sector 17B, Chandigarh -160017

## **AUDITORS**

M/s Vasudeva & Associates  
Chartered Accountants  
S.C.O. 32-35, Sector 8-C  
Madhya Marg,  
Chandigarh - 160 008, India

## **WORKS & REGISTERED OFFICE**

Village Fatehpur  
P.O. Majra Jattan  
Tehsil Balachaur  
Distt. SBS Nagar (Nawanshahr)  
Punjab - 144522, India

## **ADMN. OFFICE**

A-607, Bestech Business Towers,  
Sector 66, S.A.S. Nagar, Mohali,  
Punjab - 160062, India

## HEALTHCAPS INDIA LIMITED

Registered Office- Village Fatehpur, P.O. Majra Jattan, Tehsil Balachaur, District -SBS Nagar (Nawanshahr), Punjab 144522. (CIN- U74899PB1982PLC050929), Telephone: 01881-273637.  
Email: info@healthcapsindia.com, website: www.healthcapsindia.com

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### NOTICE

Notice is hereby given that the **39<sup>th</sup> Annual General Meeting** of the Company will be held on **Friday, 30<sup>th</sup> day of September, 2022** at **12.30 p.m.** at **Factory premises at Village Fatehpur, P.O. Majra Jattan, Tehsil Balachaur, District -SBS Nagar (Nawanshahr), Punjab 144522** to transact the following business,

#### ORDINARY BUSINESS

- (a)** To consider and adopt the **Standalone Audited Financial Statements** of the Company for the financial year ended **31<sup>st</sup> March, 2022** and the Reports of the Board of Directors and the Auditors thereon.
- (b)** To consider and adopt the **Consolidated Audited Financial Statements** of the Company for the financial year ended **31<sup>st</sup> March, 2022** and the Report of the Auditors thereon.
- To appoint a Director in place of **Sh. Chiranjiv Singh**, who retires by rotation in accordance with Article 102 of Articles of Association of the company and being eligible, offers **himself** for reappointment.

#### 3. APPOINTMENT OF STATUTORY AUDITORS AND TO FIX THEIR REMUNERATION

And to consider and if thought fit, to pass with or without modification (s), the following resolution as an **ORDINARY RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Sections 139 of the Companies Act, 2013 and other applicable provisions of the Act, if any and the Rules framed there under, as amended from time to time, **M/s AARSH & ASSOCIATES, Chartered Accountants, Chandigarh (FRN-024177N)**, be and is hereby appointed as Statutory Auditors of the Company for a period of **Five Financial Years** from **FY - 2022-23 to FY 2026-27** at such remuneration as may be mutually agreed between the Board of Directors of the Company and the auditors.”

#### SPECIAL BUSINESS

##### 4. TO CONSIDER RELATED PARTY TRANSACTIONS

And to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) consent of the members of the Company be and is hereby accorded for following related party transactions during **Financial Year 2022-23**

Name of the Related Party	Nature of Transactions as per Section 188 of the Companies Act, 2013	Name of Director or Key Managerial Personnel who is related, if any	Nature of Relationship	Material Terms and particulars of the contract or arrangement	Monetary value (in Rs.)	Any other information CIN
Alfa Caps LLC-USA	Sale of goods	Shri Anuj Gandhi, Relative of Director	Son of Director	Running arrangement	Up to Rs 100.00 Crores	None
Health Caps Europe Ltd-UK	Sale of goods	Shri Anuj Gandhi, Relative of Director	Son of Director	Running arrangement	Up to Rs 40.00 Crores	None
Ozark Engineering Private Limited	Sale/purchase of goods/ machinery and job work	Shri Satjiv Singh, Relative of Director	Son of Director	Running arrangement	Up to Rs 10.00 Crores	None
Alfa Caps Private Limited	Job work	Common Director	Smt. Hariti Singh	Running arrangement	Up to Rs 2.00 Crores	None

By order of the Board  
**HEALTHCAPS INDIA LIMITED**  
**CHIRANJIV SINGH**

**PLACE: S.B.S. Nagar**  
**DATE : 01.08.2022**

**Sd/-**  
**MANAGING DIRECTOR**  
**DIN-01602672**

## NOTES

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of him and the proxy need not be a member of the Company. The instrument appointing the proxy should, however be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from **29<sup>th</sup> day of September, 2022 to 30<sup>th</sup> day of September, 2022** (both days inclusive).
3. The Company has appointed Mr. Ravinder Kumar, Company Secretary in Practice as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner and to declare results.
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 the Company is pleased to provide members facility to exercise their votes by electronic means and the business may be transacted through e-voting as per time schedule and as per instructions annexed with the notice.
5. Members are requested to **register their e-Mail id with the company or its Registrar or their depository participant to enable the company to send the notices and other reports through email.**
6. The Scrutinizer shall within a period of two working days from the conclusion of e-voting period, unblock the votes in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company. The results shall be declared within two working days from the conclusion of the AGM. The results declared along with report of Scrutinizer shall be placed on the Company's website.
7. Explanatory Statement under **Section 102 of The Companies Act, 2013** is enclosed herewith.
8. Details of Directors seeking re-appointment/appointment at the forthcoming Annual General Meeting as required under Secretarial Standards-2 on General Meetings and the General information under Schedule V of the Companies Act, 2013 is also given in the attachment to the notice.

## EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

**ITEM NO. 4-**Shri Anuj Gandhi is son of Shri Chiranjiv Singh and Smt. Hariti Singh, both Director of the Company and he has promoted two entities Alfa Caps LLC in USA and Health Caps Europe Ltd in UK where there is a good demand of Company's product. The sale to these two entities is at market price in ordinary course of business. Ozark Engineering Private Limited is an Indian Company having common Director and is engaged in manufacture of engineering goods. Alfa Caps Private Limited is an Indian Company having common Director and is engaged in sorting of capsules. In order to comply with the provisions of the Companies Act, 2013, approval of members is sought through special resolution. The required information is explained in the resolution itself. None of the Directors and KMP and/or their relatives is concerned or interested, financially or otherwise in this resolution except Sh. Chiranjiv Singh, Smt. Hariti Singh, being Director and Sh. Anuj Gandhi and Sh. Satjiv Singh, being relative of Director.

By order of the Board  
**HEALTHCAPS INDIA LIMITED**

PLACE: S.B.S. Nagar  
DATE : 01.08.2022

Sd/-  
**CHIRANJIV SINGH**  
MANAGING DIRECTOR  
DIN-01602672

## **TIME SCHEDULE FOR E-VOTING PROCESS IS GIVEN BELOW**

- (a) Date and time of commencement of voting through electronic means: **Tuesday, September 27, 2022 at 9.00 a. m.**
- (b) Date and time of end of voting through electronic means beyond which voting will not be allowed: **Thursday, September 29, 2022 at 5.00 p.m.**
- (c) Details of Website: [www.evotingindia.com](http://www.evotingindia.com)
- (d) Details of persons to be contacted for issues relating to e-voting: Mr. Puneet Mittal, M/s Beetal Financial and Computer Services Private Limited, New Delhi, Tel. No.011-29961281-283, e-mail:beetalrta@gmail.com; and CDSL at Tel No. 18002005533, e-mail: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- (e) Details of Scrutinizer Mr. Ravinder Kumar, Company Secretary in Practice. The e-voting module shall be disabled for voting on **Thursday, September 29, 2022 at 5.00 p. m.** Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting right of shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the **cut off (record date)date as on 23<sup>rd</sup> September, 2022.**

## **THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING**

- (i) The voting period begins on **27<sup>th</sup> September, 2022 at 09.00 a.m.** and ends on **29<sup>th</sup> September, 2022 at 05.00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date (record date) of Friday, 23<sup>rd</sup>September, 2022** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.  
In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users of who have opted for CDSL'sEasi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login theEasi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings alongwith links of the respective e-Voting service provider i.e. CDSL/NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/EasiRegistration">https://web.cdslindia.com/myeasi./Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.</li> </ol>
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Share holder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e- Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders & physical shareholders.**
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on "Shareholders" module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e- voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>

Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>● If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>
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- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <**HEALTHCAPS INDIA LIMITED**> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Facility for Non Individual Shareholders and Custodians Remote Voting**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [info@healthcapsindia.com](mailto:info@healthcapsindia.com) (designated\_email address by the company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**ADDITIONAL INFORMATION ON DIRECTORS SEEKING APPOINTMENT /RE-APPOINTMENT**

Name	Chiranjiv Singh
Age	70
Brief Resume	Working as Director in the company since in-corporation
Nature of his expertise in specific functional areas	Vast experience in various areas of governance
Date of first appointment on the Board	16.12.1982
Qualifications	Engineer
Experience	Experience of four decades of industry
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	As given in information under Schedule V to the Act under the Corporate Governance in Director Report
Last drawn remuneration	Rupees 6.00 lakhs per month and perquisites
Shareholding in the company held either himself or on a beneficial basis for any other persons	2650618 equity shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Related with Mr. Hariti Singh, Sh. Satjiv Singh and Sh. Anuj Gandhi
The number of Meetings of the Board attended during the Year	23
Names of companies in which the person also holds the directorship and the membership/ Chairman of Committees of the Board	<ol style="list-style-type: none"> <li>1. HV Caps Private Limited</li> <li>2. G.One Formulations Private Limited</li> <li>3. Healthcaps India Limited</li> </ol>

## BALLOT PAPER

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

CIN	U74899PB1982PLC050929
Name of the Company	HEATHCAPS INDIA LIMITED
Registered office	Village Fatehpur, P.O. MajraJattan, Tehsil Balachaur, District- SBS Nagar (Nawanshahr), Punjab144522. Email: <a href="mailto:info@healthcapsindia.com">info@healthcapsindia.com</a> , Telephone: 01881-273637 website: <a href="http://www.healthcapsindia.com">www.healthcapsindia.com</a> ,

**39<sup>th</sup> Annual General Meeting to be held on Friday, 30<sup>th</sup> day of September, 2022 at 12.30 p.m. at Factory premises at Village Fatehpur, P.O. Majra Jattan, Tehsil Balachaur, District -SBS Nagar (Nawanshahr), Punjab 144522**

S.No.	Particulars	Details
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No./ *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

No.	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
Ordinary Business				
1.	Approval of Standalone and Consolidated Annual Accounts for the year ended 31.03.2022			
2.	To appoint a Director in place of Sh. Chiranjiv Singh, who retires by rotation			
3.	Appointment of Statutory Auditors and to fix their remuneration			
Special Business				
4.	To Consider Related Party Transactions			

Place:

Date:

(Signature of the Shareholder)

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	U74899PB1982PLC050929
Name of the Company	HEATHCAPS INDIA LIMITED
Registered office	Village Fatehpur, P.O. MajraJattan, Tehsil Balachaur, District-SBS Nagar (Nawanshahr), Punjab144522. Email: <a href="mailto:info@healthcapsindia.com">info@healthcapsindia.com</a> , Telephone: 01881-273637 website: <a href="http://www.healthcapsindia.com">www.healthcapsindia.com</a> ,

Name of the member (s):
Registered address:
E-mail Id:
Folio No/ Client Id:
DP ID:

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name: .....
Address:
E-mail Id:
Signature:....., or failing him
2. Name: .....
Address:
E-mail Id:
Signature: ....., or failing him
3. Name: .....
Address:
E-mail Id:
Signature :.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 39<sup>th</sup> Annual General Meeting of the company to be held on Friday, 30<sup>th</sup> day of September, 2022 at 12.30 p.m. at Factory premises at Village Fatehpur, P.O. Majra Jattan, Tehsil Balachaur, District -SBS Nagar (Nawanshahr), Punjab and at any adjournment thereof in respect of such resolutions as are indicated below:

Resol- ution No.	Resolution	Vote	
		For	Against
Ordinary Business			
1.	Approval of Standalone and Consolidated Annual Accounts for the year ended 31.03.2022		
2.	To appoint a Director in place of Sh. Chiranjiv Singh, who retires by rotation		
3.	Appointment of Statutory Auditors and to fix their remuneration		
Special Business			
4.	To Consider Related Party Transactions		

Signed this..... day of..... 2022

Affix Revenue Stamp
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Signature of shareholder -----

Signature of Proxy holder(s) -----

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting

**HEALTHCAPS INDIA LIMITED**

CIN U74899PB1982PLC050929

Regd. Off.: Village Fatehpur, P.O. Majra Jattan, Tehsil Balachaur, District -SBS Nagar (Nawanshahr),  
Punjab 144522. Email: [info@healthcapsindia.com](mailto:info@healthcapsindia.com), website: [www.healthcapsindia.com](http://www.healthcapsindia.com),  
Telephone: 01881-273637

**ATTENDANCE SLIP**

**(Please complete this attendance slip and hand it over at the entrance of the Venue)**

I hereby record my presence at the **39<sup>th</sup> Annual General Meeting** of the Company held on Friday, **30<sup>th</sup> day of September, 2022 at 12.30 p.m.** at **Factory premises at Village Fatehpur, P.O. Majra Jattan, Tehsil Balachaur, District -SBS Nagar (Nawanshahr), Punjab 144522.**

Folio No./DP ID-Client ID:

.....  
Full Name of the Shareholder in Block Letters:

.....

No. of Shares Held

.....  
Name of Proxy (if any) in Block Letters

.....

Signature of the Shareholder/Proxy/Representative\*

\*Strike out whichever is not applicable

## BOARD'S REPORT

To,  
The Members of  
**HEALTHCAPS INDIA LIMITED**

Your Directors have pleasure in presenting the **39<sup>th</sup> Board's Report** of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended **31<sup>st</sup> March, 2022**.

### **FINANCIAL HIGHLIGHTS**

(Rs. in Lakhs)

<b>Particulars</b>	<b>Standalone</b>	
	<b>2021-22</b>	<b>2020-21</b>
Total Revenue	25,777.61	15,068.77
Profit Before Interest and Depreciation	7938.05	2782.39
Finance Charges	468.50	353.47
Depreciation & Amortization Expenses	525.11	411.68
Profit Before Tax	6944.44	2017.24
Tax Expenses	1762.75	520.36
Net Profit After Tax	5181.69	1496.88
Balance of Profit brought forward	7739.38	6242.50
Surplus carried to Reserve and Surplus	12,921.08	7739.38

### **STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK**

The Company is dealing in manufacturing and sales of Empty Hard Gelatine Capsules and Hydroxy Propyl Methyl Cellulose (HPMC) Capsules. The company is manufacturing empty capsules in different sizes. The Company has **34** capsulating machines and the Company is in the process of adding more machines to increase sales and profitability. The Board expects the Company to grow in future.

### **RESEARCH AND DEVELOPMENT**

The Company has not incurred any amount on Research & Development during the year.

### **STATUS OF THE COMPANY**

Status of the Company is 'Unlisted Public Company'.

### **CHANGE IN NATURE OF BUSINESS**

There has been no change in the business activities of the Company during the year under report.

### **DIVIDEND**

The Board of Directors with the view to conserve the resources of company has not recommended any dividend this year.

### **AMOUNTS TRANSFERRED TO RESERVES**

The Board of the company has decided to carry net profit of **Rs.5181.69 Lakhs** to its reserves and surplus.

### **CHANGES IN SHARE CAPITAL**

There has been no change in Share Capital of the Company during the current Financial Year. However, the shareholders of the Company have passed a Special Resolution on 15-07-2022 in extra ordinary general meeting for reduction of share capital after the close of financial year. The Company is in the process of filing application/petition to NCLT, Chandigarh to this effect.

## **REGISTRAR AND TRANSFER AGENT AND SHARE TRANSFER WORK**

The Company has appointed M/s Beetal Financial & Computer Services Private Ltd, New Delhi as Registrar and Transfer Agent(RTA) for Share Transfer work. Detail of RTA is as under,

**M/s Beetal Financial & Computer Services Private Limited**

**Beetal House, 3<sup>rd</sup> Floor,99 Madangir, Behind Local Shopping Center, Near Data Harsukhdas Mandir, New Delhi- 110062, Ph: 011-29961281/82, Fax: 011-29961284**

For the purpose of dematerialization of equity shares the ISIN of the Company is **INE936K01016**.

## **INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY**

The Company has one subsidiary company, **M/s. HV Caps Private Limited (CIN- U24230PB2021PTC053463)**, which has been incorporated during the year. The subsidiary Company has not started operations during the year. In accordance with Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of our consolidated subsidiaries in the prescribed Form AOC-1 is annexed herewith to the Board Report. The statement also provides details of performance, financial position of the subsidiary. The Board's Report has been prepared based on "**Standalone Financial Statement of the Company.**" The Company does not have any Joint venture or Associate Company. **(Annexure-I)**

## **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year and there is no unclaimed dividend and any other amount to be transferred to Investor Education and Protection Fund.

## **MATERIAL CHANGES AND COMMITMENTS**

No material changes and commitments affecting the financial position of the Company occurred between the period from the end of the financial year to which these financial statements relate and on the date of this report.

## **EXTRACT OF ANNUAL RETURN**

As required under sub-section (3) of section 92 of the Companies Act, 2013 as amended, copy of the annual return will be placed on website of the Company [https://www.healthcapsindia.com/after\\_filing\\_with\\_MCA](https://www.healthcapsindia.com/after_filing_with_MCA), web link - <https://www.healthcapsindia.com/investors/MGT-7>.

## **MEETINGS OF THE BOARD OF DIRECTORS**

During the current Financial Year, the Company held 23 meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarized below. The provisions of Companies Act, 2013 and listing agreement were adhered to while considering the time gap between two meetings-

01.04.2021	07.04.2021	15.04.2021	04.05.2021	17.05.2021	26.06.2021
30.06.2021	19.07.2021	20.08.2021	03.09.2021	01.10.2021	16.10.2021
26.10.2021	11.11.2021	17.11.2021	14.01.2022	17.01.2022	28.01.2022
02.03.2022	04.03.2022	15.03.2022	21.03.2022	23.03.2022	

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- In the preparation of the 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;

- (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; and
- (e) The provisions of this clause are not applicable as the Company is deemed unlisted
- (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.

### **AUDITORS AND REPORT THEREON AND APPOINTMENT OF STATUTORY AUDITOR**

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/explanation. The Notes on financial statements are self-explanatory, and needs no further explanation. Further the Auditors' Report for the Current financial year is annexed herewith for your kind perusal and information. The term of M/s. Vasudeva & Associates, Chartered Accountants, Chandigarh Statutory Auditors has been completed.

It is now proposed to appoint M/s. AARSH & ASSOCIATES, Chartered Accountants Chandigarh as Statutory Auditors of the Company for a period of Five Financial Years from FY 2022-23 to FY 2026-27

### **LOANS, GUARANTEES AND INVESTMENTS**

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

### **RELATED PARTY TRANSACTIONS**

The Company has entered into various Related Parties Transactions in ordinary course of business and at arm's length as defined under Section 188 of the Companies Act, 2013 with related parties as defined under Section 2 (76) of the said Act. Further all the necessary details of transaction entered with the related parties are attached herewith in **Form No.AOC-2** for your kind perusal and information.(Annexure-II)

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

The Information pursuant to Section 134(3) (m) pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Outgo is provided as attachment herewith. (Annexure-III)

### **RISK MANAGEMENT**

The Company has insurance policy for all the assets of the Company and all the insurance policies are renewed well in advance.

### **DIRECTORS AND KMP**

No changes have occurred in the constitution of Board of Directors of the company and the KMP during the current financial year except that Mr. Inderjit Singh Bindra has resigned on 01.10.2021.

### **DEPOSITS**

The company has not accepted any deposits during the year and there are no unclaimed deposits.

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

As per Section 135(5) of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy Rules, 2014 and schedule VII of the Companies Act, 2013, the company has duly constituted Corporate Social Responsibility (CSR) Committee and the committee was reconstituted during the year. The composition of the CSR Committee as at the end of the year is as under-

<b>S.No.</b>	<b>Name of the Director</b>	<b>Category of the Director</b>	<b>Position held in the Committee</b>
1	Sh. Chiranjiv Singh	Managing Director	Chairman
2	Sh. Gurcharan Singh	Non Executive Independent Director	Member
3	Sh. Arun Kumar Bhakoo	Non Executive Independent Director	Member

The Company was required to spend two percent of average net profit before tax made during the three immediately preceding financial years. The total amount of CSR to be spent during the year amounted to Rs.30.66 Lakhs. The Company has spent Rs.30.70 Lakhs during the current financial year and there is no unspent CSR expense. The Company has also spent additional Rs.0.04 Lakhs on CSR. Thus the Company has complied with the provisions of the Act and rules made relating to CSR. Further, the CSR policy and annual report on CSR activities and the detail of projects for financial year ended **31.03.2022** is attached along with this report. One meeting of CSR Committee was held during the year on 03-09-2021. **(Annexure-IV)**

### **PERSONNEL**

The Company being unlisted public Company, the provisions of Section 197(12) read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable. **Further**, information required under Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is **NIL** as no employee of the Company is in receipt of remuneration as stated therein.

### **ANNUAL EVALUATION**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committee. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department.

### **INDEPENDENT DIRECTORS AND DECLARATION**

The Company has two independent directors namely, Shri Gurcharan Singh and Shri Arun Kumar Bhakoo as per Section 149(10) of the Companies Act, 2013 on the Board of the Company. The Board of Directors of the Company hereby confirms that all the Independent directors duly appointed by the Company have given the declaration and they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013.

### **NOMINATION AND REMUNERATION COMMITTEE**

As per the section 178(1) of the Companies Act, 2013 the Company's Nomination and Remuneration Committee comprises of three Directors **and the committee was reconstituted during the year**. One meeting of Committee was held on **01-04-2021** during the year. The table sets out the composition of the Committee as at the end of the year as under:-

<b>Name of the Director</b>	<b>Position held in the Committee</b>	<b>Category of the Director</b>
Sh. Gurcharan Singh	Chairman	Non Executive Independent Director
Sh. Chiranjiv Singh	Member	Managing Director
Sh. Arun Kumar Bhakoo	Member	Non Executive Independent Director

## Terms of Reference

The Terms of Reference of the Nomination and Remuneration Committee are as under:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
2. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
3. The Nomination and Remuneration Committee shall, while formulating the policy ensure that:
  - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:
4. Regularly review the Human Resource function of the Company
5. Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time.
6. Make reports to the Board as appropriate.
7. Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.
8. Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made there under.

## **REMUNERATION POLICY**

### **Remuneration to Executive Directors**

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by Board in Board meeting, subject to the subsequent approval of the shareholders at the General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as weition of the Company.

### **Remuneration to Non-Executive Directors**

The Non-Executive Directors are paid remuneration by way of Sitting Fees only. The Non-Executive Directors are paid sitting fees for each meeting of the Board and Committee of Directors attended by them.

## **AUDIT COMMITTEE**

According to Section 177 of the Companies Act, 2013 the company's Audit Committee comprised of three directors. The board has accepted the recommendations of the Audit Committee. One meetings of Committee were held on **30-06-2021** during the year. The table sets out the composition of the Committee as at the end of the year as under-

<b>Name of the Director</b>	<b>Position held in the Committee</b>	<b>Category of the Director</b>
Sh. Gurcharan Singh	Chairman	Non Executive Independent Director
Sh. Chiranjiv Singh	Member	Managing Director
Sh. Arun Kumar Bhakoo	Member	Non Executive Independent Director

## **INFORMATION UNDER SCHEDULE V TO THE ACT UNDER CORPORATE GOVERNANCE**

The information required under Schedule V Part II Section II-point IV is given hereunder-

a)The remuneration package of the directors during the current financial year was as follows:

Name of Director	Chiranjiv Singh	Hariti Singh
Salary	Rupees 72.00 lakhs	Rupees 30.00 lakhs
Bonus	nil	nil
Stock Options	nil	nil
Pension	nil	nil
Medical Reimbursement	Rupees 3,98 lakhs	nil

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Company is an Unlisted Company and provisions relating to Management Discussion and Analysis Report are not applicable.

### **COST RECORDS**

The provisions of Section 148(1) of the Companies Act, 2013 for maintenance of cost records are not applicable to the Company.

### **SECRETARIAL AUDIT REPORT**

As per the provisions of Section 204 of the Companies Act, 2013, the Company has appointed Mr. Ravinder Kumar, Company Secretaries as the Secretarial Auditor and his report is annexed herewith.

### **VIGIL MECHANISM**

As per Section 177(9) and (10) of the Companies Act, 2013 the company has established Vigil Mechanism for directors and employees to report genuine concerns and made provisions for direct access to the chairperson of the Audit Committee. Company has formulated the present policy for establishing the vigil mechanism/ Whistle Blower Policy to safeguard the interest of its stakeholders, Directors and employees, to freely communicate and address to the Company their genuine concerns in relation to any illegal or unethical practice being carried out in the Company. The details of the Vigil Committee are annexed herewith for your kind perusal and information.

### **SHARES**

- a. **Buy-back of securities**-The Company has not bought back any of its securities during the year under review.
- b. **Sweat equity**-The Company has not issued any Sweat Equity Shares during the year under review.
- c. **Bonus shares**-No Bonus Shares were issued during the year under review.
- d. **Employees' stock option plan**-The Company has not provided any Stock Option Scheme to the employees.

### **ORDER OF COURT**

There is no significant and material order passed by the regulators or courts or Tribunals impacting the going concern status and company's operation in future.

### **DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

Internal Financial Controls are adequate and are in consonance with the size and operations of the Company and such internal financial controls are operating effectively. The provisions of Section 138 of the Companies Act, 2013 are not applicable to the Company.

### **SHARES IN SUSPENSE ACCOUNT**

- i. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year=nil
- ii. Number of shareholders who approached issuer for transfer of shares from suspense account during the year=nil

- iii. Number of shareholders to whom shares were transferred from suspense account during the year=nil
- iv. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year=nil

#### **SHARES IN UNCLAIMED SUSPENSE ACCOUNT**

- i. Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year=nil
- ii. Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year=nil
- iii. Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year=nil
- iv. Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year=nil

#### **MATERIAL VARIATIONS**

The material variations between the projections and the actual utilization are not applicable.

#### **CODE OF CONDUCT**

The Company is Unlisted Company and provisions relating to Code of Conduct are not applicable.

#### **ADOPTION OF IND AS**

The Company is an Unlisted Public Company and is not covered under the provisions the Companies (Indian Accounting Standards-IND AS) Rules 2015.

#### **SECRETARIAL STANDARDS**

The Directors state that the Company has complied with both the applicable Secretarial Standards i.e. SS-1 and SS-2 relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively.

#### **DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

The Company has in place 'Prevention of Sexual Harassment Policy'. This Anti-Sexual Harassment policy of the Company is in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary and trainees) are covered under this policy. The company has complied with provisions relating to the constitution of Internal Complaints Committee and an Internal Complaints Committee (ICC) is in place to redress complaints received regarding sexual harassment. The following is a summary of sexual harassment complaints received and disposed off during the year, - No. of complaints received: Nil, -No. of complaints disposed off: NA.

#### **COMPLIANCES OF ALL LAWS**

The Board hereby states that the company has devised proper systems to ensure compliance of all laws applicable to the company.

#### **ACKNOWLEDGEMENT**

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

For and on behalf of Board of Directors

**Healthcaps India Limited**

Place: SBS Nagar  
Dated : 01.08.2022

Sd/-  
Chiranjiv Singh  
DIN : 01602672  
(Managing Director)

Sd/-  
Hariti Singh  
DIN : 01852205  
(Whole Time Director)

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in **Rs.in Thousands**)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	<b>HV Caps Private Limited</b>
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4.	Share capital	100
5.	Reserves & surplus	-5.00
6.	Total assets	450.00
7.	Total Liabilities	450.00
8.	Investments	NIL
9.	Turnover	0.00
10.	Profit / loss before taxation	-5.00
11.	Tax Expense Deferred tax (Asset)/liability	0.00
12.	Profit after taxation	-5.00
13.	Proposed Dividend	NIL
14.	% of shareholding	94.00

For and on behalf of Board of Directors

**Healthcaps India Limited**

**For OM SHANTI & CO.,  
Chartered Accountants,  
FRN No: 017084N**

**Sd/-  
CA Om Parkash Gupta  
M.No: 096864  
(Proprietor)  
Place: SBS Nagar  
Date : 01-08-2022**

**Sd/-  
Chiranjiv Singh  
Director  
DIN-01602672**

**Sd/-  
Hariti Singh  
Director  
DIN-01852205**

## FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

1. Details of contracts or arrangements or transactions at arm's length basis

S.No.	Particulars	Details
A.	Name(s) of the related party and nature of relationship	Alfa Caps Private Limited and related through director
B.	Nature of contracts/arrangements/transactions	Grading, sorting and packing of capsules
C.	Duration of the contracts/arrangements/transactions	One year
D.	Salient terms of the contracts or arrangements or transactions including the value, if any	Value of transactions s <b>Job Work expenses =Rs.27.15 Lakhs</b> Capsule Sorting Charges=Rs.82.39 Lakhs Rent = 9.57 Lakhs/- Maintenance Charges= Rs.1.97 Lakhs Parking Charges =Rs.0.66 Lakhs
E.	Date(s) of approval by the Board, if any	01-04-2021
F.	Amount paid as advances, if any:	--
G.	Form shall be signed by the persons who have signed the Board's report.	

2. Details of material contracts or arrangement or transactions at arm's length basis

S.No.	Particulars	Details
A.	Name(s) of the related party and nature of relationship	Ozark Engineering Private Limited and related through director
B.	Nature of contracts/arrangements/transactions	Purchase/ sale of machinery and other goods and job work
C.	Duration of the contracts/arrangements/transactions	One year
D.	Salient terms of the contracts or arrangements or transactions including the value, if any	Value of transactions is Job Work Expenses= Rs.Nil/- Purchases Rs.1699.40 Lakhs Sales=Nil/-
E.	Date(s) of approval by the Board, if any	01-04-2021
F.	Amount paid as advances, if any: <b>(Including Amount due for Sale of machinery)</b>	--
G.	Form shall be signed by the persons who have signed the Board's report.	

3. Details of material contracts or arrangement or transactions at arm's length basis

S.No.	Particulars	Details
A.	Name(s) of the related party and nature of relationship	Alfa Caps LLC and related through director
B.	Nature of contracts/arrangements/transactions	Purchase/ sale of machinery and other goods and job work
C.	Duration of the contracts/arrangements/transactions	One year
D.	Salient terms of the contracts or arrangements or transactions including the value, if any	Value of transactions Sale= Rupees 11928.57 lakhs Purchase= Rupees Nil
E.	Date(s) of approval by the Board, if any	01-04-2021
F.	Amount paid as advances, if any: <b>(Including Amount due for Sale of machinery)</b>	--
G.	Form shall be signed by the persons who have signed the Board's report.	

4. Details of material contracts or arrangement or transactions at arm's length basis

S.No.	Particulars	Details
A.	Name(s) of the related party and nature of relationship	Healthcaps Europe Limited and related through director
B.	Nature of contracts/arrangements/transactions	Purchase/ sale of machinery and other goods and job work
C.	Duration of the contracts/arrangements/transactions	One year
D.	Salient terms of the contracts or arrangements or transactions including the value, if any	Value of transactions Sale= Rupees 2968.72 lakhs Purchase= Rupees Nil
E.	Date(s) of approval by the Board, if any	01-04-2021
F.	Amount paid as advances, if any: <b>(Including Amount due for Sale of machinery)</b>	--
G.	Form shall be signed by the persons who have signed the Board's report.	

For and on behalf of Board of Directors

**Healthcaps India Limited**

PLACE: SBS Nagar  
DATE : 01-08-2022

**Sd/-**  
**Chiranjiv Singh**  
**DIN : 01602672**  
**(Managing Director)**

**Sd/-**  
**Hariti Singh**  
**DIN : 01852205**  
**(Whole Time Director)**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO****(A) CONSERVATION OF ENERGY:**

Steps taken / impact on conservation of energy, with special reference to the following:

- (i) Steps taken by the company for utilizing alternate sources of energy including waste generated  
--NIL--
- (ii) Capital investment on energy conservation equipment  
--NIL--

**(B) TECHNOLOGY ABSORPTION: --N.A--**

1. Efforts, in brief, made towards technology absorption.
2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.
3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished: --N.A--
  - (a) Details of technology imported.
  - (b) Year of import.
  - (c) Whether the technology been fully absorbed
  - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons therefore.
4. Expenditure incurred on Research and Development : The Company has not undertaken any Research & Development activities during the current year. The detail of expenditure is NIL.

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

Earnings	Rupees 15736.80 Lakhs
Outgo	Rupees 4583.43 Lakhs

**ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED 31.03.2022****CORPORATE SOCIAL RESPONSIBILITY POLICY****HEALTHCAPS INDIA LIMITED****A. CSR POLICY & PHILOSOPHY**

**HEALTHCAPS INDIA LIMITED (HIL)** is committed to operate and grow its business in a socially responsible way with a vision to be an environmental friendly corporate citizen. Social service, ecological balance and environmental protection are our mission. We firmly believe that to succeed, an organization must maintain highest standards of corporate behavior towards its investors, stakeholders, employees and societies in which it operates. Constitution of a Corporate Social Responsibility Committee of the Board and formulation of a Corporate Social Responsibility Policy has become mandatory under the Companies Act, 2013. Accordingly, our Company has formulated this CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs.

**B. CSR VISION**

Improve quality of life for all our communities through integrated and sustainable development in every possible way.

**C. CONSTITUTION OF CSR COMMITTEE**

In terms of section 135 of the Companies Act, 2013 and the Rules made there under, Board of Directors of the Company at its meeting held on 28th March, 2015 has constituted a CSR Committee. The CSR Committee was reconstituted during the year and at present following are its members;

<b>S.No.</b>	<b>Name</b>	<b>Category of the Director</b>	<b>Position held in the Committee</b>
1	Sh. Chiranjiv Singh	Managing Director	Chairman
2	Sh. Gurcharan Singh	Non Executive Independent Director	Member
3	Sh. Arun Kumar Bhakoo	Non Executive Independent Director	Member

The CSR Committee to, inter alia, carry out the following functions;

- a. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made there under.
- b. To recommend the amount of expenditure to be incurred on the CSR activities.
- c. To monitor the implementation of framework of CSR Policy.
- d. To carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable, necessary or appropriate for performance of its duties.

## D. DEFINITIONS

In this Policy, unless the context otherwise requires;

1. "Act" shall mean the Companies Act, 2013 including any modifications, amendments or re-enactment thereof.
2. "Rules" shall mean the Companies (Corporate Social Responsibility) Rules, 2014, including any modifications, amendments or re-enactment thereof.
3. "Financial Year" shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
4. "Net Profits" shall mean the net profits of the Company as defined under the Act and the Rules based on which a specific percentage for CSR expenditure has to be calculated.
5. "Company" shall mean **Healthcaps India Limited**.
6. "Group Companies" shall mean holding, subsidiaries and associates of the Company.
7. "Agency" or "Agencies" shall mean any Section 8 Company under the Act or a registered trust / societ / Non-Government Organization / Institution performing social services for the benefit of the society at large.
10. "Board" shall mean the Board of Directors of the Company.
11. "Approved Budget" shall mean the total budget as approved by the Board of the Company, which is to be spent or utilized for CSR activities.
12. "Annual Plan" shall mean the annual planned CSR expenditure for the year.
13. "CSR Committee" shall mean the Corporate Social Responsibility Committee as constituted by the Board of Directors of the Company in accordance with the Act and the Rules made there under, comprising of three or more Directors, out of which, at least one director shall be an Independent Director.
14. "CSR Officer" shall mean a person engaged by the Company to assist the CSR Committee to implement the CSR activities envisaged under the Policy.
15. "CSR Policy" shall mean the Corporate Social Responsibility Policy of the Company approved by the Board of Directors at its meeting held on 30<sup>th</sup> May, 2015 which covers the yearly activities undertaken by the Company under the policy and the CSR Expenditure thereon.
16. "CSR Activities" shall mean all the Corporate Social Responsibility activities / programs / initiatives of the company, either ongoing or new, including but not limited to green belt / environmental protection / ecological balance / slum rehabilitation / education / sports etc., and those specified in Schedule VII to the Act (as amended from time to time) at corporate office, project offices of the Company, its subsidiaries and associates wherever located, as recommended by the CSR Committee and approved by the Board.
17. "CSR Expenditure" shall mean all CSR expenditure as recommended by the CSR Committee and approved by Board of Directors including the following;
  - i) Contributions to CSR activities which shall be implemented and / or executed by the Company.
  - ii) Contributions to CSR activities which shall be implemented Trust / Society / Section 8 Companies/ Agencies established / registered to carry on the CSR activities as defined under the Rules.
  - iii) Contribution to the Corpus of a Trust / Society / Section 8 Companies etc., as long as they are created exclusively for undertaking CSR activities or where the corpus is created exclusively for the purpose directly relatable to a subject covered in Schedule VII of the Act.
  - iv) any other contributions covered under Schedule VII to the Act.
18. "Thrust Areas" shall mean the areas or activities ascribed to them in this Policy, as amended by the CSR Committee, from time to time.

19. "Trust" shall mean a trust formed and registered under the Indian Trust Act, 1882 and under the Income Tax Act, 1961 for those states where registration of trust is not mandatory and includes a trust jointly formed and registered by the Company with all or any of its Group Companies.

Words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act and / or Rules.

#### **E. THRUST AREAS**

Following are the thrust area/ activity as specified in Schedule VII to the Act,

- eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water:
- promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centre and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Swachh Bharat Kosh set-up by the central government for the promotion of sanitation, and including contribution to Clean Ganga Fund set-up by the central government for rejuvenation of river Ganga
- protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- measures for the benefit of armed forces veterans, war widows and their dependents;
- training to promote rural sports, nationally recognised sports, paraolympic sports and Olympic sports;
- contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women;
- contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- rural development projects including construction and renovation of roads, schools, dispensaries etc.
- development of slum area
- donation to PM Cares Fund

#### **F. IMPLEMENTATION**

This CSR Policy will be implemented from the succeeding year of a Financial Year in which the Company shows the net profits as per its audited annual financial statements. Based on the net profits, if any, every year, the CSR Committee will identify the CSR activities including the thrust areas, annual budget, planned expenditure and implementation schedule etc. The CSR activities will be carried out directly or indirectly at the corporate office, in and around the areas of the projects of the Company. However, this shall not bar the Company from pursuing its CSR activities in any other areas. The CSR activities will be carried out / implemented, directly or indirectly, through Trust / Society / Section 8 Companies / Agencies established / registered to carry on the CSR activities as defined under the Rules.

#### **G. EXPENDITURE NOT COVERED OR RECOGNISED**

In terms of the Rules, the following contributions shall not be considered as CSR Expenditure;

- a. Contributions of any amount, whether directly or indirectly, to any political party or any person associated with a political party.

- b. Amount spent, whether directly or indirectly, for the benefit of employees of the Company, its Subsidiaries and Associates and their families.
- c. Expenses incurred by the Company for the fulfillment of obligations any act / statute of regulations (such as labour laws, land acquisition act etc.)
- d. Expenses incurred by the Company for one off events such as marathons / awards / charitable contribution / advertisement / sponsorships of TV programs etc.
- e. Other contributions / expenses not recognized under the Act / Rules as amended or modified, from time to time.

**H. FUNDING AND ALLOCATION**

Following is the mode of funding and allocation of area wise planned expenditure for the CSR activities.

- 1. The Company shall, in every financial year, contribute a statutory minimum limit of at least 2% of its Net Profits for the CSR Expenditure.
- 2. In the absence of Net Profits in any financial year, the Company endeavors to spend such feasible amount as it may decide.
- 3. The CSR Committee shall prepare its annual planned expenditure, for a financial year, for the CSR activities including the thrust areas and manner of implementation etc., and submit the same for approval of the Board.
- 4. The Company shall endeavor to spend the entire amount of statutory minimum contribution limit in a financial year. In the event, the Company is unable to spend such amount in any given financial year, the Board shall specify the reasons for the same in its report to the shareholders in terms of Section 134(3) (o) of the Act.
- 5. The Company has an option to carry forward such un-spent money to next year by depositing it in a separate CSR Fund (Corpus) created by the company or to contribution to the corpus of a Trust / Society / Section 8 Companies etc., as long as they are created exclusively for undertaking CSR activities.

**I. MONITORING MECHANISM**

The CSR Officer of the Company will coordinate / review the implementation of CSR activities at various areas and report to the Board through the CSR Committee. The CSR Committee shall meet at least once in a year to monitor the implementation of CSR Plan and its activities. The Committee shall ensure that the CSR Policy, as amended from time to time, is displayed on the company's website. The CSR Committee shall place before the Board, a draft annual report on CSR activities as per the specified format, in a board meeting to be held in April / May of the following year for Board's review and finalization. The Board shall include in its report to the shareholders, the annual report on CSR activities as per the format specified under the Rules. The CSR Officer shall assist the CSR Committee and the Board for performing their respective duties under the CSR Policy, any changes by the Government in the regulations governing the CSR activities.

**J. Reporting format**

Periodic reporting on the CSR activities, execution modalities, implementation schedules etc., to the CSR Committee shall be in the following format which may be amended by the CSR Committee from time to time.

Sl. No.	Company Initiative	Schedule VII Activity	Execution details	Budget (Rs)	Amount Spent (Rs)	Remarks

## HEALTHCAPS INDIA LIMITED

### ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED 31.03.2022

#### 1. A BRIEF OUTLINE OF THE POLICY

Complete CSR Policy of the Company is attached with annual report above.

#### 2. THE COMPOSITION OF CSR COMMITTEE

The composition of CSR Committee is given in CSR Policy of the Company attached herewith.

#### 3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE YEARS

The aggregate of average net profit for last three years for financial years is Rs.15,32,77,250/- as under detail given below,

1- FY ended on 31.03.2019= Rs. 14,48,89,201/-

2- FY ended on 31.03.2020= Rs. 11,15,14,678/-

3- FY ended on 31.03.2021= Rs. 20,34,27,870/-

#### 4. PRESCRIBED CSR EXPENDITURE

The prescribed CSR expenditure is Rs. 30,65,545/-

#### 5. DETAIL OF CSR SPENT DURING THE YEAR

a. Total amount to be spent during the year = Rs. 30,70,000/-

b. Amount un-spent =Rs.NIL/-

c. Manner in which the amount spent up to the end of the financial year is detailed below :-

1	2	3	4	5	6	7	8
S.No.	CSR Project Activity Identified	sector in which the Project is Covered	Projects or Programs (1) Local area or other (2) Specify the State and district Where Projects or Programs was undertaken	Amount out-lay (budget) project or programs wise  (Rs.)	Amount spent on the Projects And Programs Sub-heads 1) Direct Expenditure on Projects or Programs. (2) Overheads: (Rs.)	Cumulative Expenditure Up to to the Reporting Period  (Rs.)	Amount spent Direct or through implementing agency
1	Gurukul Based Education Center	Education	City: Ghaziabad State: UP	30,70,000/-	30,70,000/-	CSR = Rs. 30,70,000/- Additional expense = Rs. 4,455/-	Through <b>SANSTHANAM ABHAY DAANAM</b> Address: Indrapuram, Ghaziabad State: UP
			TOTAL	30,70,000/-	30,70,000/-	30,70,000/-	

#### RESPONSIBILITY STATEMENT

It is stated that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**By order of the Board  
HEALTHCAPS INDIA LIMITED**

PLACE: SBS Nagar

DATE : 01.08.2022

Sd/-  
**CHIRANJIV SINGH  
MANAGING DIRECTOR  
AND CHAIRMAN CSR COMMITTEE**

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH,2022**  
[Pursuant to section 204(1) of the Companies Act,2013 and Rule No.9 of the  
Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**HEALTHCAPS INDIA LIMITED**  
Village Fatehpur, P.O. Majra Jattan,  
Tehsil Balachaur,  
District -SBS Nagar (Nawanshahr),  
Punjab 144522

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HEALTHCAPS INDIA LIMITED, CIN- U74899PB1982PLC050929** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31<sup>ST</sup> MARCH,2022** complied with the statutory provisions listed here under 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **HEALTHCAPS INDIA LIMITED** for the financial year ended on **31<sup>ST</sup> MARCH, 2022** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (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 there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI Act') viz:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Take overs) Regulations,2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008;

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;
- (vi) Drugs and Cosmetics Act, 1940, The Environment (Protection) Act, 1986, The Hazardous Wastes (Management, Handling & Trans boundary Movement) Rules, 2008, The Water (Prevention & Control of Pollution) Act, 1974, The Air (Prevention & Control of Pollution) Act, 1981.  
I have also examined compliance with the applicable clauses of the following:
  - (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

**During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.**

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**PLACE: RAJPURA  
DATE : 01-08-2022**

**Sd/-  
RAVINDER KUMAR,  
PRACTISING COMPANY SECRETARY  
612, DALIMA VIHAR, RAJPURA  
FCS – 4569, C P No -8444  
UDIN- F004569D000719712**

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

To,  
The Members of  
**HEALTHCAPS INDIA LIMITED**  
Village Fatehpur, P.O. Majra Jattan, Tehsil Balachaur,  
District -SBS Nagar (Nawanshahr), Punjab – 144522

My report of even date is to be read along with this letter-

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**PLACE: RAJPURA**  
**DATE: 01-08-2022**

**Sd/-**  
**RAVINDER KUMAR,**  
**PRACTISING COMPANY SECRETARY**  
**612, DALIMA VIHAR, RAJPURA**  
**FCS – 4569, C P No -8444**  
**UDIN- F004569D000719712**

## INDEPENDENT AUDITORS' REPORT

The Members,  
Healthcaps India Limited.

### 1. Opinion

We have audited the accompanying standalone financial statements of **Healthcaps India Limited** which comprise the Balance Sheet as at 31 st March, 2022, the Statement of Profit & Loss and the Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the afore-said standalone 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, of the state of affairs of the Company as at 31 st March, 2022 and its Profit and its Cash Flows for the year ended on that date.

### 2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those (SAs) are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3. Management's Responsibility for Standalone Financial Statements

The Company's Management & Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone 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 specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of Directors is also responsible for overseeing the Company's financial reporting process.

### 4. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013 we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls reference to financial statement in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## **5. Report on Other Legal and Regulatory Requirements**

A) As required by the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

B) As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements, comply with the Accounting Standards, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the Directors as on 31 st March, 2022 taken on record by the Board of Directors, none of the Directors are disqualified as on 31 st March, 2022 from being appointed as a Director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”;
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company does not have any pending litigations which would impact its financial position.
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. there has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.
- C) With respect to the matter to be included in the Auditors’ Report under Section 197(16):  
In our opinion and according to the information and explanations given to us, Remuneration paid by the Company to Directors during the current year is in accordance with the provisions of Section 197 of the Act. Remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For VASUDEVA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. - 022239N**

**Sd/-  
(P.K. VASUDEVA)  
PARTNER  
Membership No. - 13787  
UDIN: 22013787AMITZD5615**

**Dated : 06 th July, 2022  
Place : S.B.S. Nagar**

## “ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT

**(Referred to in paragraph 5 of our report of even date on accounts of Healthcaps India Limited for the year ended 31 st March, 2022).**

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment and Intangible Assets.
- b) The Company has a regular programme of physical verification of its Property, Plant & Equipment by which all Property, Plant & Equipment are verified in a phased manner, over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- c) According to the information and explanations given by the management & on the basis of examination of the records of the Company, Title Deeds of Immovable Properties are held in the name of the Company.
- d) The Company, during the year, has not revalued its Property, Plant & Equipment (including Right of use assets).
- e) According to the information and explanations given by the management & on the basis of examination of the records of the Company, no proceeding has been initiated or pending against the Company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. a) As explained to us, the inventories were physically verified, during the year, by the management at reasonable intervals and in our opinion, the coverage and procedure of such verification by the management is appropriate. No material discrepancies were noticed on such verification.
- b) According to the information and explanations given to us and the records of the Company examined by us, the Company has been sanctioned working capital limits in excess of ₹ five crore, in aggregate, from Banks, during the year, on the basis of security of current assets of the Company. The monthly returns filed by the Company with such Banks are in agreement with the books of accounts of the Company.
- iii. According to the information and explanations given by the management & on the basis of examination of the records of the Company, the Company, during the year, has made investments in Equity shares of HV Caps Pvt. Ltd. (Subsidiary Company) and in our opinion such investments are not prejudicial to the Company’s interest. The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3(iii)(a), (c), (d), (e) and (f) of the Order is not applicable and hence not commented upon.
- iv. According to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Companies Act, 2013. The Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investments made.
- v. According to the information and explanations given to us, the Company has not accepted any Deposits or amounts which are deemed to be Deposits within the meaning of provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.
- vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act. Accordingly, paragraph 3(vi) of the Order is not applicable.

- vii. a) According to the information & explanations given to us and on the basis of our examination of all records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Goods & Services Tax (GST), Income Tax, Duty of Customs, Cess and other material statutory dues have been regularly deposited, with the appropriate authorities, during the year.  
According to the information and explanations given to us, no undisputed amounts payable, in respect of Provident Fund, Employees' State Insurance, Income Tax, GST, Duty of Customs and other material statutory dues were in arrears, as on 31 st March, 2022, for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of Income Tax Duty of Customs and GST which have not been deposited with appropriate authorities on account of any dispute.
- viii. According to the information and explanations given to us, the Company has not surrendered or disclosed any income, previously unrecorded in the books of accounts, in the tax assessments under the Income Tax Act, 1961, as income, during the year.  
Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. a) Based on our audit procedures and on the basis of information & explanations given by the management, the Company has not defaulted in repayment of loans or other borrowing or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us and the records of the Company examined by us including representation received from the management, the Company has not been declared willful defaulter by any Bank, Financial Institution or other lender.
- c) According to the information and explanations given to us, Term Loans were applied for the purpose for which the loans were obtained.
- d) According to the information and explanations given to us, the Company has not utilised short-term funds for long-term purposes.
- e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of **HV Caps Pvt. Ltd. (Subsidiary Company)**.
- f) The Company has not raised loans, during the year, on pledge of securities held in **HV Caps Pvt. Ltd. (Subsidiary Company)**.
- x. a) According to the information & explanations given to us, the Company, during the year, has not raised money by way of Initial Public Offer or Further Public Offer (including Debt Instruments).
- b) According to the information and explanations given to us, the Company, during the year, has not made any preferential allotment or private placement of shares or convertible Debentures.
- xi. a) According to the information & explanations given to us, no fraud by the Company or any fraud on the Company has been noticed or reported, during the year.
- b) No report has been filed under Section 143(12) of the Companies Act by the Auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) No whistle-blower complaints were received, during the year, by the Company.
- xii. According to the information & explanations given to us, the Company is not a Nidhi Company.  
Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, provisions of Internal Audit are not applicable to the Company. Accordingly, paragraph 3(xiv) of the Order is not applicable.

- xv. According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.  
Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information & explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- xvii. The Company has not incurred any cash losses during the financial year or in the immediately preceding financial year.
- xviii. According to the information & explanations given to us, there was no resignation of Statutory Auditors, during the year.  
Accordingly, paragraph 3(xviii) of the Order is not applicable.
- xix. According to the information & explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the Audit Report that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not a assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the Audit Report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.
- xx. With respect to Corporate Social Responsibilities contribution under Section 135 of the Act :
- a) According to the information & explanations given to us and on the basis of our audit procedures, the Company has fully spent the required amount towards Corporate Social Responsibilities and there is no unspent amount for the year that were required to be transferred to a Fund specified in Schedule VII in compliance with second proviso to sub-section 5 of Section 135 of the Act.
- b) According to the information & explanations give to us, the Company does not have any on going projects related to Corporate Social Responsibilities. Therefore, provisions of Paragraph 3(xx)(b) of the Order are not applicable to the Company.
- xxi. On the basis of review of Companies (Auditor's Report) Order (CARO) report of the Subsidiary Company included in the consolidated financial statement, we report that there are no qualifications or adverse remarks by the Subsidiary Company Auditor in his CARO report.

**For VASUDEVA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. - 022239N**

**Sd/-  
(P.K. VASUDEVA)  
PARTNER**

**Membership No. - 13787  
DIN: 22013787AMITZD5615**

**Dated : 06<sup>th</sup> July, 2022  
Place : S.B.S. Nagar**

**Report on the Internal Financial Controls under Clause (i) of Sub Section 3 of Section 143 of the Companies Act, 2013.**

**Opinion**

We have audited the internal financial controls over financial reporting of **Healthcaps India Limited** as of 31<sup>st</sup> March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended to that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India the “Guidance Note”).

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For VASUDEVA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. - 022239N**

**Sd/-  
(P.K. VASUDEVA)  
PARTNER**

**Dated : 06<sup>th</sup> July, 2022  
Place : S.B.S. Nagar**

**Membership No. - 13787  
UDIN: 22013787AMITZD5615**

**HEALTHCAPS INDIA LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2022****( ₹ in lakh)**

<b>PARTICULARS</b>	<b>NOTE</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
		₹	₹
<b>EQUITY &amp; LIABILITIES</b>			
Shareholders' Funds			
(a) Share Capital	1.1	403.72	403.72
(b) Reserves & Surplus	1.2	12,969.44	7,787.74
<b>Non-Current Liabilities</b>			
(a) Long-term Borrowings	1.3	4,989.31	3,807.56
(b) Deferred Tax Liabilities (Net)	4.9	1,063.22	924.06
(c) Long-term Provisions	1.4	676.83	553.96
<b>Current Liabilities</b>			
(a) Short-term Borrowings	1.5	3,512.29	3,367.38
(b) Trade Payables	1.6	1,614.03	1,704.93
(c) Other Current Liabilities	1.7	1,516.94	1,781.37
(d) Short-term Provisions	1.8	1,619.05	442.60
	<b>TOTAL ₹</b>	<b>28,364.82</b>	<b>20,773.32</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant & Equipment	1.9	14,038.08	9,425.65
(b) Intangible Assets	1.9	6.55	1.27
(c) Capital Work-in-Progress	1.9	<u>293.26</u>	<u>473.19</u>
(d) Non-Current Investments	1.10	0.94	0.00
(e) Long-term Loans & Advances	1.11	201.86	1,333.98
(f) Other Non-Current Assets	1.12	205.69	163.13
<b>Current Assets</b>			
(a) Inventories	1.13	2,187.27	2,300.22
(b) Trade Receivables	1.14	8,789.01	4,627.80
(c) Cash & Bank Balances	1.15	476.66	1,532.81
(d) Short-term Loans & Advances	1.16	2,033.76	833.73
(e) Other Current Assets	1.17	131.74	81.54
	<b>TOTAL ₹</b>	<b>28,364.82</b>	<b>20,773.32</b>
Significant accounting policies	3		
Other notes to accounts	4		

The notes referred to above form an integral part of the financial statements.

“AUDITOR’S REPORT”  
In terms of our attached  
report of even date.

For and on behalf of Board of Directors  
Healthcaps India Limited

For VASUDEVA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. - 022239N

Sd/-  
CHIRANJIV SINGH  
(Managing Director)  
DIN-01602672

Sd/-  
(P.K. VASUDEVA)  
PARTNER

Sd/-  
HARITI SINGH  
(Whole Time Director)  
DIN-01852205

Dated : 6th July, 2022  
Place : S.B.S. Nagar

Membership No. - 13787  
UDIN: 22013787AMITZD5615

**HEALTHCAPS INDIA LIMITED****STATEMENT OF PROFIT & LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH 2022****(₹ in lakh)**

<b>PARTICULARS</b>	<b>NOTE</b>	<b>FOR THE YEAR ENDED 31st March 2022 ₹</b>	<b>FOR THE YEAR ENDED 31st March 2021 ₹</b>
<b>REVENUE</b>			
<b>Revenue from operations</b>			
Sales		25,509.35	14,874.60
Other Operating Revenues	2.1	247.10	173.04
Other Income	2.2	21.16	21.13
<b>Total Income</b>		<b>25,777.61</b>	<b>15,068.77</b>
<b>EXPENSES</b>			
Cost of materials consumed	2.3	7,774.84	5,072.05
Changes in Inventories	2.4	198.36	630.34
Employee Benefits Expense	2.5	2,720.56	2,146.14
Finance Costs	2.6	468.50	353.47
Depreciation & Amortisation Expense	1.9	525.11	411.68
Other Expenses	2.7	7,143.64	4,420.79
<b>Total Expenses</b>		<b>18,831.01</b>	<b>13,034.47</b>
Profit before exceptional items		6,946.60	2,034.30
Exceptional items		(2.16)	(17.06)
Profit before tax		6,944.44	2,017.24
Tax expense			
-Earlier years		4.53	(0.02)
-Deferred tax		139.17	77.78
-Current tax		1,619.05	442.60
Profit after tax		5,181.69	1,496.88
Earnings per Equity share			
-Basic & Diluted	4.8	128.35	37.08
	3		
<b>Significant accounting policies</b>	4		
<b>Other notes to accounts</b>			

The notes referred to above form an integral part of the financial statements.

“AUDITOR’S REPORT”  
In terms of our attached report of even date.

For and on behalf of Board of Directors  
Healthcaps India Limited

For VASUDEVA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. - 022239N

Sd/-  
(P.K. VASUDEVA)  
PARTNER

Membership No. - 13787  
UDIN: 22013787AMITZD5615

Sd/-  
CHIRANJIV SINGH  
(Managing Director)  
DIN-01602672

Sd/-  
HARITI SINGH  
(Whole Time Director)  
DIN-01852205

Dated : 6th July, 2022  
Place : S.B.S. Nagar

**HEALTHCAPS INDIA LIMITED**

**NOTE 1.1 : SHARE CAPITAL**

(₹ in lakh)

Particulars	As at 31st March, 2022 ₹	As at 31st March, 2021 ₹
<b>1.1.1 Authorised</b>		
- 5,000,000 Equity shares ₹10/- each	500.00	500.00
<b>1.1.2 Issued, Subscribed &amp; Paid up</b>		
- 4,037,190 Equity shares ₹10/- each, fully paid up	403.72	403.72
<b>TOTAL ₹</b>	<b>403.72</b>	<b>403.72</b>

**1.1.3 Details of shareholders holding more than 5% equity shares and Promoters shareholding as at year end.**

a) Equity shares of ₹ 10/- each, fully paid up

b) Name of the Shareholders	No. of Shares	As at 31st March, 2022		As at 31st March, 2021		% Change during the year
		% age of Shareholding	No. of Shares	% age of Shareholding	No. of Shares	
<b>Promoters</b>						
i) Sh. Chiranjiv Singh	2,650,618	65.66	2,650,518	65.65	0.01	
ii) Smt. Hariti Singh	462,462	11.46	462,462	11.46	0.00	
<b>TOTAL ₹</b>	<b>3,113,080</b>	<b>77.12</b>	<b>3,112,980</b>	<b>77.11</b>	<b>0.01</b>	

**1.1.4 Reconciliation of share capital outstanding as at the beginning and at the end of the year**

During the current year and in the previous year, there has been no movement in the number of equity shares outstanding.

**NOTE 1.2 : RESERVES & SURPLUS**

(₹ in lakh)

Particulars	As at 31st March, 2022 ₹	As at 31st March, 2021 ₹
<b>1.2.1 Capital Reserve</b>		
- Balance brought forward	48.36	48.36
<b>1.2.2 Surplus</b>		
Statement of Profit & Loss		
- Balance brought forward	7,739.38	6,242.50
- Add : Net Profit for the year	5,181.69	1,496.88
<b>TOTAL ₹</b>	<b>12,969.44</b>	<b>7,739.38</b>
	<b>12,969.44</b>	<b>7,787.74</b>

**HEALTHCAPS INDIA LIMITED**

**NOTE 1.3 : LONG-TERM BORROWINGS**

(₹ in lakh)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	₹	₹	₹	₹
<b>1.3.1 Secured</b>				
Term Loans				
- From : Banks	4,781.17			
- Less : Current maturities (refer Note 1.5)	1,008.29	3,772.88		2,966.16
Working Capital Term Loans				
- From : Banks	1,490.77			
- Less : Current maturities (refer Note 1.5)	284.04	1,206.73		824.91
Vehicle Loan				
- From : Banks	15.92			
- Less : Current maturities (refer Note 1.5)	6.22	9.70		16.49
<b>TOTAL ₹</b>		<b>4,989.31</b>		<b>3,807.56</b>

**Notes 1. Term Loans:**

From State Bank of India, HDFC Bank and UCO Bank are secured by first charge, **pari-passu**, on entire fixed assets of the Company including land & building, movable and immovable fixed assets - both present and future (except vehicles hypothecated with other lenders).

Term Loans are further secured by second charge, **pari-passu** on current assets i.e. stock of raw material, stock in process, finished goods, consumable stores & spares and book debts, both present & future and personal Guarantee of two Directors (Mr. Chiranjiv Singh and Mrs. Hariti Singh) and relative of Directors (Mr. Satjiv Singh) of the Company.

Rate of interest on the loans ranges from 4.00% to 10.00% per annum.

**2. Working Capital - Term Loans :**

From State Bank of India, HDFC Bank and UCO Bank are secured by second charge, **pari-passu**, on movable and immovable assets of the Company.

Working Capital Term Loan is **Guaranteed** by National Credit Guarantee Trustee Company Ltd. (NCGTC).

**3. Vehicle Loan from UCO Bank is secured against hypothecation of specified vehicle.**

**NOTE 1.4 : LONG-TERM PROVISIONS**

(₹ in lakh)

Particulars	As at 31st March,2022		As at 31st March, 2021	
	₹	₹	₹	₹
<b>Gratuity</b>				
-Balance brought forward	345.93		294.53	
-Add : Current year's provision	64.10		71.22	
	<u>410.03</u>		<u>365.75</u>	
Less: Contribution to Gratuity Fund	13.05	396.98	19.82	345.93
<b>Leave Encashment</b>				
-Balance brought forward	208.03		183.05	
-Add : Current year's provision	85.68		34.86	
	<u>293.71</u>		<u>217.90</u>	
-Less : Paid during the year	13.86	279.85	9.87	208.03
<b>TOTAL ₹</b>		<u><b>676.83</b></u>		<u><b>553.96</b></u>

**NOTE 1.5 : SHORT-TERM BORROWINGS**

(₹ in lakh)

Particulars	As at 31st March,2022		As at 31st March, 2021	
	₹	₹	₹	₹
<b>1.5.1 Secured</b>				
<b>Working Capital Loans</b>				
-From : State Bank of India	526.02		109.10	
-From : HDFC Bank	791.75		1,566.29	
-From : UCO Bank	574.31	1,892.08	564.16	
			<u>2,239.55</u>	
<b>Buyers' Credit</b>				
-From : HDFC Bank	321.66	2,213.74	232.81	2,472.36
<b>1.5.2 Current Maturities</b>				
-Long-term Borrowings (refer Note 1.3)		1,298.55		895.02
<b>TOTAL ₹</b>		<u><b>3,512.29</b></u>		<u><b>3,367.38</b></u>

**Note: Working Capital Loans and Buyers' Credit:**

From State Bank of India, HDFC Bank and UCO Bank are secured by first charge, **pari-passu**, on entire current assets i.e. stock of raw material, stock in process, finished goods, consumable stores & spares lying in the premises of the Company and elsewhere and book debts, bills whether documentary or clean - both present & future.

The said facilities are further secured by second charge, **pari-passu**, on entire movable and immovable fixed assets of the Company and personal Guarantee of two Directors (Mr. Chiranjiv Singh and Mrs. Hariti Singh) and Relative of Directors (Mr. Satjiv Singh) of the Company.

**NOTE 1.6 : TRADE PAYABLES***( ₹ in lakh)*

Particulars	As at 31st March,2022 ₹	As at 31st March, 2021 ₹
For Supplies & Services	1,614.03	1,704.93
<b>TOTAL ₹</b>	<b>1,614.03</b>	<b>1,704.93</b>

**Trade Payables Ageing Schedule****Outstanding for following periods from due date of payment**

<u>Particulars</u>	<u>Less than 1 year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>More than 3 years</u>	<u>Total</u>
i) MSME	39.31	0.00	0.00	0.00	39.31
ii) Others	1,574.72	0.00	0.00	0.00	1,574.72
iii Disputed Dues: -MSME/Others	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ₹</b>	<b>1,614.03</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,614.03</b>

**NOTE 1.7 : OTHER CURRENT LIABILITIES****(₹ in lakh)**

<b>Particulars</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
	₹	₹
Interest accrued but not due	7.96	4.88
Advance from Customers	75.41	304.52
Creditors for Capital Goods	709.43	637.68
Taxes & Expenses Payable	411.39	316.71
Tax deducted at source	25.33	196.06
Other Liabilities	287.42	321.52
<b>TOTAL ₹</b>	<b>1,516.94</b>	<b>1,781.37</b>

**NOTE 1.8 : SHORT-TERM PROVISIONS****(₹ in lakh)**

<b>Particulars</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
	₹	₹
For : Income Tax	1,619.05	442.60
<b>TOTAL ₹</b>	<b>1,619.05</b>	<b>442.60</b>

**NOTE 1.9 : PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND CAPITAL WORK-IN-PROGRESS**

(₹ in lakh)

PARTICULARS	GROSS BLOCK		DEPRECIATION/AMORTISATION		NET BLOCK			
	COST ADDITIONS/ AS AT 01.04.2021	(ADJUST- MENTS)	TOTAL	AS AT 01.04.2021	DURING THE YEAR	TOTAL	W.D.V. AS AT 31.03.2021	W.D.V. AS AT 31.03.2022
<b>"A" Property, Plant &amp; Equipment</b>								
Land and Site Development	505.58	0.00	505.58	0.00	0.00	0.00	505.58	505.58
Land - Guest House	0.00	1,173.06	1,173.06	0.00	0.00	0.00	0.00	1,173.06
Buildings	1,833.13	455.53 (51.25)	2,237.41	363.61	63.33 (48.65)	378.26	1,469.52	1,859.15
Buildings R&D	20.57	0.00	20.57	2.99	0.65	3.64	17.58	16.93
Buildings Guest House	0.00	100.27	100.27	0.00	1.46	1.46	0.00	98.82
Furniture & Fixtures	60.99	18.12	79.11	39.32	4.89	44.21	21.67	34.91
Plant & Machinery								
-Machinery	9,779.00	3,334.88	13,113.89	2,761.94	391.15	3,153.09	7,017.07	9,960.80
-Machinery R&D	107.19	0.00	107.19	13.36	4.07	17.44	93.82	89.75
-Office Equipment	52.52	0.90	53.42	47.98	0.96	48.94	4.54	4.48
-Electrical Installation	139.88	26.98	166.86	62.10	10.94	73.05	77.78	93.82
-Electrical Sub Station	83.56	0.00	83.56	79.97	0.00	79.97	3.59	3.59
-Laboratory Equipment	99.43	6.88	106.31	59.62	6.88	66.50	39.81	39.81
-Workshop Equipment	7.97	0.00	7.97	7.27	0.30	7.56	0.71	0.41
-Electrical Equipment	72.95	0.00	72.95	57.47	7.49	64.95	15.48	8.00
-Computers	54.78	12.79 (0.29)	67.28	44.33	5.41 (0.27)	49.47	10.45	17.81
-Vehicles	301.03	10.56 (11.60)	299.98	152.98	26.85 (11.02)	168.82	148.04	131.16
<b>TOTAL "A" : ₹</b>	<b>13,118.59</b>	<b>5,139.97 (63.13)</b>	<b>18,195.42</b>	<b>3,692.95</b>	<b>524.37 (59.98)</b>	<b>4,157.34</b>	<b>9,425.65</b>	<b>14,038.08</b>
<b>"B" Intangible Assets</b>								
Computer Software	14.97	6.01	20.97	13.69	0.73	14.42	1.27	6.55
<b>TOTAL "B" : ₹</b>	<b>14.97</b>	<b>6.01</b>	<b>20.97</b>	<b>13.69</b>	<b>0.73</b>	<b>14.42</b>	<b>1.27</b>	<b>6.55</b>
<b>"C" Capital Work-in-Progress:</b>	473.19	293.26* (473.19)	293.26	0.00	0.00	0.00	473.19	293.26
<b>"D" FIGURES FOR CURRENT YEAR : ₹</b>	<b>13,606.74</b>	<b>5,439.23 (536.32)</b>	<b>18,509.65</b>	<b>3,706.64</b>	<b>525.11 (59.98)</b>	<b>4,171.77</b>	<b>9,900.12</b>	<b>14,337.89</b>
<b>"E" FIGURES FOR PREVIOUS YEAR : ₹</b>	<b>10,894.23</b>	<b>2,771.65 (59.13)</b>	<b>13,606.74</b>	<b>3,313.81</b>	<b>411.68 (18.85)</b>	<b>3,706.64</b>	<b>7,580.42</b>	<b>9,900.12</b>

\* As per Annexure - (B)

**NOTE 1.10 : NON-CURRENT INVESTMENTS****(₹ in lakh)**

Particulars	As at 31st March, 2022 ₹	As at 31st March, 2021
<b>Non-Trade (At-cost)</b>		
HV Caps Pvt. Ltd. *	0.94	0.00
(9,400 Equity Shares of ₹ 10/- each)		
<b>TOTAL ₹</b>	<b>0.94</b>	<b>0.00</b>
*Subsidiary Company		

**NOTE 1.11 : LONG TERM LOANS & ADVANCES****(₹ in lakh)**

Particulars	As at 31st March, 2022 ₹	As at 31st March, 2021
(Unsecured considered good - unless otherwise stated).		
Advance For Capital Goods	201.86	1,333.98
<b>TOTAL ₹</b>	<b>201.86</b>	<b>1,333.98</b>

**NOTE 1.12 : OTHER NON-CURRENT ASSETS****(₹ in lakh)**

Particulars	As at 31st March, 2022 ₹	As at 31st March, 2021 ₹
Deposits with Government Departments & Other Agencies	183.36	151.61
Advance		
- Punjab Pollution Control Board* (for Water & Air Pollution)		
- Balance brought forward	11.52	14.40
- Add : Additions during the year	13.69	0.00
	25.21	14.40
- Less : Amount written off	2.88	2.88
* to be written off over a period of five years.	<b>TOTAL ₹</b>	<b>TOTAL ₹</b>
	<b>205.69</b>	<b>163.13</b>

**NOTE 1.13 : INVENTORIES****(₹ in lakh)**

Particulars	As at 31st March, 2022 ₹	As at 31st March, 2021 ₹
(As taken, valued and certified by the management)		
Raw Material	1,440.86	1,451.48
Work-in-Progress	201.39	275.17
Finished Goods	176.02	327.52
Stores & Spares etc.	275.00	207.75
Packing Material	48.78	20.00
Other Material*	45.22	18.30
<b>TOTAL ₹</b>	<b>2,187.27</b>	<b>2,300.22</b>
* represents reusable material.		

**NOTE 1.14 : TRADE RECEIVABLES***( ₹ in lakh)*

Particulars	As at 31st March,2022 ₹	As at 31st March, 2021 ₹
(Unsecured considered good - unless otherwise stated)		
<b>1.14.1 Exceeding six months</b>	26.02	87.29
<b>1.14.2 Others</b>	8,762.99	4,540.51
<b>TOTAL ₹</b>	<b>8,789.01</b>	<b>4,627.80</b>

**Trade Receivables Ageing Schedule****Outstanding for following periods from due date of payment**

<u>Particulars</u>	<u>Less than 6 months</u>	<u>6 months- 1 year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>More than 3 years</u>	<u>Total</u>
<b>i) Undisputed -</b> (considered good)	8,762.99	20.40	0.63	3.12	1.87	8,789.01
<b>ii) Undisputed -</b> (considered doubtful)	0.00	0.00	0.00	0.00	0.00	0.00
	<b>8,762.99</b>	<b>20.40</b>	<b>0.63</b>	<b>3.12</b>	<b>1.87</b>	<b>8,789.01</b>

**Note : There were no Disputed Trade Receivables****NOTE 1.15 : CASH & BANK BALANCES***( ₹ in lakh)*

Particulars	As at 31st March,2022 ₹	As at 31st March, 2021 ₹
<b>1.15.1 Cash and cash equivalents</b>		
Balance with Banks		
Current Accounts	165.27	1,158.20
Cash Balances	11.17	60.88
<b>1.15.2 Other bank balances</b>		
Balances held as margin money *	300.22	313.73
<b>TOTAL ₹</b>	<b>476.66</b>	<b>1,532.81</b>

*\* pledged as security for letter of credit.*

**NOTE 1.16 : SHORT-TERM LOANS & ADVANCES***(₹ in lakh)*

<b>Particulars</b>	<b>As at 31st March,2022</b> ₹	<b>As at 31st March, 2021</b> ₹
For Supplies & Services	69.96	140.30
Prepaid Expenses	10.54	9.18
Staff Advance	0.30	0.80
Taxes	1,560.76	419.13
Balances		
-with Goods & Services Tax Department	392.20	264.32
<b>TOTAL ₹</b>	<b><u>2,033.76</u></b>	<b><u>833.73</u></b>

**NOTE 1.17 : OTHER CURRENT ASSETS***(₹ in lakh)*

<b>Particulars</b>	<b>As at 31st March,2022</b> ₹	<b>As at 31st March, 2021</b> ₹
Amount Recoverable (Unsecured considered good - unless otherwise stated).		
Exceeding six months	82.71	81.54
Others	49.03	0.00
<b>TOTAL ₹</b>	<b><u>131.74</u></b>	<b><u>81.54</u></b>

**NOTE 2.1 : OTHER OPERATING REVENUES***(₹ in lakh)*

<b>Particulars</b>	<b>For the year ended 31st March, 2022 ₹</b>	<b>For the year ended 31st March, 2021 ₹</b>
Gain		
-Foreign Exchange	154.40	69.91
Others		
-Duty Drawback/Export Incentives	92.70	103.13
<b>TOTAL ₹</b>	<b><u>247.10</u></b>	<b><u>173.04</u></b>

**NOTE 2.2 : OTHER INCOME***(₹ in lakh)*

<b>Particulars</b>	<b>For the year ended 31st March, 2022 ₹</b>	<b>For the year ended 31st March, 2021 ₹</b>
Interest earned	16.93	15.17
Miscellaneous	4.23	5.96
<b>TOTAL ₹</b>	<b><u>21.16</u></b>	<b><u>21.13</u></b>

**NOTE 2.3 : COST OF MATERIALS CONSUMED***(₹ in lakh)*

Particulars	For the year ended 31st March, 2022 ₹		For the year ended 31st March, 2021 ₹	
Opening Stock	1,451.48		693.50	
Add: Purchases	<u>7,764.22</u>	9,215.70	<u>5,830.03</u>	6,523.53
Less: Closing Stock		1,440.86		1,451.48
<b>TOTAL ₹</b>		<b><u>7,774.84</u></b>		<b><u>5,072.05</u></b>

**NOTE 2.4 : CHANGES IN INVENTORIES***(₹ in lakh)*

Particulars	For the year ended 31st March, 2022 ₹		For the year ended 31st March, 2021 ₹	
Stock at Commencement				
-Work-in-Progress	275.17		391.50	
-Finished Goods	327.52		839.82	
-Other Material *	<u>18.30</u>	620.99	<u>20.01</u>	1,251.33
Stock at Close				
-Work-in-Progress	201.39		275.17	
-Finished Goods	176.02		327.52	
-Other Material *	<u>45.22</u>	422.63	<u>18.30</u>	620.99
<b>TOTAL ₹</b>		<b><u>198.36</u></b>		<b><u>630.34</u></b>

*\* represent reusable material.*

**NOTE 2.5 : EMPLOYEE BENEFITS EXPENSE***(₹ in lakh)*

Particulars	For the year ended		For the year ended	
	31st March, 2022		31st March, 2021	
	₹		₹	
Salaries & Wages (salaries & wages, gratuity, leave encashment & bonus)		2,481.41		1,947.39
Contribution to : -Provident Fund & Other Funds		136.89		117.40
Staff Welfare *		102.26		81.35
<b>TOTAL ₹</b>		<b>2,720.56</b>		<b>2,146.14</b>

\* inclusive of uniform & liveries (₹0.43).

**NOTE 2.6 : FINANCE COSTS***(₹ in lakh)*

Particulars	For the year ended		For the year ended	
	31st March, 2022		31st March, 2021	
	₹	₹	₹	₹
Interest				
-Banks				
Term Loans	293.48		161.81	
Working Capital Loans	<u>116.39</u>	409.87	<u>139.13</u>	300.94
Bank Charges		58.63		52.53
<b>TOTAL ₹</b>		<b>468.50</b>		<b>353.47</b>

**NOTE 2.7 : OTHER EXPENSES****(₹ in lakh)**

Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	₹	₹	₹	₹
Operating Expenses				
-Consumable Stores	606.03		448.57	
-Packing Material	628.81		476.28	
-Power & Fuel	2,189.53		1,675.01	
	82.39		65.14	
-Capsule Sorting Charges				
-Others	<u>247.52</u>	3,754.28	<u>187.75</u>	2,852.75
Rent		25.62		16.40
Repairs & Maintenance				
-Building & Electricals	82.82		50.11	
-Machinery & Equipment	171.69		80.51	
-Computers	12.91		9.52	
-Vehicles	<u>15.03</u>	282.45	<u>10.35</u>	150.49
Insurance		66.74		63.35
Rates & Taxes		36.06		30.75
Legal & Professional Charges		124.22 *		74.18
Other Administrative Expenses		83.41		76.63
Travelling & Conveyance				
-Directors	0.47		0.00	
-Staff/Others	<u>216.55</u>	217.02	<u>147.07</u>	147.07
-General Charges		146.31		35.21
-Selling & Distribution Expenses		2,376.83 **		943.96
CSR Expenses		30.70		30.00
<b>TOTAL ₹</b>		<b><u>7,143.64</u></b>		<b><u>4,420.79</u></b>

\* inclusive of Auditors' Remuneration ( ₹ 3.50).

\*\* inclusive of Freight &amp; Forwarding ( ₹ 2,227.96).

**HEALTHCAPS INDIA LIMITED**  
**NOTE '3' : SIGNIFICANT ACCOUNTING POLICIES**  
**(Forming part of Accounts)**  
**FOR THE YEAR ENDED 31st MARCH, 2022**

**3.1. Basis of Accounting**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical convention on accrual basis. These financial statements have been prepared to comply, in all material aspects, with the accounting standards as prescribed under Section 133 of the Companies Act, 2013 and the presentation requirements as prescribed by the Schedule III of the Companies Act, 2013 to the extent applicable.

**3.2. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires that management makes estimates and assumptions that affect the reported amounts of income and expenses of the year, the reported balance of assets and liabilities and the disclosure relating to contingent liabilities as at the date of the financial statements. These estimates are based upon management's best knowledge of current events and actions. The difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

**3.3. Property, Plant & Equipment**

Tangible Assets are stated at cost of acquisition or construction less accumulated depreciation and impairment of assets, if any.

The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use and net of GST availed.

**- Intangible Assets**

Intangible Assets are stated at cost less accumulated amortisation.

**- Capital Work-in-Progress**

Expenses incurred during construction/installation period are included under capital work-in-progress and allocated to relevant fixed assets in the ratio of cost of the respective assets on completion of construction/installation/fabrication.

**3.4 Depreciation/Amortisation**

- Depreciation on tangible assets is provided on straight line method over the useful life of assets assigned to each asset in accordance with Schedule II of the Companies Act, 2013.

- Residual value of assets is considered at 5% of the original cost of the assets.

- Depreciation on additions to fixed assets is calculated on month-end balances.

- Depreciation on assets sold & scrapped, during the year, is provided upto the month in which such fixed assets are sold or scrapped.

- Intangible Assets have been amortised on straight line method pro-rata on month end balances over a period of five years in accordance with Accounting Standard -26 "Intangible Assets".

**3.5. Impairment of Assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

**3.6. Valuation of Inventories**

- Raw Material (on FIFO Method) & Stores & Spares/Scrap etc. have been valued at cost or market price, whichever is lower.

- Work in-Progress include cost of material and proportionate cost of conversion.

- Finished Goods have been valued at cost.

### **3.7. Goods and Services Tax**

- GST on Building is capitalised to Building.
- GST on Other Capital Goods is credited to respective assets.
- GST on purchase of raw material and other material is deducted from the cost of such material.
- GST on input service is deducted from the cost of such service.

### **3.8. Capital Subsidy**

Government grants are deducted from the value of the concerned asset if the grant is specifically received for the purchase, construction or acquisition of the asset. However, if it is received as a contribution towards the total investment or by way of contribution to its capital outlay and no repayment is ordinarily required to be made, such grants are treated as Capital Reserves.

### **3.9. Revenue Recognition**

- Revenue from sale of products is recognised on transfer of all significant risk and rewards of ownership to the buyer which coincides with the dispatch of goods from factory premises and is recognised on accrual basis. The sales are recorded at invoice value net of rebate/trade discounts, goods & services tax and returns.
- Interest income is recognised on an accrual basis on time proportion method, taking into account the amount outstanding and the rate applicable.
- Export benefits are recognised on receipt basis.
- Insurance and other claims are accounted for on settlement of claims/on receipt.
- Sales are shown net of taxes, as applicable.

### **3.10. Employee Benefits**

#### **a) Short-term Employee Benefits:**

Bonus is accounted for on accrual basis.

#### **b) Post-Employment Benefits**

##### **(i) Defined Contribution Plans**

Contributions, as required under the Statute/Rule, made to Employees State Insurance & Provident Fund, are charged to Statement of Profit & Loss of the year when the contributions to the respective funds are due.

##### **(ii) Defined Benefit Plans**

- The Company provides for Gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement/termination of employment or death of an employee during service, based on the respective employees' salary and years of employment with the Company. The Company provides for its liability under the Gratuity Plan based on actuarial valuation.
- The Company has taken Group Gratuity Scheme from Life Insurance Corporation of India under the specified provisions of the Income Tax Act, 1961.

#### **c) Other Long-term Employee Benefits**

Leave Encashment, on the basis of actual computation, is accounted for on accrual basis, during the tenure of employment the payment in respect thereof is made by the Company from its own funds as per the past practice consistently followed by the Company.

#### **d) Termination Benefits**

Termination benefits are recognised as an expense as and when incurred.

### **3.11. Foreign Currency Transactions**

- The Company accounts for the effects of difference in foreign exchange rates in accordance with Accounting Standard 11 notified by Companies (Accounting Standards) Rules, 2006 under Section 133 of the Companies Act, 2013.
- Foreign currency transactions are recorded using the exchange rate prevailing on the date of transaction. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of Profit & Loss.

- Monetary assets and liabilities denominated in foreign currency are restated at the exchange rate prevailing at the year end. The resultant differences are recognised in the Statement of Profit & Loss.
- Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are recorded at the exchange rate prevalent at the date of transaction. Gains or Losses arising on settlement of such transactions are adjusted against cost of assets.

### **3.12. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets to the extent that they relate to the period till such assets are ready to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit & Loss.

### **3.13. Forward and Options Contracts in Foreign Currency**

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit & Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.

Gain or Loss on contracts relating to acquisition of imported fixed assets is adjusted to the carrying cost of fixed assets.

### **3.14. Operating Lease**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease charges are recognised as an expense in the Statement of Profit & Loss on a straight line basis.

### **3.15. Research and Development Expenditure**

Revenue expenditure on research and development is charged to Statement of Profit & Loss, in the year in which it is incurred. Capital expenditure on research and development is included as part of fixed assets and depreciated on the same basis as other fixed assets.

### **3.16. Taxes on Income**

- Current Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.
- Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities.

### **3.17. Earnings Per Share (EPS)**

- Annualised basic earnings per equity share is arrived at based on net profit/(loss) attributable to equity shareholders to the basic weighted average number of equity shares outstanding.
- Annualised diluted earnings per equity share is arrived at based on adjusted net profit/(loss) attributable to equity shareholders to the adjusted weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares; except where the results are anti-dilutive. At present the Company does not have any dilutive potential equity shares.

### **3.18. Cash Flow Statement**

- The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard (AS) 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company.
- Cash and cash equivalents presented in the Cash Flow Statement consists of cash in hand, cheques & drafts in hand and balances in current account/flexi deposit.

### 3.19. Contingencies and Provisions

A provision is recognised when the Company has a present obligation as a result of past events. It is probable that an outflow of resources embodying economic benefit will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate of the expenditure required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate

A Contingent Liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

### NOTE 4 : OTHER NOTES TO ACCOUNTS

(Forming part of Accounts)

FOR THE YEAR ENDED 31st MARCH, 2022

#### 4.1. Contingent Liabilities & Commitments:

a) Estimated amount of contracts remaining to be executed and not provided for in the books of account - Nil (previous year - Nil).

#### b) Contingent Liabilities:

-Claims against Company not acknowledged as debt - Nil (previous year - ₹ Nil).

-Letter of Credit opened by HDFC Bank for purchase of Raw Material - ₹ 281.43 lakh (previous year - ₹ 271.12 lakh).

Fixed Deposits (Margin Money - ₹ 149.90 lakh inclusive of interest accrued & due) against Letter of Credit have been pledged with the HDFC Bank.

- Letter of Credit opened by State Bank of India for purchase of Capital Goods - ₹ 145.54 lakh (USD 1.92 lakh)] (previous year Nil).

Fixed Deposits (Margin Money - ₹ 48.23 lakh) against Letter of Credit have been pledged with the State Bank of India.

- Letter of Credit opened by UCO Bank for purchase of Capital Goods - Nil (previous year - ₹ 66.15 lakh)

- Liabilities in respect of Income Tax, Goods & Services Tax, Custom Duty and other material statutory dues have been accounted for on the basis of respective returns filed with the relevant authorities.

-Additional demand, if any, on account of statutory dues, arising at the time of assessment will be accounted for in the year in which assessment is completed.

c) Figures have been rounded off to nearest lakh, except Earnings per Equity share.

#### 4.2. Reserves & Surplus:

- Capital Reserve (₹ 48.36 lakh) include:

Central Investment Subsidy (₹ 15.00 lakh).

#### 4.3. Long-term Borrowings:

##### Secured

Term Loans:

**From : State Bank of India (Account No. I - ₹ 740.00 lakh), is repayable in 81 monthly installments:**

9 monthly installments of ₹ 5.00 lakh each w.e.f. July, 2017 to March, 2018.

24 monthly installments of ₹ 7.00 lakh each w.e.f. April, 2018 to March, 2020.

24 monthly installments of ₹ 9.00 lakh each w.e.f. April, 2020 to March, 2022.

12 monthly installments of ₹ 12.00 lakh each w.e.f. April, 2022 to March, 2023.

11 monthly installments of ₹ 14.00 lakh each w.e.f. April, 2023 to February, 2024.

1 monthly installment of ₹ 13.00 lakh due & payable in March, 2024.

**From : State Bank of India (Account No. II - ₹ 750.00 lakh), is repayable in 120 monthly installments of ₹ 6.25 lakh each w.e.f. April, 2021 to March, 2031.**

**From : State Bank of India (Account No. III - ₹ 2,400.00 lakh), is repayable in 78 monthly installments:**

77 monthly installments of ₹ 30.77 lakh each w.e.f. November, 2022 to March, 2029.

1 monthly installment of ₹ 30.71 lakh due & payable in April, 2029.

**From : HDFC Bank (Account No. I - ₹ 1,250.00 lakh), is repayable in 24 quarterly installments:**

23 quarterly installments of ₹ 52.08 lakh each w.e.f. December, 2018 to June, 2024.

1 monthly installment of ₹ 52.16 lakh due & payable in September, 2024.

**From : HDFC Bank (Account No. II - ₹ 975.00 lakh), is repayable in 24 quarterly installments:**

1 quarterly installment of ₹ 15.63 lakh due & payable in November, 2019.

2 quarterly installments of ₹ 23.89 lakh each w.e.f. February, 2020 to May, 2020.

2 quarterly installments of ₹ 41.03 lakh each w.e.f. August, 2020 to November, 2020.

19 quarterly installments of ₹ 43.66 lakh each w.e.f. February, 2021 to September, 2025.

**From : HDFC Bank (Account No. III - ₹ 630.00 lakh), is repayable in 66 monthly installments of ₹ 9.54 lakh each w.e.f. July, 2021 to December, 2026.**

**From : UCO Bank (₹ 825.00 lakh), is repayable in 72 monthly installments:**

69 monthly installments of ₹ 11.50 lakh each w.e.f. August, 2021 to April, 2027.

03 monthly installments of ₹ 10.50 lakh each w.e.f. May, 2027 to July, 2027.

-Interest on Term Loans is payable on monthly basis.

**Working Capital Term Loans:**

**From : State Bank of India (Account No. I - ₹ 195.00 lakh), is repayable in 36 monthly installments of ₹ 5.42 lakh each w.e.f. March, 2022 to February, 2025.**

**From : State Bank of India (Account No. II - ₹ 230.00 lakh), is repayable in 48 monthly installments of ₹ 4.79 lakh each w.e.f. April, 2024 to March, 2028.**

**From : HDFC Bank (₹ 550.00 lakh), is repayable in 36 monthly installments of ₹ 15.28 lakh each w.e.f. April, 2022 to March, 2025.**

**From : UCO Bank (Account No. I - ₹ 107.00 lakh), is repayable in 36 monthly installments of ₹ 2.97 lakh each w.e.f. September, 2021 to August, 2024.**

**From : UCO Bank (Account No. II - ₹ 159.50 lakh), is repayable in 48 monthly installments of ₹ 3.32 lakh each w.e.f. April, 2024 to March, 2028.**

**From : UCO Bank (Account No. III - ₹ 300.00 lakh), is repayable in 48 monthly installments of ₹ 6.25 lakh each w.e.f. April, 2024 to March, 2028.**

-Interest on Working Capital Term Loans is payable on monthly basis.

- 4.4. a) In the opinion of the Directors, "Current Assets" and "Loans & Advances" are approximately of the value stated in the Balance sheet, if realized in the ordinary course of business and to the best of their knowledge provisions for all the known liabilities have been made and, as certified, all the contractual and statutory obligations have been duly complied with.
- b) Party balances have been incorporated in the financial statements at the value as per the books of account & are considered hopeful of recovery/good for payment.
- 4.5. **Other Current Liabilities (₹ 1,516.94 lakh):**  
Advance from Customers (₹ 75.41 lakh); supplies/services will be effected/rendered in the ensuing year and accordingly party accounts updated/adjusted
- 4.6. **Segment Reporting (AS-17):**  
Since, the Company primarily operates in one segment (manufacturing of single product i.e. Empty Capsules) therefore segment reporting as required under Accounting Standard -17 is not applicable; there is no reportable geographical segment either.

**4.7. Related Party Disclosures (AS-18):**

Related parties & their relationship and related parties transactions As per Annexure (A).

**4.8. Earnings Per Share (AS-20):**

	Year ended 31st March, 2022 (₹ in lakh)		Year ended 31st March, 2021 (₹ in lakh)	
<b>Numerator</b>				
Net Profit attributable to Equity shareholders	₹	5,181.69	₹	1,496.88
<b>Denominator</b>				
Weighted Average Number of Equity shares outstanding	No.'s	40.37	No.'s	40.37
Nominal Value per Equity share	₹	10	₹	10
Earnings per Equity share -Basic & Diluted	₹	128.35	₹	37.08

**4.9. Deferred Tax Assets & Liabilities (AS-22):**

The major components of Deferred Tax Asset and Deferred Tax Liability arising out of timing differences are:

<u>Particulars</u>	<u>Amount</u> (₹ in lakh)		<u>Total</u> (₹ in lakh)
<b>a) Timing Difference (Liability)</b>			
Depreciation:			
-As per Income Tax Act, 1961	1,205.09		
-As per Financial Statements	525.11	679.98	
Expenses:			
u/s 35DDA of the Income Tax Act, 1961			
Salaries & Allowances			
-Voluntary Retirement Compensation (i.e. 1/5 of ₹ 400,000/-)		0.80	
u/s 43B of the Income Tax Act, 1961:			
<b>(paid during the year)</b>			
-Gratuity	13.05		
-Bonus	42.58		
-Leave Encashment	13.86	69.49	750.27
<b>b) Timing Difference (Asset)</b>			
Expenses:			
u/s 43B of the Income Tax Act, 1961			
<b>(Not paid till date)</b>			
-Gratuity		64.10	
-Bonus		47.55	
-Leave Encashment		85.68	197.33
<b>Net Timing Difference (Liability)</b>			<b>552.94</b>
Tax on Net Timing Difference (Liability) (@ 25.1680%)			139.17
<b>Or say</b>			<b>139.17</b>
Add : Opening Balance			924.06
<b>Deferred Tax Liability (Net)</b>			<b>1,063.22</b>
<b>Total ₹</b>			<b>1,063.22</b>

**4.10. a) Exceptional items (₹ 2.16 lakh) represent:**

- Loss on disposal of Computer (W.D.V. - ₹ 0.01 lakh i.e. Cost of Computer - ₹ 0.28 lakh less accumulated depreciation - ₹ 0.27 lakh),
- Loss on demolition of Building (W.D.V. - ₹ 2.56 lakh i.e. Cost of Building - ₹ 51.25 lakh less accumulated depreciation - ₹ 48.69 lakh),

**Net off**

Profit on sale of Vehicle (₹ 0.42 lakh) [i.e. difference between sale proceeds of Vehicle - ₹ 1.00 lakh less W.D.V. of Vehicle - ₹ 0.58 lakh (Cost of Vehicle - ₹ 11.60 lakh less accumulated depreciation - ₹ 11.02 lakh)].

**b) Property, Plant & Equipment:**

-Capital Work-in-Progress (₹ 293.26 lakh) represent:

**Building (under-construction - ₹ 225.00 lakh), Plant & Machinery (under installation - ₹ 52.61 lakh) & Vehicles (under fabrication - ₹ 15.64 lakh); the said amount will be capitalised to respective assets, on completion of construction/installation of Plant & Machinery.**

Bank Charges & Interest (₹ 8.05 lakh), in accordance with the provisions of Section 36(1) (iii) of the Income Tax Act, 1961 and Accounting Standard-16 (Borrowing Costs) as notified under the Companies (AS) Rules, 2006, has been capitalised to Capital Work-in-Progress on additions made during the financial year 2021-2022 - **As per Annexure - (B).**

**c) Trade Receivables (₹ 8,789.01 lakh) include:**

₹ 5,769.66 lakh and ₹ 1,125.99 lakh due from Alfa Caps LLC. and Healthcaps Europe Ltd. (Foreign Companies in which relative of Directors is interested), against sales effected in the ordinary course of business at Arm's Length price.

**d) Short-term Borrowings (₹ 3,512.29 lakh) include:**

Current Maturities of Long-term Borrowings (₹ 1,298.55 lakh).

**e) Bad Debts (₹ 90.50 lakh) represent :**

irrecoverable party balances written off during the year.

**Bad debts, incidental to the business, can be written off during the year, if income there against was credited to the revenue, in earlier years.**

**Bad debts are allowable deduction u/s 36(i)(vii) if it is written off as irrecoverable in books of account in the previous year in which claim for deduction is made.**

**f) Non-Current Investments (Unquoted - ₹ 0.94 lakh in Subsidiary Company i.e. HV Caps Pvt. Ltd.), have been stated at cost; considering the strategic and long-term nature of the aforesaid investments and asset base and business plan of the investee Company.**

In the opinion of the Management, the decline/appreciation in the market/book value of the aforesaid investments is of temporary nature, requiring no provision.

The Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investment made.

**4.11. Taxes:**

- Section 115BAA has been inserted in the Income Tax Act, 1961 to give benefit of reduced Corporate Tax rate for the Domestic Companies w.e.f. financial year 2019-2020.**
- A Domestic Company which exercises the option for availing benefit of lower tax rate under Section 115BAA of the Income Tax Act, 1961, will not be allowed to claim set-off of brought forward loss on account of Additional Depreciation and will not be eligible for brought forward Minimum Alternate Tax (MAT) credit in subsequent years.

(refer Central Board of Direct Taxes (CBDT) Circular No. 29/2019, dated 02nd October, 2019)  
c) Keeping in view the provisions specified u/s 115BAA, the management of the Company had decided to avail the benefit of concessional rate of Income Tax [i.e. @ 25.1680% (Base rate @ 22% plus Surcharge @10% plus Cess @ 4%)], hence, the Company will not be:  
- required to pay Minimum alternate Tax (MAT) u/s 115JB of the Income Tax Act, 1961, and  
- eligible to claim Additional Depreciation u/s 32(1) of the Income Tax Act, 1961.

#### 4.12. Impairment of Assets (AS-28):

During the year, the Company has undertaken a review of all the fixed assets in line with the requirements of AS-28 on "Impairment of Assets" as notified by Companies (Accounting Standards) Rules, 2006 under Section 133 of the Companies Act, 2013, based on such review, no provision for impairment is required to be recognised for the year.

#### 4.13. Corporate Social Responsibility

CSR Expenses - ₹ 30.70 lakh [refer Note no. 2.7 (Other Expenses)] comprise of :

(₹ in lakh)  
**Amount**

##### **Particulars**

2% of the average profit of three preceding financial years i.e. 2018-2019, 2019-2020 and 2010-2021.	-	30.66
Excess amount deposited over & above the required contribution (i.e. ₹ 30.70 lakh less ₹ 30.66 lakh).	-	0.04
<b>Total (₹)</b>	-	<b>30.70</b>

The Company had paid - ₹ 30.70 lakh to Registered Trust [Sansthanam Abhay Daanam], during the previous financial year, towards Corporate Social Responsibilities for the financial year 2021-2022.

#### 4.14. Micro, Small & Medium Enterprises:

Based on the information available with the Company, the Company has certain dues to suppliers registered under "The Micro, Small and Medium Enterprises Development Act, 2006" (MSMED Act, 2006). The disclosures pursuant to the said MSMED Act are as follows:

	<b>Particulars</b>	<b>(₹ in lakh)</b>	<b>(₹ in lakh)</b>
		As at 31.03.2022	As at 31.03.2021
(i)	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act, 2006).		
	Principal Amount due to micro and small enterprises		
	Trade Payables	39.31	--
	Creditors for Capital Goods	624.26	425.50
	Interest due on above	Nil	Nil
(ii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, alongwith the amount of the payment made to the supplier beyond the appointed day during the period.	Nil	Nil
(iii)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	Nil	Nil
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
(v)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	Nil	Nil

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**4.15. Disclosure of Financial Ratios - As per Annexure - (C).**

**4.16. Auditor's Remuneration:**

(excluding Goods and Services Tax)

**31st March, 2022**

**31st March, 2021**

**AMOUNT**  
**(₹ in lakh)**

**AMOUNT**  
**(₹ in lakh)**

- As Auditors

3.50

3.00

**Total ₹**

**3.50**

**3.00**

**4.17. Other additional information**

**a) Revenue from operations**

The Company is dealing in manufacturing & sales of Empty Hard Gelatine Capsules & Hydroxy Propyl Methyl Cellulose Capsules.

<b>Particulars</b>	<b>31st March, 2022</b>		<b>31st March, 2021</b>	
	<b>AMOUNT</b> (₹ in lakh)		<b>AMOUNT</b> (₹ in lakh)	
<b>b) Raw material consumed</b>				
Gelatine	3,400.36		2,661.77	
HPMC	3,866.72		2,056.30	
Colours & Chemicals	507.75		353.98	
Total ₹	<b>7,774.83</b>		<b>5,072.05</b>	
<b>c) Finished Goods</b>				
<b>Opening Stock</b>				
- Empty Hard Gelatine Capsules	167.03		564.65	
- Hydroxy Propyl Methyl Cellulose Capsules	160.48		275.16	
<b>Closing Stock</b>				
- Empty Hard Gelatine Capsules	95.72		167.03	
- Hydroxy Propyl Methyl Cellulose Capsules	80.30		160.48	
<b>d) Imported &amp; indigenous consumption of raw material &amp; percentage thereof.</b>				
	<b>31st March, 2022</b>		<b>31st March, 2021</b>	
	<b>AMOUNT</b> (₹ in lakh)	<b>%</b>	<b>AMOUNT</b> (₹ in lakh)	<b>%</b>
i) Imported	3,757.33	48.33	2,105.56	41.51
ii) Indigenous	4,017.50	51.67	2,966.49	58.49
<b>e) Transactions in Foreign Currency</b>				
	<b>31st March, 2022</b>		<b>31st March, 2021</b>	
	<b>AMOUNT</b> (₹ in lakh)	<b>TOTAL</b> (₹ in lakh)	<b>AMOUNT</b> (₹ in lakh)	<b>TOTAL</b> (₹ in lakh)
- <b>C.I.F. value of import</b>				
Raw Material (USD 53.79)		4,186.90		2,802.93
- Capital Goods (USD 3.75)		278.72		291.42
- <b>Expenditure</b>				
Consumable stores (USD 0.51)	43.27		51.21	
(GBP 0.20)	26.39		7.99	
(JPY 2.16)	1.82	71.48	3.94	63.14
Business promotion (USD 0.06)	4.45		24.28	
(GBP 0.006)	0.62	5.07	0.60	24.88
Travelling & conveyance Commission (USD 0.21)		Nil 15.25		Nil 12.56

Rate & Taxes (USD 0.06)		4.11		4.30
Packing & Forwarding (USD 0.005)		0.36		0.53
Laboratory & Testing Charges (EURO 0.007)		0.58		
Bank Chages (USD 0.00075)		0.06		
<b>Advances</b>				
(USD 0.25)	19.44			
(JPY 2.16)	<u>1.46</u>	20.90		
<b>- Earnings</b>				
F.O.B. value of exports (Direct) (USD 173.06)	12,764.60		4,921.63	
(GBP 27.64)	2,775.52		1,936.20	
(EURP 2.24)	193.20		13.23	
(AUD 0.06)	<u>3.47</u>	15,736.80	<u>78.76</u>	6,949.82

4.18. Figures for previous year have been regrouped/rearranged where necessary to conform to the current year's presentation.

In terms of our attached report of even date.

For and on behalf of the Board of Directors  
HEALTHCAPS INDIA LIMITED

For VASUDEVA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. - 022239N

Sd/-  
CHIRANJIV SINGH  
(Managing Director)  
DIN : 01602672

Sd/-  
(P.K. VASUDEVA)  
PARTNER  
Membership No. - 13787  
UDIN: 22013787AMITZD5615

Sd/-  
HARITI SINGH  
(Whole-time Director)  
DIN:01852205

Dated: 06 th July, 2022  
Place : S.B.S. Nagar

**HEALTHCAPS INDIA LIMITED**  
**NOTES FORMING PART OF ACCOUNTS**  
**FOR THE YEAR ENDED 31ST MARCH, 2022**  
**ANNEXURE 'A' TO NOTES TO ACCOUNTS [NOTE 4.7]**

**RELATED PARTY DISCLOSURES :**

Disclosures as required by the Accounting Standard - 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below :

**(As certified by the Management)**

**'A' Relationship**

**1. Key Management Personnel**

Mr. Chiranjiv Singh	Managing Director
Mr. Hariti Singh	Whole-time Director
Mr. Gurcharan Singh	Director

**2. Relatives of Key Management Personnel**

Mr. Satjiv Singh
Mr. Anuj Gandhi

**3. Enterprises over which key management personnel or their relatives have significant influence**

Alfa Caps Pvt. Ltd.
Ozark Engineering Pvt. Ltd.
HV Caps Private Limited

AlfaCaps LLC
Healthcaps Europe Limited

**'B' Aggregate amount of transactions, during the year, with the related parties**

S.No.	Nature of Transactions	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which K.M.P./their relatives have significant influence
		AMOUNT (₹ in lakh)	AMOUNT (₹ in lakh)	AMOUNT (₹ in lakh)
<b>A)</b>	<b>Revenue:</b>			
<b>1.</b>	<b>Sales</b>			
	-AlfaCaps LLC	-	-	11,928.57
	-Healthcaps Europe Ltd.	-	-	2,968.72
<b>B)</b>	<b>Expenditure:</b>			
<b>1.</b>	Salaries & Allowances	-	120.00	-
<b>2.</b>	Directors' Expenses	106.98	-	-
<b>3.</b>	Other Operating Expenses			
	-Job Work	-	-	27.15
	-Capsules Sorting Charges	-	-	82.39
	-Rent	-	-	9.57
	-Travelling & Conveyance (Staff/Others)	-	-	0.66
	-Repairs & Maintenance - Building	-	-	1.97

<b>C) Others:</b>			
<b>1. Property, Plant &amp; Equipment</b>			
-Purchases			
Ozark Engineering Pvt. Ltd.	-	-	1,699.40
<b>2. Investment</b>			
- HV Caps Private Limited			0.94
<b>D) Year end balances</b>			
<b>1. Due to Directors:</b>			
-Chiranjiv Singh	3.75	-	-
-Hariti Singh	2.33	-	-
<b>2. Salaries &amp; Wages Payable:</b>			
-Satjiv Singh	-	2.92	-
-Anuj Gandhi	-	2.92	-
<b>3. Trade Payables:</b>			
-Alfa Caps Pvt. Ltd.	-	-	12.39
-Ozark Engineering Pvt. Ltd.	-	-	624.26
<b>4. Trade Receivables:</b>			
-AlfaCaps LLC	-	-	5,769.66
-Healthcaps Europe Limited	-	-	1,125.99

**For and on behalf of the Board of Directors  
HEALTHCAPS INDIA LIMITED**

**Sd/-  
CHIRANJIV SINGH  
(Managing Director)  
DIN : 01602672**

**Sd/-  
HARITI SINGH  
(Whole-time Director)  
DIN : 01852205**

**Dated : 06th July, 2022  
Place : S.B.S. Nagar**

**HEALTHCAPS INDIA LIMITED**  
**NOTES FORMING PART OF STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH, 2022**  
**DISCLOSURE OF CAPITAL WORK-IN-PROGRESS**  
**ANNEXURE 'B' TO NOTES TO ACCOUNTS [NOTE 4.10]**

**Capital-work-in-progress aging schedule**

(₹ in lakh)

		As on 31st March, 2022					
CWIP		Amount of CWIP in period of				Total	
		Less than 1 year	1-2 years	2-3 years	More than 3 years		
<b>Projects in progress</b>							
1	Building	225.00	0.00	0.00	0.00	225.00	
2	Plant & Machinery	52.61	0.00	0.00	0.00	52.61	
3	Vehicle	15.64	0.00	0.00	0.00	15.64	

**Capital-work-in-progress completion schedule**

(₹ in lakh)

		As on 31st March, 2022					
CWIP		To be completed in				Total	
		Less than 1 year	1-2 years	2-3 years	More than 3 years		
1	Building	225.00	0.00	0.00	0.00	225.00	
2	Plant & Machinery	52.61	0.00	0.00	0.00	52.61	
3	Vehicle	15.64	0.00	0.00	0.00	15.64	

**Sd/-**  
**CHIRANJIV SINGH**  
**(Managing Director)**  
**DIN : 01602672**

**Dated : 06th July, 2022**  
**Place : S.B.S. Nagar**

**Sd/-**  
**HARITI SINGH**  
**(Whole-time Director)**  
**DIN : 01852205**

**HEALTHCAPS INDIA LIMITED**  
**NOTES FORMING PART OF ACCOUNTS**  
**FOR THE YEAR ENDED 31ST MARCH, 2022**  
**DISCLOSURE OF FINANCIAL RATIOS**  
**ANNEXURE 'C' TO NOTES TO ACCOUNTS [NOTE 4.15]**

	<b>AMOUNT</b> <b>(₹ in lakh)</b>	
1. Current Ratio	=	$\frac{\text{Current Assets}}{\text{Current Liabilities}} = \frac{13,618.45}{8,262.31} = 1.65$
<b>Current Assets=Current Assets + Loans &amp; Advance (except non-current)</b>		
<b>Current Liability = Current Liabilities &amp; Provisions</b>		
2. Debt-Equity (D/E) Ratio	=	$\frac{\text{Debts}}{\text{Total Shareholders Equity}} = \frac{8,501.60}{13,373.16} = 0.64$
<b>Debts = Short-term Borrowing+Long-term Borrowing</b>		
<b>Total Shareholders Equity = Share Capital + Reserve &amp; Surplus</b>		
3. Debt Service Coverage Ratio (DSCR)	=	$\frac{\text{Net Operating Income}}{\text{Debt Service}} = \frac{7,881.58}{1,367.33} = 5.76$
<b>Net Operating Income = Net Profit before taxes + Non-cash operating expense (Depreciation) + Interest</b>		
<b>Debt Service = Interest &amp; Lease Payment + Principal Repayment (Interest + Installment)</b>		
4. Return on Equity Ratio (ROE)	=	$\frac{\text{Net Income}}{\text{Average Shareholders Equity}} = \frac{5,181.69}{10,782.31} = 48.06\%$
<b>Net Income = Net Profit after taxes - Preference Dividend</b>		
<b>Average Shareholders Equity = (Beginning Shareholder's Equity + Closing Shareholder's Equity)/2</b>		
5. Inventory Turnover Ratio	=	$\frac{\text{Cost of good sold}}{\text{Average Inventory}} = \frac{13,618.04}{251.77} = 54 \text{ Times}$
6. Trade Receivables Turnover Ratio	=	$\frac{\text{Average Debtors} *365}{\text{Sales}} = \frac{6,708.41 *365}{25,509.35} = 96 \text{ Days}$

7.	Trade Payables Turnover Ratio	=	$\frac{\text{Average Creditors} \times 365}{\text{Purchases}}$	=	$\frac{1,659.48 \times 365}{7,764.22}$	=	78 Days
8.	Capital Turnover Ratio	=	$\frac{\text{Sales}}{\text{Average Working Capital}}$	=	$\frac{25,509.35}{3,717.98}$	=	6.86
9.	Net Profit Margin Ratio	=	$\frac{\text{Net Profit After Tax}}{\text{Sales}}$	=	$\frac{5,181.69}{25,509.35}$	=	20.31%
10.	Return on Capital Employed (ROCE)	=	$\frac{\text{EBIT}}{\text{Capital Employed}}$	=	$\frac{7,354.31}{20,102.51}$	=	36.58%

**EBIT = Net Income + Interest + Taxes**  
**Capital Employed = Total Assets - Current Liabilities**

11.	Return on Investment	=	$\frac{\text{Net Profit After Tax}}{\text{Net Worth}}$	=	$\frac{5,181.69}{13,373.16}$	=	38.75%
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**Net Worth = Equity Share Capital + Reserve & Surplus**

Sd/-  
**CHIRANJIV SINGH**  
 (Managing Director)  
 DIN : 01602672

Sd/-  
**HARITI SINGH**  
 (Whole-time Director)  
 DIN : 01852205

**Dated : 06th July, 2022**  
**Place : S.B.S. Nagar**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

	<b><u>CURRENT YEAR</u></b> <b><u>31ST MARCH, 2022</u></b> (₹ in lakh)	<b><u>PREVIOUS YEAR</u></b> <b><u>31ST MARCH, 2021</u></b> (₹ in lakh)
<b>"A" CASH FLOWS</b>		
<b>( I ) FROM OPERATING ACTIVITIES</b>		
a) <u>Profit before tax:</u>	6,944.44	2,017.22
Adjustments :		
Depreciation and amortisation	525.11	411.68
(Gain)/Loss on sale of fixed assets	2.16	17.06
Reserves & Surplus (Adjustment)	0.00	0.00
Interest earned	(16.93)	(15.17)
Interest paid/incurred (net)	409.87	300.94
	<hr/>	<hr/>
Profit from operating activities	<b>7,864.65</b>	<b>2,731.73</b>
b) <u>Working capital changes :</u>		
(Increase)/Decrease in Inventories	112.94	(85.29)
(Increase)/Decrease in Trade Receivables	(4,161.21)	(506.64)
(Increase)/Decrease in Short-term Loans and Advances	(1,619.16)	(670.86)
(Increase)/Decrease in Other Current Assets	(49.03)	2.81
(Increase)/Decrease in Long-term Loans and Advances	1,132.12	(1,290.20)
Increase/(Decrease) in Long-term Provisions	122.87	76.39
	<hr/>	<hr/>
Increase/(Decrease) in Trade Payables	(90.90)	513.85
Increase/(Decrease) in Other Current Liabilities	(264.32)	802.37
Increase/(Decrease) in Short-term Provisions	0.00	0.00
	<hr/>	<hr/>
Cash generated from operations	<b>3,047.96</b>	<b>1,574.16</b>
c) <u>Direct taxes paid (net of refund):</u>	(29.29)	0.00
	<hr/>	<hr/>
<b>Total "I"</b>	<b>3,018.68</b>	<b>1,574.16</b>
	<hr/>	<hr/>
<b>( II ) FROM INVESTING ACTIVITIES</b>		
a) Purchase of tangible assets/intangible assets/ capital work-in-progress	(4,966.04)	(2,771.65)
b) Proceeds from sale of tangible assets/intangible assets/capital work-in-progress	1.00	23.22
c) Purchase of investments	(0.94)	0.00
d) (Increase)/Decrease in Other Non-Current Assets	(42.56)	2.88
e) (Increase)/Decrease in Fixed Deposits	13.51	(146.85)
f) Interest received	16.93	15.17
	<hr/>	<hr/>
<b>Total "II"</b>	<b>(4,978.10)</b>	<b>(2,877.22)</b>
	<hr/>	<hr/>

**( III ) FROM FINANCING ACTIVITIES**

a) Proceeds from issue of Share Capital	0.00	0.00
b) Share application money (pending allotment)	0.00	0.00
c) Proceeds from Long-term Borrowings (net)	1,585.28	2,327.06
d) Increase/(Decrease) in Short-term Borrowings (net)	(258.62)	365.42
e) Redemption of Preference Shares	0.00	0.00
f) Repayment of Long-term Borrowings (net)	0.00	0.00
g) Decrease in Short-term Borrowings (net)	0.00	0.00
h) Dividends paid (including distribution tax)	0.00	0.00
i) Interest and Other Finance Costs	(409.87)	(300.94)
j) Share issue expenses	0.00	0.00
<b>Total "III"</b>	<b>916.79</b>	<b>2,391.55</b>
<b>"B"</b> Net (decrease)/Increase in cash and cash equivalents (I+II+III)	(1,042.63)	1,088.48
Add : Cash and cash equivalents at the beginning of the year	1,219.07	130.60
<b>"C"</b> Cash and cash equivalents at the end of the year	176.44	1,219.07
<b>Cash and Cash equivalents comprises of</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
	<b>31ST MARCH, 2022</b>	<b>31ST MARCH, 2021</b>
	<b>(₹ in lakh)</b>	<b>(₹ in lakh)</b>
Cash & Bank Balances as per Note 1.15	476.66	1,532.81
Less : Fixed Deposits (Balances held as margin money)	300.22	313.73
	<b>176.44</b>	<b>1,219.07</b>

**Note** :Previous year figures have been regrouped/reclassified wherever necessary.

**In terms of our attached report of even date.**

**For and on behalf of the Board of Directors**

**For VASUDEVA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**Firm Registration No. - 022239N**

**Sd/-**  
**(P.K. VASUDEVA)**  
**PARTNER**  
**Membership No. - 13787**  
**UDIN : 22013787AMITZD5615**

**Dated : 06th July, 2022**  
**Place : S.B.S. Nagar**

**Sd/-**  
**CHIRANJIV SINGH**  
**(Managing Director)**  
**DIN : 01602672**

**Sd/-**  
**HARITI SINGH**  
**(Whole-time Director)**  
**DIN : 01852205**

# INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

The Members,  
Healthcaps India Limited.

## 1. Opinion

We have audited the accompanying consolidated financial statements of **Healthcaps India Limited** (the Holding Company) and its Subsidiary, which comprise the Consolidated Balance Sheet as at 31 st March, 2022, the Consolidated Statement of Profit & Loss, the Consolidated Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at 31 st March, 2022 and their consolidated Profit and their consolidated Cash Flows for the year ended on that date.

## 2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those (SAs) are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements Section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## 3. Management's Responsibility for Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, Holding Company's Board of Directors is responsible for assessing the Group ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors is also responsible for overseeing the Company's financial reporting process of the Group.

## 4. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that

an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013 we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls reference to financial statement in place and the operating effectiveness of such controls.
  - c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - e) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## **5. Report on Other Legal and Regulatory Requirements**

- A) As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - (d) In our opinion, the aforesaid consolidated financial statements, comply with the Accounting Standards, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;

- e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the report of its Subsidiary Company, none of the directors of the Group Companies are disqualified as on 31 st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, in our opinion, the said report to our separate report in “Annexure ”; and
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Consolidated Financial Statements does not have any pending litigations which would impact the financial position of the Group;
  - ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Company.
- B) With respect to the matter to be included in the Auditors’ Report under Section 197(16):  
In our opinion and according to the information and explanations given to us, Remuneration paid by the Company to Directors during the current year is in accordance with the provisions of Section 197 of the Act. Remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.  
The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
- C) With respect to the matter specified in paragraphs 3(xxi) and 4 of the Companies (Auditor’s Report) Order, 2020 (the “Order”/ “CARO”) issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditors’ report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its Subsidiary in the Consolidated Financial Statement of the Company to which reporting under CARO is applicable, we report that there are no qualification or adverse remarks in these CARO reports.

**For VASUDEVA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. - 022239N**

**Sd/-**

**(P.K. VASUDEVA)  
PARTNER**

**Membership No. - 13787  
UDIN: 22013787AMITZD5615**

**Dated : 06 th July, 2022  
Place : S.B.S. Nagar**

**Report on the Internal Financial Controls under Clause (i) of Sub Section 3 of Section 143 of the Companies Act, 2013.**

**Opinion**

We have audited the internal financial controls over financial reporting of **Healthcaps India Limited** as of 31<sup>st</sup> March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India the “Guidance Note”).

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For VASUDEVA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. - 022239N**

**Sd/-  
(P.K. VASUDEVA)  
PARTNER**

**Dated : 06<sup>th</sup> July, 2022  
Place : S.B.S. Nagar**

**Membership No. - 13787  
UDIN: 22013787AMITZD5615**

**HEALTHCAPS INDIA LIMITED****CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2022****( ₹ in lakh)**

<b>PARTICULARS</b>	<b>NOTE</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
		<b>₹</b>	<b>₹</b>
<b>EQUITY &amp; LIABILITIES</b>			
Shareholders' Funds			
(a) Share Capital	1.1	403.72	403.72
(b) Reserves & Surplus	1.2	12,969.40	7,787.74
<b>Minority Interest</b>		0.06	
<b>Non-Current Liabilities</b>			
(a) Long-term Borrowings	1.3	4,992.81	3,807.56
(b) Deferred Tax Liabilities (Net)	4.9	1,063.22	924.06
(c) Long-term Provisions	1.4	676.83	553.96
<b>Current Liabilities</b>			
(a) Short-term Borrowings	1.5	3,512.29	3,367.38
(b) Trade Payables	1.6	1,614.03	1,704.93
(c) Other Current Liabilities	1.7	1,516.99	1,781.37
(d) Short-term Provisions	1.8	1,619.04	442.60
	<b>TOTAL ₹</b>	<b>28,368.38</b>	<b>20,773.32</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant & Equipment	1.9	14,038.08	9,425.65
(b) Intangible Assets	1.9	6.55	1.27
(c) Capital Work-in-Progress	1.9	293.26	473.19
(e) Long-term Loans & Advances	1.10	201.86	1,333.98
(f) Other Non-Current Assets	1.11	205.69	163.13
<b>Current Assets</b>			
(a) Inventories	1.12	2,187.27	2,300.22
(b) Trade Receivables	1.13	8,789.01	4,627.80
(c) Cash & Bank Balances	1.14	480.82	1,532.81
(d) Short-term Loans & Advances	1.15	2,033.76	833.73
(e) Other Current Assets	1.16	132.08	81.54
	<b>TOTAL ₹</b>	<b>28,368.38</b>	<b>20,773.32</b>
<b>Significant accounting policies</b>	3		
<b>Other notes to accounts</b>	4		

The notes referred to above form an integral part of the financial statements.

**“AUDITOR’S REPORT”**  
In terms of our attached report of even date.

For and on behalf of Board of Directors  
Healthcaps India Limited

For VASUDEVA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. - 022239N

Sd/-  
(P.K. VASUDEVA)

PARTNER  
Membership No. - 13787  
UDIN: 22013787AMITZD5615

Sd/-  
CHIRANJIV SINGH  
(Managing Director)  
DIN-01602672

Sd/-  
HARITI SINGH  
(Whole Time Director)  
DIN-01852205

Dated : 6th July, 2022  
Place : S.B.S. Nagar

**HEALTHCAPS INDIA LIMITED**

**CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST MARCH 2022**

(₹ in lakh)

PARTICULARS	NOTE	FOR THE YEAR ENDED As at 31st March 2022 ₹	FOR THE YEAR ENDED As at 31st March 2021 ₹
<b><u>REVENUE</u></b>			
<b>Revenue from operations</b>			
Sales		25,509.35	14,874.60
Other Operating Revenues	2.1	247.10	173.04
Other Income	2.2	<u>21.16</u>	<u>21.13</u>
<b>Total Income</b>		<b>25,777.61</b>	<b>15,068.77</b>
<b><u>EXPENSES</u></b>			
Cost of materials consumed	2.3	7,774.84	5,072.05
Changes in Inventories	2.4	198.36	630.34
Employee Benefits Expense	2.5	2,720.56	2,146.14
Finance Costs	2.6	468.50	353.47
Depreciation & Amortisation Expense	1.9	525.11	411.68
Other Expenses	2.7	<u>7,143.69</u>	<u>4,420.79</u>
<b>Total Expenses</b>		<b>18,831.06</b>	<b>13,034.47</b>
Profit before exceptional items		6,946.55	2,034.30
Exceptional items		(2.16)	(17.06)
Profit before tax		6,944.39	2,017.24
Tax expense			
-Earlier years		4.53	(0.02)
-Deferred tax		139.17	77.78
-Current tax		<u>1,619.04</u>	<u>442.60</u>
Profit after tax		5,181.65	1,496.88
Less Minority Interest			
Profit for the year		0.003	0.00
Earnings per Equity share		5,181.65	1,496.88
-Basic & Diluted	4.8	128.35	37.08
<b>Significant accounting policies</b>	3		
<b>Other notes to accounts</b>	4		

The notes referred to above form an integral part of the financial statements.

**“AUDITOR’S REPORT”** For and on behalf of Board of Directors  
In terms of our attached Healthcaps India Limited  
report of even date.

For VASUDEVA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. - 022239N

Sd/-  
CHIRANJIV SINGH  
(Managing Director)  
DIN-01602672

Sd/-  
(P.K. VASUDEVA)  
PARTNER

Sd/-  
HARITI SINGH  
(Whole Time Director)  
DIN-01852205

Dated : 6th July, 2022  
Place : S.B.S. Nagar

Membership No. - 13787  
UDIN: 22013787AMITZD5615

**HEALTHCAPS INDIA LIMITED( CONSOLIDATED)****NOTE 1.1 : SHARE CAPITAL****( ₹ in lakh)**

<b>Particulars</b>	<b>As at 31st March, 2022</b>		<b>As at 31st March, 2021</b>	
	₹		₹	
<b>1.1.1 Authorised</b>				
- 5,000,000 Equity shares of ₹ 10/- each		500.00		500.00
<b>1.1.2 Issued, Subscribed &amp; Paid up</b>				
- 4,037,190 Equity shares of ₹ 10/- each, fully paid up		403.72		403.72
<b>TOTAL ₹</b>		<b>403.72</b>		<b>403.72</b>
<b>1.1.3 Details of shareholders holding more than 5% equity shares and Promoters shareholding as at year end.</b>				
a) Equity shares of ₹ 10/- each, fully paid up				
		<b>As at 31st March, 2022</b>		<b>As at 31st March, 2021</b>
		<b>% age of</b>		<b>% age of</b>
				<b>% Change during the year</b>
<b>b) Name of the Shareholders No. of Shares Shareholding</b>			<b>No. of Shares Shareholding</b>	
<b>Promoters</b>				
i) Sh. Chiranjiv Singh	2,650,618	65.66	2,650,518	65.65
ii) Smt. Hariti Singh	462,462	11.46	462,462	11.46
<b>TOTAL ₹</b>	<b>3,113,080</b>	<b>77.12</b>	<b>3,112,980</b>	<b>77.11</b>
<b>1.1.4 Reconciliation of share capital outstanding as at the beginning and at the end of the year</b>				
During the current year and in the previous year, there has been no movement in the number of equity shares outstanding.				

**NOTE 1.2 : RESERVES & SURPLUS****( ₹ in lakh)**

<b>Particulars</b>	<b>As at 31st March, 2022</b>		<b>As at 31st March, 2021</b>	
	₹		₹	
<b>1.2.1 Capital Reserve</b>				
- Balance brought forward		48.36		48.36
<b>1.2.2 Surplus</b>				
Statement of Profit & Loss				
- Balance brought forward		7,739.38		6,242.50
- Add : Net Profit for the year		5,181.65		1,496.88
		12,921.04		7,739.38
<b>TOTAL ₹</b>		<b>12,969.40</b>		<b>7,787.74</b>

**HEALTHCAPS INDIA LIMITED (CONSOLIDATED)**

**NOTE 1.3 : LONG-TERM BORROWINGS**

(₹ in lakh)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	₹	₹	₹	₹
<b>1.3.1 Secured</b>				
Term Loans				
- From : Banks	4,781.17			
- Less : Current maturities (refer Note 1.5)	1,008.29	3,772.88		2,966.16
Working Capital Term Loans				
- From : Banks	1,490.77			
- Less : Current maturities (refer Note 1.5)	284.04	1,206.73		824.91
Vehicle Loan				
- From : Banks	15.92			
- Less : Current maturities (refer Note 1.5)	6.22	9.70		16.49
<b>1.3.2 Unsecured</b>				
<b>From Company</b>				
(Inter-corporate deposit)		3.50		0.00
<b>TOTAL ₹</b>		<b>4,992.81</b>		<b>3,807.56</b>

**Notes 1. Term Loans:**

From State Bank of India, HDFC Bank and UCO Bank are secured by first charge, **pari-passu**, on entire fixed assets of the Company including land & building, movable and immovable fixed assets - both present and future (except vehicles hypothecated with other lenders).

Term Loans are further secured by second charge, **pari-passu** on current assets i.e. stock of raw material, stock in process, finished goods, consumable stores & spares and book debts, both present & future and personal Guarantee of two Directors (Mr. Chiranjiv Singh and Mrs. Hariti Singh) and relative of Directors (Mr. Satjiv Singh) of the Company.

Rate of interest on the loans ranges from 4.00% to 10.00% per annum.

**2. Working Capital - Term Loans :**

From State Bank of India, HDFC Bank and UCO Bank are secured by second charge, **pari-passu**, on movable and immovable assets of the Company.

Working Capital Term Loan is **Guaranteed** by National Credit Guarantee Trustee Company Ltd. (NCGTC).

**3. Vehicle Loan from UCO Bank is secured against hypothecation of specified vehicle.**

**NOTE 1.4 : LONG-TERM PROVISIONS****( ₹ in lakh)**

Particulars	As at 31st March,2022		As at 31st March, 2021	
	₹	₹	₹	₹
Gratuity				
-Balance brought forward	345.93		294.53	
-Add : Current year's provision	64.10		71.22	
	<u>410.03</u>		<u>365.75</u>	
Less: Contribution to Gratuity Fund	13.05	396.98	19.82	345.93
Leave Encashment				
-Balance brought forward	208.03		183.05	
-Add : Current year's provision	85.68		34.86	
	<u>293.71</u>		<u>217.90</u>	
-Less : Paid during the year	13.86	279.85	9.87	208.03
<b>TOTAL ₹</b>		<b><u>676.83</u></b>		<b><u>553.96</u></b>

**NOTE 1.5 : SHORT-TERM BORROWINGS****( ₹ in lakh)**

Particulars	As at 31st March,2022		As at 31st March, 2021	
	₹	₹	₹	₹
<b>1.5.1 Secured</b>				
<b>Working Capital Loans</b>				
-From : State Bank of India	526.02		109.10	
-From : HDFC Bank	791.75		1,566.29	
-From : UCO Bank	574.31	1,892.08	564.16	
			<u>2,239.55</u>	
<b>Buyers' Credit</b>				
-From : HDFC Bank	321.66	2,213.74	232.81	2,472.36
<b>1.5.2 Current Maturities</b>				
-Long-term Borrowings (refer Note 1.3)		1,298.55		895.02
<b>TOTAL ₹</b>		<b><u>3,512.29</u></b>		<b><u>3,367.38</u></b>

**Note: Working Capital Loans and Buyers' Credit:**

From State Bank of India, HDFC Bank and UCO Bank are secured by first charge, **pari-passu**, on entire current assets i.e. stock of raw material, stock in process, finished goods, consumable stores & spares lying in the premises of the Company and elsewhere and book debts, bills whether documentary or clean - both present & future.

The said facilities are further secured by second charge, **pari-passu**, on entire movable and immovable fixed assets of the Company and personal Guarantee of two Directors (Mr. Chiranjiv Singh and Mrs. Hariti Singh) and Relative of Directors (Mr. Satjiv Singh) of the Company.

**NOTE 1.6 : TRADE PAYABLES***( ₹ in lakh)*

Particulars	As at 31st March,2022 ₹	As at 31st March, 2021 ₹
For Supplies & Services	1,614.03	1,704.93
<b>TOTAL ₹</b>	<b>1,614.03</b>	<b>1,704.93</b>

**Trade Payables Ageing Schedule****Outstanding for following periods from due date of payment**

<u>Particulars</u>	<u>Less than 1 year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>More than 3 years</u>	<u>Total</u>
i) MSME	39.31	0.00	0.00	0.00	39.31
ii) Others	1,574.72	0.00	0.00	0.00	1,574.72
iii) Disputed Dues: -MSME/Others	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ₹</b>	<b>1,614.03</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,614.03</b>

**NOTE 1.7 : OTHER CURRENT LIABILITIES****(₹ in lakh)**

<b>Particulars</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
	₹	₹
Interest accrued but not due	7.96	4.88
Advance from Customers	75.41	304.52
Creditors for Capital Goods	709.43	637.68
Taxes & Expenses Payable	411.39	316.71
Tax deducted at source	25.33	196.06
Other Liabilities	287.47	321.52
<b>TOTAL ₹</b>	<b><u>1,516.99</u></b>	<b><u>1,781.37</u></b>

**NOTE 1.8 : SHORT-TERM PROVISIONS****(₹ in lakh)**

<b>Particulars</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
	₹	₹
For : Income Tax	1,619.04	442.60
<b>TOTAL ₹</b>	<b><u>1,619.04</u></b>	<b><u>442.60</u></b>

**NOTE 1.9 : PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND CAPITAL WORK-IN-PROGRESS**

(₹ in lakh)

PARTICULARS	GROSS BLOCK		DEPRECIATION/AMORTISATION		NET BLOCK			
	COST ADDITIONS/ AS AT 01.04.2021	(ADJUST- MENTS)	TOTAL	AS AT 01.04.2021	DURING THE YEAR	TOTAL	W.D.V. AS AT 31.03.2021	W.D.V. AS AT 31.03.2022
<b>"A" Property, Plant &amp; Equipment</b>								
Land and Site Development	505.58	0.00	505.58	0.00	0.00	0.00	505.58	505.58
Land - Guest House	0.00	1,173.06	1,173.06	0.00	0.00	0.00	0.00	1,173.06
Buildings	1,833.13	455.53 (51.25)	2,237.41	363.61	63.33 (48.65)	378.26	1,469.52	1,859.15
Buildings R&D	20.57	0.00	20.57	2.99	0.65	3.64	17.58	16.93
Buildings Guest House	0.00	100.27	100.27	0.00	1.46	1.46	0.00	98.82
Furniture & Fixtures	60.99	18.12	79.11	39.32	4.89	44.21	21.67	34.91
Plant & Machinery								
-Machinery	9,779.00	3,334.88	13,113.89	2,761.94	391.15	3,153.09	7,017.07	9,960.80
-Machinery R&D	107.19	0.00	107.19	13.36	4.07	17.44	93.82	89.75
-Office Equipment	52.52	0.90	53.42	47.98	0.96	48.94	4.54	4.48
-Electrical Installation	139.88	26.98	166.86	62.10	10.94	73.05	77.78	93.82
-Electrical Sub Station	83.56	0.00	83.56	79.97	0.00	79.97	3.59	3.59
-Laboratory Equipment	99.43	6.88	106.31	59.62	6.88	66.50	39.81	39.81
-Workshop Equipment	7.97	0.00	7.97	7.27	0.30	7.56	0.71	0.41
-Electrical Equipment	72.95	0.00	72.95	57.47	7.49	64.95	15.48	8.00
-Computers	54.78	12.79 (0.29)	67.28	44.33	5.41 (0.27)	49.47	10.45	17.81
-Vehicles	301.03	10.56 (11.60)	299.98	152.98	26.85 (11.02)	168.82	148.04	131.16
<b>TOTAL "A" : ₹</b>	<b>13,118.59</b>	<b>5,139.97 (63.13)</b>	<b>18,195.42</b>	<b>3,692.95</b>	<b>524.37 (59.98)</b>	<b>4,157.34</b>	<b>9,425.65</b>	<b>14,038.08</b>
<b>"B" Intangible Assets</b>								
Computer Software	14.97	6.01	20.97	13.69	0.73	14.42	1.27	6.55
<b>TOTAL "B" : ₹</b>	<b>14.97</b>	<b>6.01</b>	<b>20.97</b>	<b>13.69</b>	<b>0.73</b>	<b>14.42</b>	<b>1.27</b>	<b>6.55</b>
<b>"C" Capital Work-in-Progress:</b>	473.19	293.26* (473.19)	293.26	0.00	0.00	0.00	473.19	293.26
<b>"D" FIGURES FOR CURRENT YEAR : ₹</b> (A+B+C)	<b>13,606.74</b>	<b>5,439.23 (536.32)</b>	<b>18,509.65</b>	<b>3,706.64</b>	<b>525.11 (59.98)</b>	<b>4,171.77</b>	<b>9,900.12</b>	<b>14,337.89</b>
<b>"E" FIGURES FOR PREVIOUS YEAR : ₹</b>	<b>10,894.23</b>	<b>2,771.65 (59.13)</b>	<b>13,606.74</b>	<b>3,313.81</b>	<b>411.68 (18.85)</b>	<b>3,706.64</b>	<b>7,580.42</b>	<b>9,900.12</b>

\* As per Annexure - (B)

**NOTE 1.10 : LONG TERM LOANS & ADVANCES**

(₹ in lakh)

Particulars	As at 31st March, 2022 ₹	As at 31st March, 2021 ₹
(Unsecured considered good - unless otherwise stated).		
Advance For Capital Goods	201.86	1,333.98
<b>TOTAL ₹</b>	<b>201.86</b>	<b>1,333.98</b>

**NOTE 1.11 : OTHER NON-CURRENT ASSETS**

(₹ in lakh)

Particulars	As at 31st March, 2022 ₹	As at 31st March, 2021 ₹
Deposits with Government Departments & Other Agencies	183.36	151.61
Advance		
- Punjab Pollution Control Board* (for Water & Air Pollution)		
- Balance brought forward	11.52	14.40
- Add : Additions during the year	13.69	0.00
	25.21	14.40
- Less : Amount written off	2.88	2.88
* to be written off over a period of five years.		11.52
<b>TOTAL ₹</b>	<b>205.69</b>	<b>163.13</b>

**NOTE 1.12 : INVENTORIES**

(₹ in lakh)

Particulars	As at 31st March, 2022 ₹	As at 31st March, 2021 ₹
(As taken, valued and certified by the management)		
Raw Material	1,440.86	1,451.48
Work-in-Progress	201.39	275.17
Finished Goods	176.02	327.52
Stores & Spares etc.	275.00	207.75
Packing Material	48.78	20.00
Other Material*	45.22	18.30
<b>TOTAL ₹</b>	<b>2,187.27</b>	<b>2,300.22</b>

\* represents reusable material.

**NOTE 1.13 : TRADE RECEIVABLES***(₹ in lakh)*

Particulars	As at 31st March,2022 ₹	As at 31st March, 2021 ₹
(Unsecured considered good - unless otherwise stated)		
<b>1.13.1 Exceeding six months</b>	26.02	87.29
<b>1.13.2 Others</b>	8,762.99	4,540.51
<b>TOTAL ₹</b>	<b>8,789.01</b>	<b>4,627.80</b>

**Trade Receivables Ageing Schedule****Outstanding for following periods from due date of payment**

<u>Particulars</u>	<u>Less than 6 months</u>	<u>6 months- 1 year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>More than 3 years</u>	<u>Total</u>
<b>i) Undisputed -</b> (considered good)	8,762.99	20.40	0.63	3.12	1.87	8,789.01
<b>ii) Undisputed -</b> (considered doubtful)	0.00	0.00	0.00	0.00	0.00	0.00
	<b>8,762.99</b>	<b>20.40</b>	<b>0.63</b>	<b>3.12</b>	<b>1.87</b>	<b>8,789.01</b>

**Note : There were no Disputed Trade Receivables****NOTE 1.14 : CASH & BANK BALANCES***(₹ in lakh)*

Particulars	As at 31st March,2022 ₹	As at 31st March, 2021 ₹
<b>1.14.1 Cash and cash equivalents</b>		
Balance with Banks		
Current Accounts	165.27	1,158.20
Cash Balances	15.33	60.88
<b>1.14.2 Other bank balances</b>		
Balances held as margin money *	300.22	313.73
<b>TOTAL ₹</b>	<b>480.82</b>	<b>1,532.81</b>

\* include Cheque in hand (₹ 4.16)

\*\* pledged as security for letter of credit.

**NOTE 1.15: SHORT-TERM LOANS & ADVANCES***(₹ in lakh)*

<b>Particulars</b>	<b>As at 31st March,2022</b>	<b>As at 31st March, 2021</b>
	₹	₹
For Supplies & Services	69.96	140.30
Prepaid Expenses	10.54	9.18
Staff	0.30	0.80
Taxes	1,560.76	419.13
Balances		
With Goods & Services Tax Department	392.20	264.32
<b>TOTAL ₹</b>	<b><u>2,033.76</u></b>	<b><u>833.73</u></b>

**NOTE 1.16: OTHER CURRENT ASSETS***(₹ in lakh)*

<b>Particulars</b>	<b>As at 31st March,2022</b>	<b>As at 31st March, 2021</b>
	₹	₹
Amount Recoverable (Unsecured considered good - unless otherwise stated).		
Exceeding six months	82.71	81.54
Others	49.37	0.00
<b>TOTAL ₹</b>	<b><u>132.08</u></b>	<b><u>81.54</u></b>

**NOTE 2.1 : OTHER OPERATING REVENUES***(₹ in lakh)*

<b>Particulars</b>	<b>For the year ended 31st March, 2022 ₹</b>	<b>For the year ended 31st March, 2021 ₹</b>
Gain		
-Foreign Exchange	154.40	69.91
Others		
-Duty Drawback/Export Incentives	92.70	103.13
<b>TOTAL ₹</b>	<b>247.10</b>	<b>173.04</b>

**NOTE 2.2 : OTHER INCOME***(₹ in lakh)*

<b>Particulars</b>	<b>For the year ended 31st March, 2022 ₹</b>	<b>For the year ended 31st March, 2021 ₹</b>
Interest earned	16.93	15.17
Miscellaneous	4.23	5.96
<b>TOTAL ₹</b>	<b>21.16</b>	<b>21.13</b>

**NOTE 2.3 : COST OF MATERIALS CONSUMED***(₹ in lakh)*

Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	₹	₹	₹	₹
Opening Stock	1,451.48		693.50	
Add: Purchases	<u>7,764.22</u>	9,215.70	<u>5,830.03</u>	6,523.53
Less: Closing Stock		1,440.86		1,451.48
<b>TOTAL ₹</b>		<b><u>7,774.84</u></b>		<b><u>5,072.05</u></b>

**NOTE 2.4 : CHANGES IN INVENTORIES***(₹ in lakh)*

Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	₹	₹	₹	₹
Stock at Commencement				
-Work-in-Progress	275.17		391.50	
-Finished Goods	327.52		839.82	
-Other Material *	<u>18.30</u>	620.99	<u>20.01</u>	1,251.33
Stock at Close				
-Work-in-Progress	201.39		275.17	
-Finished Goods	176.02		327.52	
-Other Material *	<u>45.22</u>	422.63	<u>18.30</u>	620.99
<b>TOTAL ₹</b>		<b><u>198.36</u></b>		<b><u>630.34</u></b>

\* represent reusable material.

**NOTE 2.5 : EMPLOYEE BENEFITS EXPENSE***(₹ in lakh)*

Particulars	For the year ended		For the year ended	
	31st March, 2022		31st March, 2021	
	₹	₹	₹	₹
Salaries & Wages (salaries & wages, gratuity, leave encashment & bonus)		2,481.41		1,947.39
Contribution to : -Provident Fund & Other Funds		136.89		117.40
Staff Welfare *		102.26		81.35
<b>TOTAL ₹</b>		<b>2,720.56</b>		<b>2,146.14</b>

\* inclusive of uniform & liveries ( ₹0.43).

**NOTE 2.6 : FINANCE COSTS***(₹ in lakh)*

Particulars	For the year ended		For the year ended	
	31st March, 2022		31st March, 2021	
	₹	₹	₹	₹
Interest				
-Banks				
-Term Loans	293.48		161.81	
Working Capital Loans	<u>116.39</u>	409.87	<u>139.13</u>	300.94
Bank Charges		58.63		52.53
<b>TOTAL ₹</b>		<b>468.50</b>		<b>353.47</b>

**NOTE 2.7 : OTHER EXPENSES***(₹ in lakh)*

Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	₹	₹	₹	₹
Operating Expenses				
-Consumable Stores	606.03		448.57	
-Packing Material	628.81		476.28	
-Power & Fuel	2,189.53		1,675.01	
-Capsule Sorting Charges	82.39		65.14	
-Others	<u>247.52</u>	3,754.28	<u>187.75</u>	2,852.75
Rent		25.62		16.40
Repairs & Maintenance				
-Building & Electricals	82.82		50.11	
-Machinery & Equipment	171.69		80.51	
-Computers	12.91		9.52	
-Vehicles	<u>15.03</u>	282.45	<u>10.35</u>	150.49
Insurance		66.74		63.35
Rates & Taxes		36.06		30.75
Legal & Professional Charges		124.27 *		74.18
Other Administrative Expenses		83.41		76.63
Travelling & Conveyance				
-Directors	0.47		0.00	
-Staff/Others	<u>216.55</u>	217.02	<u>147.07</u>	147.07
-General Charges		146.31		35.21
-Selling & Distribution Expenses		2,376.83**		943.96
CSR Expenses		30.70		30.00
<b>TOTAL ₹</b>		<u><b>7,143.69</b></u>		<u><b>4,420.79</b></u>

\* inclusive of Auditors' Remuneration ( ₹ 3.55).

\*\* inclusive of Freight &amp; Forwarding ( ₹ 2,227.96).

**HEALTHCAPS INDIA LIMITED**  
**NOTE '3' : SIGNIFICANT ACCOUNTING POLICIES**  
**(Forming part of Consolidated Financial Statement)**  
**FOR THE YEAR ENDED 31st MARCH, 2022**

**CORPORATE INFORMATION**

The Consolidated Financial Statement including the financial statement of Heathcaps India Limited (the "Company" or the "Holding Company") and HV Caps Private Limited (the "Subsidiary Company:") referred to as "Group"

HV Caps Private Limited was incorporated on 20th May,2021 and its 94% shareholding is with the holding company.

**SIGNIFICANT ACCOUNTING POLICIES**

**3.1. Basis of Accounting**

The consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical convention on accrual basis. These financial statements have been prepared to comply, in all material aspects, with the accounting standards notified under Section 133 of the Companies Act, 2013 read with the presentation requirements as prescribed by Schedule III of the Companies Act, 2013 to the extent applicable.

**3.2 Principles of Consolidation**

The consolidated financial statements include the financial statements of the Holding Company & its Subsidiary.

The financial statements of the Holding Company and its Subsidiary Company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating Intra Group balances and Intra Group transactions in accordance with Accounting Standard (AS) -21 - "Consolidated Financial Statements".

The excess of the cost to the parent of its investment in a subsidiary over the parent's portion of equity at the date on which investment in the subsidiary is made, is recognized as 'Goodwill (on consolidation)'. When the cost to the parent of its investment in a subsidiary is less than the parent's portion of equity of the subsidiary at the date on which investment in the subsidiary is made, the difference is treated as 'Capital Reserve (on consolidated)' in the consolidated financial statements.

Minority interest in the net assets of consolidated subsidiary consists of the amount of equity attributable to the minority shareholders at the dates on which investments in the Subsidiary Company are made and further movements in their share in the equity, subsequent to the dates of investments.

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

**3.3. Property, Plant & Equipment**

Tangible Assets are stated at cost of acquisition or construction less accumulated depreciation and impairment of assets, if any.

The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use and net of GST availed.

**- Intangible Assets**

Intangible Assets are stated at cost less accumulated amortisation.

**- Capital Work-in-Progress**

Expenses incurred during construction/installation period are included under capital work-in-prog-

ress and allocated to relevant fixed assets in the ratio of cost of the respective assets on completion of construction/installation/fabrication.

### **3.4 Depreciation/Amortisation**

- Depreciation on tangible assets is provided on straight line method over the useful life of assets assigned to each asset in accordance with Schedule II of the Companies Act, 2013.
- Residual value of assets is considered at 5% of the original cost of the assets.
- Depreciation on additions to fixed assets is calculated on month-end balances.
- Depreciation on assets sold & scrapped, during the year, is provided upto the month in which such fixed assets are sold or scrapped.
- Intangible Assets have been amortised on straight line method pro-rata on month end balances over a period of five years in accordance with Accounting Standard -26 "Intangible Assets".

### **3.5. Impairment of Assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

### **3.6 .Valuation of Inventories**

- Raw Material (on FIFO Method) & Stores & Spares/Scrap etc. have been valued at cost or market price, whichever is lower.
- Work in-Progress include cost of material and proportionate cost of conversion.
- Finished Goods have been valued at cost.

### **3.7. Goods and Services Tax**

- GST on Building is capitalised to Building.
- GST on Other Capital Goods is credited to respective assets.
- GST on purchase of raw material and other material is deducted from the cost of such material.
- GST on input service is deducted from the cost of such service.

### **3.8. Capital Subsidy**

Government grants are deducted from the value of the concerned asset if the grant is specifically received for the purchase, construction or acquisition of the asset. However, if it is received as a contribution towards the total investment or by way of contribution to its capital outlay and no repayment is ordinarily required to be made, such grants are treated as Capital Reserves.

### **3.9. Revenue Recognition**

- Revenue from sale of products is recognised on transfer of all significant risk and rewards of ownership to the buyer which coincides with the dispatch of goods from factory premises and is recognised on accrual basis. The sales are recorded at invoice value net of rebate/trade discounts, goods & services tax and returns.
- Interest income is recognised on an accrual basis on time proportion method, taking into account the amount outstanding and the rate applicable.
- Export benefits are recognised on receipt basis.
- Insurance and other claims are accounted for on settlement of claims/on receipt.
- Sales are shown net of taxes, as applicable.

### **3.10. Employee Benefits**

#### **a) Short-term Employee Benefits:**

Bonus is accounted for on accrual basis.

#### **b) Post-Employment Benefits**

##### **(i) Defined Contribution Plans**

Contributions, as required under the Statute/Rule, made to Employees State Insurance & Provident Fund, are charged to Statement of Profit & Loss of the year when the contributions to the respective funds are due.

## **(ii) Defined Benefit Plans**

- The Company provides for Gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement/termination of employment or death of an employee during service, based on the respective employees' salary and years of employment with the Company. The Company provides for its liability under the Gratuity Plan based on actuarial valuation.
- The Company has taken Group Gratuity Scheme from Life Insurance Corporation of India under the specified provisions of the Income Tax Act, 1961.

### **c) Other Long-term Employee Benefits**

Leave Encashment, on the basis of actual computation, is accounted for on accrual basis, during the tenure of employment the payment in respect thereof is made by the Company from its own funds as per the past practice consistently followed by the Company.

### **d) Termination Benefits**

Termination benefits are recognised as an expense as and when incurred.

## **3.11. Foreign Currency Transactions**

- The Company accounts for the effects of difference in foreign exchange rates in accordance with Accounting Standard 11 notified by Companies (Accounting Standards) Rules, 2006 under Section 133 of the Companies Act, 2013.
- Foreign currency transactions are recorded using the exchange rate prevailing on the date of transaction. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of Profit & Loss.
- Monetary assets and liabilities denominated in foreign currency are restated at the exchange rate prevailing at the year end. The resultant differences are recognised in the Statement of Profit & Loss.
- Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are recorded at the exchange rate prevalent at the date of transaction. Gains or Losses arising on settlement of such transactions are adjusted against cost of assets.

## **3.12. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets to the extent that they relate to the period till such assets are ready to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit & Loss.

## **3.13. Forward and Options Contracts in Foreign Currency**

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit & Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.

Gain or Loss on contracts relating to acquisition of imported fixed assets is adjusted to the carrying cost of fixed assets.

## **3.14. Operating Lease**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease charges are recognised as an expense in the Statement of Profit & Loss on a straight line basis.

## **3.15. Research and Development Expenditure**

Revenue expenditure on research and development is charged to Statement of Profit & Loss, in the year in which it is incurred. Capital expenditure on research and development is included as part of fixed assets and depreciated on the same basis as other fixed assets.

### 3.16. Taxes on Income

- Current Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.
- Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities.

### 3.17. Earnings Per Share (EPS)

- Annualised basic earnings per equity share is arrived at based on net profit/(loss) attributable to equity shareholders to the basic weighted average number of equity shares outstanding.
- Annualised diluted earnings per equity share is arrived at based on adjusted net profit/(loss) attributable to equity shareholders to the adjusted weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares; except where the results are anti-dilutive. At present the Company does not have any dilutive potential equity shares.

### 3.18. Cash Flow Statement

- The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard (AS) 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company.
- Cash and cash equivalents presented in the Cash Flow Statement consists of cash in hand, cheques & drafts in hand and balances in current account/flexi deposit.

### 3.19. Contingencies and Provisions

A provision is recognised when the Company has a present obligation as a result of past events. It is probable that an outflow of resources embodying economic benefit will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate of the expenditure required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

A Contingent Liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

## NOTE 4 : OTHER NOTES TO ACCOUNTS (Forming part of Consolidated Financial Statements) FOR THE YEAR ENDED 31st MARCH, 2022

### 4.1. Contingent Liabilities & Commitments:

- a) Estimated amount of contracts remaining to be executed and not provided for in the books of account - Nil (previous year - Nil).

#### b) Contingent Liabilities:

-**Claims against Company not acknowledged as debt - ₹ Nil (previous year - ₹ Nil).**

-Letter of Credit opened by HDFC Bank for purchase of Raw Material - ₹ 281.43 lakh (previous year - ₹ 271.12 lakh).

**Fixed Deposits (Margin Money - ₹ 149.90 lakh inclusive of interest accrued & due) against Letter of Credit have been pledged with the HDFC Bank.**

- Letter of Credit opened by State Bank of India for purchase of Capital Goods - ₹ 145.54 lakh (USD 1.92 lakh)] (previous year Nil).

**Fixed Deposits (Margin Money - ₹ 48.23 lakh) against Letter of Credit have been pledged with the State Bank of India.**

- Letter of Credit opened by UCO Bank for purchase of Capital Goods - Nil (previous year - ₹ 66.15 lakh)

- Liabilities in respect of Income Tax, Goods & Services Tax, Custom Duty and other material statutory dues have been accounted for on the basis of respective returns filed with the relevant authorities.

**-Additional demand, if any, on account of statutory dues, arising at the time of assessment will be accounted for in the year in which assessment is completed.**

c) Figures have been rounded off to nearest lakh, except Earnings per Equity share.

#### 4.2. Reserves & Surplus:

- Capital Reserve (₹ 48.36 lakh) include:

Central Investment Subsidy (₹ 15.00 lakh).

#### 4.3. Long-term Borrowings:

##### Secured

Term Loans:

**From : State Bank of India (Account No. I - ₹ 740.00 lakh), is repayable in 81 monthly installments:**

9 monthly installments of ₹ 5.00 lakh each w.e.f. July, 2017 to March, 2018.

24 monthly installments of ₹ 7.00 lakh each w.e.f. April, 2018 to March, 2020.

24 monthly installments of ₹ 9.00 lakh each w.e.f. April, 2020 to March, 2022.

12 monthly installments of ₹ 12.00 lakh each w.e.f. April, 2022 to March, 2023.

11 monthly installments of ₹ 14.00 lakh each w.e.f. April, 2023 to February, 2024.

1 monthly installment of ₹ 13.00 lakh due & payable in March, 2024.

**From : State Bank of India (Account No. II - ₹ 750.00 lakh), is repayable in 120 monthly installments of ₹ 6.25 lakh each w.e.f. April, 2021 to March, 2031.**

**From : State Bank of India (Account No. III - ₹ 2,400.00 lakh), is repayable in 78 monthly installments:**

77 monthly installments of ₹ 30.77 lakh each w.e.f. November, 2022 to March, 2029.

1 monthly installment of ₹ 30.71 lakh due & payable in April, 2029.

**From : HDFC Bank (Account No. I - ₹ 1,250.00 lakh), is repayable in 24 quarterly installments:**

23 quarterly installments of ₹ 52.08 lakh each w.e.f. December, 2018 to June, 2024.

1 monthly installment of ₹ 52.16 lakh due & payable in September, 2024.

**From : HDFC Bank (Account No. II - ₹ 975.00 lakh), is repayable in 24 quarterly installments:**

1 quarterly installment of ₹ 15.63 lakh due & payable in November, 2019.

2 quarterly installments of ₹ 23.89 lakh each w.e.f. February, 2020 to May, 2020.

2 quarterly installments of ₹ 41.03 lakh each w.e.f. August, 2020 to November, 2020.

19 quarterly installments of ₹ 43.66 lakh each w.e.f. February, 2021 to September, 2025.

**From : HDFC Bank (Account No. III - ₹ 630.00 lakh), is repayable in 66 monthly installments of ₹ 9.54 lakh each w.e.f. July, 2021 to December, 2026.**

**From : UCO Bank (₹ 825.00 lakh), is repayable in 72 monthly installments:**

69 monthly installments of ₹ 11.50 lakh each w.e.f. August, 2021 to April, 2027.

03 monthly installments of ₹ 10.50 lakh each w.e.f. May, 2027 to July, 2027.

-Interest on Term Loans is payable on monthly basis.

Working Capital Term Loans:

**From : State Bank of India (Account No. I - ₹ 195.00 lakh), is repayable in 36 monthly installments of ₹ 5.42 lakh each w.e.f. March, 2022 to February, 2025.**

**From : State Bank of India (Account No. II - ₹ 230.00 lakh), is repayable in 48 monthly installments of ₹ 4.79 lakh each w.e.f. April, 2024 to March, 2028.**

**From : HDFC Bank (₹ 550.00 lakh), is repayable in 36 monthly installments of ₹ 15.28 lakh each w.e.f. April, 2022 to March, 2025.**

**From : UCO Bank (Account No. I - ₹ 107.00 lakh), is repayable in 36 monthly installments of ₹ 2.97 lakh each w.e.f. September, 2021 to August, 2024.**

**From : UCO Bank (Account No. II - ₹ 159.50 lakh), is repayable in 48 monthly installments of ₹ 3.32 lakh each w.e.f. April, 2024 to March, 2028.**

**From : UCO Bank (Account No. III - ₹ 300.00 lakh), is repayable in 48 monthly installments of ₹ 6.25 lakh each w.e.f. April, 2024 to March, 2028.**

-Interest on Working Capital Term Loans is payable on monthly basis.

#### **Unsecured**

Inter Corporate Deposit from Ozark Engineering Private Limited ( ₹ 3.50 lakh) is exempt Deposit.

- 4.4.** a) In the opinion of the Directors, "Current Assets" and "Loans & Advances" are approximately of the value stated in the Balance sheet, if realized in the ordinary course of business and to the best of their knowledge provisions for all the known liabilities have been made and, as certified, all the contractual and statutory obligations have been duly complied with.
- b) Party balances have been incorporated in the financial statements at the value as per the books of account & are considered hopeful of recovery/good for payment.
- 4.5. Other Current Liabilities (₹ 1,516.94 lakh):**  
Advance from Customers (₹ 75.41 lakh); supplies/services will be effected/rendered in the ensuing year and accordingly party accounts updated/adjusted  
Audit Fees Payable (₹ 0.005 lakh) of HV Caps Private Limited
- 4.6. Segment Reporting (AS-17):**  
Since, the Subsidiary Company primarily operates in one segment (manufacturing of single product i.e. Empty Capsules) therefore segment reporting as required under Accounting Standard -17 is not applicable; there is no reportable geographical segment either.

**4.7. Related Party Disclosures (AS-18):**

Related parties & their relationship and related parties transactions As per Annexure (A).

**4.8. Earnings Per Share (AS-20):**

	Year ended 31st March, 2022 (₹ in lakh)		Year ended 31st March, 2021 (₹ in lakh)	
<b>Numerator</b>				
Net Profit attributable to Equity shareholders	₹	5,181.64	₹	1,496.88
<b>Denominator</b>				
Weighted Average Number of Equity shares outstanding	No.'s	40.37	No.'s	40.37
Nominal Value per Equity share	₹	10	₹	10
Earnings per Equity share -Basic & Diluted	₹	128.35	₹	37.08

**4.9. Deferred Tax Assets & Liabilities (AS-22):**

The major components of Deferred Tax Asset and Deferred Tax Liability arising out of timing differences are:

<u>Particulars</u>	<u>Amount</u> (₹ in lakh)		<u>Total</u> (₹ in lakh)
<b>a) Timing Difference (Liability)</b>			
<u>Depreciation:</u>			
-As per Income Tax Act, 1961	1,205.09		
-As per Financial Statements	525.11	679.98	
<u>Expenses:</u>			
u/s 35DDA of the Income Tax Act, 1961			
Salaries & Allowances			
-Voluntary Retirement Compensation (i.e. 1/5 of ₹ 400,000/-)		0.80	
u/s 43B of the Income Tax Act, 1961: <b>(paid during the year)</b>			
-Gratuity	13.05		
-Bonus	42.58		
-Leave Encashment	13.86	69.49	750.27
<b>b) Timing Difference (Asset)</b>			
<u>Expenses:</u>			
u/s 43B of the Income Tax Act, 1961 <b>(Not paid till date)</b>			
-Gratuity		64.10	
-Bonus		47.55	
-Leave Encashment		85.68	197.33
<b>Net Timing Difference (Liability)</b>			<b>552.94</b>
Tax on Net Timing Difference (Liability) (@ 25.1680%)			139.17
<b>Or say</b>			<b>139.17</b>
Add : Opening Balance			924.06
<b>Deferred Tax Liability (Net)</b>	<b>Total ₹</b>		<b>1,063.22</b>

**4.10. a) Exceptional items (₹ 2.16 lakh) represent:**

- Loss on disposal of Computer (W.D.V. - ₹ 0.01 lakh i.e. Cost of Computer - ₹ 0.28 lakh less accumulated depreciation - ₹ 0.27 lakh),
- Loss on demolition of Building (W.D.V. - ₹ 2.56 lakh i.e. Cost of Building - ₹ 51.25 lakh less accumulated depreciation - ₹ 48.69 lakh),

**Net off**

Profit on sale of Vehicle (₹ 0.42 lakh) [i.e. difference between sale proceeds of Vehicle - ₹ 1.00 lakh less W.D.V. of Vehicle - ₹ 0.58 lakh (Cost of Vehicle - ₹ 11.60 lakh less accumulated depreciation - ₹ 11.02 lakh)].

**b) Property, Plant & Equipment:**

-Capital Work-in-Progress (₹ 293.26 lakh) represent:

**Building (under-construction - ₹ 225.00 lakh), Plant & Machinery (under installation - ₹ 52.61 lakh) & Vehicles (under fabrication - ₹ 15.64 lakh); the said amount will be capitalised to respective assets, on completion of construction/installation of Plant & Machinery.**

Bank Charges & Interest (₹ 8.05 lakh), in accordance with the provisions of Section 36(1) (iii) of the Income Tax Act, 1961 and Accounting Standard-16 (Borrowing Costs) as notified under the Companies (AS) Rules, 2006, has been capitalised to Capital Work-in-Progress on additions made during the financial year 2021-2022 - **As per Annexure - (B).**

**c) Trade Receivables (₹ 8,789.01 lakh) include:**

₹ 5,769.66 lakh and ₹ 1,125.99 lakh due from Alfa Caps LLC. and Healthcaps Europe Ltd. (Foreign Companies in which relative of Directors is interested), against sales effected in the ordinary course of business at Arm's Length price.

**d) Short-term Borrowings (₹ 3,512.29 lakh) include:**

Current Maturities of Long-term Borrowings (₹ 1,298.55 lakh).

**e) Bad Debts (₹ 90.50 lakh) represent :**

irrecoverable party balances written off during the year.

**Bad debts, incidental to the business, can be written off during the year, if income there against was credited to the revenue, in earlier years.**

**Bad debts are allowable deduction u/s 36(i)(vii) if it is written off as irrecoverable in books of account in the previous year in which claim for deduction is made.**

**4.11. Taxes:**

a) **Section 115BAA has been inserted in the Income Tax Act, 1961 to give benefit of reduced Corporate Tax rate for the Domestic Companies w.e.f. financial year 2019-2020.**

b) A Domestic Company which exercises the option for availing benefit of lower tax rate under Section 115BAA of the Income Tax Act, 1961, will not be allowed to claim set-off of brought forward loss on account of Additional Depreciation and will not be eligible for brought forward Minimum Alternate Tax (MAT) credit in subsequent years.

(refer Central Board of Direct Taxes (CBDT) Circular No. 29/2019, dated 02nd October, 2019)  
 c) Keeping in view the provisions specified u/s 115BAA, the management of the Company had decided to avail the benefit of concessional rate of Income Tax [i.e. @ 25.1680% (Base rate @ 22% plus Surcharge @10% plus Cess @ 4%)], hence, the Company will not be:  
 - required to pay Minimum alternate Tax (MAT) u/s 115JB of the Income Tax Act, 1961, and  
 - eligible to claim Additional Depreciation u/s 32(1) of the Income Tax Act, 1961.

#### 4.12. Impairment of Assets (AS-28):

During the year, the Company has undertaken a review of all the fixed assets in line with the requirements of AS-28 on "Impairment of Assets" as notified by Companies (Accounting Standards) Rules, 2006 under Section 133 of the Companies Act, 2013, based on such review, no provision for impairment is required to be recognised for the year.

#### 4.13. Corporate Social Responsibility

CSR Expenses - ₹ 30.70 lakh [refer Note no. 2.7 (Other Expenses)] comprise of :

(₹ in lakh)  
**Amount**

##### Particulars

2% of the average profit of three preceding financial years i.e. 2018-2019, 2019-2020 and 2020-2021.	-	30.66
Excess amount deposited over & above the required contribution (i.e. ₹ 30.70 lakh less ₹ 30.66 lakh).	-	0.04
<b>Total (₹)</b>	-	<b>30.70</b>

The Company had paid - ₹ 30.70 lakh to Registered Trust [Sansthanam Abhay Daanam], during the previous financial year, towards Corporate Social Responsibilities for the financial year 2021-2022.

#### 4.14. Micro, Small & Medium Enterprises:

Based on the information available with the Company, the Company has certain dues to suppliers registered under "The Micro, Small and Medium Enterprises Development Act, 2006" (MSMED Act, 2006). The disclosures pursuant to the said MSMED Act are as follows:

	Particulars	(₹ in lakh)	(₹ in lakh)
		As at 31.03.2022	As at 31.03.2021
(i)	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act, 2006).		
	Principal Amount due to micro and small enterprises		
	Trade Payables	39.31	--
	Creditors for Capital Goods	624.26	425.50
	Interest due on above	Nil	Nil
(ii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, alongwith the amount of the payment made to the supplier beyond the appointed day during the period.	Nil	Nil
(iii)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	Nil	Nil
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
(v)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	Nil	Nil

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

#### 4.15. Disclosure of Financial Ratios - As per Annexure - (C).

#### 4.16. Auditor's Remuneration:

(excluding Goods and Services Tax)

**31st March, 2022**

**31st March, 2021**

**AMOUNT**  
(₹ in lakh)

**AMOUNT**  
(₹ in lakh)

- As Auditors

3.55

3.00

**Total ₹**

**3.55**

**3.00**

#### 4.17. Other additional information

##### A. Holding Company

##### a) Revenue from operations

The Company is dealing in manufacturing & sales of Empty Hard Gelatine Capsules & Hydroxy Propyl Methyl Cellulose Capsules.

<b>Particulars</b>	<b>31st March, 2022</b>		<b>31st March, 2021</b>	
	<b>AMOUNT</b> (₹ in lakh)		<b>AMOUNT</b> (₹ in lakh)	
<b>b) Raw material consumed</b>				
Gelatine	3,400.36		2,661.77	
HPMC	3,866.72		2,056.30	
Colours & Chemicals	507.75		353.98	
Total ₹	<b>7,774.83</b>		<b>5,072.05</b>	
<b>c) Finished Goods</b>				
<b>Opening Stock</b>				
- Empty Hard Gelatine Capsules	167.03		564.65	
- Hydroxy Propyl Methyl Cellulose Capsules	160.48		275.16	
<b>Closing Stock</b>				
- Empty Hard Gelatine Capsules	95.72		167.03	
- Hydroxy Propyl Methyl Cellulose Capsules	80.30		160.48	
<b>d) Imported &amp; indigenous consumption of Raw Material &amp; percentage thereof.</b>				
	<b>31st March, 2022</b>		<b>31st March, 2021</b>	
	<b>AMOUNT</b> ₹	<b>%</b>	<b>AMOUNT</b> ₹	<b>%</b>
'i' Imported	3,757.33	48.33	2,105.56	41.51
'ii' Indigenous	4,017.50	51.67	2,966.49	58.49
<b>e) Transactions in Foreign Currency</b>				
	<b>31st March, 2022</b>		<b>31st March, 2021</b>	
	<b>AMOUNT</b> (₹ in lakh)	<b>TOTAL</b> (₹ in lakh)	<b>AMOUNT</b> (₹ in lakh)	<b>TOTAL</b> (₹ in lakh)
- <b>C.I.F. value of import</b>				
Raw Material (USD 53.79)		4,186.90		2,802.93
- Capital Goods (USD 3.75)		278.72		291.42
- <b>Expenditure</b>				
Consumable stores (USD 0.51)	43.27		51.21	
(GBP 0.20)	26.39		7.99	
(JPY 2.16)	1.82	71.48	3.94	63.14
Business promotion (USD 0.06)	4.45		24.28	
(GBP 0.006)	0.62	5.07	0.60	24.88
Travelling & conveyance Commission (USD 0.21)		Nil 15.25		Nil 12.56

Rate & Taxes (USD 0.06)		4.11		4.30
Packing & Forwarding (USD 0.005)		0.36		0.53
Laboratory & Testing Charges (EURO 0.007)		0.58		0.00
Bank Chages (USD 0.00075)		0.06		0.00
<b>Advances</b>				
(USD 0.25)	19.44			
(JPY 2.16)	<u>1.46</u>	20.90		0.00
- <b>Earnings</b>				
F.O.B. value of exports (Direct) (USD 173.06)	12,764.60		4,921.63	
(GBP 27.64)	2,775.52		1,936.20	
(EURP 2.24)	193.20		13.23	
(AUD 0.06)	<u>3.47</u>	15,736.80	<u>78.76</u>	6,949.82

## B. Subsidiary Company

Since, the Subsidiary Company did not carry on any business activity, during the year; additional information pursuant to the provisions of General Instructions under Schedule III of the Companies Act, 2013 is not applicable to the Holding Company

### 4.18 Other additional information

Name of the Entity	Net Assets i.e. Total Assets less Total Liabilities		Share in Profit or Loss	
	As a % of Consolidated Net Assets	Amount (₹ in lakh)	As a % of Consolidated Profit or Loss	Amount (₹ in lakh)
<b>Holding Company</b> Healthcaps India Ltd.	99.992522%	13,372.18	100.00%	5,181.70
<b>Subsidiary Company</b> HV Caps Private Limited	0.007029%	0.94	0.00%	(0.05)
<b>Minority Interest</b>	0.000449%	0.06	0.00%	(0.003)
<b>Total ₹</b>	100.00%	13,373.18	100.00%	5,181.65

4.19. Figures for previous year have been regrouped/rearranged where necessary to conform to the current year's presentation.

In terms of our attached report of even date.

For and on behalf of the Board of Directors

For VASUDEVA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. - 022239N

Sd/-  
(P.K. VASUDEVA)  
PARTNER  
Membership No. - 13787  
UDIN: 22013787AMITZD5615

Sd/-  
CHIRANJIV SINGH  
(Managing Director)  
DIN : 01602672

Sd/-  
HARITI SINGH  
(Whole-time Director)  
DIN:01852205

Dated: 06 th July, 2022

Place : S.B.S. Nagar

**HEALTHCAPS INDIA LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH, 2022**  
**ANNEXURE 'A' TO NOTES TO ACCOUNTS [NOTE 4.7]**

**RELATED PARTY DISCLOSURES :**

Disclosures as required by the Accounting Standard - 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below :  
**(As certified by the Management)**

**'A' Relationship**

**1. Key Management Personnel**

Mr. Chiranjiv Singh	Managing Director
Mr. Hariti Singh	Whole-time Director
Mr. Gurcharan Singh	Director

**2. Relatives of Key Management Personnel**

Mr. Satjiv Singh
Mr. Anuj Gandhi

**3. Enterprises over which key management personnel or their relatives have significant influence**

Alfa Caps Pvt. Ltd.
Ozark Engineering Pvt. Ltd.
HV Caps Private Limited

AlfaCaps LLC
Healthcaps Europe Limited

**'B' Aggregate amount of transactions, during the year, with the related parties**

S.No.	Nature of Transactions	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which K.M.P./their relatives have significant influence
		AMOUNT (₹ in lakh)	AMOUNT (₹ in lakh)	AMOUNT (₹ in lakh)
<b>A)</b>	<b>Revenue:</b>			
<b>1.</b>	<b>Sales</b>			
	-AlfaCaps LLC	-	-	11,928.57
	-Healthcaps Europe Ltd.	-	-	2,968.72
<b>B)</b>	<b>Expenditure:</b>			
<b>1.</b>	Salaries & Allowances	-	120.00	-
<b>2.</b>	Directors' Expenses	106.98	-	-
<b>3.</b>	Other Operating Expenses			
	-Job Work	-	-	27.15
	-Capsules Sorting Charges	-	-	82.39
	-Rent	-	-	9.57
	-Travelling & Conveyance (Staff/Others)	-	-	0.66
	-Repairs & Maintenance - Building	-	-	1.97

<b>C) Others:</b>			
<b>1. Property, Plant &amp; Equipment</b>			
-Purchases			
Ozark Engineering Pvt. Ltd.	-	-	1,699.40
<b>D) Year end balances</b>			
<b>1. Due to Directors:</b>			
-Chiranjiv Singh	3.75	-	-
-Hariti Singh	2.33	-	-
<b>2. Salaries &amp; Wages Payable:</b>			
-Satjiv Singh	-	2.92	-
-Anuj Gandhi	-	2.92	-
<b>3. Trade Payables:</b>			
-Alfa Caps Pvt. Ltd.	-	-	12.39
-Ozark Engineering Pvt. Ltd.	-	-	624.26
<b>4. Trade Receivables:</b>			
-AlfaCaps LLC	-	-	5,769.66
-Healthcaps Europe Limited	-	-	1,125.99

**For and on behalf of the Board of Directors**

**Sd/-  
CHIRANJIV SINGH  
(Managing Director)  
DIN : 01602672**

**Sd/-  
HARITI SINGH  
(Whole-time Director)  
DIN : 01852205**

**Dated : 06th July, 2022  
Place : S.B.S. Nagar**

**HEALTHCAPS INDIA LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH, 2022**  
**DISCLOSURE OF CAPITAL WORK-IN-PROGRESS**  
**ANNEXURE 'B' TO NOTES TO ACCOUNTS [NOTE 4.10]**

**Capital-work-in-progress aging schedule**

(₹ in lakh)

		As on 31st March, 2022					
CWIP		Amount of CWIP in period of					Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years		
<b>Projects in progress</b>							
1	Building	225.00	0.00	0.00	0.00	225.00	
2	Plant & Machinery	52.61	0.00	0.00	0.00	52.61	
3	Vehicle	15.64	0.00	0.00	0.00	15.64	

**Capital-work-in-progress completion schedule**

(₹ in lakh)

		As on 31st March, 2022					
CWIP		To be completed in					Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years		
1	Building	225.00	0.00	0.00	0.00	225.00	
2	Plant & Machinery	52.61	0.00	0.00	0.00	52.61	
3	Vehicle	15.64	0.00	0.00	0.00	15.64	

**Sd/-**  
**CHIRANJIV SINGH**  
**(Managing Director)**  
**DIN : 01602672**

**Sd/-**  
**HARITI SINGH**  
**(Whole-time Director)**  
**DIN : 01852205**

**Dated : 06th July, 2022**  
**Place : S.B.S. Nagar**

**HEALTHCAPS INDIA LIMITED**  
**CONSOLIDATED NOTES FORMING PART OF ACCOUNTS**  
**FOR THE YEAR ENDED 31ST MARCH, 2022**  
**DISCLOSURE OF FINANCIAL RATIOS**  
**ANNEXURE 'C' TO NOTES TO ACCOUNTS [NOTE 4.15]**

		<b>AMOUNT</b> <b>(₹ in lakh)</b>
1. Current Ratio	= $\frac{\text{Current Assets + Loans \& Advance (except non-current)}}{\text{Current Liabilities}}$	= $\frac{13,622.95}{8,262.35}$ = 1.65
Current Assets = Current Assets + Loans & Advance (except non-current)		
Current Liability = Current Liabilities & Provisions		
2. Debt-Equity (D/E) Ratio	= $\frac{\text{Debts}}{\text{Total Shareholders Equity}}$	= $\frac{8,505.10}{13,373.12}$ = 0.64
Debts = Short-term Borrowing + Long-term Borrowing		
Total Shareholders Equity = Share Capital + Reserve & Surplus		
3. Debt Service Coverage Ratio (DSCR)	= $\frac{\text{Net Operating Income}}{\text{Debt Service}}$	= $\frac{7,881.53}{1,367.33}$ = 5.76
Net Operating Income = Net Profit before taxes + Non-cash operating expense (Depreciation) + Interest Debt Service = Interest & Lease Payment + Principal Repayment (Interest + Installment)		
4. Return on Equity Ratio (ROE)	= $\frac{\text{Net Income}}{\text{Average Shareholders Equity}}$	= $\frac{5,181.65}{10,782.29}$ = 48.06%
Net Income = Net Profit after taxes - Preference Dividend		
Average Shareholders Equity = (Beginning Shareholder's Equity + Closing Shareholder's Equity) / 2		
5. Inventory Turnover Ratio	= $\frac{\text{Cost of good sold}}{\text{Average Inventory}}$	= $\frac{13,618.04}{251.77}$ = 54 Times
6. Trade Receivables Turnover Ratio	= $\frac{\text{Average Debtors} * 365}{\text{Sales}}$	= $\frac{6,708.41 * 365}{25,509.35}$ = 96 Days

7.	Trade Payables Turnover Ratio	=	$\frac{\text{Average Creditors} \times 365}{\text{Purchases}}$	=	$\frac{1,659.48 \times 365}{7,764.22}$	=	78 Days
8.	Capital Turnover Ratio	=	$\frac{\text{Sales}}{\text{Average Working Capital}}$	=	$\frac{25,509.35}{3,720.21}$	=	6.86
9.	Net Profit Margin Ratio	=	$\frac{\text{Net Profit After Tax}}{\text{Sales}}$	=	$\frac{5,181.65}{25,509.35}$	=	20.31%
10.	Return on Capital Employed (ROCE)	=	$\frac{\text{EBIT}}{\text{Capital Employed}}$	=	$\frac{7,354.26}{20,106.03}$	=	36.58%
	<b>EBIT = Net Income + Interest + Taxes</b>						
	<b>Capital Employed =</b>						
	<b>Total Assets - Current Liabilities</b>						
11.	Return on Investment	=	$\frac{\text{Net Profit After Tax}}{\text{Net Worth}}$	=	$\frac{5,181.65}{13,373.12}$	=	38.75%

**Net Worth = Equity Share Capital + Reserve & Surplus**

Sd/-  
**CHIRANJIV SINGH**  
 (Managing Director)  
 DIN : 01602672

Sd/-  
**HARITI SINGH**  
 (Whole-time Director)  
 DIN : 01852205

**Dated : 06th July, 2022**  
**Place : S.B.S. Nagar**

**HEALTHCAPS INDIA LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST MARCH 2022**

	<b>CURRENT YEAR</b> <b>31ST MARCH, 2022</b> (₹ in lakh)	<b>PREVIOUS YEAR</b> <b>31ST MARCH, 2021</b> (₹ in lakh)
<b>"A" CASH FLOWS</b>		
<b>( I ) FROM OPERATING ACTIVITIES</b>		
a) Profit before tax:	6,944.39	2,017.22
Adjustments :		
Depreciation and amortisation	525.11	411.68
(Gain)/Loss on sale of fixed assets	2.16	17.06
Reserves & Surplus (Adjustment)	0.00	0.00
Interest earned	(16.93)	(15.17)
Interest paid/incurred (net)	409.87	300.94
Profit from operating activities	<b>7,864.60</b>	<b>2,731.73</b>
b) Working capital changes :		
(Increase)/Decrease in Inventories	112.94	(85.29)
(Increase)/Decrease in Trade Receivables	(4,161.21)	(506.64)
(Increase)/Decrease in Short-term Loans and Advances	(1,619.16)	(670.86)
(Increase)/Decrease in Other Current Assets	(49.37)	2.81
(Increase)/Decrease in Long-term Loans and Advances	1,132.12	(1,290.20)
Increase/(Decrease) in Long-term Provisions	122.87	76.39
Increase/(Decrease) in Trade Payables	(90.90)	513.85
Increase/(Decrease) in Other Current Liabilities	(264.27)	802.37
Increase/(Decrease) in Short-term Provisions	0.00	0.00
Cash generated from operations	<b>3,047.62</b>	<b>1,574.16</b>
c) Direct taxes paid (net of refund):	(29.29)	0.00
<b>Total "I"</b>	<b>3,018.34</b>	<b>1,574.16</b>
<b>( II ) FROM INVESTING ACTIVITIES</b>		
a) Purchase of tangible assets/intangible assets/ capital work-in-progress	(4,966.04)	(2,771.65)
b) Proceeds from sale of tangible assets/intangible assets/capital work-in-progress	1.00	23.22
c) Purchase of investments	(0.94)	0.00
d) (Increase)/Decrease in Other Non-Current Assets	(42.56)	2.88
e) (Increase)/Decrease in Fixed Deposits	13.51	(146.85)
f) Interest received	16.93	15.17
<b>Total "II"</b>	<b>(4,978.10)</b>	<b>(2,877.22)</b>

**( III ) FROM FINANCING ACTIVITIES**

a) Proceeds from issue of Share Capital	1.00	0.00
b) Share application money (pending allotment)	0.00	0.00
c) Proceeds from Long-term Borrowings (net)	1,588.78	2,327.06
d) Increase/(Decrease) in Short-term Borrowings (net)	(258.62)	365.42
e) Redemption of Preference Shares	0.00	0.00
f) Repayment of Long-term Borrowings (net)	0.00	0.00
g) Decrease in Short-term Borrowings (net)	0.00	0.00
h) Dividends paid (including distribution tax)	0.00	0.00
i) Interest and Other Finance Costs	(409.87)	(300.94)
j) Share issue expenses	0.00	0.00
<b>Total "III"</b>	<b>921.29</b>	<b>2,391.55</b>
<b>"B"</b> Net (decrease)/Increase in cash and cash equivalents (I+II+III)	(1,038.47)	1,088.48
Add : Cash and cash equivalents at the beginning of the year	1,219.07	130.60
<b>"C"</b> Cash and cash equivalents at the end of the year	180.60	1,219.07
<b>Cash and Cash equivalents comprises of</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
	<b>31ST MARCH, 2022</b>	<b>31ST MARCH, 2021</b>
	(₹ in lakh)	(₹ in lakh)
Cash & Bank Balances as per Note 1.15	480.82	1,532.81
Less : Fixed Deposits (Balances held as margin money)	300.22	313.73
	<b>180.60</b>	<b>1,219.07</b>

**Note** :Previous year figures have been regrouped/reclassified wherever necessary.

**In terms of our attached report of even date.**

**For and on behalf of the Board of Directors**

**For VASUDEVA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**Firm Registration No. - 022239N**

**Sd/-**  
**(P.K. VASUDEVA)**  
**PARTNER**  
**Membership No. - 13787**  
**UDIN : 22013787AMITZD5615**

**Dated : 06th July, 2022**  
**Place : S.B.S. Nagar**

**Sd/-**  
**CHIRANJIV SINGH**  
**(Managing Director)**  
**DIN : 01602672**

**Sd/-**  
**HARITI SINGH**  
**(Whole-time Director)**  
**DIN : 01852205**