

## **BOARD OF DIRECTORS**

1. Shri. Chiranjiv Singh : Managing Director
2. Smt. Hariti Singh : Whole Time Director
3. Shri. I.S. Bindra : Director
4. Shri. S.K. Singla : Nominee PSIDC
5. Shri. Jagatjit Singh : Nominee PSIDC
6. Shri. Gurcharan Singh : Independent Director
7. Shri. Tarun Mukherjee : Independent Director
8. Shri. Arun Bhakoo : Independent Director

## **BANKERS**

STATE BANK OF INDIA  
SCO 101-106, Sector-17B  
Chandigarh

## **AUDITORS**

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

## **REGISTERED OFFICE**

102A, Ansal Classique Tower,  
J-Block, Community Centre,  
Rajouri Garden,  
New Delhi 110 027

## **WORKS**

Village Fatehpur  
P.O. Majra Jattan  
Tehsil Balachaur  
Distt. 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-102A, Ansal Classique Tower, J-Block, Community Centre, Rajouri Garden, New Delhi-110027, (CIN- L74899DL1982PLC014789), Email: info@healthcapsindia.com, website: www.healthcapsindia.com, Telephone: 011-25453061**

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**NOTICE**

Notice is hereby given that the 34th Annual General Meeting of the members of Healthcaps India Limited will be held on Friday, the 29th day of September, 2017 at 10.30 A.M. at the Eternity, B-40, Vishal Enclave, Rajouri Garden, New Delhi-110027 to transact the following business

**ORDINARY BUSINESS**

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Sh. Inderjit Singh Bindra, who retires by rotation in accordance with Article 102 of Articles of Association of the company and being eligible, offers himself for reappointment.

**3. RE-APPOINTMENT OF STATUTORY AUDITORS**

And to consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution

**“RESOLVED THAT** M/s. Vasudev & Associates, Chartered Accountants, Chandigarh, who were appointed to hold office from the conclusion of 31st Annual General Meeting until the conclusion of the 34th Annual General Meeting, as Statutory Auditors of the Company and whose one term will be completed at the conclusion of this meeting, be and are hereby appointed as statutory auditors of the Company for second term for a period of next five years from the financial year 2017-18 to 2021-22 and to hold office from the conclusion of 34th annual general meeting up to the conclusion of 39th annual general meeting to be held in the year 2022 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the auditors.”

**BY ORDER OF THE BOARD  
HEALTHCAPS INDIA LIMITED**

**Sd/-**

**CHIRANJIV SINGH  
MANAGING DIRECTOR  
DIN-01602672**

**Date : 30th JUNE, 2017  
PLACE: MOHALI**

## **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.  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from 28th day of September, 2017 to 29th day of September, 2017 (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 and Regulation 44 of SEBI (Listing and Disclosure Requirements) Regulations, 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 the report of Scrutinizer shall be placed on the Company's website and the website of CDSL.
7. Details of Directors seeking re-appointment/appointment at the forthcoming Annual General Meeting as required under Secretarial Standards-2 on General Meetings and in pursuance of Regulation 36 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is given as an attachment to the notice.

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

- (a) Date and time of commencement of voting through electronic means:  
Monday, September 25, 2017 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 28, 2017 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](mailto: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 28, 2017 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 22nd September, 2017.

THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER

- (i) The voting period begins on 25th September, 2017 and ends on 28th September, 2017.  
During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 22nd September, 2017, 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) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
- (iv) Click on "Shareholders" tab.
- (v) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in dematerialised form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth ( 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 (iv)</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice. (xii) Click on the EVSN for the <HEALTHCAPS INDIA LIMITED> on which you choose to vote.

- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If 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.
- (xix) **Shareholders can also cast their vote using CSDL’s mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from the Google play store. I-phone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) **Note for Non – Individual Shareholders and Custodians**
- 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 as Corporate(s).
  - 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.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
5. This notice is being issued having regard to provisions of Section 108 and 110 of the Companies Act, 2013, General Circular no. 20/2014 dated August 22, 2014 issued by Ministry of Corporate Affairs Government of India.
6. 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.
7. The results shall be declared within two working days from the conclusion of the AGM. The results declared along with the report of Scrutinizer shall be placed on the Company’s website and the website of CDSL.

## Additional information on Directors seeking re-appointment/appointment

Name	Sh. Inderjit Singh Bindra
Age	77
Brief Resume	Working as Director in the company for the last 14 years and three months
Nature of his expertise in specific functional areas	Vast experience in various areas of governance
Date of first appointment on the Board,	22.03.2003
Qualifications	IAS retired
Experience	More than five decades
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	As per Company's policy on appointment of Board members
Last drawn remuneration	Nil
Shareholding in the company held either himself or on a beneficial basis for any other persons	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Related with Shri Chiranjiv Singh, Managing Director and Smt. Hariti Singh, Whole Time Director of the Company
The number of Meetings of the Board attended during the Year	One
Names of companies in which the person also holds the directorship and the membership/Chairman of Committees of the Board	1. Punjab Cricket Association
Chairmanship/member of the Committees of Board of Directors of other Indian Public Companies	Nil

## 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: **L74899DL1982PLC014789**

Name of the company: **HEALTHCAPS INDIA LIMITED**

Registered office: 102A, Ansal Classique tower, J-Block, Community Centre, Rajouri Garden, New Delhi-110027

Email: info@healthcapsindia.com, website: www.healthcapsindia.com Telephone: 011-25453061

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:....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the company to be held on Friday the 29th day of September, 2017 at 10.30 a.m. at Eternity, B-40, Vishal Enclave, Rajouri Garden, New Delhi-110027 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote*	
		For	Against
Ordinary Business			
1.	Approval of Annual Accounts for the year ended 31.03.2017		
2.	To appoint a Director in place of Sh. Inderjit Singh Bindra, who retires by rotation		
3.	Re-appointment of Statutory Auditors		

Signed this..... day of..... 2017

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.**

## 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: **L74899DL1982PLC014789**

Name of the Company: **Healthcaps India Limited**

Registered office: **102A, Ansal Classique Tower, J-Block, Community Centre, Rajouri Garden, New Delhi-110027**

Email: [info@healthcapsindia.com](mailto:info@healthcapsindia.com), website: [www.healthcapsindia.com](http://www.healthcapsindia.com)

Telephone: 011-25453061

**34th ANNUAL GENERAL MEETING TO BE HELD ON FRIDAY, THE 29TH DAY OF SEPTEMBER, 2017 AT 10.30 A.M. AT Eternity, B-40, Vishal Enclave, Rajouri Garden, New Delhi - 110027**

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 Annual Accounts for the year ended 31.03.2017			
2.	To appoint a Director in place of Sh. Inderjit Singh Bindra, who retires by rotation			
3.	Re-appointment of Statutory Auditors			

Place:

Date:

(Signature of the Shareholder)



**Healthcaps India Limited**

CIN – L74899DL1982PLC014789

Regd. Off.: #102 A, Ansal Classique Tower, J-Block, Community Centre, Rajouri Garden, New Delhi – 110027

Email: info@healthcapsindia.com, website: www.healthcapsindia.com

Tel. No. 011-25453061

**ATTENDANCE SLIP**

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

I hereby record my presence at the 34th Annual General Meeting of the Company held on Friday, the 29th day of September, 2017 at 10.30 a.m. at Eternity, B-40, Vishal Enclave, Rajouri Garden, New Delhi-110027.

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

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## **Board's Report**

To,  
The Members of  
**Healthcaps India Limited**

Your Directors have pleasure in presenting the 34th 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 31st March, 2017.

### **FINANCIAL HIGHLIGHTS**

(Rs. In Lacs)

	Standalone	
Particulars	2016-2017	2015-2016
Sales	7879.98	7606.42
Profit Before Interest and Depreciation	1365.24	1267.55
Finance Charges	196.62	197.83
Depreciation & Amortization Expenses	250.92	222.10
Profit Before Tax	917.70	847.62
Provision for Tax	307.94	287.12
Net Profit After Tax	609.76	560.50
Balance of Profit brought forward	3149.93	2589.43
Surplus carried to Reserve and Surplus	609.76	560.50

### **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 Capsules. The Company has 20 capsulating machines and one more capsulating machines will be operational during current year. The company is manufacturing empty capsules in sizes 00, 0, 1, 2, 3 and 4. The Board expects the Company to grow in future.

### **RESEARCH AND DEVELOPMENT**

The Company has undertaken Research & Development activities during the year 2016-2017. The Company has incurred Rs. 1,76,12,006/- on Research & Development which represents Rs. 1,13,66,220/- on account of revenue expenditure and Rs. 62,45,786/- on account of Capital expenditure during the year.

### **STATUS OF THE COMPANY EXIT OPPORTUNITY TO INVESTORS**

The status of Company is deemed Unlisted and the Company has been referred to Dissemination Board of the BSE Limited and Company was not required to comply with listing agreement vide letter no. DSE LIST84475/1469 dated 18.05.2015 of Delhi Stock Exchange Limited. However, the Company has complied with all the provisions of The Companies Act, 2013 voluntarily during the year.

Pursuant to the Circular SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 10, 2016 of Securities and Exchange Board of India, the Company has exercised the option to give exit opportunity to the investors and not to list the securities on Nationwide Stock Exchanges. The Company has appointed M/s Sobhagya Capital Options Limited (SEBI Regn No. INM 000008571), a SEBI recognized Category-I Merchant Banker as an Independent Valuer to carry out the Due Diligence and submit the fair valuation certificate to the company in compliance with above said circular of SEBI.

### **CHANGE IN NATURE OF BUSINESS, IF ANY**

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 recommending any dividend this year.

### **AMOUNTS TRANSFERRED TO RESERVES**

The Board of the company has decided to carry profit of Rs. 609.76 lacs to its reserves and surplus.

### **CHANGES IN SHARE CAPITAL, IF ANY**

There has been no change in Share Capital of the Company during the Financial Year 2016-17.

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

The Company does not have any Subsidiary, Joint venture or Associate Company.

### **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**

The Extract of Annual Return as required under Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form No. MGT-9 is attached herewith for your kind perusal and information.

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

During the Financial Year 2016-17, the Company held 6 Board 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.

03.05.2016	06.06.2016	08.08.2016	08.11.2016	26.12.2016	27.02.2017
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### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The provisions of this clause are not applicable as the Company is 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**

M/s. Vasudeva & Associates, Chartered Accountants, Chandigarh were appointed as Statutory Auditors for a period of three years in the Annual General Meeting held on 30th September, 2014. The first term of auditors will come to an end at the conclusion of ensuing annual general meeting. The Board has appointed M/s. Vasudeva & Associates, Chartered Accountants, Chandigarh as statutory auditor for second term for next five years as provided Section 139(2) b of the Companies Act, 2013 which is to be confirmed and approved by the members. 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 financial year ended, 31st March, 2017 is annexed herewith for your kind perusal and information.

#### **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.

#### **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.

#### **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**

During the current financial year the following changes have occurred in the constitution of Board of Directors of the company and the KMP,

S.No.	Name	Designation	Date of Resign/withdrawal of nomination
1	Shri Vikas Sheel Dhawan	CFO	18.06.2016
2	Shri A K Mahajan	Nominee Director (PSIDC)	02.06.2016

#### **DEPOSITS**

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

#### **CORPORATE SOCIAL RESPONSIBILITY**

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. The composition of the CSR Committee is as under-

S.No.	Name of the Director	Category of the Director	Position held in the Committee
1	Sh. Chiranjiv Singh	Managing Director	Chairman
2	Sh. Tarun Mukherjee	Independent Director	Member
3	Sh. Arun Kumar Bhakoo	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 which amounts to Rupees 41,25,525/- as on 31.03.2017.

The Company has undertaken a project for rural development at village Fatehpur, where factory is located and has incurred an amount of Rupees 13,97,550/- in the previous financial year by way of contributing towards purchase of raw material for construction of roads and amount un-spent stood at Rupees 27,27,975/-. Full amount of CSR budget could not be spent due to delay in completion of project due to some unavoidable reasons. The Committee is considering various projects to undertake under CSR policy. Further, the CSR policy and annual report on CSR activities for financial year ended 31.03.2017 is attached along with this report.

### **PERSONNEL**

The information required pursuant to Section 134(3) and Section 197(12) read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company and Directors is furnished as attachment. 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 three independent directors namely, Shri Gurcharan Singh, Shri Tarun Kumar Mukherjee 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 Non-executive Directors. No meeting of Committee was held during the year. The table sets out the composition of the Committee as on 31st March, 2017:

<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. Tarun Mukherjee	Member	Non Executive Independent Director
Sh. Arun Kumar Bhakoo	Member	Non Executive Independent Director

## **Terms of Reference**

As per the section 178(1) of the Companies Act, 2013 the Company's Nomination and Remuneration Committee comprises of three Non-executive Directors. The table sets out the composition of the Committee

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 well as financial position 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. Three meetings of Committee were held on 06.06.2016, 03.10.2016 and 28.01.2017 during the year. The table sets out the composition of the Committee as on 31st March, 2017:

<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. Tarun Mukherjee	Member	Non Executive Independent Director

Sh. Arun Kumar Bhakoo	Member	Non Executive Independent Director
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### **CORPORATE GOVERNANCE**

The Company is deemed Unlisted Company and provisions relating to Report on Corporate Governance are not applicable

According to Schedule V Part II Section II point IV states that:

a) The remuneration package of the directors are as follows:

Name of Director	Sh. Chiranjiv Singh	Smt. Hariti Singh
Salary	Rupees 42,00,000.00	Rupees 12,00,000.00
Bonus	nil	nil
Stock Options	nil	nil
Pension	nil	nil
Medical Reimbursement	Rupees 1,34,177.00	nil

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

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

### **SECRETARIAL AUDIT REPORT**

The observations in the Secretarial Audit Report provided by Ravinder Kumar, Practicing Company Secretary for the financial year ended, 31st March, 2017 are explained above under the head Corporate Social Responsibility and Secretarial Audit Report is attached herewith for your kind perusal and information.

### **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 Company has also appointed M/s Kewal K.

Gupta & Associates, Chartered Accountants, Chandigarh as Internal auditor in compliance with Section 138 of the Companies Act, 2013.

**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 an Unlisted Company and provisions relating to Code of Conduct are not applicable.

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

The Company has in place `Prevention of Sexual Harassment Policy` in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) is also in place to redress complaints received regarding sexual harassment. The Company has not received any sexual harassment complaint during the year and there is no pending complaint at the end of the year.

**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**

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

Sd/-  
Gurcharan Singh  
DIN : 00651549  
(Director)

Place: Mohali  
Date : 30<sup>th</sup> June, 2017



## Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i. CIN- L74899DL1982PLC014789
- ii. Registration Date- 06.12.1982
- iii. Name of the Company- Healthcaps India Limited
- iv. Category / Sub-Category of the Company: Indian Non Government Company
- v. Address of the Registered office and contact details- 102A,  
 Ansal Classique Tower  
 J-Block, Community Centre,  
 Rajouri Garden, New Delhi-110027,  
 Email: info@healthcapsindia.com,  
 website: www.healthcapsindia.com,  
 Telephone: 011-25453061
- vi. Whether listed company- deemed unlisted
- vii. Name, Address and Contact details of Registrar and Transfer Agent, if any- M/s Beetal Financial & Computer Services Pvt Ltd  
 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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Manufacture and Sale of Empty Hard Gelatin and HPMC Capsules		100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name And Address Of The Company	CIN/ GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
1.	NA	NA	NA	NA	NA

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Promoter s</b>									
<b>(1) Indian</b>									
g) Individual/ HUF		2189390	2189390	54.23		2189390	2189390	54.23	
h) Central Govt									
i) State Govt(s)									
j) Bodies Corp.		820000	820000	20.31		820000	820000	20.31	
k) Banks / FI									
l) Any Other....									
<b>Sub-total</b>		3009390	3009390	74.54		3009390	3009390	74.54	
<b>(A) (1):-</b>									
<b>(2) Foreign</b>									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
<b>Sub-total</b>									
<b>(A) (2):-</b>									
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>		3009390	3009390	74.54		3009390	3009390	74.54	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital									
(i) Others (specify)		300	300	0.01	300		300	0.01	
<b>Sub-total (B)(1):-</b>		300	300	0.01	300		300	0.01	
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i. Indian		1450	1450	0.04		1450	1450	0.01	
ii. Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	8250	977800	986050	24.43	8300	977750	986050	24.43	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh		40000	40000	0.99		40000	40000	0.99	
c) Others (specify)									
<b>Sub-total (B)(2):-</b>	8250	1019250	1027500	25.45	8600	1018900	1027500	25.45	
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	8250	1019250	1027800	25.46	8600	1018900	1027800	25.46	

C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	8250	4028940	4037190	100.00	8600	4028590	4037190	100.00	

## ii. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	HARITI SINGH	142462	3.53	nil	142462	3.53	nil	
2.	CHIRANJIV SINGH	2046928	50.70	nil	2046928	50.70	nil	
3.	PSIDC	820000	20.31		820000	20.31		

## iii. Change in Promoters' Shareholding ( please specify, if there is no change) --- No Change--

S.No.	Name	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
--- No Change--						

## iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders					
1.	MOHINDER SINGH & CO	At the beginning of the year	40000	0.99		
		At the end of the year			40000	0.99
2.	MALVIKA BINDRA	At the beginning of the year	2450	0.06		
		At the end of the year			2450	0.06
3.	GANDHI PRATIK RAJENDRA	At the beginning of the year	1950	0.05		
		At the end of the year			1950	0.05
4.	INDRA KUMAR BAGRI	At the beginning of the year	1300	0.03		
		At the end of the year			1300	0.03

5.	BHUPENDRA SINGH JAIN	At the beginning of the year	1200	0.03		
		At the end of the year			1200	0.03
6.	KRIMA H SHAH	At the beginning of the year	750	0.02		
		At the end of the year			750	0.02
7.	MANISH SHAH	At the beginning of the year	750	0.02		
		At the end of the year			750	0.02
8.	B K GANESHAN	At the beginning of the year	700	0.02	700	0.02
		At the end of the year				
9.	RAVINDER KUMAR MAHAJAN	At the beginning of the year	700	0.02		
		At the end of the year			700	0.02
10.	SEEMA SHARMA	At the beginning of the year	650	0.02	650	0.02
		At the end of the year				

v. Shareholding of Directors and Key Managerial Personnel-

Sl. No.	Name	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Smt. HARITI SINGH	At the beginning of the year	142462	3.33		
		At the end of the year			142462	3.33
2.	Sh. CHIRANJIV SINGH	At the beginning of the year	2046928	50.70		
		At the end of the year			2046928	50.70

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment is attached herewith

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	10,04,23,535.00	28,75,000.00		10,32,98,535.00
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not	10,51,966.00	-		10,51,966.00
Total(i+ii+iii)	10,14,75,501.00	28,75,000.00		10,43,50,501.00

Change in Indebtedness during the financial year				
- Addition	7,85,54,292.00	-	-	7,85,54,292.00
- Reduction	3,26,34,289.00	-	-	3,26,34,289.00
Net Change	4,59,20,003.00	-		4,59,20,003.00
Indebtedness at the end of the financial year				
i) Principal Amount	14,73,95,504.00	28,75,000.00		15,02,70,504.00
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	-	-		-
Total (i+ii+iii)	14,73,95,504.00	28,75,000.00		15,02,70,504.00

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Gross Salary	Name of MD/WTD/ Manager	Total Amount
Name of MD/WTD/ Manager	Sh. Chiranjiv Singh - MD	Smt. Hariti Singh - WTD
Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	42,00,000.00	12,00,000.00
Stock Option	NIL	NIL
Sweat Equity	NIL	NIL
Commission - as % of profit - others, specify...	NIL	NIL
Others, please specify Medical Reimbursement	1,34,177.00	NIL
Total(A)	43,34,177.00	12,00,000.00
Ceiling as per the Act		

### B. Remuneration to other directors:

NIL

**C. Remuneration to key managerial personnel other than MD/Manager/WTD**

Gross Salary	Name of MD/WTD/ Manager
Name of MD/WTD/ Manager	Sh. Vikas Sheel Dhawan, CFO
Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	2,08,026.00
Stock Option	NIL
Sweat Equity	NIL
Commission - as % of profit - others, specify...	NIL
Others, please specify Medical Reimbursement	NIL
Total	2,08,026.00

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES - NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. Company</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. Directors</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of Board of Directors

Healthcaps India Limited

Sd/-

Chiranjiv Singh  
DIN : 01602672  
(Managing Director)

Sd/-

Gurcharan Singh  
DIN : 00651549  
(Director)

Place: Mohali  
Date : 30<sup>th</sup> June, 2017

## 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

Sl No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	Alfa Caps Private Limited related through director
B	Nature of contracts/arrangements/transactions	Grading, sorting and packing of capsules and sale of machine
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 in Rupees Job Work Expenses Rs. 85,26,746/- Machine Sale Rs. 16,70,288/-
E	Date(s) of approval by the Board, if any	06.06.2016
F	Amount paid as advances, if any:	Nil
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

Sl No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	Ozark Engineering Private Limited 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 Rupees Job Work Expenses Rs. 13,99,220/- Purchases Rs. 3,38,55,860/-
E	Date(s) of approval by the Board, if any	06.06.2016
F	Amount paid as advances, if any: <b>(Including Amount due for Sale of machinery)</b>	Rupees 64,91,215/-
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

Sl No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	Alfa Caps LLC 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 Rupees 1,04,56,949/-
E	Date(s) of approval by the Board, if any	-
F	Amount paid as advances, if any: <b>(Including Amount due for Sale of machinery)</b>	Nil
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: Mohali  
Date : 30<sup>th</sup> June, 2017

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

Sd/-  
**Gurcharan Singh**  
DIN : 00651549  
(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
  - L.E.D Lights
  - Hot Water from AC Compressor used for HOT Water Coil in AHU
  - Screw Air Compressor
  - Screw Chiller
- ii) Capital investment on energy conservation equipment
  - L.E.D Lights
  - Screw Air Compressor

**(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 undertaken Research & Development activities during the year 2016-2017. The Company has incurred Rs. 1,76,12,006/- on Research & Development which represents Rs. 1,13,66,220/- on account of revenue expenditure and Rs. 62,45,786/- on account of Capital expenditure during the year.

**(C) Foreign exchange earnings and Outgo**

Earnings	INR 2665.70 (In Lacs)
Outgo	INR 353.05 (In Lacs)

**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 organisation 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 and the following are its members;

<b>Name</b>	<b>Status</b>	<b>Designation</b>
1. Sh. Chiranjiv Singh	- Managing Director	Chairman
2. Sh. Tarun Mukherjee	- Independent Director	Member
3. Sh. Arun Kumar Bhakoo	- 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 / society / Non-Government Organisation / 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 30th 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

#### **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..
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 31.03.2017**

**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.20,62,76,144/- as per detail given below,

FY ended on 31.03.2014= Rs. 5,89,60,560/-

FY ended on 31.03.2015= Rs. 6,98,55,120/-

FY ended on 31.03.2016= Rs. 7,74,60,464/-

**4. PRESCRIBED CSR EXPENDITURE**

The prescribed CSR expenditure is Rs. 41,25,525/-.

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

a. Total amount to be spent during the year = Rs. 27,27,975/-

b. Amount un-spent = Rs. 27,27,975/-

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

1	2	3	4	5	6	7	8
S.NO	CSR Projector 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) Over-heads: (Rs.)	Cumulative Expenditure Up to to the Reporting Period.  (Rs.)	Amount spent Direct or through implementing agency
1	Rural development	for construction of infrastructure	Local area- Village Fatehpur P.O Majra Jattan Tehsil Balachaur Distt- Nawanshahur ,Punjab	41,25,525/-	13,97,550/-	13,97,550/-	Direct
	Total			41,25,525/-	13,97,550/-	13,97,550/-	

**RESPOSIBLTY STATEMENT**

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

**Sd-**

**CHIRANJIV SINGH**

**MANAGING DIRECTOR**

**AND CHAIRMAN OF CSR COMMITTEE**

## Ratio of remuneration

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	6.11%
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	NIL
(iii) the percentage increase in the median remuneration of employees in the financial year;	4.39%
(iv) the number of permanent employees on the rolls of company;	237
(v) the explanation on the relationship between average increase in remuneration and company performance;	Increase in remuneration is as per company performance
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	remuneration of the Key Managerial Personnel is as per company performance
(vii) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	The Company has been referred to Dissemination Board of the BSE Limited by Delhi Stock Exchange Limited and in pursuance of Circular dated 10.10.2016 of SEBI the Company has opted to provide exit opportunity to the investor
(viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	4.39%
(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	remuneration of the Key Managerial Personnel is as per company performance
(x) the key parameters for any variable component of remuneration availed by the directors;	N.A.
(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	N.A.
(xii) Affirmation that the remuneration is as per the remuneration policy of the company.	

## DECLARATION

A Code of Conduct for the Directors and Senior Management Personnel has already been approved by the Board of Directors of the Company. As stipulated under the provisions of sub-clause (II) E of Clause 49 of the Listing Agreement with stock exchanges, all the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with the said code for the financial year ended March 31, 2017.

Sd/-

PLACE : Mohali  
DATE: 30<sup>th</sup> June, 2017

NAME : Chiranjiv Singh MD  
DIN : 01602672

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2017**

[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  
102A, Ansal Classique tower, J-Block, Community Centre,  
Rajouri Garden, New Delhi-110027**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by HEALTHCAPS INDIA LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my 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 31ST MARCH, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 31ST MARCH, 2017 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 Takeovers) 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 (Buyback of Securities) Regulations, 1998;



- (vi) Drugs and Cosmetics Act, 1940, Factories Act, 1948, Employees State Insurance Act, 1948, The Employees Provident Fund & Miscellaneous Provisions Act, 1952, Payment of Bonus Act, 1965, The Payment of Gratuity Act, 1972, The Industrial Employment (Standing Orders) Act, 1946, 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.  
(ii) Circular SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 10, 2016 of Securities and Exchange Board of India.

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

1. 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 spent Rs. 13.98 lacs during three years out of total CSR liability of Rs. 41.26 Lacs as at 31.03.2017.
2. The Company has been referred to Dissemination Board of the BSE Limited and Company is not required to comply with provisions of listing agreement vide letter no. DSE LIST84475/1469 dated 18.05.2015 of Delhi Stock Exchange Limited where shares of the Company were earlier listed. Pursuant to above said Circular of SEBI the Company has exercised the option to give exit opportunity to the investors and not to list the securities on Nationwide Stock Exchanges.

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.

**Sd/-**

**Ravinder Kumar,**  
**Practising Company Secretary**  
**612, Dalima Vihar, Rajpura**  
**FCS No. 4569**  
**C P No.: 8444**

**Place: MOHALI**

**Date : 30<sup>th</sup> June, 2017**

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

**To,**

**The Members,  
Healthcaps India Limited  
102A, Ansal Classique tower, J-Block, Community Centre,  
Rajouri Garden, New Delhi-110027**

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 my 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, I followed provide a reasonable basis for my 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.

**Sd/-  
Ravinder Kumar,  
Practising Company Secretary  
612, Dalima Vihar, Rajpura  
FCS No. 4569  
C P No.: 8444**

**Place: MOHALI  
Date : 30<sup>th</sup> June, 2017**

## INDEPENDENT AUDITORS' REPORT

### The Members, Healthcaps India Limited.

1. We have audited the accompanying financial statements of **Healthcaps India Limited** which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit & Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.
2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation and presentation of these 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 judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.  
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.
6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March, 2017 and its profit and its cash flows for the year ended on that date.
7. As required by the Companies (Auditor's Report) Order, 2016 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.
8. 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 financial statements, comply with the Accounting Standards, specified under Section 133 of the Act;
  - (e) on the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2017 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"; 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer note 4.1);
    - 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; and
    - iv. the Company has provided requisite disclosures in its financial statements as regards its holdings and dealings in Specified Bank Notes, as defined in the Notification S.O. 3407(E) dated 08th November, 2016 of the Ministry of Finance, during the period from 08th November, 2016 to 30th December, 2016, and these are in accordance with the books of accounts maintained by the Company [Refer note 4.20].

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

**Dated : 30th June, 2017  
Place : Mohali**

**Sd/-  
(PRATEEK PURI)  
PARTNER  
Membership No. - 524431**

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

(Referred to in paragraph 7 of our report of even date on accounts of Healthcaps India Limited for the year ended 31st March, 2017).

- i.
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Company has a programme for phased physical verification of all its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed 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, the title deeds of immovable properties are held in the name of the Company.
- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. According to the information and explanations given to us, the Company has neither granted loans or provided guarantees or securities nor made investments or provided guarantees or securities to the parties covered under Sections 185 & 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public.
- vi.
  - a) According to the information & explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Excise Duty, Custom Duty, Value Added Tax, Cess and other material statutory dues have been regularly deposited, during the year, by the Company with the appropriate authorities.  
According to the information and explanations given to us, no undisputed amounts payable, in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Excise Duty, Custom Duty, Value Added Tax, Cess and other material statutory dues, were in arrears as on 31st March, 2017 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, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and Cess which have not been deposited with appropriate authorities on account of any dispute, except as mentioned herein below:

Name of the Statute	Nature of dues	Amount Involved	Amount deposited under protest	Assessment Year	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	391,810	Nil	2014-2015	Commissioner Income Tax (Appeals), Delhi

- vii. According to the information & explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to Banks/Financial Institutions. The Company has not borrowed/raised Loans from Government and has not issued any debentures.
- viii. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Term loans availed by the Company, were prima-facie,

- applied by the Company, during the year, for the purposes for which loans were obtained.
- ix. According to the information & explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
  - x. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule-V to the Act.
  - xi. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
  - xii. 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 financial statements as required by the applicable accounting standards.
  - xiii. 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, the provisions of clause 3(xv) of the Order are not applicable to the Company.
  - xiv. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
  - xv. The provisions of clause no. (vi) & (xiv) of the Order are either not applicable or not relevant to the Company and hence not commented upon.

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

**Dated : 30th June, 2017  
Place : Mohali**

**Sd/-  
(PRATEEK PURI)  
PARTNER  
Membership No. - 524431**

## **“ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT**

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

We have audited the internal financial controls over financial reporting of **Healthcaps India Limited** as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **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 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 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 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 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.

### **Opinion**

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 31st March 2017, 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.

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

**Dated : 30th June, 2017  
Place : Mohali**

**Sd/-  
(PRATEEK PURI)  
PARTNER  
Membership No. - 524431**



**HEALTHCAPS INDIA LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2017**

PARTICULARS	NOTE	AS ON 31.03.2017 (RUPEES)	AS ON 31.03.2016 (RUPEES)
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	1.1	40,371,900	40,371,900
(b) Reserves & Surplus	1.2	380,805,213	319,829,489
<b>Non-Current Liabilities</b>			
(a) Long-term Borrowings	1.3	116,654,200	82,576,579
(b) Deferred Tax Liabilities (Net)	4.11	51,531,746	45,043,966
(c) Long-term Provisions	1.4	29,573,817	22,251,654
<b>Current Liabilities</b>			
(a) Short-term Borrowings	1.5	119,963,115	89,305,142
(b) Trade Payables	1.6	69,990,614	64,784,611
(c) Other Current Liabilities	1.7	51,759,646	44,713,071
(d) Short-term Provisions	1.8	26,583,610	21,845,455
	TOTAL ₹	887,233,861	730,721,868
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets	1.9		
(i) Tangible Assets		441,062,129	391,322,457
(ii) Intangible Assets		485,389	687,965
(iii) Capital Work-in-Progress		11,321,409	3,324,702
(b) Long-term Loans & Advances	1.10	27,591,171	11,917,742
(c) Other Non-Current Assets	1.11	505,802	674,402
<b>Current Assets</b>			
(a) Inventories	1.12	98,590,340	70,136,520
(b) Trade Receivables	1.13	220,925,539	190,756,928
(c) Cash & Bank Balances	1.14	42,688,383	26,339,030
(d) Short-term Loans & Advances	1.15	43,726,306	35,042,458
(e) Other Current Assets	1.16	337,394	519,664
	TOTAL ₹	887,233,861	730,721,868
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

Dated : 30th June, 2017  
Place : Mohali

Sd/-  
(PRADEEK PURI)  
PARTNER  
Membership No. - 524431

Sd/-  
GURCHARAN SINGH  
(Director)  
DIN-00651549

**HEALTHCAPS INDIA LIMITED**  
**STATEMENT OF PROFIT & LOSS ACCOUNT**  
**FOR THE YEAR ENED 31ST MARCH, 2017**

PARTICULARS	NOTE	AS ON 31.03.2017 (RUPEES)	AS ON 31.03.2016 (RUPEES)
<b>REVENUE</b>			
<b>Revenue from operations</b>			
Sales		787,998,091	760,641,815
-Less: Excise Duty		<u>50,003,363</u>	<u>40,934,430</u>
Other Operating Revenues	2.1	9,705,228	11,197,012
Other Income	2.2	<u>2,498,644</u>	<u>6,986,152</u>
<b>Total Revenue</b>		<b>750,198,600</b>	<b>737,890,549</b>
<b>EXPENSES</b>			
Cost of materials consumed	2.3	282,224,031	285,171,883
Changes in Inventories	2.4	(9,687,140)	(988,840)
Employee Benefits Expense	2.5	101,410,342	96,520,780
Finance Costs	2.6	19,662,206	19,783,578
Depreciation & Amortisation Expense	1.9	25,092,339	22,209,669
Other Expenses	2.7	<u>238,867,312</u>	<u>230,287,226</u>
<b>Total Expenses</b>		<b>657,569,090</b>	<b>652,984,296</b>
Profit before exceptional items		92,629,510	84,906,253
Exceptional items		(859,904)	(143,935)
Profit before tax		91,769,606	84,762,318
Tax expense			
-Earlier years		167,372	174,417
-Deferred tax		6,487,780	8,124,010
-Current tax		<u>24,138,730</u>	<u>20,413,880</u>
Profit after tax		60,975,724	56,050,011
Earnings per Equity share			
-Basic & Diluted	4.10	15.10	13.88
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

Dated : 30th June, 2017  
Place : Mohali

Sd/-  
(PRATEEK PURI)  
PARTNER  
Membership No. - 524431

Sd/-  
GURCHARAN SINGH  
(Director)  
DIN-00651549

## HEALTHCAPS INDIA LIMITED

### NOTE 1.1 : SHARE CAPITAL

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
<b>1.1.1 Authorised</b>		
- 5,000,000 Equity shares of ₹ 10/- each	50,000,000	50,000,000
<b>1.1.2 Issued, Subscribed &amp; Paid up</b>		
- 4,037,190 Equity shares of ₹ 10/- each, fully paid up	40,371,900	40,371,900
<b>TOTAL ₹</b>	<b>40,371,900</b>	<b>40,371,900</b>

### 1.1.3 Details of shareholders holding more than 5% equity shares as at year end

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

		<u>As at 31st March, 2017</u>		<u>As at 31st March, 2016</u>	
		% age of		% age of	
	No. of Shares	Shareholding		No. of Shares	Shareholding
i)	Sh. Chiranjiv Singh	2,046,928	50.70	2,047,128	50.71
ii)	Punjab State Industrial Development Corporation	820,000	20.31	820,000	20.31
	<b>TOTAL ₹</b>	<b>2,866,928</b>	<b>71.01</b>	<b>2,867,128</b>	<b>71.02</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

Particulars	As at 31st March, 2017 ₹		As at 31st March, 2016 ₹	
<b>1.2.1 Capital Reserve</b>				
- Balance brought forward		4,836,000		4,836,000
<b>1.2.2 Surplus</b>				
ii) - Balance brought forward	314,993,489		258,943,478	
- Add : Net Profit for the year	60,975,724	375,969,213	56,050,011	314,993,489
<b>TOTAL ₹</b>		<b>380,805,213</b>		<b>319,829,489</b>

**NOTE 1.3 : LONG-TERM BORROWINGS**

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	₹	₹	₹	₹
<b>1.3.1 Secured</b>				
Term Loans				
- From : Bank	138,124,255			
- Less : Current maturities (refer Note 1.7)	<u>25,300,000</u>	112,824,255		79,291,628
Vehicle Loans				
- From : Banks	1,707,227			
- From : Non-Banking Financial Companies	<u>302,099</u>			
	2,009,326			
- Less : Current maturities (refer Note 1.7)	<u>1,054,381</u>	<u>954,945</u>	113,779,200	<u>409,951</u>
				79,701,579
<b>1.3.2 Unsecured</b>				
From : Directors			<u>2,875,000</u>	<u>2,875,000</u>
<b>TOTAL ₹</b>			<u><b>116,654,200</b></u>	<u><b>82,576,579</b></u>

- Notes : 1. Term Loans from State Bank of India are secured by first charge on entire fixed assets, movable and immovable (except vehicles hypothecated with other lenders), both present and future of the Company and by creation of mortgage by deposit of title deeds of immovable property of the Company and personal guarantee of two directors of the Company. The rate of interest on the loans ranges from 6.00% to 13.00% per annum
2. Vehicle Loans from Banks & Non-Banking Financial Companies are secured against hypothecation of specified vehicles.  
The rate of interest on the loans ranges from 9.00% to 11.00% per annum

**NOTE 1.4 : LONG-TERM PROVISIONS**

Particulars	As at 31st March, 2017		As at 31st March, 2016	
		₹		₹
<b>Gratuity</b>				
- Balance brought forward	12,764,985		11,417,737	
- Add : Current year's provision	<u>5,016,207</u>		<u>1,444,682</u>	
	17,781,192		12,862,419	
- Less : Contribution to Gratuity Fund	<u>651,580</u>	17,129,612	<u>97,434</u>	12,764,985
<b>Leave Encashment</b>				
- Balance brought forward	9,486,669		8,278,031	
- Add : Current year's provision	<u>3,424,492</u>		<u>1,905,688</u>	
	12,911,161		10,183,719	
- Less : paid during the year	<u>466,956</u>	12,444,205	<u>697,050</u>	9,486,669
<b>TOTAL ₹</b>		<b><u>29,573,817</u></b>		<b><u>22,251,654</u></b>

**NOTE 1.5 : SHORT-TERM BORROWINGS**

Particulars	As at 31st March, 2017		As at 31st March, 2016	
		₹		₹
<b>Secured</b>				
Working Capital Loan				
- From : State Bank of India	112,701,192		89,305,142	
Buyers' Credit				
- From : State Bank of India	<u>7,261,923</u>		<u>0</u>	
<b>TOTAL ₹</b>		<b><u>119,963,115</u></b>		<b><u>89,305,142</u></b>

Note : Working Capital Loans and buyers credit from State Bank of India are secured, by hypothecation of entire current assets consisting of inventory and book debts etc. lying in the premises of the Company and elsewhere, represented by documents of title and personal guarantee of two directors of the Company.

**NOTE 1.6 : TRADE PAYABLES**

Particulars	As at 31st March, 2017		As at 31st March, 2016	
		₹		₹
For Supplies & Services	69,990,614		64,784,611	
<b>TOTAL ₹</b>		<b><u>69,990,614</u></b>		<b><u>64,784,611</u></b>

**NOTE 1.7 : OTHER CURRENT LIABILITIES**

<b>Particulars</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>
	₹	₹
Current Maturities		
- Long Tern Borrowings (refer Note 1.3)	26,354,381	20,721,956
Advance from Customers	1,059,717	549,973
Creditors for Capital Goods	4,191,104	5,750,430
Taxes & Expenses Payable	17,061,101	13,244,881
Tax deducted at source	171,545	1,007,627
Other Liabilities	2,921,799	3,438,204
<b>TOTAL ₹</b>	<b><u>51,759,646</u></b>	<b><u>44,713,071</u></b>

**NOTE 1.8 : SHORT-TERM PROVISIONS**

<b>Particulars</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>
	₹	₹
For : Excise Duty on Inventories of Finished Goods	2,444,880	1,431,575
For : Income Tax - Current Tax	24,138,730	20,413,880
<b>TOTAL ₹</b>	<b><u>26,583,610</u></b>	<b><u>21,845,455</u></b>

**NOTE 1.9 : FIXED ASSETS**

PARTICULARS	GROSS BLOCK		DEPRECIATION/AMORTISATION			NET BLOCK	
	COST AS AT 01.04.2016	ADDITIONS/ (ADJUSTMENTS)	TOTAL	AS AT 01.04.2016	DURING THE YEAR	AS AT 31.03.2016	W.D.V. AS AT 31.03.2017
<b>"A" Tangible Assets</b>							
Land and Site Development	2,071,492	0	2,071,492	0	0	2,071,492	2,071,492
Buildings	97,311,007	9,179,925 (889,243)	105,601,689	16,007,659	3,064,133 (37,887)	81,303,348	86,567,784
Building (Research & Development)	0	2,056,729	2,056,729	0	37,992	0	2,018,737
Furniture & Fixtures	5,032,935	177,628	5,210,563	1,569,473	573,673	3,463,462	3,067,417
<b>Plant &amp; Machinery</b>							
- Machinery	444,038,740	57,875,608 (2,102,878)	499,811,470	168,342,776	14,170,546 (152,861)	275,695,964	317,451,009
- Machinery (Research & Development)	0	4,189,057	4,189,057	0	0	0	4,189,057
- Office Equipment	4,749,403	35,173	4,784,576	4,000,350	561,610	749,053	222,616
- Electrical Installation	6,172,029	0	6,172,029	2,999,770	848,250	3,172,259	2,324,009
- Electrical Sub Station	8,356,005	0	8,356,005	6,382,241	324,942	1,973,764	1,648,822
- Laboratory Equipment	7,059,844	111,099	7,170,943	3,310,012	511,753	3,749,832	3,349,178
- Workshop Equipment	797,356	0	797,356	426,357	85,464	370,999	285,535
- Electrical Equipment	7,294,816	0	7,294,816	2,003,825	748,584	5,290,991	4,542,407
- Computers	2,836,931	1,090,903	3,927,834	2,337,458	813,094	499,473	777,282
- Vehicles	27,010,305	2,831,094 (554,621)	29,286,778	14,028,485	3,104,271 (392,762)	12,981,820	12,546,784
<b>TOTAL "A" : ₹</b>	<b>612,730,863</b>	<b>77,547,216 (3,546,742)</b>	<b>686,731,337</b>	<b>221,408,406</b>	<b>24,844,312 (583,510)</b>	<b>391,322,457</b>	<b>441,062,129</b>
<b>"B" Intangible Assets</b>							
Computer Software	1,213,623	45,450	1,259,073	525,658	248,027	687,965	485,389
<b>TOTAL "B" : ₹</b>	<b>1,213,623</b>	<b>45,450</b>	<b>1,259,073</b>	<b>525,658</b>	<b>248,027</b>	<b>687,965</b>	<b>485,389</b>
<b>"C" Capital Work-in-Progress</b>	3,324,702	11,321,409 (3,324,702)	11,321,409	0	0	3,324,702	11,321,409
<b>"D" FIGURES FOR CURRENT YEAR : ₹ (A+B+C)</b>	<b>617,269,188</b>	<b>88,914,075 (6,871,444)</b>	<b>699,311,819</b>	<b>221,934,064</b>	<b>25,092,339 (583,510)</b>	<b>395,335,124</b>	<b>452,868,926</b>
<b>"E" FIGURES FOR PREVIOUS YEAR : ₹</b>	<b>540,038,922</b>	<b>80,349,463 (3,119,197)</b>	<b>617,269,188</b>	<b>200,920,783</b>	<b>22,209,669 (1,196,388)</b>	<b>339,118,139</b>	<b>395,335,124</b>

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

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
(Unsecured considered good - unless otherwise stated). Advance for Capital Goods	19,198,413	3,857,194
Deposits with Government Department & Other Agencies	<u>8,392,758</u>	<u>8,060,548</u>
<b>TOTAL ₹</b>	<b><u>27,591,171</u></b>	<b><u>11,917,742</u></b>

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

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
Advance for Water & Air Pollution *		
- Balance brought forward	674,402	473,002
- Add : Additions during the year	<u>0</u>	<u>370,000</u>
- Less : Amount written off	<u>168,600</u>	<u>168,600</u>
<b>TOTAL ₹</b>	<b><u>505,802</u></b>	<b><u>674,402</u></b>

\* to be written off over a specified period.

**NOTE 1.12 : INVENTORIES**

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
(As taken, valued and certified by the management)		
Raw Material	36,156,590	18,941,400
Work-in-Progress	29,873,000	28,259,980
Finished Goods	22,003,920	12,884,180
Stores & Spares etc.	8,432,210	7,195,130
Packing Material	1,507,900	1,193,490
Other Material*	616,720	1,662,340
<b>TOTAL ₹</b>	<b><u>98,590,340</u></b>	<b><u>70,136,520</u></b>

\* represents wastage.



**NOTE 1.13 : TRADE RECEIVABLES**

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
(Unsecured considered good - unless otherwise stated).		
<b>1.13.1 Exceeding six months</b>	4,837,817	0
<b>1.13.2 Others</b>	<u>216,087,722</u>	<u>190,756,928</u>
<b>TOTAL ₹</b>	<u><b>220,925,539</b></u>	<u><b>190,756,928</b></u>

**NOTE 1.14 : CASH & BANK BALANCES**

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
<b>1.14.1</b> Cash and Cash equivalents		
Balance with banks		
Current accounts	24,029,579	9,139,041
Cash Balances *	<u>1,833,080</u>	<u>1,526,370</u>
	25,862,659	10,665,411
<b>1.14.2</b> Other Bank Balances		
Balances held as margin money**	<u>16,825,724</u>	<u>15,673,619</u>
<b>TOTAL ₹</b>	<u><b>42,688,383</b></u>	<u><b>26,339,030</b></u>

\* including cheques & drafts in hand ( ₹ 1,400,000/-)

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

**NOTE 1.15 : SHORT-TERM LOANS & ADVANCES**

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
For Supplies & Services	9,817,359	5,300,259
Prepaid Expenses	470,075	353,620
Taxes	23,303,717	17,686,892
Staff	29,500	52,050
Balances		
- with Excise & Taxation Authorities	5,908,240	7,206,906
- with Excise & Custom Authorities	<u>4,197,415</u>	<u>4,442,731</u>
	10,105,655	11,649,637
<b>TOTAL ₹</b>	<u><b>43,726,306</b></u>	<u><b>35,042,458</b></u>

**NOTE 1.16 : OTHER CURRENT ASSETS**

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
Amount Recoverable (Unsecured considered good - unless otherwise stated)		
- Exceeding six months	137,700	223,315
- Others	199,694	296,349
<b>TOTAL ₹</b>	<b>337,394</b>	<b>519,664</b>

**NOTE 2.1 : OTHER OPERATING REVENUES**

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
Gain – Foreign Exchange	5,135,613	2,870,204
Others - Duty Drawback/Export Incentives	4,569,615	8,326,808
<b>TOTAL ₹</b>	<b>9,705,228</b>	<b>11,197,012</b>

**NOTE 2.2 : OTHER INCOME**

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
Interest Earned	2,342,644	1,823,999
Miscellaneous	156,000	5,162,153
<b>TOTAL ₹</b>	<b>2,498,644</b>	<b>6,986,152</b>

**NOTE 2.3 : COST OF MATERIALS CONSUMED**

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
Opening Stock	18,941,400	30,417,620
Add : Purchases	<u>299,439,221</u>	<u>318,380,621</u>
Less : Closing Stock	36,156,590	273,695,663
<b>TOTAL ₹</b>	<b>282,224,031</b>	<b>304,113,283</b>

**NOTE 2.4 : CHANGES IN INVENTORIES**

Particulars	As at 31st March, 2017 ₹		As at 31st March, 2016 ₹	
Stock at Commencement				
- Work-in-Progress	28,259,980		29,426,540	
- Finished goods	12,884,180		9,633,280	
- Other Material*	1,662,340	42,806,500	2,757,840	41,817,660
Stock at Close				
- Work-in-Progress	29,873,000		28,259,980	
- Finished Goods	22,003,920		12,884,180	
- Other Material*	616,720	52,493,640	1,662,340	42,806,500
<b>TOTAL ₹</b>		<b>(9,687,140)</b>		<b>(988,840)</b>

\* represents wastage

**NOTE 2.5 : EMPLOYEE BENEFITS EXPENSE**

Particulars	As at 31st March, 2017 ₹		As at 31st March, 2016 ₹	
Salaries & Wages (salaries & wages, gratuity, leave encashment & bonus)		90,600,392		86,788,754
Contribution to :				
- Provident Fund & Other Funds		6,480,674		5,604,992
Staff Welfare *		4,329,276		4,127,034
<b>TOTAL ₹</b>		<b>101,410,342</b>		<b>96,520,780</b>

\* inclusive of uniform & liveries (₹ 15,841/-)

**NOTE 2.6 : FINANCE COSTS**

Particulars	As at 31st March, 2017 ₹		As at 31st March, 2016 ₹	
Interest				
- Banks	14,379,378		14,017,854	
- Non-Banking Financial Companies	52,158		492,658	
- Others	1,009,711	15,441,247	1,733,866	16,244,378
Bank Charges		4,220,959		3,539,200
<b>TOTAL ₹</b>		<b>19,662,206</b>		<b>19,783,578</b>

**NOTE 2.7 : OTHER EXPENSES**

<b>Particulars</b>	<b>As at 31st March, 2017</b>		<b>As at 31st March, 2016</b>	
		₹		₹
Operating Expenses				
- Consumable Stores	17,292,830		20,826,156	
- Packing Material	41,962,099		48,954,622	
- Power & Fuel	87,106,177		79,076,668	
- Capsule Sorting Charges	8,526,746		7,462,625	
- Others	<u>6,863,087</u>	161,750,939	<u>8,454,691</u>	164,774,762
Rent		1,305,600		1,957,330
Repairs & Maintenance				
- Building & Electricals	963,148		671,322	
- Machinery & Equipment	4,681,341		3,929,362	
- Computers	378,181		298,393	
- Vehicles	<u>1,832,266</u>	7,854,936	<u>1,426,705</u>	6,325,782
Insurance		1,380,409		1,211,083
Rates & Taxes		1,657,400		1,771,846
Miscellaneous Expenses				
- Other Administrative Expenses	8,832,028		8,356,351	
- Travelling & Conveyance				
Directors	16,506			
Staff/Others	<u>18,324,552</u>	18,341,058	16,880,726	
- General Charges	2,399,116		1,140,711	
- Selling & Distribution Expenses	<u>23,727,106</u>	53,299,308	<u>26,219,835</u>	52,597,623
Research & Development		11,366,220		0
CSR Expenses		0		1,397,550
Payments to Auditor		252,500		251,250
<b>TOTAL ₹</b>		<u><b>238,867,312</b></u>		<u><b>230,287,226</b></u>

\* inclusive of packing & forwarding ( ₹ 17,264,698/-).

## **HEALTHCAPS INDIA LIMITED**

### **NOTE '3' : SIGNIFICANT ACCOUNTING POLICIES**

**(Forming part of Accounts) FOR THE YEAR ENDED 31st MARCH, 2017**

#### **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. Fixed Assets**

##### **- Tangible Assets**

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 Cenvat/VAT 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 inclusive of provision of Excise Duty thereon; however there is no effect on the profits of the Company.

### **3.7. Excise Duty/Cenvat**

- Excise Duty in respect of goods lying in the factory, at the close of the year, is accounted for at the prevalent applicable rate of duty.
- Cenvat on capital goods is credited to respective assets.
- Cenvat on purchase of raw material and other material is deducted from the cost of such material.
- Cenvat on input service is credited to respective expense.

### **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, sales tax and returns and including excise duties.
- 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 Excise Duty and other 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 are made to Employees State Insurance & Provident Fund and charged to the 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, 2017**

#### **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 - ₹ 438,400/-).
- b) Contingent Liabilities:
  - Claims against Company not acknowledged as debt:  
Income Tax demand (₹ 391,810/- inclusive of interest) for the assessment year 2014-2015 was raised by the Income Tax Department, vide their order dated 30.11.2016, against which the Company has preferred an appeal with Commissioner of Income Tax (Appeals), Delhi; the decision of the concerned authority is awaited.
  - Letter of Credit opened by State Bank of India for purchase of Raw Materials - ₹ 25,493,291/- (previous year - ₹ 43,541,234/-).
  - Bills purchased and discounted - Nil (previous year ₹ 4,818,211/-).  
Fixed Deposits (Margin Money - ₹ 16,825,724/- inclusive of interest accrued thereon) against Letter of Credit have been pledged with the Bank.
  - Liabilities in respect of Income Tax, Excise Duty, Service Tax, Sales Tax and other material statutory dues have been accounted for on the basis of respective returns filed with the relevant authorities. Additional demand, if any, arising at the time of assessments will be accounted for in the year in which assessments are completed.



#### 4.2. Reserves & Surplus:

Capital Reserve (₹ 4,836,000/-) includes Central Investment Subsidy (₹ 1,500,000/-).

#### 4.3. Long-term Borrowings:

##### Secured

##### Term Loans:

##### From State Bank of India (Account No. I - ₹ 20,000,000/-) is repayable in 22 quarterly installments:

8 quarterly installments of ₹ 750,000/- each w.e.f. April, 2014 to March, 2016.

12 quarterly installments of ₹ 1,100,000/- each w.e.f. April, 2016 to March, 2019.

2 quarterly installments of ₹ 400,000/- each w.e.f. April, 2019 to September, 2019.

##### From State Bank of India (Account No. II - ₹ 10,800,000/-) is repayable in 24 quarterly installments:

12 quarterly installments of ₹ 300,000/- each w.e.f. April, 2014 to January, 2017.

12 quarterly installments of ₹ 600,000/- each w.e.f. April, 2017 to January, 2020.

##### From State Bank of India (Account No. III - ₹ 81,400,000/-) is repayable in 25 quarterly installments:

3 quarterly installments of ₹ 1,500,000/- each w.e.f. September, 2015 to March, 2016.

21 quarterly installments of ₹ 3,500,000/- each w.e.f. April, 2016 to June, 2021.

1 quarterly installment of ₹ 3,400,000/- due & payable in September, 2021.

##### From State Bank of India (Account No. IV - ₹ 74,000,000/-) is repayable in 81 monthly installments:

9 monthly installments of ₹ 500,000/- each w.e.f. July, 2017 to March, 2018.

24 monthly installments of ₹ 700,000/- each w.e.f. April, 2018 to March, 2020.

24 monthly installments of ₹ 900,000/- each w.e.f. April, 2020 to March, 2022.

12 monthly installments of ₹ 1,200,000/- each w.e.f. April, 2022 to March, 2023.

11 monthly installments of ₹ 1,400,000/- each w.e.f. April, 2023 to February, 2024.

1 monthly installment of ₹ 1,300,000/- due & payable in March, 2024.

- Interest on 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 realised 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. Provision for Excise Duty (₹ 2,444,880/-) on inventories of finished goods lying in the factory, at the close of the year, has been made on estimation basis in accordance with the guidance note of the Institute of Chartered Accountants of India. However, the said provision does not have any impact on profit for the year.

4.6. - Other Current Liabilities (₹ 51,759,646/-):

- Current Maturities of Long-term Borrowings (₹ 26,354,381/-) include:

Vehicle Loans (₹ 409,952/-) having maturity within twelve months.

#### 4.7. Fixed Assets:

Capital Work-in-Progress (i.e. opening balance - ₹ 3,324,702/-) has been capitalised to Building (₹ 3,242,615/-) and Plant & Machinery (₹ 82,087/-) on completion of construction/installation.

Capital Work-in-Progress (₹ 11,321,409/-) represent Building (₹ 5,925,920/-) under construction, Plant & Machinery (₹ 4,452,081/-) under installation and Vehicle (chassis - ₹ 943,408/-) under fabrication; the said amount on completion of construction/installation/fabrication will be capitalised to respective assets.

#### 4.8. Segment Reporting (AS-17)

Since, the Company primarily operates in one segment (manufacturing of single product i.e. Empty Hard Gelatine Capsules) - therefore segment reporting as required under Accounting Standard -17 is not applicable; there is no reportable geographical segment either.

#### 4.9. Related Party Disclosures (AS-18)

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

#### 4.10. Earnings Per Share (AS- 20)

	<u>Year ended</u> <u>31st March, 2017</u>	<u>Year ended</u> <u>31st March, 2016</u>
<b>Numerator</b>		
Net Profit attributable to Equity shareholders	₹ 60,975,724	₹ 56,050,011
<b>Denominator</b>		
Weighted Average Number of Equity shares outstanding	No.'s 4,037,190	No.'s 4,037,190
Nominal Value per Equity share	₹ 10	₹ 10
Earnings per Equity share - Basic & Diluted	₹ 15.10	₹ 13.88

#### 4.11. 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>	<u>Total</u>
	₹	₹
<b>a) Timing Difference (Liability)</b>		
Depreciation		
- As per Income Tax Act, 1961	52,491,749	
- As per Financial Statements	<u>25,092,339</u>	27,399,411
Expenses		
u/s 35DDA of the Income Tax Act, 1961		
Salaries & Allowances		
- Voluntary Retirement Compensation (i.e. 1/5 of ₹ 100,000/-)		20,000
u/s 43B of the Income Tax Act, 1961 (paid during the year)		
- Gratuity	651,580	
- Bonus	3,310,440	
- Leave Encashment	<u>466,956</u>	<u>4,428,976</u>
		31,848,387
<b>b) Timing Difference (Asset)</b>		
Expenses		
u/s 35DDA of the Income Tax Act, 1961		
Salaries & Allowances		
- Voluntary Retirement Compensation (i.e. 4/5 of ₹ 679,000/-)		543,200
u/s 43B of the Income Tax Act, 1961 (Not paid till date)		
- Gratuity	5,016,207	
- Bonus	3,242,018	
- Leave Encashment	<u>3,424,492</u>	<u>11,682,717</u>
		12,225,917
<b>Net Timing Difference (Liability)</b>		<u>19,622,470</u>
Tax on Net Timing Difference (Liability) (@ 33.0630%)		6,487,777
<b>Or say</b>		<b>6,487,780</b>
Add : Opening Balance		45,043,966
<b>Deferred Tax Liability (Net)</b>	Total ₹	<u>51,531,746</u>

4.12. a) Exceptional items (₹ 859,904/-) represent Loss on sale/destruction of assets:

- Building (₹ 242,528/-) i.e. difference between W.D.V. of Building - ₹ 851,356/- (cost of Building - ₹ 889,243/- less accumulated depreciation - ₹ 37,887/-) and insurance claim/sale proceeds of Building - ₹ 608,828/-].
- Machinery (₹ 550,017/-) i.e. difference between W.D.V. of Machinery - ₹ 1,950,017/- (cost of Machinery - ₹ 2,102,878/- less accumulated depreciation - ₹ 152,861/-) and sale proceeds of Machinery - ₹ 1,400,000/-].
- Vehicles (₹ 67,359/-) i.e. difference between W.D.V. of Vehicles - ₹ 161,859/- (cost of Vehicles - ₹ 554,621/- less accumulated depreciation - ₹ 392,762/-) and sale proceeds of Vehicles - ₹ 94,500/-].

b) General Charges (₹ 2,399,116/-) include :

Amount written off (net - ₹ 1,225,613/-) represent irrecoverable party balances (₹ 3,049,586/- net of unclaimed party balances ₹ 1,823,973/-), during the year.

c) Trade Receivables (₹ 220,925,539/-) include (₹ 10,149,672/- & ₹ 557,355/-) due from Alfa Caps LLC. (Foreign Company in which relative of Directors is interested) and Alfa Caps Pvt. Ltd. (Company in which directors/relatives of Directors are interested), against sales effected in the ordinary course of business at arm's length price.

**4.13. Research & Development (₹ 11,366,220/-) represents expenditure incurred (₹ 1,281,274/-), power & fuel (₹ 392,480/-) and salaries & allowances (₹ 9,692,466/-).**

4.14. The Company has not appointed Chief Financial Officer and Full time Company Secretary, as required under Section 203 of the Companies Act, 2013.

However, Practicing Company Secretary was engaged to carry out the necessary compliances, as required under the applicable provisions of the Companies Act, 2013.

**4.15. Corporate Social Responsibility**

As per the requirement of sub-section (5) of Section 135 of the Companies Act, 2013, the Company is required to spend at least two percent of its average net profit for the three immediately preceding financial years, in pursuance of its Corporate Social Responsibilities (CSR) Policy.

However, the Company, during the year, has not spent any amount towards CSR activities.

**4.16. 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.

**4.17. Micro, Small & Medium Enterprises**

Based on the information presently available, there are no amounts due to any micro or small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.

**4.18. Auditor's Remuneration**

(excluding Service Tax)

	<b><u>31st March, 2017</u></b>	<b><u>31st March, 2016</u></b>
	<b><u>AMOUNT</u></b>	<b><u>AMOUNT</u></b>
	₹	₹
- Audit Fee	230,000	190,000
- In other capacity	-	50,000
- Reimbursement of out of pocket expenses	20,000	10,000
<b>Total ₹</b>	<b><u>250,000</u></b>	<b><u>250,000</u></b>

**4.19. 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) **Raw material consumed**

<b>Particulars</b>	<b>31st March, 2017</b>		<b>31st March, 2016</b>	
	<b>AMOUNT</b>		<b>AMOUNT</b>	
		₹		₹
Gelatine	261,959,699		273,657,722	
Colours & Chemicals	10,876,310 *		11,514,161	
HPMC	10,669,296 **		-	
<b>Total ₹</b>	<b>283,505,305</b>		<b>285,171,883</b>	

\* Inclusive of (₹ 244,434/-) consumed for Research & Development.

\*\* Inclusive of (₹ 1,036,840/-) consumed for Research & Development.

c) **Finished Goods**

**Opening Stock**

- Empty Hard Gelatine Capsules	12,884,180	9,633,280
- Hydroxy Propyl Methyl Cellulose Capsules	-	-

**Closing Stock**

- Empty Hard Gelatine Capsules	21,852,706	12,884,180
- Hydroxy Propyl Methyl Cellulose Capsules	151,214	-

d) **Imported & indigenous consumption of raw material & percentage thereof.**

	<b>31st March 2017</b>		<b>31st March 2016</b>	
	<b>AMOUNT</b>	<b>%</b>	<b>AMOUNT</b>	<b>%</b>
	₹		₹	
'i' Imported	28,110,574	9.92	16,462,710	5.77
'ii' Indigenous	255,394,758 *	90.08	268,709,173	94.23

\* Inclusive of (₹ 1,281,274/-) consumed for Research & Development.

e) **Transactions in Foreign Currency**

	<b>31st March 2017</b>		<b>31st March 2016</b>	
	<b>AMOUNT</b>	<b>TOTAL</b>	<b>AMOUNT</b>	<b>TOTAL</b>
	₹	₹	₹	₹
<b>- C.I.F. value of import</b>				
Raw Material				
(USD 92,500)	6,238,688			
(EURO 127,000)	<u>9,149,385</u>	15,388,073		31,516,650
<b>- Capital Goods</b>				
(USD 157,386)	10,607,669		5,771,836	
(EURO 9,200)	<u>700,097</u>	11,307,766	<u>482,782</u>	6,254,618
<b>- Expenditure</b>				
Consumable stores				
(USD 38,825.80)	2,606,065			
(EURO 1,214.00)	<u>89,709</u>	2,695,774		1,536,393
Business promotion				
(USD 24,725.00)	1,664,457			
(GBP 11,821.50)	<u>985,463</u>	2,649,920		2,337,839

Travelling & conveyance (USD 39,603.32)		2,684,952		3,667,803
Commission (USD 8,448.50)		568,404		Nil
Rate & Taxes (CAD 196)		10,137		1,287
Bank Charges		Nil		3,205
<b>- Earnings</b>				
F.O.B. value of exports (Direct)				
(USD 4,002,112.86)	265,029,440		295,686,394	
(EUR 22,289.00)	<u>1,540,170</u>	266,569,610	<u>2,223,589</u>	297,909,983

4.20. **Disclosure on Specified Bank Notes (SBNs)**

During the year, the Company had specified Bank Notes (SBNs) or Other Denomination Notes, as defined in the MCA notification, G.S.R. 308(E), dated 30th March, 2017. The details of SBNs held and transacted during the period from 08th November, 2016 to 30th December, 2016, are mentioned herein below:

Particulars	SBNs* (₹)	Other Denomination Notes (₹)	Total (₹)
Closing Cash in hand, as on 08th November, 2016	134,500	190,658	325,158
(+) Permitted Receipts	-	1,157,020	1,157,020
(-) Permitted Payments	75,000	1,169,520	1,244,520
(-) Amount Deposited in Banks	59,500	-	59,500
Closing Cash in hand, as on 30th December, 2016	-	178,158	178,158

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 08th November, 2016.

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

4.22. Figures have been rounded off to nearest rupee.

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/-**  
**(PRATEEK PURI)**  
**PARTNER**  
**Membership No. - 524431**

**Dated: 30<sup>th</sup> June, 2017**  
**Place : Mohali**

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

**Sd/-**  
**GURCHARAN SINGH**  
**(Director)**  
**DIN-00651549**

**ANNEXURE 'A' TO NOTES TO ACCOUNTS [NOTE 4.9]****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
 

Chiranjiv Singh	Managing Director
Hariti Singh	Whole-time Director
Gurcharan Singh	Director
Vikas Sheel Dhawan*	Chief Financial Officer

\* resigned during the year
2. Relatives of Key Management Personnel
 

Satjiv Singh	
Anuj Gandhi	
3. Enterprises over which key management personnel or their relatives have significant influence
 

Alfa Caps Pvt. Ltd.
Ozark Engineering Pvt. Ltd.
Alfa Caps LLC

**'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 ₹	AMOUNT ₹	AMOUNT ₹
<b>A)</b>	<b>Revenue</b>			
1.	Sales	-	-	10,456,949
<b>B)</b>	<b>Expenditure</b>			
1.	Salaries & Allowances	208,026	6,030,000	-
2.	Directors' Expenses	5,534,177	-	-
3.	Other Operating Expenses			
	-Capsules Sorting Charges	-	-	8,526,746
	-Job Work	-	-	1,399,220
<b>C)</b>	<b>Others</b>			
1.	Unsecured Loans			
	-Balance as on 01st April, 2016	2,875,000	-	-
	Add: received during the year	-	-	-
	Less : repaid/settled during the year	-	-	-
	-Balance as on 31st March, 2017	2,875,000	-	-
2.	Fixed Assets			
	-Purchases	-	-	33,855,860
	-Sales	-	-	1,670,288
<b>D)</b>	<b>Year end balances</b>			
1.	Due to Director			
	- Chiranjiv Singh	310,095	-	-
	- Hariti Singh	99,995	-	-
2.	Salaries & Wages payable			
	- Satjiv Singh	-	228,395	-
	- Anuj Singh Gandhi	-	228,395	-
3.	Trade receivable			
	- Alfa Caps LLC	-	-	10,149,672
	- Alfa Caps Pvt. Ltd.	-	-	557,355
4.	Advances for Supplies & Services			
	- Ozark Engineering Pvt. Ltd.	-	-	6,491,215

Dated : 30th June, 2017  
Place : Mohali

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

Sd/-  
**GURCHARAN SINGH**  
(Director)  
DIN-00651549

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

	<b><u>CURRENT YEAR</u></b>	<b><u>PREVIOUS YEAR</u></b>
	<b><u>31.03.2017</u></b>	<b><u>31.03.2016</u></b>
	₹	₹
<b>“A” CASH FLOWS</b>		
<b>( I ) FROM OPERATING ACTIVITIES</b>		
a) Profit before tax	91,769,606	84,762,318
Adjustments : Depreciation and amortisation	25,092,339	22,209,669
(Gain)/Loss on sale of fixed assets	859,904	143,935
Interest earned	(2,342,644)	(1,823,999)
Interest paid/incurred (net)	15,441,247	16,244,378
Profit from operating activities	<b>130,820,452</b>	<b>121,536,301</b>
b) Working capital changes :		
(Increase)/Decrease in Inventories	(28,453,820)	10,947,610
(Increase)/Decrease in Trade Receivables	(30,168,611)	(39,190,454)
(Increase)/Decrease in Short-Term Loans and Advances	(26,370,740)	(11,245,230)
(Increase)/Decrease in Other Current Assets	182,270	1,701,652
(Increase)/Decrease in Long-Term Loans and Advances	(15,673,429)	103,028
Increase/(Decrease) in Long-term Provisions	7,322,163	2,555,886
Increase/(Decrease) in Trade Payables	5,206,002	(13,025,540)
Increase/(Decrease) in Other Current Liabilities	1,414,150	(4,971,416)
Increase/(Decrease) in Short-term Provisions	1,013,305	361,210
Cash generated from operations	<b>45,291,742</b>	<b>68,773,047</b>
c) Direct taxes paid (net of refund)	(2,894,360)	(5,958,200)
<b>Total “I”</b>	<b>42,397,382</b>	<b>62,814,847</b>
<b>( II ) FROM INVESTING ACTIVITIES</b>		
a) Purchase of tangible assets/intangible assets/ capital work-in-progress	(85,589,373)	(79,718,589)
b) Proceeds from sale of tangible assets/intangible assets/capital work-in-progress	2,103,328	1,148,000
c) (Increase)/Decrease in Other Non-Current Assets	168,600	(201,400)
d) (Increase)/Decrease in Fixed Deposits	(1,152,105)	(417,218)
e) Interest received	2,342,644	1,823,999
<b>Total “II”</b>	<b>(82,126,906)</b>	<b>(77,365,208)</b>

**( III ) FROM FINANCING ACTIVITIES**

a) Proceeds from issue of Share Capital	0	0
b) Share application money (pending allotment)	0	0
c) Proceeds from Long-term Borrowings (net)	39,710,046	31,659,269
d) Increase in Short-term Borrowings (net)	30,657,973	(5,155,135)
e) Redemption of Preference Shares	0	0
f) Repayment of Long-Term Borrowings (net)	0	0
g) Decrease in Short-Term Borrowings (net)	0	0
h) Dividends paid (including distribution tax)	0	0
i) Interest and Other Finance Costs	(15,441,247)	(16,244,378)
j) Share issue expenses	0	0
<b>Total "III"</b>	<b>54,926,772</b>	<b>10,259,756</b>

<b>"B"</b> Net (decrease)/Increase in cash and cash equivalents (I+II+III)	15,197,248	(4,290,605)
Add : Cash and cash equivalents at the beginning of the year	10,665,411	14,956,016
<b>"C"</b> Cash and cash equivalents at the end of the year	25,862,659	10,665,411

**Cash and Cash equivalents comprises of**

	<b><u>CURRENT YEAR</u></b> <b><u>31ST MARCH, 2017</u></b> ₹	<b><u>PREVIOUS YEAR</u></b> <b><u>31ST MARCH, 2016</u></b> ₹
Cash & Bank Balances as per Note 1.14	42,688,383	26,339,030
Less : Fixed Deposits (Balances held as margin money)	16,825,724	15,673,619
	<b>25,862,659</b>	<b>10,665,411</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/-  
(PRATEEK PURI)  
PARTNER  
Membership No. - 524431

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

Sd/-  
GURCHARAN SINGH  
(Director)  
(DIN 00651549)

Dated: 30th June, 2017  
Place : Mohali



**THIRTY FORTH  
ANNUAL REPORT  
(2016-17)**



**HEALTHCAPS INDIA LIMITED**

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