

# THIRTY EIGHTH ANNUAL REPORT (2020-21)



## HEALTHCAPS INDIA LIMITED

*If undelivered, please return to :*

**HEALTHCAPS INDIA LIMITED**

**CIN- U74899PB1982PLC050929**

Village Fatehpur

P.O. Majra Jattan

Tehsil Balachaur

Distt. SBS Nagar (Nawanshahr)

Punjab - 144522, India

## **BOARD OF DIRECTORS**

1. Shri. Chiranjiv Singh : Managing Director
2. Smt. Hariti Singh : Whole Time Director
3. Shri. I.S. Bindra : Director
4. Shri. Gurcharan Singh : Independent Director
5. Shri. Arun Kumar Bhakoo : Independent Director

## **BANKERS**

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

## **AUDITORS**

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

## **WORKS & REGISTERED OFFICE**

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

## **ADMN. OFFICE**

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

## HEALTHCAPS INDIA LIMITED

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

---

### NOTICE

Notice is hereby given that the **38<sup>th</sup> Annual General Meeting** of the Company will be held on - **Thursday, 30<sup>th</sup> day of September, 2021 at 12.30 p.m. at Factory premises at Village Fatehpur, P.O. Majra Jattan, Tehsil Balachaur, District -SBS Nagar (Nawanshahr), Punjab 144522** to transact the following business.

#### ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended **31<sup>st</sup> March, 2021** and the Reports of the Board of Directors and the Auditors thereon.  
2. To appoint a Director in place of **Smt. Hariti Singh**, who retires by rotation in accordance with Article 102 of Articles of Association of the company and being eligible, offers **herself** for reappointment.

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

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

**“RESOLVED THAT**, appointment of M/s. Vasudeva & Associates, Chartered Accountants, Chandigarh, who were appointed as statutory auditors of the Company for second term for a period of five years from the financial year 2017-18 to 2021-22 and to hold office from the conclusion of 34<sup>th</sup> annual general meeting up to the conclusion of 39<sup>th</sup> 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 be and is hereby ratified”

#### SPECIAL BUSINESS

#### **4. APPROVAL FOR BORROWING MONEY IN EXCESS OF THE AGGREGATE OF THE PAID UP SHARE CAPITAL AND FREE RESERVES OF THE COMPANY**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 180(1) (c) of The Companies Act, 2013 and other applicable provisions, if any and the provisions of The Companies (Meetings of Board and its Power) Rules, 2014, Board of Directors of the company can borrow money up to Rs. 2,00,00,00,000/- (Rupees Two Hundred Crores only) not with-standing that money to be borrowed, together with the money already borrowed by the company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed aggregate of its paid-up share capital and free reserves.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all other acts, deeds and things in this connection and incidental as the Board in its absolute discretion may deem fit without being required to seek any further consent or approval of the members.”

## 5. APPROVAL TO PROVIDE SECURITY IN FAVOUR OF LENDERS

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

**“RESOLVED THAT** pursuant to the provisions of Sections 180(1) (a) of The Companies Act, 2013 and other applicable provisions, if any and the provisions of The Companies (Meetings of Board and its Power) Rules, 2014, Board of Directors of the company be and is hereby authorized to provide security up to Rs. 2,00,00,00,000/- (Rupees Two Hundred Crores only) by way of security of term deposits, mortgage/ pledge / hypothecation of movables, immovable properties or such other assets at any time and create charge on assets of the company in connection there with as may be required.”

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and to do all other acts, deeds and things in this connection and incidental as the Board in its absolute discretion may deem fit without being required to seek any further consent or approval of the members."

## 6. TO CONSIDER RELATED PARTY TRANSACTIONS

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

**“RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification (s) or re-enactment(s) thereof for the time being in force) consent of the members of the Company be and is hereby accorded for following related party transactions during financial year **2021-22**

Name of the Related Party	Nature of Transactions as per Section 188 of the Companies Act, 2013	Name of Director or Key Managerial Personnel who is related, if any	Nature of Relationship	Material Terms and particulars of the contract or arrangement	Monetary value (in Rs.)	Any other information
Alfa Caps LLC-USA	Sale of goods	Shri Anuj Gandhi, Relative of Director	Son of Director	Running arrangement	Up to Rs 70.00 Crores	None
Health Caps Europe Ltd-UK	Sale of goods	Shri Anuj Gandhi, Relative of Director	Son of Director	Running arrangement	Up to Rs 40.00 Crores	None
Ozark Engineering Private Limited	Sale/purchase of goods/ machinery and job work	Shri Satjiv Singh	Son of Director	Running arrangement	Up to Rs 15.00 Crores	None
Alfa Caps Private Limited	Job work	Smt. Hariti Singh	Common Director	Running arrangement	Up to Rs 2.00 Crores	None

## 7. TO CONSIDER REAPPOINTMENT OF SMT. HARITI SINGH AS WHOLE TIME DIRECTOR

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196 and 197 of The Companies Act, 2013 and other applicable provisions, if any, and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any modification, amendment and/or re-enactment thereof, **Smt. Hariti Singh** be and is hereby reappointed as **Whole Time Director** with effect from 01.04.2021 for a period of five years up to 31.03.2026 on following terms and conditions-

**Salary**

Salary Rs. 2,50,00 per month

**Perquisites:**

Nil

**8. TO CONSIDER INCREASE IN REMUNERATION OF SHRI CHIRANJIV SINGH AS MANAGING DIRECTOR**

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

**RESOLVED THAT** pursuant to the provisions of Sections 196 and 197 of The Companies Act, 2013 and other applicable provisions, if any, and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any modification, amendment and/or re-enactment thereof, remunerations of Shri Chiranjiv Singh Managing Director of the Company be and are hereby increased with effect from 01.04.2021 as per detail given below and other terms and conditions of his appointment being the same-

**Salary**

-Salary Rs. 5,82,500 per month

-Attendant Allowance Rs. 10,000.00 per month

-Uniform Allowance Rs. 7,500.00 per month

**Perquisites:**

Following perquisites are allowed in addition to salary-

**PART A**

1. Medical Reimbursement: Expenses incurred for himself and family subject to a ceiling of one month's salary in one year or 3 months' salary in period of 3 years.
2. He shall be entitled for leave encashment at the end of tenure.
3. That the fees of Clubs be paid/ reimbursed subject to maximum two of the clubs. That the above shall not include Admission and/or life membership fees.
4. That the Managing Director be paid/reimbursed towards premium on personal accident insurance a sum not exceeding Rs. 40,000/- per annum.

**PART B**

That the contribution towards Provident Fund, Superannuation Fund and Annuity fund shall be subject to the provisions of the income Tax Act 1961. Gratuity payable should not exceed half month's salary for each completed year of service, subject to the ceiling prevailing at the time of end of his tenure.

**PART C**

That Managing Director shall be provided with a car for use on company's business and also a telephone at residence which shall not be considered as perquisites. However, personal long distance calls made on company's telephone and use of company's car for private purpose shall be billed by the company.

**9. TO CONSIDER INCREASE IN REMUNERATION OF SHRI SATJIV SINGH, RELATIVE OF DIRECTOR**

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

**RESOLVED THAT** pursuant to the provisions of **Section 188 of the Companies Act, 2013** and other applicable provisions, if any and **The Companies (Meetings of Board and its Powers) Rules, 2014** remunerations of **Shri Satjiv Singh, Director Marketing and Sales** of the company be and are hereby increased with effect from **01.04.2021** as under-

**Salary**

- Basic Salary Rs. 4,82,500 per month
- Attendant Allowance Rs. 10,000.00 per month
- Uniform Allowance Rs. 7,500.00 per month

**Perquisites**

He shall be entitled for contribution to Provident Fund, Medical Reimbursement as permissible under Income Tax Act, Gratuity and Leave Encashment as per Company Rules and other official expenditure on the production of bills.

**10.TO CONSIDER INCREASE IN REMUNERATION OF SHRI ANUJ GANDHI, RELATIVE OF DIRECTOR**

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

**RESOLVED THAT** pursuant to the provisions of **Section 188 of the Companies Act, 2013** and other applicable provisions, if any and **The Companies (Meetings of Board and its Powers) Rules, 2014** remunerations of **Shri Anuj Gandhi, Director Exports** of the company be and are hereby increased with effect from **01.04.2021** as under-

**Salary**

- Basic Salary Rs. 4,82,500 per month
- Attendant Allowance Rs. 10,000.00 per month
- Uniform Allowance Rs. 7,500.00 per month

**Perquisites**

He shall be entitled for contribution to Provident Fund, Medical Reimbursement as permissible under Income Tax Act, Gratuity and Leave Encashment as per Company Rules and other official expenditure on the production of bills.

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

Dated: 30th June, 2021  
Place : Mohali

**MANAGING DIRECTOR**  
**DIN-01602672**

## NOTES

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of him and the proxy need not be a member of the Company. The instrument appointing the proxy should, however be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from **29<sup>th</sup> day of September, 2021 to 30<sup>th</sup> day of September, 2021** (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 report of Scrutinizer shall be placed on the Company's website.
7. Explanatory Statement under **Section 102 of The Companies Act, 2013** and the **General Information** as required under **Schedule V of the Act** is enclosed herewith.
8. Details of Directors seeking re-appointment/appointment at the forthcoming Annual General Meeting as required under Secretarial Standards-2 on General Meetings and the General information under Schedule V of the Companies Act, 2013 is also given in the attachment to the notice. is given as an attachment to the notice.

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

**ITEM NO. 4-** As per the provisions of the Companies Act, 2013 there is restriction on powers of Board and the Board can borrow money up to aggregate of the paid-up share capital and free reserves of the company and if borrowing by the company exceeds aggregate of the paid-up share capital and free reserves of the company consent of the shareholders is required by way of Special resolution. During the course of business company may need money beyond the restriction imposed under the Companies Act, 2013. This resolution is put before shareholders to seek their approval by way of a special resolution. None of the Directors and KMP and/or their relatives is concerned and/ or interested, financially or otherwise in this resolution

**ITEM NO. 5-** As per the provisions of the Companies Act, 2013 there is restriction on powers of Board to provide security for the money borrowed. The consent of the shareholders is required by way of Special resolution to authorize Board of Directors for above purpose. This resolution is put before shareholders to seek their approval by way of a special resolution. None of the Directors and KMP and/or their relatives is concerned and/ or interested, financially or otherwise in this resolution.

**ITEM NO. 6-** Shri Anuj Gandhi is son of Shri Chiranjiv Singh and Smt. Hariti Singh, both Director of the Company and he has promoted two entities Alfa Caps LLC in USA and Health Caps Europe Ltd in UK where there is a good demand of Company's product. The sale to these two entities is at market price in ordinary course

of business. Ozark Engineering Private Limited is an Indian Company having common Director and is engaged in manufacture of engineering goods. Alfa Caps Private Limited is an Indian Company having common Director and is engaged in sorting of capsules. In order to comply with the provisions of the Companies Act, 2013, approval of members is sought through special resolution. The required information is explained in the resolution itself at Sr. No. 6 of the Notice of meeting, None of the Directors and KMP and/or their relatives is concerned or interested, financially or otherwise in this resolution except Sh. Chiranjiv Singh, Smt. Hariti Singh, being Director and Sh. Anuj Gandhi and Sh. Satjiv Singh, being relative of Director.

**ITEM NO. 7-** The present term of **Smt. Hariti Singh** as Whole Time Director has been Completed and she has been re-appointed by the Board for a next term of five years. Her remunerations have also been increased. She has been associated with the Company for past 25 years as a member of the Board. The Nomination and Remuneration Committee has also approved her re-appointment. This resolution is put before shareholders to seek their approval by way of a special resolution.

Sh. Chiranjiv Singh, Smt. Hariti Singh, Sh. Satjiv Singh and Sh. Anuj Gandhi all are interested in the resolution being relative of each other and none of the other Directors and KMP and/or their relatives is concerned and/ or interested, financially or otherwise in this resolution.

**ITEM NO. 8- Shri Chiranjiv Singh** is working as Managing Director and is overseeing the affairs of the Company since inception of the Company and is fully conversant with all aspects of the management and affairs of the Company. The Board considered it fit and proper to increase his remunerations and The Nomination and Remuneration Committee has also approved the same. This resolution is put before shareholders to seek their approval by way of a special resolution.

Sh. Chiranjiv Singh, Smt. Hariti Singh, Sh. Satjiv Singh and Sh. Anuj Gandhi all are interested in the resolution being relative of each other and none of the other Directors and KMP and/or their relatives is concerned and/ or interested, financially or otherwise in this resolution.

**ITEM NO. 9-** It is proposed to increase remunerations of Sh. Satjiv Singh, relative of Director who is looking after marketing and sales department. The Nomination and Remuneration Committee has also approved the same and approval of shareholders is being sought by way of special resolution.

Sh. Chiranjiv Singh, Smt. Hariti Singh, Sh. Satjiv Singh and Sh. Anuj Gandhi all are interested in the resolution being relative of each other and none of the other Directors and KMP and/or their relatives is concerned and/ or interested, financially or otherwise in this resolution.

**ITEM NO. 10-** It is proposed to increase remunerations of Sh. Anuj Gandhi, relative of Director who is looking after exports The Nomination and Remuneration Committee has also approved the same and approval of shareholders is being sought by way of special resolution.

Sh. Chiranjiv Singh, Smt. Hariti Singh, Sh. Satjiv Singh and Sh. Anuj Gandhi all are interest in the resolution being relative of each other and none of the other Directors and KMP and/or their relatives is concerned and/ or interested, financially or otherwise in this resolution.

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

**Dated: 30th June, 2021**  
**Place : Mohali**

**MANAGING DIRECTOR**  
**DIN-01602672**



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

- (a) Date and time of commencement of voting through electronic means: **Monday, September 27, 2021 at 9.00 a. m.**
- (b) Date and time of end of voting through electronic means beyond which voting will not be allowed: **Wednesday, September 29, 2021 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 **Wednesday, September 29, 2021 at 5.00 p. m.** Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting right of shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the **cut off (record date)date** as on **23<sup>rd</sup> September, 2021.**

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

- (i) The voting period begins on **27<sup>th</sup> September, 2021 at 09.00 a.m.** and ends on **29<sup>th</sup> September, 2021 at 05.00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date (record date) of Thursday, 23<sup>rd</sup> September, 2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

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

<p>Individual Shareholders holding securities in Demat mode login through their <b>Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period.</p>
--	--

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned web-site.

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

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

v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders & physical shareholders.**

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

	<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>
PAN	<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>● Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>

Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>
--	---

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <**HEALTHCAPS INDIA LIMITED**> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Facility for Non Individual Shareholders and Custodians Remote Voting**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [info@healthcapsindia.com](mailto:info@healthcapsindia.com) (designated email address by the company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**GENERAL INFORMATION UNDER SCHEDULE V OF THE COMPANIES ACT, 2013**

1. Nature of Industry - The Company is engaged in the manufacture of empty hard gelatine and HPMC capsules.
2. Date or expected date of commercial production - Not applicable. The company is already in operations.
3. In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus- Not Applicable.
4. Financial Performance (Rs. in Crores)

Financial Parameters	2018-19	2019-20	2020-21
Turnover and Other Income	102.33	108.49	150.69
Net Profit	10.08	8.26	14.97
Rate of Dividend	0.00	0.00	0.00

5. Foreign investments or collaborations, if any - Nil

**INFORMATION ABOUT THE APPOINTEE****1. Background Details**

Name	Age	Qualification	Experience	Past Remunertion Rs.
Sh. Chiranjiv Singh	70 years	B.Tech from GB Pant University of agricultural & Technology, Pant Nagar	Working as MD since inception	4,50,000 pm
Smt. Hariti Singh	65 years	M.A. History from Panjab University, Chandigarh	Working as a Director for past 25 years	2,00,000 pm
Sh. Satjiv Singh	40 years	M.B.A from Fore School of Management, New Delhi	looking after marketing department for the past decade	3,50,000 pm
Sh. Anuj Gandhi	36 years	B.A ( Economics) (H) from Symbiosis, Pune	looking after marketing department for the past decade	3,50,000 pm

2. Past Remuneration As given above.
3. Recognitions or Awards - Nil
4. Job Profile and his suitability

**Sh. Chiranjiv Singh**-Managing Director is responsible for the day to day management of the affairs of the company subject to the superintendence, control and direction of the Board of Directors.

**Smt. Hariti Singh**-Whole Time Director is looking after day to day administration of the Company subject to the superintendence, control and direction of the Board of Directors.

**Sh. Satjiv Singh** is looking after Indian marketing.

**Sh. Anuj Gandhi** is looking after export marketing.

## OTHER INFORMATIONS

The remunerations of all the above Directors and managerial persons are covered under Schedule V the Companies Act, 2013. The company has **28 capsulating machines** as on 31.03.2021 and the company is in the process of adding more capsulating machines to increase the production and profitability of the Company.

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

Name	Smt. Hariti Singh
Age	66
Brief Resume	Working as Director in the company for the last 24 years
Nature of his expertise in specific functional areas	Administration
Date of first appointment on the Board,	05.01.1997
Qualifications	Post Graduate
Experience	Experience of more than two decades of industry
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	As mentioned in proposed resolution number 7
Last drawn remuneration	Rupees Two Lac per month
Shareholding in the company held either himself or on a beneficial basis for any other persons	462462 equity shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Related with Sh. Chiranjiv Singh, Sh. Satjiv Singh and Sh. Anuj Gandhi
The number of Meetings of the Board attended during the Year	16
Names of companies in which the person also holds the directorship and the membership/ Chairman of Committees of the Board	1. Alfa Caps Private Limited 2. G.One Formulations Private Limited 3. Ozark Engineering Private Limited 4. HV Caps Private Limited
Chairmanship/member of the Committees of Board of Directors of other Indian Public Companies	Nil

## BALLOT PAPER

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

CIN: **U74899PB1982PLC050929**

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

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

**38<sup>th</sup> Annual General Meeting to be held on Thursday, 30<sup>th</sup> day of September, 2021 at 12.30 p.m. at Factory premises at Village Fatehpur, P.O. Majra Jattan, Tehsil Balachaur, District -SBS Nagar (Nawanshahr), Punjab 144522**

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

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

No.	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
Ordinary Business				
1.	Approval of Annual Accounts for the year ended 31.03.2021			
2.	To appoint a Director in place of Smt. Hariti Singh, who retires by rotation			
3.	Ratification of appointment of Statutory Auditors			
Special Business				
4	Approval for Borrowing Money in excess of paid up capital and free reserves			
5	Approval to Provide Security to lenders			
6	To Consider Related Party Transactions			
7	To consider reappointment of Smt. Hariti Singh as Whole Time Director			
8	To consider increase in remuneration of Shri Chiranjiv Singh as Managing Director			
9	To consider increase in remuneration of Shri Satjiv Singh, relative of director			
10	To consider increase in remuneration of Shri Anuj Gandhi, relative of director			

Place:

Date:

(Signature of the Shareholder)

## PROXY FORM

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

CIN: **U74899PB1982PLC050929**

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

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 38th Annual General Meeting of the company to be held on Thursday, 30th day of September, 2021 at 12.30 p.m. at Factory premises at Village Fatehpur, P.O. Majra Jattan, Tehsil Balachaur, District -SBS Nagar (Nawanshahr), Punjab – 144522 and at any adjournment thereof in respect of such resolutions as are indicated below:



Resolu- tion No.	Resolution	Vote	
		For	Against
Ordinary Business			
1.	Approval of Annual Accounts for the year ended 31.03.2021		
2.	To appoint a Director in place of Smt. Hariti Singh, who retires by rotation		
3.	Ratification of appointment of Statutory Auditors		
Special Business			
4	Approval for Borrowing Money in excess of paid up capital and free reserves		
5	Approval to Provide Security to lenders		
6	To Consider Related Party Transactions		
7	To consider reappointment of Smt. Hariti Singh as Whole Time Director		
8	To consider increase in remuneration of Shri Chiranjiv Singh as Managing Director		
9	To consider increase in remuneration of Shri Satjiv Singh, relative of director		
10	To consider increase in remuneration of Shri Anuj Gandhi, relative of director		

Signed this..... day of..... 2021

Affix Revenue Stamp
---------------------------

Signature of shareholder -----

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

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

**HEALTHCAPS INDIA LIMITED**

CIN –U74899PB1982PLC050929

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

**ATTENDANCE SLIP**

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

I hereby record my presence at the 38th Annual General Meeting of the Company held on Thursday, 30th day of **September, 2021 at 12.30 p.m. at Factory premises at Village Fatehpur, P.O. Majra Jattan, Tehsil Balachaur, District -SBS Nagar (Nawanshahr), Punjab – 144522.**

Folio No./DP ID-Client ID :

.....

Full Name of the Shareholder in Block Letters :

.....

No. of Shares Held

.....

Name of Proxy (if any) in Block Letters

.....

Signature of the Shareholder/Proxy/Representative\*

\*Strike out whichever is not applicable

\_\_\_\_\_

## BOARD'S REPORT

To,  
The Members of

### HEALTHCAPS INDIA LIMITED

Your Directors have pleasure in presenting the 38<sup>th</sup> Board's Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended 31<sup>st</sup> March, 2021.

### FINANCIAL HIGHLIGHTS

(Rs. In Crores)

Particulars	Standalone	
	2020-21	2019-20
Total Revenue	150.69	108.49
Profit Before Interest and Depreciation	27.83	19.06
Finance Charges	3.54	4.31
Depreciation & Amortization Expenses	4.12	3.57
Profit Before Tax	20.17	11.18
Provision for Tax	5.20	2.92
Net Profit After Tax	14.97	8.26
Balance of Profit brought forward	62.43	54.21
Adjustment	0	-0.04
Surplus carried to Reserve and Surplus	77.39	62.43

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

The Company is dealing in manufacturing and sales of Empty Hard Gelatine Capsules and Hydroxy Propyl Methyl Cellulose (HPMC) Capsules. The company is manufacturing empty capsules in different sizes. The Company has 28 capsulating machines as on 31.03.2021 and the Company is in the process of adding more machines to increase sales and profitability. The Board expects the Company to grow in future.

### RESEARCH AND DEVELOPMENT

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

### STATUS OF THE COMPANY

Status of the Company is 'Unlisted Public Company' .

### CHANGE IN NATURE OF BUSINESS

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

### DIVIDEND

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

### AMOUNTS TRANSFERRED TO RESERVES

The Board of the company has decided to carry net profit of Rs. 14.97 Crores to its reserves and surplus.

### CHANGES IN SHARE CAPITAL

There has been no change in Share Capital of the Company during the current Financial Year.

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

The Company does not have any Subsidiary, Joint venture or Associate Company and the provisions regarding disclosure of names of companies which ceased to be the subsidiary, joint venture or associate companies are not applicable.

## **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.

## **ANNUAL RETURN**

As required under sub-section (3) of section 92 of the Companies Act, 2013 as amended copy of the annual return will be placed on website of the Company [www.healthcapsindia.com](http://www.healthcapsindia.com) under the heading investors after filing with ROC/MCA, weblink <http://healthcapsindia.com/mgt-7/>

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 current Financial Year, the Company held 16 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-

15.04.2020	30.04.2020	20.07.2020	06.08.2020	29.08.2020	20.10.2020
11.11.2020	26.11.2020	03.12.2020	15.12.2020	02.01.2021	21.01.2021
01.02.2021	08.03.2021	22.03.2021	23.03.2021		

## **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 deemed unlisted
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **AUDITORS AND REPORT THEREON**

M/s. Vasudeva & Associates, Chartered Accountants, Chandigarh were appointed as Statutory Auditors for

second term for a period of five years from the financial year 2017-18 to 2021-22. There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation. The Notes on financial statements are self-explanatory, and needs no further explanation. Further the Auditors' Report for the Current financial year is annexed herewith for your kind perusal and information.

#### **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**

No changes have occurred in the constitution of Board of Directors of the company and the KMP during the current financial year.

#### **DEPOSITS**

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

#### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

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

<b>S.No.</b>	<b>Name of the Director</b>	<b>Category of the Director</b>	<b>Position held in the Committee</b>
1	Sh. Chiranjiv Singh	Managing Director	Chairman
2	Sh. I. S. Bindra	Non Executive / Non 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. The total amount of CSR to be spent during the year amounted to Rs. 24,14,097-00. The Company has spent full amount of Rs.24,14,097-00 during the current financial year and there is no unspent CSR expense. The Company has also spent additional Rs.5,85,903-00 on CSR. Thus the Company has complied with the provisions of the Act and rules made relating to CSR. Further, the CSR policy and annual report on CSR activities and the detail of projects for financial year ended **31.03.2021** is attached along with this report. No meeting of Committee was held during the year.

#### **PERSONNEL**

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

## **ANNUAL EVALUATION**

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

## **INDEPENDENT DIRECTORS AND DECLARATION**

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

## **NOMINATION AND REMUNERATION COMMITTEE**

As per the section 178(1) of the Companies Act, 2013 the Company's Nomination and Remuneration Committee comprises of three Non-executive Directors. No meeting of Committee was held during the year. The table sets out the composition of the Committee as at the end of the year as under-

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

## **Terms of Reference**

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

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

7. Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.
8. Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made there under.

## **REMUNERATION POLICY**

### **Remuneration to Executive Directors**

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by Board in Board meeting, subject to the subsequent approval of the shareholders at the General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered and 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. Two meetings of Committee were held on 15.04.2020 and 20.07.2020 during the year. The table sets out the composition of the Committee as at the end of the year as under-

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

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

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

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

<b>Name of Director</b>	<b>Chiranjiv Singh</b>	<b>Hariti Singh</b>
Salary	Rupees 54,00,000-00	Rupees 24,00,000-00
Bonus	nil	nil
Stock Options	nil	nil
Pension	nil	nil
Medical Reimbursement	Rupees 3,56,915-00	nil

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

## **COST RECORDS**

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

## **SECRETARIAL AUDIT REPORT**

The provisions of Section 204 of the Companies Act, 2013 relating to **Secretarial Audit Report** are not applicable.

## **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**

a. The Company has not provided any Stock Option Scheme to the employees.

## **ORDER OF COURT**

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

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

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

## **SHARES IN SUSPENSE ACCOUNT**

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

## **SHARES IN UNCLAIMED SUSPENSE ACCOUNT**

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

## **MATERIAL VARIATIONS**

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



## **CODE OF CONDUCT**

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

## **ADOPTION OF IND AS**

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

## **SECRETARIAL STANDARDS**

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

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

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

## **COMPLIANCES OF ALL LAWS**

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

## **ACKNOWLEDGEMENT**

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

For and on behalf of Board of Directors

**Healthcaps India Limited**

Place: Mohali  
Dated : 30th June, 2021

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

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

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31/03/2021**  
**[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-   | U74899PB1982PLC050929   |
| ii. Registration Date-  | 06.12.1982  |
| iii. Name of the Company-   | Healthcaps India Limited  |
| iv. Category / Sub-Category of the Company:                                     | Public Company<br>Limited by shares<br>Company having share capital   |
| v. Address of the Registered office and contact details-                        | Village Fatehpur, P.O. Majra Jattan,<br>Tehsil Balachaur, District -SBS Nagar<br>(Nawanshahr), Punjab – 144522<br>Telephone : 01881-273637<br>Fax Number :<br>Email : info@healthcapsindia.com  |
| vi. Whether listed company-   | No  |
| vii. Name, Address and Contact details of Registrar and Transfer Agent, if any- | M/s Beetal Financial & Computer Services Pvt Ltd<br>Beetal House, 3 <sup>rd</sup> Floor,99 Madangir,<br>Behind Local Shopping Center,<br>Near Data Harsukhdas Mandir<br>New Delhi- 110062<br>Ph: 011-29961281/82<br>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 Share-holders	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>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	822590	2290340	3112930	77.106	822640	2290340	3112980	77.107	+0.001
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any Other....									
<b>Sub-total (A) (1):-</b>	822590	2290340	3112930	77.106	822640	2290340	3112980	77.107	+0.001
(2) Foreign									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
<b>Sub-total (A) (2):-</b>	822590	2290340	3112930	77.106	822640	2290340	3112980	77.107	+0.001
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	822590	2290340	3112930	77.106	822640	2290340	3112980	77.107	+0.001
<b>B. Public Share-holding</b>									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									

i) Others (specify)- NRI	300	0	300	0.01	300	0	300	0.01	
<b>Sub-total (B)(1):-</b>	300	0	300	0.01	300	0	300	0.01	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	300	1500	1800	0.045	650	1500	2150	0.053	+0.008
ii) Overseas									
b) Individuals									
i) Individual share- holders holding nominal share capital upto Rs. 1 lakh	14060	907900	921960	22.836	13760	907600	921360	22.822	-0.014
ii) Individual shareholders hold- ing nominal share capital in excess of Rs 1 lakh "	0	0	0	0	0	0	0	0	
c) Others (specify) HUF	0	200	200	0.005	200	200	400	0.010	+0.005
<b>Sub-total (B)(2):-</b>	14360	909600	923960	22.886	14610	909300	923910	22.885	
<b>Total Public Share- holding (B)=(B)(1)+(B) (2)</b>	14660	909600	924260	22.896	14910	909300	924210	22.895	-0.001
C. Shares held by Custodian for GDRs & ADRs									
<b>Grand Total (A+B+C)</b>	837250	3199940	4037190	100.00	837550	39199640	4037190	100.00	

#### ii) Shareholding of Promoters

SI 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	462462	11.46	Nil	462462	11.46	Nil	0.00
2	CHIRANJIV SINGH	2650468	65.652	Nil	2650518	65.653	Nil	+0.001

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

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

--- As above in coloum (ii) --

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

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	Gandhi Pratik Rajendra	At the beginning of the year	1950	0.05		
		At the end of the year			1950	0.05
2	Niraj Sevantilal Shah	At the beginning of the year	1950	0.05		
		At the end of the year			1950	0.05
3	Indra Kumar Bagri	At the beginning of the year	1200	0.03		
		At the end of the year			1250	0.03
4	Manish Shah	At the beginning of the year	800	0.02		
		At the end of the year			800	0.02
5	B K Ganeshan	At the beginning of the year	700	0.02		
		At the end of the year			700	0.02
6	Seema Sharma	At the beginning of the year	650	0.02		
		At the end of the year			650	0.02
7	Rajinikant Bhaichand Shah	At the beginning of the year	600	0.01		
		At the end of the year			600	0.01
8	Madhiri Devi Kejwal	At the beginning of the year	600	0.01		
		At the end of the year			600	0.01
9	Srinivasan Ganesh	At the beginning of the year	550	0.01		
		At the end of the year			550	0.01
10	K Kalyani	At the beginning of the year	550	0.01		
		At the end of the year			550	0.01

**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	HARITI SINGH	At the beginning of the year	462462	11.460		
		Shares purchased	-	-		
		At the end of the year			462462	11.460
2	CHIRANJIV SINGH	At the beginning of the year	2650468	65.652		
		Shares purchased	50	0.001		
		At the end of the year			2650518	65.653

**V) INDEBTEDNESS :**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	448,713,218.69	0	0	448,713,218.69
ii) Interest due but not paid	0	0	0	
iii) Interest accrued but not due	1,241,709.00	0	0	1,241,709.00
Total (i+ii+iii)	449,954,927.69	0	0	449,954,927.69
Change in Indebtedness during the financial year				
Addition	358,647,474.71	0	0	358,647,474.71
Reduction	90,264,809.46	0	0	90,264,809.46
Net Change	268,382,665.25	0	0	268,382,665.25
Indebtedness at the end of the financial year				
i) Principal Amount	717,849,114.94	0	0	717,849,114.94
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	488,478.00	0	0	488,478.00
Total (i+ii+iii)	718,337,592.94	0	0	718,337,592.94

**VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :**

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

Sl. no.	Name of MD/ WTD/Manager	Gross salary			Stock Option	Sweat Equity	Commission		Others	Total	Ceiling as per the Act
		(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			as% of profit	others			
1	Chiranjiv Singh, MD	54,00,000							3,56,915	57,56,915	
2	Hariti Singh, WTD	24,00,000								24,00,000	

**B. Remuneration to other directors**

Sl. no.	Name of Directors	Independent Directors			Total (1)	Other Non-Executive Directors			Total (2)	Total (1+2)	Total Managerial Remuneration	Overall Ceiling as per the Act
		Fee for attending board / committee meetings	Commission	Others		Fee for attending board committee meetings	Commission	Others				
-----Nil-----												

**C) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. no.	Name of Key Managerial Personnel	Gross salary			Stock Option	Sweat Equity	Commission		Others	Total
		(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			as% of profit	others		
1	--NA--	--NA--	--NA--	--NA--	--NA--	--NA--	--NA--	--NA--	--NA--	--NA--

**VII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :**

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**

Place : Mohali  
Dated: 30th June,2021

Sd/-  
Chiranjiv Singh  
DIN : 01602672  
Managing Director

Sd/-  
Hariti Singh  
DIN : 01852205  
Whole Time Director



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

### (A) CONSERVATION OF ENERGY:

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

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

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

1. Efforts, in brief, made towards technology absorption.
2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.
3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished: --N.A--
  - (a) Details of technology imported.
  - (b) Year of import.
  - (c) Whether the technology been fully absorbed
  - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons therefore.
4. Expenditure incurred on Research and Development : The Company has not undertaken any Research & Development activities during the year 2020-2021. The detail of expenditure is **NIL**.

### (C) Foreign exchange earnings and outgo

Earnings	Rupees 69,49,81,682/-
Outgo	Rupees 31,99,76,943/-

**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 arm's 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

SI No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	Alfa Caps Private Limited and related through director
B	Nature of contracts/arrangements/transactions	Grading, sorting and packing of capsules
C	Duration of the contracts/arrangements/transactions	One year
D	Salient terms of the contracts or arrangements or transactions including the value, if any	Value of transactions in Rupees Job Work Expenses Rs. 64,49,353/- Rent = 9,11,400/- Parking Fees = 33,600/- Maintenance Charges = 1,97,400/-
E	Date(s) of approval by the Board, if any	15.04.2020
F	Amount paid as advances, if any:	--
G	Form shall be signed by the persons who have signed the Board's report.	

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

SI No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	Ozark Engineering Private Limited and related through director
B	Nature of contracts/arrangements/transactions	Purchase/ sale of machinery and other goods and Job Work
C	Duration of the contracts/arrangements/transactions	One year
D	Salient terms of the contracts or arrangements or transactions including the value, if any:	Value of transactions is Rupees Job Work Expenses Rs. 23,41,951/- Purchases Rs. 11,47,91,288/- Sales= Rs. 55,986/-
E	Date(s) of approval by the Board, if any	15.04.2020
F	Amount paid as advances, if any: (Including Amount due for Sale of machinery)	--
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

SI No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	Alfa Caps LLC and related through director
B	Nature of contracts/arrangements/transactions	Purchase/ sale of machinery and other goods and job work
C	Duration of the contracts/arrangements/transactions	One year
D	Salient terms of the contracts or arrangements or transactions including the value, if any:	Value of transactions Sale =Rupees 37,38,25,162/-, Purchase = 33,81,216/-
E	Date(s) of approval by the Board, if any	15.04.2020
F	Amount paid as advances, if any: (Including Amount due for Sale of machinery)	--
G	Form shall be signed by the persons who have signed the Board's report.	

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

SI No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	Healthcaps Europe Limited and related through director
B	Nature of contracts/arrangements/transactions	Purchase/ sale of machinery and other goods and job work
C	Duration of the contracts/arrangements/transactions	One year
D	Salient terms of the contracts or arrangements or transactions including the value, if any:	Value of transactions Sale= Rupees 19,36,50,611/- Purchase= Nil
E	Date(s) of approval by the Board, if any	15.04.2020
F	Amount paid as advances, if any: (Including Amount due for Sale of machinery)	--
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**

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

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

**Dated: 30th June, 2021  
Place : Mohali**

## **ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED 31.03.2021**

### **CORPORATE SOCIAL RESPONSIBILITY POLICY**

#### **HEALTHCAPS INDIA LIMITED**

##### **A. CSR POLICY & PHILOSOPHY**

**HEALTHCAPS INDIA LIMITED (HIL)** is committed to operate and grow its business in a socially responsible way with a vision to be an environmental friendly corporate citizen. Social service, ecological balance and environmental protection are our mission. We firmly believe that to succeed, an organization must maintain highest standards of corporate behavior towards its investors, stakeholders, employees and societies in which it operates.

Constitution of a Corporate Social Responsibility Committee of the Board and formulation of a Corporate Social Responsibility Policy has become mandatory under the Companies Act, 2013. Accordingly, our Company has formulated this CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs.

##### **B. CSR VISION**

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

##### **C. CONSTITUTION OF CSR COMMITTEE**

In terms of section 135 of the Companies Act, 2013 and the Rules made there under, Board of Directors of the Company at its meeting held on 28th March, 2015 has constituted a CSR Committee. The CSR Committee was reconstituted during the year on 01st August, 2019 and at present following are its members;

<b>Name</b>	<b>Status</b>	<b>Designation</b>
Sh. Chiranjiv Singh	Managing Director	Chairman
Sh. I S Bindra	Non Executive Non Independent Director	Member
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 Organization / Institution performing social services for the benefit of the society at large.
10. "Board" shall mean the Board of Directors of the Company.
11. "Approved Budget" shall mean the total budget as approved by the Board of the Company, which is to be spent or utilized for CSR activities.
12. "Annual Plan" shall mean the annual planned CSR expenditure for the year.
13. "CSR Committee" shall mean the Corporate Social Responsibility Committee as constituted by the Board of Directors of the Company in accordance with the Act and the Rules made there under, comprising of three or more Directors, out of which, at least one director shall be an Independent Director.
14. "CSR Officer" shall mean a person engaged by the Company to assist the CSR Committee to implement the CSR activities envisaged under the Policy.
15. "CSR Policy" shall mean the Corporate Social Responsibility Policy of the Company approved by the Board of Directors at its meeting held on 30th May, 2015 and revised on 20th July, 2020 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 center 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 Swatch Bharat Kosh set-up by the central government for the promotion of sanitation, and including contribution to Clean Ganga Fund set-up by the central government for rejuvenation of river Ganga
- protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts:
- measures for the benefit of armed forces veterans, war widows and their dependents;
- training to promote rural sports, nationally recognised sports, paraolympic sports and Olympic sports;
- contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women;
- contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- rural development projects including construction and renovation of roads, schools, dispensaries etc.
- development of slum area
- donation to PM Cares Fund

## **F. IMPLEMENTATION**

This CSR Policy will be implemented from the succeeding year of a Financial Year in which the Company shows the net profits as per its audited annual financial statements. Based on the net profits, if any, every year, the CSR Committee will identify the CSR activities including the thrust areas, annual budget, planned expenditure and implementation schedule etc. The CSR activities will be carried out directly or indirectly at the corporate office, in and around the areas of the projects of the Company.

However, this shall not bar the Company from pursuing its CSR activities in any other areas. The CSR activities will be carried out / implemented, directly or indirectly, through Trust / Society / Section 8 Companies / Agencies established / registered to carry on the CSR activities as defined under the Rules.

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

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

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

## H. FUNDING AND ALLOCATION

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

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

## I. MONITORING MECHANISM

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

## J. Reporting format

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

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

**HEALTHCAPS INDIA LIMITED**  
**ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED 31.03.2021**

**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.120,704,875/- as under detail given below,

FY ended on 31.03.2018= Rs.10,57,10,745/-

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

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

**4. PRESCRIBED CSR EXPENDITURE**

The prescribed CSR expenditure is Rs. 24,14,097/-

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

a. Total amount to be spent during the year = 24,14,097/-

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

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.N.	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) Overheads: (Rs.)	Cumulative Expenditure Up to to the Reporting Period  (Rs.)	Amount spent Direct or through implementing agency
1	Skilled Development programme,	Education	City : Delhi State : Delhi	30,00,000/-	30,00,000/-	CSR = Rs. 24,14,097/- Additional expense = Rs. 5,85,903/-	Through Sun foundation, 7th Floor, Le-Meridien Commercial Tower, Raisina Road, New Delhi - 110001
			TOTAL	30,00,000/-	30,00,000/-	30,00,000/-	

**RESPONSIBILITY STATEMENT**

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

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

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



## INDEPENDENT AUDITORS' REPORT

The Members,  
Healthcaps India Limited.

### 1. Opinion

We have audited the accompanying financial statements of Healthcaps India Limited which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit & Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2021 and its profit and its cash flows for the year ended on that date.

### 2. Basis for Opinion

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

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

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

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

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

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

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

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

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

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

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

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

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

- A) As required by the Companies (Auditor's Report) Order, 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.
- B) As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid 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, 2021 taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March, 2021 from being appointed as a Director in terms of Section 164(2) of the Act;
  - (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company does not have any pending litigations which would impact its financial position.
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. there has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.
- C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. Remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**Dated: 30th June, 2021**  
**Place : Mohali**

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

**Sd/-**  
**(P.K. VASUDEVA)**  
**PARTNER**  
**Membership No. - 13787**

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

**(Referred to in paragraph 5 of our report of even date on accounts of Healthcaps India Limited for the year ended 31st March, 2021).**

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner, over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- c) According to the information and explanations given by the management & on the basis of examination of the records of the Company, 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, paragraph 3(iii)(a),(b) and (c) of the Order is not applicable and hence not commented upon.
- iv. According to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security nor made investments or provided guarantees or security to the parties covered under Sections 185 & 186 of the Companies Act, 2013.  
Accordingly, paragraph 3(iv) of the Order is not applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act.  
Accordingly, paragraph 3(vi) of the Order is not applicable.
- vii. a) According to the information & explanations given to us and on the basis of our examination of all records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees’ State Insurance, Goods & Services Tax (GST), Income Tax, Duty of Customs, Cess and other material statutory dues have been regularly deposited, with the appropriate authorities, during the year.  
According to the information and explanations given to us, no undisputed amounts payable, in respect of Provident Fund, Employees’ State Insurance, Income Tax, GST, Duty of Customs and other material statutory dues were in arrears, as on 31st March, 2021, for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of Income Tax, Duty of Customs and GST which have not been deposited with appropriate authorities on account of any dispute.
- viii. According to the information & explanations given to us, the Company has not defaulted in repayment of loans and borrowings to Banks, during the year. The Company, during the year, has not borrowed/raised Loans from Financial Institution, Government and has not issued any debentures.

- ix. According to the information & explanations given to us, the Company did not raise 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.
- x. According to the information & explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given 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.
- xii. According to the information & explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.  
Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information & explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

**Sd/-  
(P.K. VASUDEVA)  
PARTNER  
Membership No. - 13787**

**Dated: 30th June, 2021  
Place : Mohali**

## **“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.**

#### **Opinion**

We have audited the internal financial controls over financial reporting of **Healthcaps India Limited** as of 31st March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on the date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditor’s Responsibility**

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

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

**Place : Mohali**  
**Dated: 30th June, 2021**

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

**Sd/-**  
**(P.K. VASUDEVA)**  
**PARTNER**  
**Membership No. - 13787**

**HEALTHCAPS INDIA LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2021**

PARTICULARS	NOTE	AS AT 31.03.2021 (RUPEES)	AS AT 31.03.2020 (RUPEES)
<b>EQUITY &amp; LIABILITIES</b>			
Shareholders' Funds			
(a) Share Capital	1.1	40,371,900	40,371,900
(b) Reserves & Surplus	1.2	778,772,355	629,085,745
<b>Non-Current Liabilities</b>			
(a) Long-term Borrowings	1.3	380,756,501	174,562,855
(b) Deferred Tax Liabilities (Net)	4.9	92,405,686	84,628,096
(c) Long-term Provisions	1.4	55,396,628	47,757,377
<b>Current Liabilities</b>			
(a) Short-term Borrowings	1.5	247,236,376	210,694,418
(b) Trade Payables	1.6	170,492,922	119,108,398
(c) Other Current Liabilities	1.7	267,639,238	160,889,774
(d) Short-term Provisions	1.8	44,259,560	23,828,030
	TOTAL ₹	2,077,331,166	1,490,926,593
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant & Equipment	1.9		
(i) Tangible Assets		942,564,168	757,852,860
(ii) Intangible Assets		127,454	189,296
(ii i) Capital Work-in-Progress		47,319,078	0
(b) Long-term Loans & Advances	1.10	148,559,780	19,539,645
(c) Other Non-Current Assets	1.11	1,152,000	1,440,000
<b>Current Assets</b>			
(a) Inventories	1.12	230,021,620	221,493,030
(b) Trade Receivables	1.13	462,779,904	412,115,456
(c) Cash & Bank Balances	1.14	153,280,513	29,747,947
(d) Short-term Loans & Advances	1.15	83,373,093	47,052,612
(e) Other Current Assets	1.16	8,153,556	1,495,747
	TOTAL ₹	2,077,331,166	1,490,926,593
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, 2021  
Place : Mohali

Sd/-  
(P.K. VASUDEVA)  
PARTNER  
Membership No. - 13787

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



**HEALTHCAPS INDIA LIMITED**  
**STATEMENT OF PROFIT & LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST MARCH 2021**

PARTICULARS	NOTE	FOR THE YEAR ENDED 31st March,2021 (RUPEES)	FOR THE YEAR ENDED 31st March,2020 (RUPEES)
<b>REVENUE</b>			
<b>Revenue from operations</b>			
Sales		1,487,459,513	1,067,227,104
Other Operating Revenues	2.1	17,303,897	14,224,884
Other Income	2.2	<u>2,112,726</u>	<u>3,500,892</u>
<b>Total Revenue</b>		<b>1,506,876,136</b>	<b>1,084,952,880</b>
<b>EXPENSES</b>			
Cost of materials consumed	2.3	507,205,438	391,113,429
Changes in Inventories	2.4	63,033,740	(15,342,460)
Employee Benefits Expense	2.5	214,613,436	174,127,529
Finance Costs	2.6	35,346,781	43,104,319
Depreciation & Amortisation Expense	1.9	41,167,718	35,713,192
Other Expenses	2.7	<u>442,081,153</u>	<u>344,722,193</u>
<b>Total Expenses</b>		<b>1,303,448,266</b>	<b>973,438,202</b>
Profit before exceptional items & tax		203,427,870	111,514,678
Exceptional items		(1,706,011)	259,619
Profit before tax		201,721,859	111,774,297
Tax expense			
-Earlier years		(1,901)	363,052
-Deferred tax		7,777,590	4,998,410
-Current tax		<u>44,259,560</u>	<u>23,828,030</u>
Profit after tax		149,686,610	82,584,805
Earnings per Equity share			
-Basic & Diluted	4.8	37.08	20.46
Significant accounting policies	3		
Other notes to accounts	4		

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

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

For and on behalf of Board of Directors  
Healthcaps India Limited

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

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

Sd/-  
(P.K. VASUDEVA)  
PARTNER  
Membership No. - 13787

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

Dated : 30th June, 2021  
Place : Mohali

## HEALTHCAPS INDIA LIMITED

### NOTE 1.1 : SHARE CAPITAL

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	₹		₹	
<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>	
<b>1.1.3 Details of shareholders holding more than 5% equity shares as at year end</b>				
a) Equity shares of ₹ 10/- each, fully paid up				
	<u>As at 31st March, 2021</u>		<u>As at 31st March, 2020</u>	
		% age of		% age of
Name of the Shareholders	No. of Shares	Shareholding	No. of Shares	Shareholding
i) Sh. Chiranjiv Singh	2,650,518	65.65	2,650,468	65.65
ii) Smt. Hariti Singh	462,462	11.46	462,462	11.46
<b>TOTAL ₹</b>	<b>3,112,980</b>	<b>77.11</b>	<b>3,112,930</b>	<b>77.11</b>
<b>1.1.4 Reconciliation of share capital outstanding as at the beginning and at the end of the year</b>				
During the current year and in the previous year, there has been no movement in the number of equity shares outstanding.				

### NOTE 1.2 : RESERVES & SURPLUS

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	₹		₹	
<b>1.2.1 Capital Reserve</b>				
- Balance brought forward	4,836,000		4,836,000	
<b>1.2.2 Surplus</b>				
Statement of Profit & Loss				
- Balance brought forward	624,249,745		542,044,940	
- Add : Net Profit for the year	149,686,610		82,584,805	
	773,936,355		624,629,745	
-Less: Adjustments	0	773,936,355	380,000	624,249,745
<b>TOTAL ₹</b>		<b>778,772,355</b>		<b>629,085,745</b>

**HEALTHCAPS INDIA LIMITED**

**NOTE 1.3 : LONG-TERM BORROWINGS**

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	₹	₹	₹	₹
<b>Secured</b>				
Term Loans				
- From : Banks		383,229,268		234,621,916
- Less : Current maturities	86,348,533			
Interest accrued & due (refer Note 1.7)	264,262	86,612,795	296,616,473	62,348,666
				172,273,250
Working Capital Term Loans				
- From : Banks		85,189,438		
- Less : Current maturities	2,622,223			
Interest accrued & due (refer Note 1.7)	75,888	2,698,111	82,491,327	
Vehicle Loans				
- From : Banks		2,194,033		3,396,885
- Less : Current maturities	531,210			
Interest accrued & due (refer Note 1.7)	14,122	545,332	1,648,701	1,107,280
				2,289,605
	<b>TOTAL ₹</b>		<b>380,756,501</b>	<b>174,562,855</b>

Notes : 1. Term Loans:

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

Term Loans are further secured by second charge, pari-passu on current assets i.e. stock of raw material, stock in process, finished goods, consumable stores & spares and book debts, both present & future and personal guarantee of two Directors of the Company.

Rate of interest on the loans ranges from 6.00% to 11.00% per annum.

2. Working Capital Term Loans :

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

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

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

**NOTE 1.4 : LONG-TERM PROVISIONS**

Particulars	As at 31st March, 2021 ₹		As at 31st March, 2020 ₹	
<b>Gratuity</b>				
- Balance brought forward	29,452,797		25,034,893	
- Add : Current year's provision	<u>7,122,367</u>		<u>5,517,904</u>	
	36,575,164		30,552,797	
- Less : Contribution to Gratuity Fund	<u>1,981,947</u>	34,593,217	<u>1,100,000</u>	29,452,797
<b>Leave Encashment</b>				
- Balance brought forward	18,304,580		14,990,362	
- Add : Current year's provision	<u>3,485,796</u>		<u>4,173,176</u>	
	21,790,376		19,163,538	
- Less : paid during the year	<u>986,965</u>	20,803,411	<u>858,958</u>	18,304,580
<b>TOTAL ₹</b>		<b><u>55,396,628</u></b>		<b><u>47,757,377</u></b>

**NOTE 1.5 : SHORT-TERM BORROWINGS**

Particulars	As at 31st March, 2021 ₹		As at 31st March, 2020 ₹	
<b>Secured</b>				
Working Capital Loan				
- From : Banks		223,955,600		193,913,517
Buyers' Credit				
- From : Banks		<u>23,280,776</u>		<u>16,780,901</u>
<b>TOTAL ₹</b>		<b><u>247,236,376</u></b>		<b><u>210,694,418</u></b>

Note : Working Capital Loans and Buyer's Credit :

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

The said facilities are further secured by second charge, pari-passu, on entire movable and immovable fixed assets of the Company and personal guarantee of two Directors of the Company

**NOTE 1.6 : TRADE PAYABLES**

Particulars	As at 31st March, 2021 ₹		As at 31st March, 2020 ₹	
For Supplies & Services		170,492,922		119,108,398
<b>TOTAL ₹</b>		<b><u>170,492,922</u></b>		<b><u>119,108,398</u></b>

**NOTE 1.7 : OTHER CURRENT LIABILITIES**

<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
	₹	₹
Current Maturities		
- Long Tern Borrowings (refer Note 1.3)	89,501,966	62,989,280
Interest accrued & due	354,272	466,666
Interest accrued but not due	488,478	1,241,709
Advance from Customers	30,451,999	7,388,939
Creditors for Capital Goods	63,768,088	31,781,409
GST & Expenses Payable	31,671,132	31,893,362
Tax deducted at source	19,605,661	1,024,575
Other Liabilities	31,797,642	24,103,835
<b>TOTAL ₹</b>	<b><u>267,639,238</u></b>	<b><u>160,889,774</u></b>

**NOTE 1.8 : SHORT-TERM PROVISIONS**

<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
	₹	₹
For : Income Tax	44,259,560	23,828,030
<b>TOTAL ₹</b>	<b><u>44,259,560</u></b>	<b><u>23,828,030</u></b>

**NOTE 1.9 : FIXED ASSETS**

PARTICULARS	GROSS BLOCK		DEPRECIATION/AMORTISATION		NET BLOCK			
	COST ADDITIONS/ AS AT 01.04.2020	(ADJUST- MENTS)	TOTAL	AS AT 01.04.2020	DURING THE YEAR	TOTAL	W.D.V. AS AT 31.03.2020	W.D.V. AS AT 31.03.2021
<b>"A" Tangible Assets</b>								
Land and Site Development	50,558,192	0	50,558,192	0	0	0	50,558,192	50,558,192
Buildings	162,781,250	20,532,126	183,313,376	31,193,346	5,168,093	36,361,439	131,587,904	146,951,937
Building R & D	2,056,729	0	2,056,729	233,382	65,130	298,512	1,823,347	1,758,217
Furniture & Fixtures	5,900,603	198,540	6,099,143	3,499,785	432,454	3,932,239	2,400,818	2,166,904
Plant & Machinery								
- Machinery	784,067,721	197,962,535 (4,130,000)	977,900,256	247,371,943	29,012,414 (190,739)	276,193,618	536,695,778	701,706,638
- Machinery R & D	10,718,926	0	10,718,926	929,135	407,319	1,336,454	9,789,791	9,382,472
- Electrical Equipment	21,822,850	7,815,995	29,638,845	17,797,841	2,156,279	19,954,120	4,025,009	9,684,725
- Laboratory / Workshop Equipment	8,869,799	1,870,580	10,740,379	6,027,008	661,499	6,688,507	2,842,791	4,051,872
- Office Equipment	5,156,823	95,500	5,252,323	4,709,866	88,572	4,798,438	446,957	453,885
- Computers	4,867,531	610,271	5,477,802	4,092,475	340,255	4,432,730	775,056	1,045,072
- Vehicles	31,125,672	760,000 (1,782,927)	30,102,745	14,218,455	2,773,861 (1,693,825)	15,298,491	16,907,217	14,804,254
<b>TOTAL "A" : ₹</b>	<b>1,087,926,096</b>	<b>229,845,547 (5,912,927)</b>	<b>1,311,858,716</b>	<b>330,073,236</b>	<b>41,105,876 (1,884,564)</b>	<b>369,294,548</b>	<b>757,852,860</b>	<b>942,564,168</b>
<b>"B" Intangible Assets</b>								
Computer Software	1,496,573	0	1,496,573	1,307,277	61,842	1,369,119	189,296	127,454
<b>TOTAL "B" : ₹</b>	<b>1,496,573</b>	<b>0</b>	<b>1,496,573</b>	<b>1,307,277</b>	<b>61,842</b>	<b>1,369,119</b>	<b>189,296</b>	<b>127,454</b>
<b>"C" Capital Work-in-Progress:</b>	0	47,319,078	47,319,078	0	0	0	0	47,319,078
<b>"D" FIGURES FOR CURRENT YEAR : ₹ (A+B+C)</b>	<b>1,089,422,669</b>	<b>277,164,625 (5,912,927)</b>	<b>1,360,674,367</b>	<b>331,380,513</b>	<b>41,167,718 (1,884,564)</b>	<b>370,663,667</b>	<b>758,042,156</b>	<b>990,010,700</b>
<b>"E" FIGURES FOR PREVIOUS YEAR : ₹</b>	<b>980,425,524</b>	<b>122,835,920 (13,838,775)</b>	<b>1,089,422,669</b>	<b>303,909,589</b>	<b>35,713,912 (8,242,269)</b>	<b>331,380,513</b>	<b>676,515,935</b>	<b>758,042,156</b>

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

Particulars	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
(Unsecured considered good - unless otherwise stated).		
Advance for Capital Goods	133,398,455	5,446,920
Deposits with Government Department & Other Agencies	15,161,325	14,092,725
<b>TOTAL ₹</b>	<b><u>148,559,780</u></b>	<b><u>19,539,645</u></b>

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

Particulars	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
Advance		
- Punjab Pollution Control Board* (for Water & Air Pollution)		
- Balance brought forward	1,440,000	168,602
- Add : Addition during the year	<u>0</u>	<u>1,440,000</u>
- Less : Amount written off		168,602
<b>TOTAL ₹</b>	<b><u>1,152,000</u></b>	<b><u>1,440,000</u></b>

\* to be written off over a period of five years.

**NOTE 1.12 : INVENTORIES**

Particulars	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
(As taken, valued and certified by the management)		
Raw Material	145,147,780	69,349,650
Work-in-Progress	27,517,160	39,150,130
Finished Goods	32,751,810	83,981,940
Stores & Spares etc.	20,774,620	24,435,080
Packing Material	2,000,370	2,575,710
Other Material*	1,829,880	2,000,520
<b>TOTAL ₹</b>	<b><u>230,021,620</u></b>	<b><u>221,493,030</u></b>

\* represents wastage.

**NOTE 1.13 : TRADE RECEIVABLES**

Particulars	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
(Unsecured considered good - unless otherwise stated)		
<b>1.13.1 Exceeding six months</b>	8,728,535	9,663,504
<b>1.13.2 Others</b>	<u>454,051,369</u>	<u>402,451,952</u>
<b>TOTAL ₹</b>	<b><u>462,779,904</u></b>	<b><u>412,115,456</u></b>

**NOTE 1.14 : CASH & BANK BALANCES**

Particulars	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
<b>1.14.1</b> Cash and Cash equivalents		
Balance with banks		
Current accounts	115,819,740	3,910,821
Cash Balances	<u>6,087,558</u>	<u>9,148,821</u>
	121,907,298	13,059,642
<b>1.14.2</b> Other Bank Balances		
Balances held as margin money*	<u>31,373,215</u>	<u>16,688,304</u>
<b>TOTAL ₹</b>	<b><u>153,280,513</u></b>	<b><u>29,747,947</u></b>

\* pledged as security for letter of credit.

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

Particulars	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
For Supplies & Services	14,030,042	6,021,234
Prepaid Expenses	918,303	3,511,295
-Staff (Advance)	79,580	114,500
Taxes	41,913,230	30,765,109
Balances		
- with Goods & Services Tax Department	<u>26,431,938</u>	<u>6,640,474</u>
<b>TOTAL ₹</b>	<b><u>83,373,093</u></b>	<b><u>47,052,612</u></b>



**NOTE 1.16 : OTHER CURRENT ASSETS**

Particulars	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
Amount Recoverable (Unsecured considered good - unless otherwise stated)		
- Exceeding six months	8,153,556	1,475,747
- Others	0	20,000
<b>TOTAL ₹</b>	<b><u>8,153,556</u></b>	<b><u>1,495,747</u></b>

**NOTE 2.1 : OTHER OPERATING REVENUES**

Particulars	FOR THE YEAR ENDED 31st March,2021 ₹	FOR THE YEAR ENDED 31st March,2020 ₹
Gain		
-Foreign Exchange	6,990,847	0
Others		
-Duty Drawback/Export Incentives	10,313,050	14,224,884
<b>TOTAL ₹</b>	<b><u>17,303,897</u></b>	<b><u>14,224,884</u></b>

**NOTE 2.2 : OTHER INCOME**

Particulars	FOR THE YEAR ENDED 31st March,2021 ₹	FOR THE YEAR ENDED 31st March,2020 ₹
Interest earned	1,516,726	1,743,570
Miscellaneous	596.000	1,757,322
<b>TOTAL ₹</b>	<b><u>2,112,726</u></b>	<b><u>3,500,892</u></b>

**NOTE 2.3 : COST OF MATERIALS CONSUMED**

Particulars	FOR THE YEAR ENDED 31st March,2021 ₹		FOR THE YEAR ENDED 31st March,2020 ₹	
Opening Stock	69,349,650		46,560,670	
Add : Purchases	<u>583,003,568</u>	652,353,218	<u>413,902,409</u>	460,463,079
Less : Closing Stock		<u>145,147,780</u>		<u>69,349,650</u>
<b>TOTAL ₹</b>		<b><u>507,205,438</u></b>		<b><u>391,113,429</u></b>

**NOTE 2.4 : CHANGES IN INVENTORIES**

Particulars	FOR THE YEAR ENDED 31st March,2021		FOR THE YEAR ENDED 31st March,2020	
	₹		₹	
Stock at Commencement				
- Work-in-Progress	39,150,130		48,570,830	
- Finished goods	83,981,940		59,899,640	
- Other Material*	<u>2,000,520</u>	125,132,590	<u>1,319,660</u>	109,790,130
Stock at Close				
- Work-in-Progress	27,517,160		39,150,130	
- Finished Goods	32,751,810		83,981,940	
- Other Material*	<u>1,829,880</u>	62,098,850	<u>2,000,520</u>	125,132,590
<b>TOTAL ₹</b>		<b><u>63,033,740</u></b>		<b><u>(15,342,460)</u></b>

\* represents wastage

**NOTE 2.5 : EMPLOYEE BENEFITS EXPENSE**

Particulars	FOR THE YEAR ENDED 31st March,2021		FOR THE YEAR ENDED 31st March,2020	
	₹		₹	
Salaries & Wages (salaries & wages, gratuity, leave encashment & bonus)		194,739,364		158,096,907
Contribution to :				
- Provident Fund & Other Funds		11,739,563		10,348,647
Staff Welfare *		<u>8,134,509</u>		<u>5,681,975</u>
<b>TOTAL ₹</b>		<b><u>214,613,436</u></b>		<b><u>174,127,529</u></b>

\* inclusive of Uniform & Liveries.

**NOTE 2.6 : FINANCE COSTS**

Particulars	FOR THE YEAR ENDED 31st March,2021		FOR THE YEAR ENDED 31st March,2020	
	₹		₹	
Interest				
- Banks				
Term/Vehicle Loans	16,180,610		20,839,224	
Working Capital Loans	<u>13,913,124</u>	30,093,734	<u>18,153,317</u>	38,992,541
Bank Charges		<u>5,253,047</u>		<u>4,111,778</u>
<b>TOTAL ₹</b>		<b><u>35,346,781</u></b>		<b><u>43,104,319</u></b>

**NOTE 2.7 : OTHER EXPENSES**

Particulars	FOR THE YEAR ENDED		FOR THE YEAR ENDED	
	31st March,2021		31st March,2020	
	₹		₹	
Operating Expenses				
- Consumable Stores	44,856,984		34,933,555	
- Packing Material	47,628,242		50,018,029	
- Power & Fuel	167,501,300		123,025,297	
- Others	<u>25,289,446</u>	285,275,972	<u>20,007,801</u>	227,984,682
Rent		1,639,785		1,249,900
Repairs & Maintenance				
- Building & Electricals	5,010,895		1,956,757	
- Machinery & Equipment	8,050,988		5,982,455	
- Computers	952,299		714,796	
- Vehicles	<u>1,034,505</u>	15,048,687	<u>1,273,612</u>	9,927,620
Insurance		6,335,311		3,585,305
Rates & Taxes		3,075,340		2,326,205
Legal & Professional Charges		7,418,483*		5,779,424
- Other Administrative Expenses		7,663,213		6,331,887
- Travelling & Conveyance				
Directors	0			
Staff/Others	<u>14,707,356</u>	14,707,356		21,138,467
- General Charges		3,521,212		7,720,815
- Selling & Distribution Expenses		94,395,795**		55,666,198
CSR Expenses		3,000,000		3,011,690
<b>TOTAL ₹</b>		<b><u>442,081,153</u></b>		<b><u>344,722,193</u></b>

\* Include Auditor's Remuneration (₹ 300,000/-)

\*\* Inclusive of Packing & Forwarding ( ₹ 79,353,725/-)

**HEALTHCAPS INDIA LIMITED**  
**NOTE '3' : SIGNIFICANT ACCOUNTING POLICIES**  
**(Forming part of Accounts)**  
**FOR THE YEAR ENDED 31st MARCH, 2021**

**3.1. Basis of Accounting**

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

**3.2. Use of Estimates**

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

**3.3. Property, Plant & Equipment**

**Tangible Assets**

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.

**3.5.**

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".

**Impairment of Assets**

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

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

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

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

- GST on capital goods is credited to respective assets.
- GST on purchase of raw material and other material is deducted from the cost of such material.
- GST on input service is 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, goods & services tax and returns.
- Interest income is recognised on an accrual basis on time proportion method, taking into account the amount outstanding and the rate applicable.
- Export benefits are recognised on receipt basis.
- Insurance and other claims are accounted for on settlement of claims/on receipt.
- Sales are shown net of taxes, as applicable.

### **3.10. Employee Benefits**

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

Bonus is accounted for on accrual basis.

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

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

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

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

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

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

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

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

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

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

- The Company accounts for the effects of difference in foreign exchange rates in accordance

with Accounting Standard 11 notified by Companies (Accounting Standards) Rules, 2006 under Section 133 of the Companies Act, 2013.

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

### **3.12. Borrowing Costs**

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

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

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

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

### **3.14. Operating Lease**

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

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

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

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

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

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

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

### 3.18. Cash Flow Statement:

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

### 3.19. Contingencies and Provisions

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

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

## NOTE 4 : OTHER NOTES TO ACCOUNTS

### (Forming part of Accounts)

### FOR THE YEAR ENDED 31ST MARCH, 2021

#### 4.1. Contingent Liabilities & Commitments:

- Estimated amount of contracts remaining to be executed and not provided for in the books of account - Nil (previous year - Nil).
- Contingent Liabilities:
  - Claims against Company not acknowledged as debt – Nil (previous year - ₹ Nil).
  - Letter of credit opened by HDFC Bank for purchase of Raw Materials - ₹ 27,112,044/- [Domestic - ₹ 20,496,621/-, Foreign - ₹ 6,615,423/- (USD - 90,000)] (previous year - ₹ 48,700,224/-). Fixed Deposits (Margin Money - ₹ 14,474,583/-) inclusive of interest accrued & due) against Letter of credit have been pledged with the HDFC Bank.
  - Letter of credit opened by UCO Bank for purchase of Capital Goods ₹ 6,615,423/- (USD-90,000) (previous year - Nil). Fixed Deposits (Margin Money - ₹ 7,039,045/- inclusive of interest accrued & due) against Letter of Credit have been pledged with the UCO Bank.
  - Liabilities in respect of Income Tax, Goods & Services Tax, Custom Duty and other material statutory dues have been accounted for on the basis of respective returns filed with the relevant authorities.
  - Additional demand, if any, on account of statutory dues, arising at the time of assessment will be accounted for in the year in which assessment is completed.

#### 4.2. Reserves & Surplus:

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

#### 4.3. Long-term Borrowings:

##### Secured

##### Term Loans:

**From : State Bank of India (Account No. I - ₹ 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. II - ₹ 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.

**From : State Bank of India (Account No. III - ₹ 2,000,000/-), is repayable in 18 monthly installments of ₹ 111,111/- each w.e.f. Nov., 2020 to Apr., 2022.**

**From : State Bank of India (Account No. IV - ₹ 75,000,000/-), is repayable in 120 monthly installments of ₹ 625,000/- each w.e.f. Apr., 2021 to Mar., 2031.**

**From : HDFC Bank (Account No. I - ₹ 125,000,000/-), is repayable in 24 quarterly installments:**

23 quarterly instalments of ₹ 5,208,000/- each w.e.f. December, 2018 to June, 2024.

1 monthly installment of ₹ 5,216,000/- due & payable in September, 2024.

**From : HDFC Bank (Account No. II - ₹ 97,500,000/-), is repayable in 24 quarterly instalments of ₹ 4,062,500/- each w.e.f. December, 2019 to September, 2025.**

**From : HDFC Bank (Account No. III - ₹ 63,000,000/-), is repayable in 66 monthly instalments of ₹ 953,817/- each w.e.f. Jul., 2021 to Dec., 2026.**

**From : UCO Bank (Account No. I - ₹ 6,000,000/-), is repayable in 18 monthly instalments of ₹ 333,333/- each w.e.f. Nov., 2020 to Apr., 2022.**

**From : UCO Bank (Account No. III - ₹ 82,500,000/-), is repayable in 72 monthly installments:**

69 monthly installments of ₹ 1,150,000/- each w.e.f. Aug., 2021 to Apr., 2027.

03 monthly installments of ₹ 1,050,000/- each w.e.f. May, 2027 to July, 2027.

- *Interest on Term Loans is payable on monthly basis.*

Working Capital Term Loans:

**From : State Bank of India (Account No. V - ₹ 19,500,000/-), is repayable in 36 monthly installments of ₹ 541,667/- each w.e.f. Mar., 2022 to Feb., 2025.**

**From : HDFC Bank (Account No. IV - ₹ 55,000,000/-), is repayable in 36 monthly instalments of ₹ 1,527,778/- each w.e.f. Apr., 2022 to Mar., 2025.**

**From : UCO Bank (Account No. II - ₹ 10,700,000/-), is repayable in 36 monthly instalments of ₹ 297,222/- each w.e.f. Sep., 2021 to Aug., 2024.**

- 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. Other Current Liabilities (₹ 267,639,238/-):**

Advance from Customers (₹ 30,451,999/-); supplies/services will be effected/rendered in the ensuing year and accordingly party accounts updated/adjusted

#### **4.6. Segment Reporting (AS-17)**

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

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

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



**4.8. Earnings Per Share (AS– 20)**

	<u>Year ended</u> <u>31st March, 2021</u>	<u>Year ended</u> <u>31st March, 2020</u>
Numerator		
Net Profit attributable to Equity shareholders	₹ 149,686,610	₹ 82,584,805
Denominator		
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	₹ 37.08	₹ 20.46

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

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

<u>Particulars</u>	<u>Amount</u>	<u>Total</u>
	₹	₹
<b>a) Timing Difference (Liability)</b>		
Depreciation:		
-As per Income Tax Act, 1961	79,891,016	
-As per Financial Statements	41,167,718	38,723,298
Expenses:		
u/s 35DDA of the Income Tax Act, 1961		
Salaries & Allowances		
-Voluntary Retirement Compensation		
(i.e. 1/5 of ₹ 679,000/-)	135,800	
(i.e. 1/5 of ₹ 400,000/-)	80,000	215,800
u/s 43B of the Income Tax Act, 1961:		
<b>(paid during the year)</b>		
-Gratuity	1,981,947	
-Bonus	3,860,516	
-Leave Encashment	<u>986,965</u>	<u>6,829,428</u>
		45,768,526
<b>b) Timing Difference (Asset)</b>		
Expenses		
u/s 43B of the Income Tax Act, 1961		
(Not paid till date)		
- Gratuity	7,122,367	
- Bonus	4,257,681	
- Leave Encashment	<u>3,485,796</u>	14,865,844
<b>Net Timing Difference (Liability)</b>		<u><b>30,902,682</b></u>
Tax on Net Timing Difference (Liability)		
(@ 25.1680%)		7,777,587
<b>Or say</b>		<b>7,777,590</b>
Add : Opening Balance		84,628,096
<b>Deferred Tax Liability (Net)</b>	Total ₹	<u><b>92,405,686</b></u>

**4.10. a) Exceptional items (₹ 1,706,011/-) represent :**

-Loss on sale of Plant & Machinery (net - ₹ 1,696,275/-) [i.e. difference between sale proceeds of Plant & Machinery - ₹ 2,242,986/- less W.D.V. of Plant & Machinery - ₹ 3,939,261/- (cost of Plant & Machinery - ₹ 4,130,000/- less accumulated depreciation - ₹ 190,739/-)]

Loss on sale of Vehicles (₹ 9,736/-) [i.e. difference between sale proceeds of Vehicles - ₹ 79,366/- less W.D.V. of Vehicles - ₹ 89,102/- (cost of Vehicles - ₹ 1,782,927/- less accumulated depreciation - ₹ 1,693,824/-)].

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

-Capital Work-in-Progress (₹ 47,319,078/-) represent:

Building (under-construction - ₹ 11,466,716/-) and Plant & Machinery (under installation - ₹ 35,852,362/-); the said amount will be capitalised to respective assets, on completion of construction/installation of Plant & Machinery.

Bank Charges & Interest (₹ 461,507/-), in accordance with the provisions of Section 36(1)(iii) of the Income Tax Act, 1961 and Accounting Standard-16 (Borrowing Costs) as notified under the Companies (AS) Rules, 2006, has been capitalised to Capital Work-in-Progress on additions made during the financial year 2020-2021.

**c) Trade Receivables (₹ 462,779,904/- include:**

₹ 153,214,557/- and ₹ 99,228,020/- due from Alfa Caps LLC. and Healthcaps Europe Ltd. (Foreign Companies in which relative of Directors is interested), against sales effected in the ordinary course of business at Arm's Length price.

**4.11. Taxes:**

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

**(refer Central Board of Direct Taxes (CBDT) Circular No. 29/2019 dated 2nd October, 2019)**

- Keeping in view the provisions specified u/s 115BAA, the management of the Company had decided to avail the benefit of concessional rate of Income Tax [i.e. @ 25.1680% **(Base rate @ 22% plus Surcharge @10% plus Cess @ 4%)**], hence, the Company will not be: -required to pay Minimum alternate Tax (MAT) u/s 115JB of the Income Tax Act, 1961, and -eligible to claim Additional Depreciation u/s 32(1) of the Income Tax Act, 1961.

**4.12. Impairment of Assets (AS-28)**

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

**4.13. Corporate Social Responsibility**

CSR Expenses - ₹ 3,000,000/- [refer Note no. 2.7 (Other Expenses)] comprise of :

<b>Particulars</b>	<b>Amount( ₹)</b>
2% of the average profit of three preceding financial years i.e. 2017-2018, 2018-2019 and 2019-2020.	2,414,097
Excess amount deposited over & above the required contribution (i.e. ₹ 3,000,000/- less ₹ 2,414,097/-).	585,903
<b>Total (₹)</b>	<b><u>3,000,000</u></b>

The Company had paid - ₹ 3,000,000/- to Registered Trust [Sun Foundation], during the previous financial year, towards Corporate Social Responsibilities for the financial year 2020-2021.

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

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

	Particulars	₹	₹
		As at 31.03.2021	As at 31.03.2020
(i)	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act, 2006).		
	Principal Amount due to micro and small enterprises	42,549,833	26,496,751
	Interest due on above	Nil	Nil
(ii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, alongwith the amount of the payment made to the supplier beyond the appointed day during the period.	Nil	Nil
(iii)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	Nil	Nil
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
(v)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	Nil	Nil

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

#### 4.15. Auditor’s Remuneration

(excluding Goods & Services Tax)

	<u>31st March, 2021</u>	<u>31st March, 2020</u>
	<u>AMOUNT</u>	<u>AMOUNT</u>
	₹	₹
- As Auditors	300,000	300,000
<b>Total ₹</b>	<b><u>300,000</u></b>	<b><u>300,000</u></b>

#### 4.16. 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

<u>Particulars</u>	<u>31st March, 2021</u>		<u>31st March, 2020</u>	
	<u>AMOUNT</u>		<u>AMOUNT</u>	
	₹		₹	
Gelatine	266,177,157		258,029,746	
Colours & Chemicals	35,397,671		31,349,935	
HPMC	205,630,610		101,733,749	
Total ₹	<u>507,205,438</u>		<u>391,113,429</u>	

c) Finished Goods  
Opening Stock

- Empty Hard Gelatine Capsules	56,465,900	51,114,070
- Hydroxy Propyl Methyl Cellulose Capsules	27,516,040	8,785,570

Closing Stock

- Empty Hard Gelatine Capsules	16,703,320	56,465,900
- Hydroxy Propyl Methyl Cellulose Capsules	16,048,490	27,516,040

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

	<u>31st March 2021</u>		<u>31st March 2020</u>	
	AMOUNT	%	AMOUNT	%
	₹		₹	
'i' Imported	210,555,642	41.51	117,717,632	30.10
'ii' Indigenous	296,649,796	58.49	273,395,797	69.90

e) Transactions in Foreign Currency

	<u>31st March 2021</u>		<u>31st March 2020</u>	
	<u>AMOUNT</u>	<u>TOTAL</u>	<u>AMOUNT</u>	<u>TOTAL</u>
	₹	₹	₹	₹
- <b>C.I.F. value of import</b>				
Raw Material (USD 3,534,518.00)		280,293,155		136,835,935
- Capital Goods (USD 366,000.00) (EURO 17,817.17)	27,384,000 1,758,475	29,142,475		14,830,708
- <b>Expenditure</b>				
Consumable stores (USD 54,095.00) (EURO 8,830.00) (JPY 432,400.00)	5,120,703 799,115 <u>394,235</u>	6,314,053	3,894,968 522,758 <u>224,317</u>	4,642,043
Business promotion (USD 32,000.00) (GBP 600.00)	2,428,120 <u>59,946</u>	2,488,066	2,287,200 <u>31,424</u>	2,371,082
Travelling & conveyance Commission (USD 16,843.64)		Nil 1,255,561		68,631 1,692,404

Rate & Taxes (USD 5,600.00)		430,416		511,152
Packing & Forwarding (USD 715.00)		53,217		188,632
<b>- Earnings</b>				
F.O.B. value of exports (Direct)				
(USD 6,706,364.00)*	492,162,631*		200,062,840	
(GBP 2,016,778.50)	193,619,739		79,718,165	
(EURO 16,238.80)	1,323,462		0	
(AUD 157,298.50)	<u>7,875,850</u>	694,981,682	<u>8,387,747</u>	288,168,752

\* inclusive of sale of  
Machinery/Spares  
-₹ 2,297,250/- (USD 31,500.00).

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

4.18. 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/-  
(P. K. VASUDEVA)  
PARTNER  
Membership No. - 13787**

**Dated: 30th June, 2021  
Place : Mohali**

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

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

**HEALTHCAPS INDIA LIMITED****NOTES FORMING PART OF ACCOUNTS****FOR THE YEAR ENDED 31ST MARCH 2021****ANNEXURE 'A' TO NOTES TO ACCOUNTS [NOTE 4.7]****RELATED PARTY DISCLOSURES :**

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

**(As certified by the Management)****'A' Relationship****1. Key Management Personnel**

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

**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  
Healthcaps Europe Limited

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

S.No.	Nature of Transactions	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which K.M.P./their relatives have significant influence
		AMOUNT	AMOUNT	AMOUNT
<b>A)</b>	<b>Revenue</b>	₹	₹	₹
<b>1.</b>	<b>Sales</b>			
	- Alfa Caps LLC	-	-	371,527,912
	- Healthcaps Europe Ltd.	-	-	193,650,611
<b>2.</b>	<b>Sales(Machinery Spares)</b>			
	- Alfa Caps LLC			110,250
<b>B)</b>	<b>Expenditure</b>			
<b>1.</b>	Salaries & Allowances	-	8,400,000	-
<b>2.</b>	Directors' Expenses	8,156,915		-
<b>3.</b>	Other Operating Expenses	-	-	
	-Job Work	-	-	2,341,951
	-Capsules Sorting Charges	-	-	6,449,353
	-Rent	-	-	911,400
	-Travelling & Conveyance (Staff/Others)	-	-	33,600
	-Repairs & Maintenance - Building	-	-	197,400
<b>C)</b>	<b>Others</b>			
<b>1.</b>	<b>Property, Plant &amp; Equipment</b>			
	-Purchases			
	-Ozark Engineering Pvt. Ltd.	-	-	96,824,485
	-AlfaCaps LLC	-	-	3,381,216
	-Sales			
	-AlfaCaps LLC	-	-	2,187,000
	-Ozark Engineering Pvt. Ltd.	-	-	55,986
<b>2.</b>	<b>Capital Work-in-Progress</b>			
	-Purchases	-	-	17,966,803
	-Ozark Engineering Pvt. Ltd.	-	-	

**D) Year end balances**

**1. Due to Directors:**

- Chiranjiv Singh	398,095	-	-
- Hariti Singh	166,995	-	-

**2. Salaries & Wages payable:**

- Satjiv Singh	-	164,895	-
- Anuj Gandhi	-	164,895	-

**3. Trade Payables:**

- Alfa Caps Pvt. Ltd.	-	-	4,030,680
-Ozark Engineering Pvt. Ltd.	-	-	42,549,833
-Alfa Caps LLC	-	-	3,381,216

**4. Trade Receivables:**

-Alfa Caps LLC	-	-	153,214,557
-Healthcaps Europe Ltd.	-	-	99,228,020

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

Dated : 30th June, 2021  
Place : Mohali

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

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021**

	<b><u>CURRENT YEAR</u></b>	<b><u>PREVIOUS YEAR</u></b>
	<b><u>31.03.2021</u></b>	<b><u>31.03.2020</u></b>
	₹	₹
<b>“A” CASH FLOWS</b>		
<b>( I ) FROM OPERATING ACTIVITIES</b>		
a) <u>Profit before tax:</u>	201,721,859	111,774,297
Adjustments : Depreciation and amortisation	41,167,718	35,713,192
(Gain)/Loss on sale of fixed assets	1,706,011	(259,619)
Reserves & Surplus (Adjustment)	0	(380,000)
Interest earned	(1,516,726)	(1,743,570)
Interest paid/incurred (net)	30,093,734	38,992,542
Profit from operating activities	<b><u>273,172,596</u></b>	<b><u>184,096,841</u></b>
b) Working capital changes :		
(Increase)/Decrease in Inventories	(8,528,590)	(48,989,600)
(Increase)/Decrease in Trade Receivables	(50,664,449)	(16,634,511)
(Increase)/Decrease in Short-Term Loans and Advances	(67,085,590)	(29,036,053)
(Increase)/Decrease in Other Current Assets	281,171	37,635
(Increase)/Decrease in Long-Term Loans and Advances	(129,020,135)	2,788,306
Increase/(Decrease) in Long-term Provisions	7,639,251	7,732,122
Increase/(Decrease) in Trade Payables	51,384,524	8,132,632
Increase/(Decrease) in Other Current Liabilities	80,236,778	21,262,711
Increase/(Decrease) in Short-term Provisions	0	0
Cash generated from operations	<b><u>157,415,556</u></b>	<b><u>129,390,083</u></b>
c) <u>Direct taxes paid (net of refund)</u>	0	(3,188,570)
<b>Total “I”</b>	<b><u>157,415,556</u></b>	<b><u>126,201,513</u></b>
<b>( II ) FROM INVESTING ACTIVITIES</b>		
a) Purchase of tangible assets/intangible assets/ capital work-in-progress	(277,164,625)	(122,835,920)
b) Proceeds from sale of tangible assets/intangible assets/capital work-in-progress	2,322,353	5,856,125
c) (Increase)/Decrease in Other Non-Current Assets	288,000	(1,271,398)
d) (Increase)/Decrease in Fixed Deposits	(14,684,911)	(875,694)
e) Interest received	1,516,726	1,743,570
<b>Total “II”</b>	<b><u>(287,722,457)</u></b>	<b><u>(117,383,318)</u></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)	232,706,332	10,502,898
d) Increase in Short-term Borrowings (net)	36,541,958	20,872,734
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	(30,093,734)	(38,992,542)
j) Share issue expenses	0	0
<b>Total "III"</b>	<b>239,154,556</b>	<b>(7,616,909)</b>

<b>"B"</b> Net (decrease)/Increase in cash and cash equivalents (I+II+III)	108,847,655	1,201,286
Add : Cash and cash equivalents at the beginning of the year	13,059,643	11,858,356
<b>"C"</b> Cash and cash equivalents at the end of the year	121,907,298	13,059,642

**Cash and Cash equivalents comprises of**

	<b><u>CURRENT YEAR</u></b>	<b><u>PREVIOUS YEAR</u></b>
	<b><u>31ST MARCH, 2021</u></b>	<b><u>31ST MARCH, 2020</u></b>
	₹	₹
Cash & Bank Balances as per Note 1.14	153,280,513	29,747,947
Less : Fixed Deposits (Balances held as margin money)	31,373,215	16,688,304
	<b>121,907,298</b>	<b>13,059,642</b>

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

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

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

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

**Sd/-  
(P.K. VASUDEVA)  
PARTNER  
Membership No. - 13787**

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

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

**Dated: 30th June, 2021  
Place : Mohali**