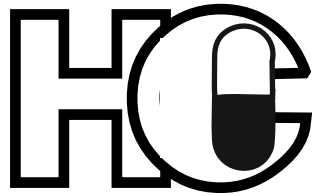


FORTIETH ANNUAL REPORT (2022-23)



HEALTHCAPS INDIA LIMITED

BOARD OF DIRECTORS

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

BANKERS

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

AUDITORS

A A R S H & Associates
Chartered Accountants
H.O.: # 3317, Sector 19-D,
Chandigarh 160019, India

WORKS & REGISTERED OFFICE

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

ADMN. OFFICE

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

HEALTHCAPS INDIA LIMITED

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **40th Annual General Meeting** of the Company will be held on **Friday, 22nd day of September, 2023** 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. (a) To consider and adopt the **Standalone Audited Financial Statements** of the Company for the financial year ended **31st March, 2023** and the Reports of the Board of Directors and the Auditors thereon.

(b) To consider and adopt the Consolidated Audited Financial Statements of the Company for the financial year ended **31st March, 2023** and the Report of the Auditors thereon.

2. To appoint a Director in place of **Smt. Hariti Singh**, who retires by rotation in accordance with the provisions of Articles of Association of the company and being eligible, offers **her self** 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 pursuant to the provisions of Sections 139 of the Companies Act, 2013 and other applicable provisions of the Act, if any and the Rules framed there under, as amended from time to time, the appointment of **M/s AARSH & ASSOCIATES, Chartered Accountants, Chandigarh (FRN-024177N)**, who were appointed as Statutory Auditors of the Company for a period of **Five Financial Years from FY - 2022-23 to FY 2026-27** at such remuneration as may be mutually agreed between the Board of Directors of the Company and the auditors, be and is ratified.”

SPECIAL BUSINESS

4. TO CONSIDER RELATED PARTY TRANSACTIONS

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

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) consent of the members of the Company be and is hereby accorded for following related party transactions during **Financial Year 2023-24**

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/ purchase of goods	Shri Anuj Gandhi, Relative of Director	Son of Director	Running arrangement	Up to Rs 120.00 Crores	None
Health Caps Europe Ltd-UK	Sale/ purchase of goods	Shri Anuj Gandhi, Relative of Director	Son of Director	Running arrangement	Up to Rs 45.00 Crores	None
Ozark Engineering Private Limited	Sale/purchase of goods// machinery and job work/ rent of building/ leasing of machinery	Shri Satjiv Singh, Relative of Director	Son of Director	Running arrangement	Up to Rs 15.00 Crores	None
Alfa Caps Private Limited	Job work and other transactions	Smt. Hariti Singh	Common Director	Running arrangement	Up to Rs 2.00 Crores	None

5. TO CONSIDER RE-APPOINTMENT 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, Shri Chiranjiv Singh, Managing Director of the Company be and is hereby reappointed for a further period of Five Years with effect from 01-04-2023 to 31-03-2028 at a remuneration as per given below and other terms and conditions of his appointment being the same:

Salary

- Salary Rs. 7,82,500 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.

6. REDUCTION OF SHARE CAPITAL OF THE COMPANY

And to consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 66 of the Companies Act, 2013 and National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 and other applicable provisions, if any, of the Companies Act, 2013, and, or any statutory modification(s) or re-enactment thereof, if any, and as provided under **Article 37(a)** of the Articles of Association of the Company, and subject to the confirmation of the Hon'ble National Company Law Tribunal, Chandigarh Bench ("**NCLT**"), and such other approvals as may be required, and subject to such terms and conditions, as may be prescribed by the NCLT and any other appropriate authority, while granting approval(s) or confirmation(s), and which may be agreed by the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded, by way of a special resolution, to reduce the issued, subscribed and paid up equity share capital of the Company from **40,37,190** equity shares of Rs. 10/- each to **31,13,330** equity shares of Rs. 10/- each, by cancelling and extinguishing **9,23,860** equity shares of Rs. 10/- collectively held by the shareholders of the Company other than the following shareholders-

- 1. Mr. Chiranjiv Singh**
- 2. Mrs. Hariti Singh**
- 3. Mr. Satjiv Singh**

RESOLVED FURTHER THAT subject to the confirmation of the capital reduction by the NCLT and such capital reduction becoming effective and operative, and, or the receipt of such other approvals or confirmations as may be required, the shareholders of the Company, as on the **25th August, 2023 being the 'Record Date'** for the purposes of determining the names of the registered holders of the equity shares of the Company, shall be paid, for the equity shares held by them and which are cancelled and extinguished, a sum of **Rs. 273.58 (Rupees Two Hundred Seventy Three and Paise Fifty Eight only)** per equity share of Rs. 10/- each, so cancelled and extinguished.

RESOLVED FURTHER THAT subject to the confirmation of the capital reduction by the **NCLT** and such capital reduction becoming effective and operative, without any further act or deed by the shareholders or their nominees, the shares held by such shareholders shall stand cancelled, extinguished and rendered invalid.

RESOLVED FURTHER THAT the payment of consideration to the above mentioned shareholders shall be made within such number of days of the Record Date as shall be decided by the Board and subject to such approvals, if any, as may be required under the applicable law/s or as may be directed by the NCLT, on the reduction becoming effective.

RESOLVED FURTHER THAT Mr. Chiranjiv Singh Managing Director and Mrs. Hariti Singh, Whole Time Director of the Company, be and are hereby severally authorised to take all necessary steps and do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, expedient, usual or

proper, in the best interest of the Company and its members in connection with and relating to the capital reduction, including any directions for settling any question or doubt or difficulty whatsoever that may arise, for the purpose of giving effect to the capital reduction, or to any modification thereof, and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the members or otherwise, including but not limited to:

1. File applications / petitions, vakalatnamas and affidavits and / or other legal documents with NCLT, as may be required for seeking directions / approval for the capital reduction by the NCLT, and, or, engage/ appoint lawyers, consultants, advisors, merchant bankers, etc., as may be required, for the purpose of and, or in connection with the filing of the application/ petition and representation before the NCLT;
2. Declare and file all pleadings, reports, and sign and issue public advertisements, notices and to do all acts incidental and necessary thereto for the matter aforesaid;
3. Obtain approval/ consent from such other regulatory/ statutory authorities and parties including the creditors as may be considered necessary, for the said capital reduction;
4. Make any alterations / changes, modifications or amendments to the application / petition as may be expedient or necessary, including any alterations / changes, modifications or amendments required to be made for satisfying the requirements or conditions imposed by the NCLT or other competent authority, if any;
5. Make, prepare and submit any applications, petitions, appeals and judges summons before the NCLT, and / or any court, tribunal, or all relevant authorities and respond to the appropriate authorities;
6. Affix Common Seal of the Company in accordance with the provisions of the Articles of Association of the Company, on any documents in connection or for the purpose of this resolution, as may be required and to send the common seal of the Company to other places, if so required, to facilitate execution of documents and papers in connection with the application/petition before the NCLT;
7. Withdraw the application/ petition filed before the NCLT for the capital reduction at any stage, in case any changes and / or modifications suggested / required to be made in the application / petition or any condition imposed, whether by any shareholder, creditor, NCLT and / or any other regulatory or statutory authority are, in their view, not in the interest of the Company and/ or if the application/ petition cannot be implemented otherwise, and to do all such deeds, acts and things as any of them may deem necessary and desirable in connection therewith and incidental thereto;
8. Open an account in the name of Company, as may be decided, for the purpose of discharging the consideration for the capital reduction and to deposit the amount to be paid to the shareholders in lieu of the cancellation and extinguishment of the equity shares of the Company held by such shareholders pursuant to the capital reduction in such bank account;
9. Discharge the payment due to the shareholders of the Company in lieu of the cancellation and extinguishment of the equity shares of the Company held by such shareholders pursuant to the capital reduction, in accordance with applicable laws, by payment through cheque, pay order/warrant, demand draft, electronic transfer of funds NEFT/RTGS/IMPS, etc., after payment of appropriate taxes by the Company;
10. Call for the bank account details of the shareholders of the Company for discharging the consideration;
11. Authenticate all the necessary documents as 'certified copies' or in any other manner as may be required, including affixing the common seal of the Company on any documents in connection with the above resolution;
12. Pass such accounting entries and / or making such other adjustments in the books of accounts, as are considered necessary to give effect to the above resolution, in accordance with applicable accounting standards;
13. Take certificate from the statutory auditors for the completion of the process of capital reduction, required, if any;
14. Fix a record date for the capital reduction and determine the names of registered holders of equity shares held by the shareholders; and

15. To do all such other acts, matters, deeds and things as may be considered necessary and expedient in connection with or incidental to giving effect to the above resolution or to settle any question or difficulty that may arise;
16. To delegate any or all of the powers conferred upon it by this resolution to any other director(s), and/or officer(s) of the Company.”

Registered Office
Village Fatehpur, P.O. Majra Jattan,
Tehsil Balachaur, District -SBS Nagar,
Nawanshahr – 144522, Punjab

By Order of the Board
For HEALTHCAPS INDIA LIMITED

Place: Village Fatehpur
Date: 01-08-2023

Sd/-
CHIRANJIV SINGH
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. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company shall remain closed from **21st day of September, 2023 to 22nd day of September, 2023** (both days inclusive).
3. The Company has appointed Mr. Ravinder Kumar, Company Secretary in Practice as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner and to declare results.
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 the Company is pleased to provide members facility to exercise their votes by electronic means and the business may be transacted through e-voting as per time schedule and as per instructions annexed with the notice.
5. Members are requested to register their e-Mail id with the company or its Registrar or their depository participant to enable the company to send the notices and other reports through email.
6. The Scrutinizer shall within a period of two working days from the conclusion of e-voting period, unblock the votes in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company. The results shall be declared within two working days from the conclusion of the AGM. The results declared along with report of Scrutinizer shall be placed on the Company's website.
7. Explanatory Statement under **Section 102 of The Companies Act, 2013** is enclosed herewith.
8. Details of Directors seeking re-appointment/appointment at the forth coming Annual General Meeting as required under Secretarial Standards-2 on General Meetings is also given in the attachment to the notice.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4 - Shri Anuj Gandhi is son of Shri Chiranjiv Singh and Smt. Hariti Singh, both Director of the Company and he has promoted two entities Alfa Caps LLC in USA and Health Caps Europe Ltd in UK where there is a good demand of Company's product. The sale to these two entities is at market price in ordinary course of business. Ozark Engineering Private Limited is an Indian Company having common Director and is engaged in manufacture of engineering goods. Alfa Caps Private Limited is an Indian Company having common Director and is engaged in sorting of capsules.

In order to comply with the provisions of the Companies Act, 2013, approval of members is sought through special resolution. The required information is explained in the resolution itself. None of the Directors and KMP and/or their relatives is concerned or interested, financially or other wise 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. 5 - Shri Chiranjiv Singh has been associated with the Company since its inception and is fully conversant with all aspects of the management and affairs of the Company. His present term as Managing Director has been completed on 31.03.2023 and was reappointed as Managing Director by the Board on the

recommendation of Nomination and Remuneration Committee for a further period of 5 years. The approval of members is required for his reappointment and hence this resolution is placed before members.

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. 6 - The shareholders of the Company in their extra ordinary general meeting held on 15th July, 2022 had earlier given their consent for reduction of equity share capital. Pursuant to the special resolution passed by the shareholders, the Company filed a petition (No. 75/Chd/Pb/2022) with the Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT") for its approval/ confirmation of reduction of share capital. The NCLT was pleased to admit the petition vide order dated 18th August, 2022. However, considering the industrial scenario which changed and since surplus was required to meet various business challenges and for the organic growth of the Company, the Company withdrew the Petition in terms of NCLT order dated 13th April, 2023. As the scenario has further changed and since the Company believes that it will have surplus funds for the purposes of utilization for reduction of the share capital, it is now proposed that a petition be filed afresh for the reduction of share capital. All the required information is provided below:

Background

Healthcaps India Limited (the "**Company**") was incorporated under the provisions of Companies Act, 1956 on 06.12.1982. The name of the Company was changed from time to time to as under-

1-The name of the Company was changed to "**GELCAPS INDIA LIMITED**" on 09.09.1983.

2-The name of the Company was changed to "**CAPSUGEL INDIA LIMITED**" on 12.09.1984.

3-The name of the Company was changed to "**HEALTHCAPS INDIA LIMITED**" on 29.05.2007, the present name of the Company.

At present, its principal business activity is to manufacture and sale of Empty Hard Gelatine and Hydroxy Propyl Methyl Cellulose (HPMC) Capsules.

The Company was earlier listed on Delhi Stock Exchange and subsequently got delisted from the stock exchange(s) with effect from 4th September, 2018 on account of such stock exchanges being de-recognized. An exit mechanism in terms of applicable laws was put in place, and due efforts were made so as to provide an exit opportunity to the public shareholders as per SEBI circular No. SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 10, 2016.

As on **21-07-2023**, the company has **16,451 public shareholders holding 9,23,860** equity shares. These shareholders are those who had not accepted exit at the time of delisting or those who have become shareholders through private dealings / off-market dealings amongst public shareholders. Post delisting from the stock exchanges as mentioned in the paragraph above, the equity shares of the Company are not marketable/tradable on any stock exchange in India.

At present, these shareholders do not have any avenue to monetize their shareholding and the investment made by them in the shares of the Company is locked-up. Considering the requests from some of such shareholders and as an investor friendly step to provide liquidity and exit route to these shareholders in a fair and transparent manner, and otherwise in terms of the permissibility under applicable laws, the Board of Directors in their meeting held on **01-08-2023** were of the opinion that capital reduction process should be undertaken. This will also enable the Company to save administrative and other associated costs.

The existing Shareholding pattern of the Company is as under:

Shareholders	No. of Shares	%
Chiranjiv Singh	26,50,618	65.655
Hariti Singh	4,62,462	11.455
Satjiv Singh	250	0.007
Identified Shareholders (Individuals, Corporate bodies etc.)	9,23,860	22.883
TOTAL	40,37,190	100.00

Subject to the receipt of the requisite approval of the shareholders and confirmation by the Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT") and such other approvals as may be required, it is proposed to reduce the issued, subscribed and paid-up share capital of the Company from Rs.4,03,71,900/- (Rupees Four Crores Three Lakhs Seventy One Thousand and Nine Hundred Only) consisting of 40,37,190 equity shares of Rs.10 each to Rs.3,11,33,300/- (Rupees Three Crore Eleven Lakh Thirty Three Thousand and Three Hundred Only) consisting of 31,13,330 equity shares of Rs.10 each, by cancelling and extinguishing, in aggregate 9,23,860 equity shares of Rs.10 each from the total issued, subscribed and paid-up equity share capital of the Company held by the shareholders other than the following shareholders-

1. **Mr. Chiranjiv Singh**
2. **Mrs. Hariti Singh**
3. **Mr. Satjiv Singh**

Method of Capital Reduction

The Capital Reduction is proposed to be implemented by an application to be allowed by the NCLT, if it thinks fit.

Consideration

In order to determine the consideration to be paid upon the proposed reduction of equity shares held by the relevant shareholders, Independent Registered Valuer, **Ashima Banodha Registered Valuer (IBBI)** ("**Independent Valuers**"), has done a valuation and submitted their report to the Company ("**Valuation Report**").

As part of its fiduciary duty to the members, the Company has also obtained a fairness opinion report from a merchant banker, **3 Dimension Capital Services Limited** which gave an independent opinion with regards to the valuation of equity shares of the Company, in relation to the proposed capital reduction, as determined by the Independent Valuers ("**Fairness Opinion**").

The Board has considered the Valuation Report and the Fairness Opinion and is of the view that a consideration of **Rs. 273.58 (Rupees Two Hundred Seventy-Three and Paise Fifty-Eight only)** per equity share be offered to the shareholders upon capital reduction. The consideration of **Rs. 273.58 (Rupees Two Hundred Seventy-Three and Paise Fifty-Eight only)** per equity share will be paid after deduction of TDS as applicable under the provisions of the Income Tax Act, 1961.

Effective date of Reduction

After the shareholders have passed the requisite resolution, the Company will file requisite application with the NCLT in accordance with the provisions of Section 66 and other applicable provisions of the Companies Act, 2013 and the relevant Rules, for passing an order confirming the reduction of capital.

Pursuant to Section 66(5) of the Companies Act, 2013, the capital reduction will be effective on the date of filing of the Order of NCLT confirming the capital reduction with the jurisdictional Registrar of Companies.

Payment of consideration

- (a) The Company shall upon the receipt of the confirmation order of the NCLT for the capital reduction, deposit the whole of the consideration of Rs.25,27,49,619/- (Rupees Twenty Five Crores Twenty Seven Lakhs Forty Nine Thousand Six Hundred and Nineteen Only) in a Special Bank Account to be opened for this reduction of capital.
- (b) The consideration for the capital reduction shall be discharged by issue of cheque /draft/pay order/electronic transfer of funds/ NEFT/RTGS/IMPS etc. to the registered holder of the relevant equity shares, whose name appears as a member as on **25-08-2023 (“Record Date”)**, with in such number of days, as may be permissible under the law or as may be directed by the NCLT, to the last known address of such shareholder, as available with the Company/Registrar and Share Transfer Agent.
- (c) In case of transfer requests pending as on the Record Date, the Company shall immediately after the Record Date, dispatch to shareholders (Transferor) and to such person (Transferee) from whom the Company has received any communication with respect to pending transfer of shares, a form to be duly filled in by the Transferor and the Transferee. Upon receipt of duly filled-in form complete in all respects, the Company shall discharge the consideration to the Transferee or to the Transfer or as the case may be. Pending receipt of duly filled in form, the consideration towards such shares shall be dealt in a manner provided for in the below paragraph.
- (d) Where the consideration has not been claimed by or paid to the identified shareholders, on account of cheques returned and/or undelivered / cheques not deposited, consideration in respect of shares pending transfer as on the Record Date, or for any other reason, the Company shall retain such consideration in the Special Bank Account along with interest, if any, accrued from time to time for a period of such 7 years. The amount outstanding in the Special Bank Account after the said period shall be utilized in a manner as may be permitted under any law then in force or transferred to the Investor Education and Protection Fund as per the applicable provisions of the Act.

Taxation

As the proposed reduction would be considered as dividend within the provisions of Section 2(22) (d) of the Income-tax Act, 1961, the Company will become liable to deduct TDS in accordance with the provisions of Section 194 of the Income-Tax Act, 1961.

The Identified Shareholders should consider their own tax position and pay appropriate tax (as may be applicable) on the amount received from the Company upon reduction of equity share capital.

Payment to non-resident Identified Shareholders

To the extent the consideration is payable to non-resident shareholders on the capital reduction, the Company shall be subject to, and any payments by the Company would be subject to, applicable laws, including with the provisions of Foreign Exchange Management Act, 1999 and the regulations there under. The Company may seek any information from such non-resident shareholders to comply with the said provisions.

Miscellaneous

- (a) The Board of Directors at their meeting held on **01st August, 2023** considered and approved the proposal of reduction of capital of the Company as per the terms set out in the Resolution.
- (b) The above proposed capital reduction is permissible under the Articles of Association of the Company, pursuant to Section 66 and other applicable provisions of the Companies Act, 2013 and is subject to approval of the members through a special resolution, confirmation of the NCLT and such other regulatory authorities as may be required, to give effect to the afore said resolution.
- (c) The Company has not accepted any deposits and is therefore not in arrears in the repayment of any deposits or interest payable thereon.
- (d) The proposed capital reduction will not cause any prejudice to the creditors of the Company. The creditors of the Company are not adversely affected by the proposed reduction as there is no reduction in

the amount payable to any of the creditors. No compromise or arrangement is contemplated and the Company will have assets in excess of all its liabilities. The Company is only paying off capital in excess of its requirements and the proposed adjustment would not, in any way, adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitment sort pay its debts in the ordinary course of business.

- (e) No investigation/proceedings are pending under Section 210 to Section 229 or any other provisions of the Companies Act.2013 against the Company.
- (f) The Memorandum of Association and the Articles of Association of the Company, and other related documents, including the Valuation Report by the Independent Valuers, Fairness Opinion and list of creditors of the Company, are available for inspection at the Registered Office and Corporate Office of the Company on all working days between 11.00 a.m. (IST) to 1.00 p.m. (IST) up to and including the last date of meeting.
- (g) None of the Directors, Key Managerial Personnel or their relatives, except to the extent of their shareholding, if any, are in any way concerned or interested, financially or otherwise, in the said resolution.
- (h) In the event the confirmation order of the NCLT for the Capital reduction is not obtained, the resolution passed by the members shall be null and void.
- (l) The Board considers that this resolution is in the best interests of the shareholders of the Company and therefore recommends the passing of the special resolution as set out in the Notice.

Registered Office
Village Fatehpur, P.O. Majra Jattan,
Tehsil Balachaur, District -SBS Nagar,
Nawanshahr – 144522, Punjab

By Order of the Board
For HEALTHCAPS INDIA LIMITED

Place: Village Fatehpur
Date: 01-08-2023

Sd/-
CHIRANJIV SINGH
MANAGING DIRECTOR
DIN-01602672

TIME SCHEDULE FOR E-VOTING PROCESS IS GIVEN BELOW

- (a) Date and time of commencement of voting through electronic means: **Tuesday, September 19, 2023 at 9.00 a.m.**
- (b) Date and time of end of voting through electronic means beyond which voting will not be allowed: **Thursday, September 21, 2023 at 5.00 p.m.**
- (c) Details of Website: www.evotingindia.com
- (d) Details of persons to be contacted for issues relating to e-voting: Mr. Puneet Mittal, M/s Beetal Financial and Computer Services Private Limited, New Delhi, Tel. No.011-29961281-283, e-mail:beetalrta@gmail.com; and CDSL at Tel No. 18002005533, e-mail: helpdesk.evoting@cdslindia.com
- (e) Details of Scrutinizer Mr. Ravinder Kumar, Company Secretary in Practice
The e-voting module shall be disabled for voting on **Thursday, September 21, 2023 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 15th September, 2023.**

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING

- (i) The voting period begins on **19th September, 2023 at 09.00 a.m.** and ends on **21st September, 2023 at 05.00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date (record date) of Friday, 15th September, 2023** 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 shareholder's/ 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 CDSL	<ol style="list-style-type: none"> 1) Users of who have opted for CDSL's Easi / 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 https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 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 IN TIME 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. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 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: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 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 or joining virtual meeting & voting during the meeting

<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</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 or joining virtual meeting & voting during the meeting.</p>
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

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

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

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 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:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
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"> • 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.

Dividend Bank Details	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.
OR Date of Birth (DOB)	<ul style="list-style-type: none"> • 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).

- (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 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.
 - 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 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 (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.

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

Name	Sh. Chiranjiv Singh	Smt. Hariti Singh
Age	72 years	68 years
Brief Resume	Working as Director in the company since in-corporation	Working as Director in the company for the last 26 years
Nature of his expertise in specific functional areas	Vast experience in various areas of governance	Administration
Date of first appointment on the Board	06.12.1982	05.01.1997
Qualifications	Engineer	Post Graduate
Experience	Experience of four decades of industry	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 given in information under Schedule V to the Act under the Corporate Governance heading in Director Report	As given in information under Schedule V to the Act under the Corporate Governance heading in Director Report
Last drawn remuneration	Rupees 6.00 lakhs per month and perquisites	Rupees 2.50 lakhs per month
Shareholding in the company held either himself or on a beneficial basis for any other persons	2650618 equity shares of Rs.10/- each	462462 equity shares of Rs.10/- each
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Related with Mr. Hariti Singh, Sh. Satjiv Singh and Sh. Anuj Gandhi	Related with Sh. Chiranjiv Singh, Sh. Satjiv Singh and Sh. Anuj Gandhi
The number of Meetings of the Board attended during the Year	20	20
Names of companies in which the person also holds the directorship and the membership/Chairman of Committees of the Board	1.HV Caps Private Limited 2.G. One Formulations Private Limited 3.Tolstoy Commercial Private Limited	1. Alfa Caps Private Limited 2.G. One Formulations Private Limited 3. Ozark Engineering Private Limited 4. HV Caps Private Limited

BALLOT PAPER

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

CIN	U74899PB1982PLC050929
Name of the Company	HEATHCAPS INDIA LIMITED
Registered office	Village Fatehpur, P.O. Majra Jattan, Tehsil Balachaur, District- SBS Nagar (Nawanshahr), Punjab-144522. Email: info@healthcapsindia.com , Telephone: 01881-273637 website: www.healthcapsindia.com

40th Annual General Meeting to be held on Friday, 22nd day of September, 2023 at 12.30 p.m. at Factory premises at Village Fatehpur, P.O. Majra Jattan, Tehsil Balachaur, District -SBS Nagar (Nawanshahr), Punjab – 144522

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

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

No.	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
Ordinary Business				
1.	Approval of Standalone and Consolidated Annual Accounts for the year ended 31.03.2023			
2.	To appoint a Director in place of Smt. Hariti Singh, who retires by rotation			
3.	Ratification of Appointment of Statutory Auditors and to fix their remuneration			
Special Business				
4.	To Consider Related Party Transactions			
5.	To consider re-appointment of Shri Chiranjiv Singh as Managing Director			
6.	Reduction of Share Capital of the Company			

Place:

Date:

(Signature of the Shareholder)

PROXY FORM

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

CIN	U74899PB1982PLC050929
Name of the Company	HEATHCAPS INDIA LIMITED
Registered office	Village Fatehpur, P.O. Majra Jattan, Tehsil Balachaur, District- BS Nagar (Nawanshahr), Punjab-144522. Email: info@healthcapsindia.com , Telephone: 01881-273637 Website: www.healthcapsindia.com

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 **40th Annual General Meeting** of the company to be held on **Friday, 22nd day of September, 2023 at 12.30 p.m.** at **Factory premises at Village Fatehpur, P.O. Majra Jattan, Tehsil Balachaur, District -SBS Nagar (Nawanshahr), Punjab** and at any adjournment there of in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote	
		For	Against
Ordinary Business			
1.	Approval of Standalone and Consolidated Annual Accounts for the year ended 31.03.2023		
2.	To appoint a Director in place of Smt. Hariti Singh, who retires by rotation		
3.	Ratification of Appointment of Statutory Auditors and to fix their remuneration		
Special Business			
4.	To Consider Related Party Transactions		
5.	To consider re-appointment of Shri Chiranjiv Singh as Managing Director		
6.	Reduction of Share Capital of the Company		

Signed this..... day of..... 2023

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 **40th Annual General Meeting** of the Company held on **Friday, 22nd day of September, 2023 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

.....

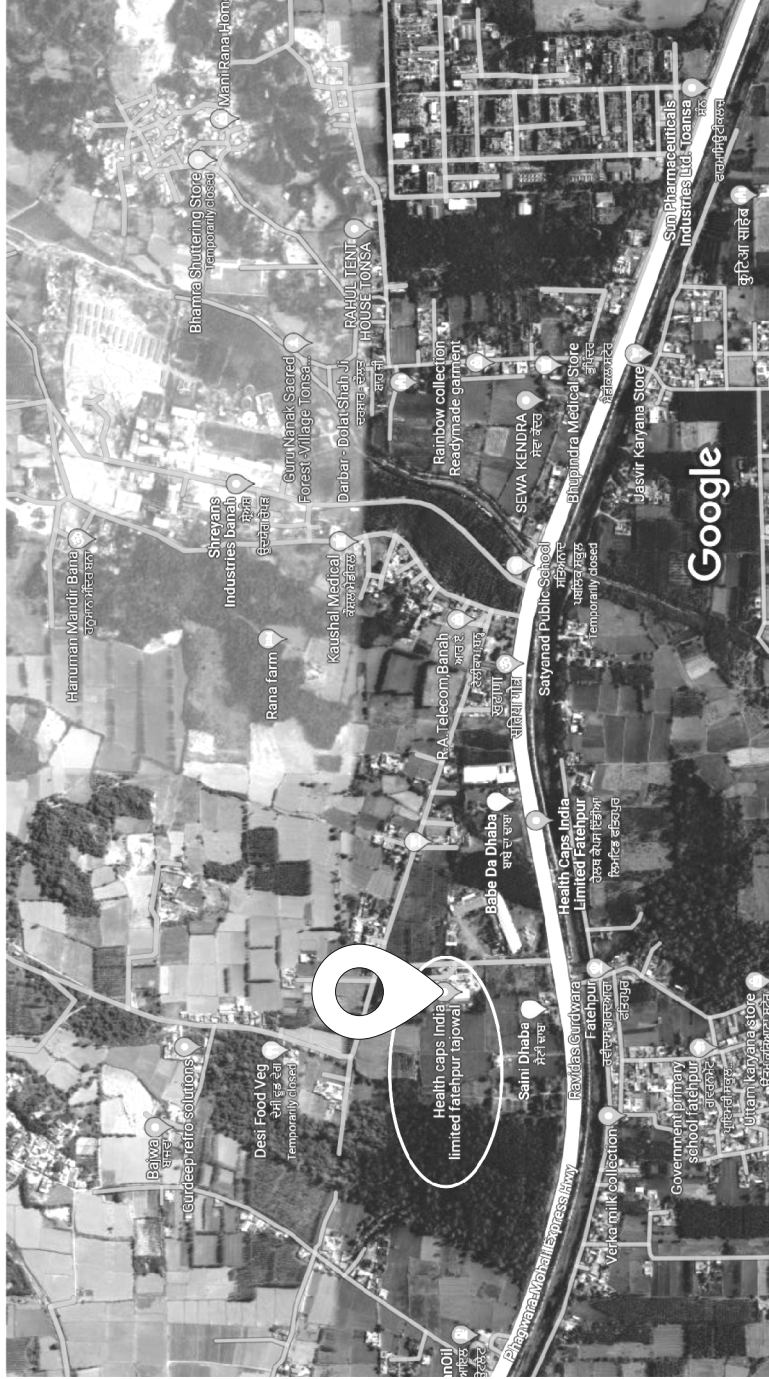
Signature of the Shareholder/Proxy/Representative*

*Strike out whichever is not applicable

7/31/23, 11:07 AM

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BOARD'S REPORT

To,
The Members of
HEALTHCAPS INDIA LIMITED

Your Directors have pleasure in presenting the 40th Board's Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended **31st March, 2023**.

FINANCIAL HIGHLIGHTS

(Rs. in Lakhs)

Particulars	Standalone 2022-23	Standalone 2021-22
Total Revenue	25517.08	25,777.61
Profit Before Interest and Depreciation	5421.25	7938.05
Finance Charges	730.81	468.50
Depreciation & Amortization Expenses	638.47	525.11
Profit Before Tax	4051.97	6944.44
Tax Expenses	1070.69	1762.75
Net Profit After Tax	2981.27	5181.69
Balance of Profit brought forward	12,921.08	7739.38
Less adjustments	3.82	0.00
Surplus carried to Reserve and Surplus	15898.53	12,921.08

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

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

RESEARCH AND DEVELOPMENT

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

STATUS OF THE COMPANY

Status of the Company is '**Unlisted Public Company**'.

CHANGE IN NATURE OF BUSINESS

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

DIVIDEND

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

AMOUNTS TRANSFERRED TO RESERVES

The Board of the company has decided to carry net profit of **Rs. 2981.27 Lakhs** to its reserves and surplus.

CHANGES / REDUCTION OF SHARE CAPITAL

The shareholders of the Company in their extra ordinary general meeting held on 15th July, 2022 had earlier given their consent for reduction of equity share capital. Pursuant to the special resolution passed by the shareholders, the Company filed a petition (No. 75/Chd/Pb/2022) with the Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT") for its approval/ confirmation of reduction of share capital. The NCLT was pleased to admit the petition vide order dated 18th August, 2022. However, considering the industrial scenario which changed and since surplus was required to meet various business challenges and for the organic growth of the Company, the Company withdrew the Petition in terms of NCLT order dated 13th April, 2023. As the scenario has further changed and since the Company believes that it will have surplus funds for the purposes of utilization for reduction of the share capital, it is now proposed that a petition be filed afresh for the reduction of share capital.

REGISTRAR AND TRANSFER AGENT AND SHARE TRANSFER WORK

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

M/s Beetal Financial & Computer Services Private Limited

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

DEMATERIALIZATION OF EQUITY SHARES

The Company has appointed 'National Securities Depository Limited' (NSDL) as depository for dematerialization of equity share and for the purpose of dematerialization of equity shares the ISIN of the Company is **INE936K01016**.

INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

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

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

MATERIAL CHANGES AND COMMITMENTS

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

ANNUAL RETURN

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

MEETINGS OF THE BOARD OF DIRECTORS

During the current Financial Year, the Company held **20 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-

12.04.2022	23.04.2022	17.05.2022	06.06.2022	09.06.2022
25.06.2022	04.07.2022	06.07.2022	01.08.2022	31.08.2022
10.09.2022	07.11.2022	23.11.2022	12.12.2022	26.12.2022
04.01.2023	09.01.2023	24.01.2023	06.03.2023	27.03.2023

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 an unlisted public Company.
- (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. AARSH & ASSOCIATES, Chartered Accountants Chandigarh has been appointed as Statutory Auditors of the Company for a period of Five Financial Years from FY 2022-23 to FY 2026-27.

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. **(Annexure-II)**

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

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

RISK MANAGEMENT

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

DIRECTORS AND KMP

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

DEPOSITS

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

The Company was required to spend two percent of average net profit before tax made during the three immediately preceding financial years. The total amount of CSR to be spent during the year amounted to Rs.67.31 Lakhs. The Company has spent full amount of 67.31 Lakhs during the current financial year and there is no unspent CSR expense. One meeting of CSR Committee was held during the year on **23-11-2022**.

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 **31.03.2023** is attached along with this report (**Annexure-IV**).

PERSONNEL

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

ANNUAL EVALUATION

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

INDEPENDENT DIRECTORS AND DECLARATION

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

NOMINATION AND REMUNERATION COMMITTEE

As per the section 178(1) of the Companies Act, 2013 the Company's Nomination and Remuneration Committee comprises of three Directors and the committee was reconstituted during the year. 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-

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

Terms of Reference

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

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

REMUNERATION POLICY

Remuneration to Executive Directors

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by Board in Board meeting, subject to the subsequent approval of the shareholders

at the General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as 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 11.04.2022 and 06.07.2022 during the year. The table sets out the composition of the Committee as at the end of the year as under-

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

INFORMATION UNDER SCHEDULE V TO THE ACT UNDER CORPORATE GOVERNANCE

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

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

Name of Director	Chiranjiv Singh	Hariti Singh
Salary	Rupees 72.00 Lakhs	Rupees 30.00 Lakhs
Bonus	Nil	Nil
Stock Options	Nil	Nil
Pension	Nil	Nil
Medical Reimbursement	Rupees 4.08 Lakhs	Nil
Others	Rupees 0.25 Lakhs	Rupees 0.25 Lakhs

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

COST RECORDS

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

SECRETARIAL AUDIT REPORT

As per the provisions of Section 204 of the Companies Act, 2013, the Company has appointed Mr. Ravinder Kumar, Company Secretaries as the Secretarial Auditor and Secretarial Audit Report for FY 2022-23 is annexed herewith.

VIGIL MECHANISM

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

SHARES

- a. **Buy-back of securities-** The Company has not bought back any of its securities during the year under review.
- b. **Sweat equity-** The Company has not issued any Sweat Equity Shares during the year under review.
- c. **Bonus shares-** The Company has not issued any Bonus Shares during the year under review.
- d. **Employees' stock option plan-**The Company has not provided any Stock Option Scheme to the employees.

ORDER OF COURT

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

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Internal Financial Controls are adequate and are in consonance with the size and operations of the Company and such internal financial controls are operating effectively.

INTERNAL AUDITOR

Pursuant to the provisions of Section 138 of the Companies Act, 2013, the Company has duly appointed a qualified professional as Internal Auditor for the purpose of internal audit.

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 INDAS

The Company is an Unlisted Public Company and is not covered under the provisions the Companies (Indian Accounting Standards-INDAS) 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: VILLAGE FATEHPUR
DATE: 01-08-2023

Sd/-
CHIRANJIV SINGH
DIN: 01602672
(MANAGING DIRECTOR)

Sd/-
HARITI SINGH
DIN: 01852205
(WHOLE TIME DIRECTOR)

ANNEXURE-I**Form AOC-1**

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

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

Part "A": Subsidiaries

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

Sl. No.	Particulars	Details
1.	Name of the subsidiary	HV Caps Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4.	Share capital	100.00
5.	Reserves & surplus	-11.80
6.	Total assets	93.20
7.	Total Liabilities	93.20
8.	Investments	Nil
9.	Turnover	0.00
10.	Profit / loss before taxation	-6.80
11.	Tax Expense Deferred tax (Asset)/liability	0.00
12.	Profit after taxation	-6.80
13.	Proposed Dividend	Nil
14.	% of shareholding	94.00

For and on behalf of Board of Directors

HEALTHCAPS INDIA LIMITED

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

**Sd/-
CA Om Parkash Gupta
M.No: 096864
(Proprietor)
Place: Village Fatehpur
Date: 01-08-2023**

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

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

ANNEXURE-II

Form No. AOC-2

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

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

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

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 is -Capsule Sorting Charges= Rs.82.35 Lakhs -Rent = 10.04 Lakhs -Maintenance Charges= Rs.1.97 Lakhs -Parking Charges = Rs.0.62 Lakhs
E	Date(s) of approval by the Board, if any	12-04-2022
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 - Job Work Expenses= Rs.38.50 Lakhs - Purchases Rs.1051.77 Lakhs
E	Date(s) of approval by the Board, if any	12-04-2022
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	Sale/ Purchase of goods
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 9534.13 Lakhs Purchase= Nil
E	Date(s) of approval by the Board, if any	12-04-2022
F	Amount paid as advances, if any:	–
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	Sale/ Purchase of goods
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 4019.30 Lakhs Purchase= Nil
E	Date(s) of approval by the Board, if any	12-04-2022
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

PLACE: VILLAGE FATEHPUR
DATE: 01-08-2023

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
 - L.E.D Lights
 - Hot Water from AC Compressor used for HOT Water Coil in AHU
 - Screw Air Compressor
 - Screw Chiller
- (ii) Capital investment on energy conservation equipment
 - NIL

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

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

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings	Rupees 14,916.73 Lakhs
Outgo	Rupees 4,724.75 Lakhs

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED 31.03.2023**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 composition of present CSR Committee consists of following members;

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

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

- 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.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the implementation of framework of CSR Policy.
- 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;

- "Act" shall mean the Companies Act, 2013 including any modifications, amendments or re-enactment thereof.
- "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 which covers the yearly activities undertaken by the Company under the policy and the CSR Expenditure thereon. The said policy has been revised every year.
16. "CSR Activities" shall mean all the Corporate Social Responsibility activities / programs / initiatives of the company, either ongoing or new, including but not limited to green belt / environmental protection / ecological balance / slum rehabilitation / education / sports etc., and those specified in Schedule VII to the Act (as amended from time to time) at corporate office, project offices of the Company, its subsidiaries and associates wherever located, as recommended by the CSR Committee and approved by the Board.
17. "CSR Expenditure" shall mean all CSR expenditure as recommended by the CSR Committee and approved by Board of Directors including the following:
 - i) Contributions to CSR activities which shall be implemented and / or executed by the Company.
 - ii) Contributions to CSR activities which shall be implemented Trust / Society / Section 8 Companies / Agencies established / registered to carry on the CSR activities as defined under the Rules.
 - iii) Contribution to the Corpus of a Trust / Society / Section 8 Companies etc., as long as they are created exclusively for undertaking CSR activities or where the corpus is created exclusively for the purpose directly relatable to a subject covered in Schedule VII of the Act.
 - iv) any other contributions covered under Schedule VII to the Act.
18. "Thrust Areas" shall mean the areas or activities ascribed to them in this Policy, as amended by the CSR Committee, from time to time.
19. "Trust" shall mean a trust formed and registered under the Indian Trust Act, 1882 and under the Income Tax Act, 1961 for those states where registration of trust is not mandatory and includes a trust jointly formed and registered by the Company with all or any of its Group Companies.
Words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act and / or Rules.

E. THRUST AREAS

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

- eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water:
- promoting education, including special education and employment enhancing vocation skills especially

- among children, women, elderly, and the differently abled and livelihood enhancement projects;
- promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centre and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the 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 31.03.2023

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. 33,65,34,166/- as per detail given below,

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

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

3- FY ended on 31.03.2022= Rs. 69, 46,59,950/-

4. PRESCRIBED CSR EXPENDITURE

The prescribed CSR expenditure is Rs.67,30,684/-

5. DETAIL OF CSR SPENT DURING THE YEAR

a. Total amount to be spent during the year Rs. 67,30,684/-

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

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

1	2	3	4	5	6	7	8
Sr. No.	CSR Projector Activity Identified.	sector in which the Project is Covered	Projects or Programs (1) Local area or other (2) Specify the State and district Where Projects or Programs was undertaken.	Amount outlay (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 the Reporting Period (Rs.)	Amount spent Direct or through implementing agency
1	Promoting education, including special education and employment enhancing vocation skills.	Education	Delhi	67,31,000/-	67,31,000/-	CSR = 67,31,000/-	Through MATA KRISHNAWANTI MEMORIAL EDUCATIONAL SOCIETY (REGD) Address- Paschim Vihar, New Delhi, Delhi 110087
			TOTAL	67,31,000/-	67,31,000/-	67,31,000/-	

RESPOSIBLTY 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 INDIALIMITED**

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

PLACE: VILLAGE FATEHPUR

DATE: 01.08.2023

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2023

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st MARCH, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made here in after:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **HEALTHCAPS INDIA LIMITED** for the financial year ended on **31st MARCH, 2023** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;
- (vi) Drugs and Cosmetics Act, 1940, The Environment (Protection) Act, 1986, The Hazardous Wastes (Management, Handling & Trans boundary Movement) Rules, 2008, The Water (Prevention & Control of

Pollution) Act, 1974, The Air (Prevention & Control of Pollution) Act, 1981.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

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

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

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

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

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

PLACE: RAJPURA

DATE: 29-06-2023

Sd/-
RAVINDER KUMAR,
PRACTISING COMPANY SECRETARY
612, DALIMA VIHAR, RAJPURA
FCS – 4569, C P No -8444
UDIN- F004569E000520568

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

ANNEXURE-A

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

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

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

PLACE: RAJPURA
DATE: 29-06-2023

Sd/-
RAVINDER KUMAR,
PRACTISING COMPANY SECRETARY
612, DALIMA VIHAR, RAJPURA
FCS – 4569, C P No -8444
UDIN- F004569E000520568

INDEPENDENT AUDITORS' REPORT

The Members,
Healthcaps India Limited.

1. **Opinion**

We have audited the accompanying standalone financial statements of **Healthcaps India Limited** which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit & Loss and the Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023 and its Profit and its Cash Flows for the year ended on that date.

2. **Basis for Opinion**

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

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

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

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

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

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

in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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

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

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

5. Report on Other Legal and Regulatory Requirements

- A) As required by the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
- B) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements, comply with the Accounting Standards, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the Directors as on 31st March, 2023 taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March, 2023 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 recording of audit trail (edit log) facility, the feature was enabled in the accounting software of the company throughout the audit period. The provisions are applicable to the company w.e.f. 1st April 2023.
- h) 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.
 - iv. a) Management has represented that, to the best of its knowledge and belief, as disclosed in the note no. 4.18 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or any other sources or kind of funds) by the Company to or in any other person or entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
b) Management has represented that, to the best of its knowledge and belief, as disclosed in the note no. 4.18 to the standalone financial statements, no funds have been received by the Company from any person or entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in any other person or entity identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - c) Based on the audit procedures adopted by us, nothing has come to our attention that has caused us to believe that the representations made by the management under sub clause (a) & (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend, during the year.

C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, Remuneration paid by the Company to Directors during the current year is in accordance with the provisions of Section 197 of the Act. Remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

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

**For A A R S H & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.: 024177N**

**Date: 29th June, 2023
Place: S.A.S Nagar, Mohali**

**Sd/-
RACHIT GOYAL
PARTNER
Membership No.: 520418
UDIN: 23520418BGYPEC4769**

“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, 2023).

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

Accordingly, paragraph 3(vi) of the Order is not applicable.

- vii. a) According to the information & explanations given to us and on the basis of our examination of all records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Goods & Services Tax (GST), Income Tax, Duty of Customs, Cess and other material statutory dues have been regularly deposited, with the appropriate authorities, during the year.
According to the information and explanations given to us, no undisputed amounts payable, in respect of Provident Fund, Employees' State Insurance, Income Tax, GST, Duty of Customs and other material statutory dues were in arrears, as on 31st March, 2023, for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of Income Tax, Duty of Customs and GST which have not been deposited with appropriate authorities on account of any dispute.
- viii. According to the information and explanations given to us, the Company has not surrendered or disclosed any income, previously unrecorded in the books of accounts, in the tax assessments under the Income Tax Act, 1961, as income, during the year.
Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. a) Based on our audit procedures and on the basis of information & explanations given by the management, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us and the records of the Company examined by us including representation received from the management, the Company has not been declared willful defaulter by any Bank, Financial Institution or other lender.
- c) According to the information and explanations given to us, Term Loans were applied for the purpose for which the loans were obtained.
- d) According to the information and explanations given to us, the Company has not utilised short-term funds for long-term purposes.
- e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of **HV Caps Pvt. Ltd. (Subsidiary Company)**.
- f) The Company has not raised loans, during the year, on pledge of securities held in **HV Caps Pvt. Ltd. (Subsidiary Company)**.
- x. a) According to the information & explanations given to us, the Company, during the year, has not raised money by way of Initial Public Offer or Further Public Offer (including Debt Instruments).
- b) According to the information and explanations given to us, the Company, during the year, has not made any preferential allotment or private placement of shares or convertible Debentures.
- xi. a) According to the information & explanations given to us, no fraud by the Company or any fraud on the Company has been noticed or reported, during the year.
- b) No report has been filed under Section 143(12) of the Companies Act by the Auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

- c) No whistle-blower complaints were received, during the year, by the Company.
- xii. According to the information & explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, provisions of Internal Audit are applicable to the Company. Accordingly, the internal audit reports of the Company for the period under audit have been considered by us. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- xv. According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information & explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- xvii. The Company has not incurred any cash losses during the financial year or in the immediately preceding financial year.
- xviii. According to the information & explanations given to us, there was no resignation of Statutory Auditors, during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable.
- xix. According to the information & explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the Audit Report that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not a assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the Audit Report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.
- xx. With respect to Corporate Social Responsibilities contribution under Section 135 of the Act:
- a) According to the information & explanations given to us and on the basis of our audit procedures, the Company has fully spent the required amount towards Corporate Social Responsibilities and there is no unspent amount for the year that is required to be transferred to a Fund specified in Schedule VII in compliance with second proviso to sub-section 5 of Section 135 of the Act.
- b) According to the information & explanations give to us, the Company does not have any ongoing projects related to Corporate Social Responsibilities. Therefore, provisions of Paragraph 3(xx)(b) of the Order are not applicable to the Company.
- xxi. On the basis of review of Companies (Auditor's Report) Order (CARO) report of the Subsidiary Company

included in the consolidated financial statement, we report that there are no qualifications or adverse remarks by the Subsidiary Company Auditor in his CARO report.

**For AARSH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.: 024177N**

**Date: 29th June, 2023
Place: S.A.S. Nagar, Mohali**

**Sd/-
RACHIT GOYAL
PARTNER
Membership No.: 520418
UDIN: 23520418BGYPEC4769**

“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 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

**For AARSH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.: 024177N**

**Date: 29th June, 2023
Place: S.A.S. Nagar, Mohali**

**Sd/-
RACHIT GOYAL
PARTNER
Membership No.: 520418
UDIN: 23520418BGYPEC4769**

HEALTHCAPS INDIA LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in lakh)

PARTICULARS	NOTE	As at 31st March, 2023 ₹	As at 31st March, 2022 ₹
EQUITY & LIABILITIES			
Shareholders' Funds			
(a) Share Capital	1.1	403.72	403.72
(b) Reserves & Surplus	1.2	15,946.89	12,969.44
Non-Current Liabilities			
(a) Long-term Borrowings	1.3	4,606.19	4,989.31
(b) Deferred Tax Liabilities (Net)	4.9	1,240.36	1,063.22
(c) Long-term Provisions	1.4	743.49	676.83
Current Liabilities			
(a) Short-term Borrowings	1.5	4,675.04	3,512.29
(b) Trade Payables	1.6	2,072.43	1,614.03
(c) Other Current Liabilities	1.7	1,498.22	1,516.94
(d) Short-term Provisions	1.8	866.08	1,619.05
		TOTAL ₹	TOTAL ₹
		<u>32,052.42</u>	<u>28,364.82</u>
ASSETS			
Non-Current Assets			
(a) Property, Plant & Equipment,	1.9	15,804.04	14,038.08
(b) Intangible Assets	1.9	12.92	6.55
(c) Capital Work-in-Progress	1.9	<u>0.00</u>	<u>293.26</u>
(d) Non-Current Investments	1.10	0.94	0.94
(e) Long-term Loans & Advances	1.11	8.85	201.86
(f) Other Non-Current Assets	1.12	206.21	205.69
Current Assets			
(a) Inventories	1.13	2,912.32	2,187.27
(b) Trade Receivables	1.14	11,255.23	8,789.01
(c) Cash & Bank Balances	1.15	463.26	476.66
(d) Short-term Loans & Advances	1.16	1,354.05	2,033.76
(e) Other Current Assets	1.17	34.60	131.74
		TOTAL ₹	TOTAL ₹
		<u>32,052.42</u>	<u>28,364.82</u>
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 the Board of Directors
Healthcaps India Limited

Sd/-
For A A R S H & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.- 024177N

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

Sd/-
(RACHIT GOYAL)
PARTNER

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

Dated : 29th June, 2023
Place : S.A.S. Nagar, Mohali

Membership No. - 520418
UDIN: 23520418BGYPEC4769

HEALTHCAPS INDIA LIMITED
STATEMENT OF PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in lakh)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31st March, 2023	FOR THE YEAR ENDED 31st March, 2022
		₹	₹
REVENUE			
Revenue from operations			
Sales		24,636.25	25,509.35
Other Operating Revenues	2.1	849.20	247.10
Other Income	2.2	31.63	21.16
Total Income		25,517.08	25,777.61
EXPENSES			
Cost of materials consumed	2.3	9,768.65	7,774.84
Changes in Inventories	2.4	(655.28)	198.36
Employee Benefits Expense	2.5	3,018.31	2,720.56
Finance Costs	2.6	730.81	468.50
Depreciation & Amortisation Expense	1.9	638.47	525.11
Other Expenses	2.7	7,938.86	7,143.64
Total Expenses		21,439.81	18,831.01
Profit before exceptional items		4,077.27	6,946.60
Exceptional items		(25.30)	(2.16)
Profit before tax		4,051.97	6,944.44
Tax expense			
-Earlier years		27.48	4.53
-Deferred tax		177.13	139.17
-Current tax		866.08	1,619.05
Profit after tax		2,981.27	5,181.69
Earnings per equity share			
-Basic & Diluted	4.8	73.85	128.35
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 the Board of Directors
Healthcaps India Limited

For A A R S H & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.- 024177N

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

Sd/-
(RACHIT GOYAL)
PARTNER

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

Dated : 29th June, 2023
Place : S.A.S. Nagar, Mohali

Membership No. - 520418
UDIN: 23520418BGYPEC4769

HEALTHCAPS INDIA LIMITED

NOTE 1.1 : SHARE CAPITAL

(₹ in lakh)

Particulars	As at 31st March, 2023 ₹	As at 31st March, 2022 ₹
1.1.1 Authorised		
- 5,000,000 Equity shares of ₹ 10/- each	500.00	500.00
1.1.2 Issued, Subscribed & Paid up		
- 4,037,190 Equity shares of ₹ 10/- each, fully paid up	403.72	403.72
TOTAL ₹	403.72	403.72

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

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

b) Name of the Shareholders	<u>As at 31st March, 2023</u>		<u>As at 31st March, 2022</u>		<u>% Change during the year</u>
	No. of shares	% age of Shareholding	No. of shares	% age of Shareholding	
Promoters					
i) Mr. Chiranjiv Singh	26,50,618	65.66	26,50,618	65.66	0.00
ii) Mrs. Hariti Singh	4,62,462	11.46	4,62,462	11.46	0.00
TOTAL	31,13,080	77.12	31,13,080	77.12	0.00

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

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

NOTE 1.2 : RESERVES & SURPLUS

(₹ in lakh)

Particulars	As at 31st March, 2023 ₹	As at 31st March, 2022 ₹
1.2.1 Capital Reserve		
-Balance brought forward	48.36	48.36
1.2.2 Surplus		
Statement of Profit & Loss		
- Balance brought forward	12,921.08	7,739.38
- Less: Adjustment	3.82	0.00
- Add : Net Profit for the year	2,981.27	5,181.69
TOTAL ₹	15,946.89	12,969.44

NOTE 1.3: LONG-TERM BORROWINGS

(₹ in lakh)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	₹	₹	₹	₹
1.3.1 Secured				
Term Loans				
-From : Banks	4,716.10		4,781.17	
-Less : Current maturities (refer Note 1.5)	<u>1,300.58</u>	3,415.52	<u>1,008.29</u>	3,772.88
Working Capital Term Loans				
-From : Banks	1,451.07		1,490.77	
-Less : Current Maturities (refer Note 1.5)	<u>263.23</u>	1,187.84	<u>284.04</u>	1,206.73
Vehicle Loans				
-From : Bank	9.62		15.92	
-Less : Current maturities (refer Note 1.5)	<u>6.79</u>	2.83	<u>6.22</u>	9.70
TOTAL ₹		<u>4,606.19</u>		<u>4,989.31</u>

Note 1. Term Loans:

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

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

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

2. Working Capital - Term Loans:

From State Bank of India, HDFC Bank and UCO Bank are secured by second charge, **pari-passu**, on movable and immovable assets of the Company. Working Capital Term Loan is **Guaranteed** by National Credit Guarantee Trustee Company Ltd.(NCGTC)."

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

NOTE 1.4 : LONG-TERM PROVISIONS

(₹ in lakh)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	₹	₹	₹	₹
Gratuity				
-Balance brought forward	396.98		345.93	
-Add : Current year's provision	<u>50.39</u>		<u>64.10</u>	
	447.37		410.03	
-Less: Contribution to Gratuity Fund	<u>24.50</u>	422.87	<u>13.05</u>	396.98
Leave Encashment				
-Balance brought forward	279.85		208.03	
-Add : Current year's provision	<u>62.36</u>		<u>85.68</u>	
	342.21		293.71	
-Less : Paid during the year	<u>21.59</u>	320.62	<u>13.86</u>	279.85
TOTAL ₹		<u>743.49</u>		<u>676.83</u>

NOTE 1.5 : SHORT-TERM BORROWINGS

(₹ in lakh)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	₹	₹	₹	₹
1.5.1 Secured				
Working Capital Loan				
- From : State Bank of India	1,955.52		526.02	
- From : HDFC Bank	428.74		791.75	
- From : UCO Bank	<u>522.86</u>	2,907.12	<u>574.31</u>	
			1,892.08	
Buyers' Credit				
- From : HDFC Bank	<u>197.32</u>	3,104.44	<u>321.66</u>	2,213.75
1.5.2 Current Maturities				
- Long-term Borrowings (refer Note 1.3)		1,570.60		1,298.55
TOTAL ₹		<u>4,675.04</u>		<u>3,512.29</u>

Note: Working Capital Loans and Buyers' Credit:

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

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

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

Particulars	As at 31st March, 2023 ₹	As at 31st March, 2022 ₹
For Supplies & Services	2,072.43	1,614.03
TOTAL ₹	<u>2,072.43</u>	<u>1,614.03</u>

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

<u>Particulars</u>	<u>Less than 1 year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>More than 3 years</u>	<u>Total</u>
i) MSME	33.50	0.00	0.00	0.00	33.50
ii) Others	2,038.93	0.00	0.00	0.00	2,038.93
iii) Disputed Dues: -MSME/Others	0.00	0.00	0.00	0.00	0.00
TOTAL ₹	<u>2,072.43</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>2,072.43</u>

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

Particulars	As at 31st March, 2023 ₹	As at 31st March, 2022 ₹
Interest accrued but not due	7.44	7.96
Advance from Customers	23.27	75.41
Creditors for Capital Goods	805.39	709.43
Taxes & Expenses Payable	359.71	411.39
Tax deducted at source	20.85	25.33
Other Liabilities	281.56	287.42
TOTAL ₹	<u>1,498.22</u>	<u>1,516.94</u>

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

Particulars	As at 31st March, 2023 ₹	As at 31st March, 2022 ₹
For : Income Tax	866.08	1,619.05
TOTAL ₹	<u>866.08</u>	<u>1,619.05</u>

NOTE 1.9 : PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND CAPITAL WORK-IN-PROGRESS (₹ in lakh)

PARTICULARS	GROSS BLOCK		DEPRECIATION/AMORTISATION		NET BLOCK	
	COST AS AT 01.04.2022	ADDITIONS / (ADJUSTMENTS) TOTAL	AS AT 01.04.2022	DURING THE YEAR	AS AT 31.03.2022	W.D.V. AS AT 31.03.2022
"A" Property, Plant & Equipment						
Land and Site Development	505.58	0.00	505.58	0.00	0.00	505.58
Land - Guest House	1,173.06	0.00	1,173.06	0.00	0.00	1,173.06
Buildings	2,237.41	660.20	2,897.61	73.78	452.04	1,859.15
Buildings R&D	20.57	0.00	20.57	0.65	4.29	16.93
Buildings Guest House	100.27	0.00	100.27	1.46	3.04	98.82
Furniture & Fixtures	79.11	6.49	85.60	44.21	50.10	34.91
Plant & Machinery						
-Machinery	13,113.89	1,713.48 (145.65)	14,681.51	3,153.09	486.97 (86.88)	9,960.80
-Machinery R&D	107.19	0.00	107.19	17.44	4.07	89.75
-Office Equipment	53.42	0.00 (0.10)	53.32	48.94	0.93 (0.10)	4.48
-Electrical Installation	166.86	0.00	166.86	73.05	11.79	93.82
-Electrical Sub Station	83.56	0.00	83.56	79.97	0.00	3.59
-Laboratory Equipment	106.31	8.44	114.75	66.50	7.16	39.81
-Workshop Equipment	7.97	0.28	8.26	7.56	0.05	0.41
-Electrical Equipment	72.95	0.00 (1.96)	70.99	64.95	2.80 (1.72)	8.00
-Computers	67.28	17.21 (3.30)	81.19	49.47	10.35 (3.14)	17.81
-Vehicles	299.98	55.17 (0.19)	354.97	168.82	29.89 (0.19)	131.16
TOTAL "A" : ₹	18,195.42	2,461.26 (151.40)	20,505.28	4,157.34	635.92 (92.02)	14,038.08
"B" Intangible Assets						
Computer Software	20.97	8.91	29.89	14.42	2.55	6.55
TOTAL "B" : ₹	20.97	8.91	29.89	14.42	2.55	6.55
"C" Capital Work-in-Progress						
	293.26	0.00 (293.26)	0.00	0.00	0.00	293.26
"D" FIGURES FOR CURRENT YEAR : (A+B+C) ₹	18,509.65	2,470.18 (444.66)	20,535.17	4,171.77	638.47 (92.02)	14,337.89
"E" FIGURES FOR PREVIOUS YEAR : ₹	13,606.74	5,439.23 (536.32)	18,509.65	3,706.64	525.11 (59.98)	14,337.89

* As per Annexure - (B).

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

Particulars	As at 31st March, 2023 ₹	As at 31st March, 2022 ₹
Non-Trade (At - cost)		
HV Caps Pvt. Ltd. *		
(9,400 Equity Shares of ₹ 10/- each)	0.94	0.94
TOTAL ₹	<u>0.94</u>	<u>0.94</u>

* Subsidiary Company.

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

Particulars	As at 31st March, 2023 ₹	As at 31st March, 2022 ₹
(Unsecured considered good - unless otherwise stated).		
Advance		
For Capital Goods	8.85	201.86
TOTAL ₹	<u>8.85</u>	<u>201.86</u>

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

Particulars	As at 31st March, 2023 ₹	As at 31st March, 2022 ₹	As at 31st March, 2022 ₹
Deposits with Government Departments & Other Agencies	183.15		183.36
Advance			
- Punjab Pollution Control Board *			
(for Water & Air Pollution)			
- Balance brought forward	22.33	11.52	
- Add : Additions during the year	<u>0.00</u>	<u>13.69</u>	
	22.33	25.21	
- Less : Amount written off	<u>5.39</u>	16.94	22.33
For Supplies & Services Others	6.12	<u>2.88</u>	0.00
TOTAL ₹	<u>206.21</u>		<u>205.69</u>

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

NOTE 1.13 : INVENTORIES

(₹ in lakh)

Particulars	As at 31st March, 2023 ₹	As at 31st March, 2022 ₹
(As taken, valued and certified by the management)		
Raw Material	1,532.12	1,440.86
Work-in-Progress	223.66	201.39
Finished Goods	785.84	176.02
Stores & Spares etc.	258.57	275.00
Packing Material	43.72	48.78
Other Material *	68.41	45.22
TOTAL ₹	<u>2,912.32</u>	<u>2,187.27</u>

* represents reuseable material.

NOTE 1.14 : TRADE RECEIVABLES

(₹ in lakh)

Particulars	As at 31st March, 2023 ₹	As at 31st March, 2022 ₹
(Unsecured considered good - unless otherwise stated)		
1.14.1 Exceeding six months	20.79	26.02
1.14.2 Others	11,234.44	8,762.99
TOTAL ₹	<u>11,255.23</u>	<u>8,789.01</u>

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

(₹ in lakh)

Particulars	<u>Less than 6 months</u>	<u>6 months- 1 year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>More than 3 years</u>	<u>Total</u>
i) Undisputed - (considered good)	11,234.44	0.47	0.00	20.32	0.00	11,255.23
ii) Undisputed - (considered doubtful)	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ₹	<u>11,234.44</u>	<u>0.47</u>	<u>0.00</u>	<u>20.32</u>	<u>0.00</u>	<u>11,255.23</u>

Note : There were no Disputed Trade Receivables

NOTE 1.15 : CASH & BANK BALANCES**(₹ in lakh)**

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	₹	₹	₹	₹
1.15.1 Cash and cash equivalents				
Balance with Banks				
Current Accounts	6.63		165.27	
Cash Balances	<u>7.37</u>	14.00	<u>11.17</u>	176.44
1.15.2 Other bank balances				
Balances held as margin money*		449.26		300.22
TOTAL ₹		<u>463.26</u>		<u>476.66</u>
*pledged as security for letter of credit				

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

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	₹	₹	₹	₹
For Supplies & Services		105.20		69.96
Prepaid Expenses		17.19		10.54
Staff		0.06		0.30
Advance for Capital Goods		3.52		0.00
Taxes		1,010.93		1,560.76
Balances				
-with Goods and Services Tax Department		217.15		392.20
TOTAL ₹		<u>1,354.05</u>		<u>2,033.76</u>

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

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	₹	₹	₹	₹
Amount Recoverable (Unsecured considered good- unless otherwise stated).				
Exceeding six months		12.38		82.71
Others		22.22		49.03
TOTAL ₹		<u>34.60</u>		<u>131.74</u>

NOTE 2.1 : OTHER OPERATING REVENUES

(₹ in lakh)

Particulars	For the year ended 31st March, 2023 ₹	For the year ended 31st March, 2022 ₹
Gain		
-Foreign Exchange	729.08	154.40
Others		
-Duty Drawback/Export Incentives	120.12	92.70
TOTAL ₹	849.20	247.10

NOTE 2.2 : OTHER INCOME

(₹ in lakh)

Particulars	For the year ended 31st March, 2023 ₹	For the year ended 31st March, 2022 ₹
Interest earned	27.32	16.93
Amount written off (net)	1.18	0.00
Miscellaneous	2.53	4.23
Rent Received	0.60	0.00
TOTAL ₹	31.63	21.16

NOTE 2.3 : COST OF MATERIALS CONSUMED

(₹ in lakh)

Particulars	For the year ended 31st March, 2023 ₹	For the year ended 31st March, 2022 ₹	For the year ended 31st March, 2022 ₹
Opening Stock	1,440.86		1,451.48
Add: Purchases	<u>9,917.61</u>	11,358.47	<u>7,764.22</u>
Less: Damage Stock		57.70	0.00
Less: Closing Stock		<u>1,532.12</u>	<u>1,440.86</u>
TOTAL ₹		9,768.65	7,774.84

NOTE 2.4 : CHANGES IN INVENTORIES

(₹ in lakh)

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	₹	₹	₹	₹
Stock at Commencement				
-Work-in-Progress	201.39		275.17	
-Finished Goods	176.02		327.52	
-Other Material *	<u>45.22</u>	422.63	<u>18.30</u>	620.99
Stock at Close				
-Work-in-Progress	223.66		201.39	
-Finished Goods	785.84		176.02	
-Other Material *	<u>68.41</u>	1,077.91	<u>45.22</u>	422.63
TOTAL ₹		<u>(655.28)</u>		<u>198.36</u>

* represent reusable material

NOTE 2.5 : EMPLOYEE BENEFITS EXPENSE

(₹ in lakh)

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	₹	₹	₹	₹
Salaries & Wages (Salaries & Wages, Gratuity, Leave Encashment & Bonus)		2,748.47		2,481.41
Contribution to : - Provident Fund & Other Funds		156.30		136.89
Staff Welfare*		<u>113.54</u> *		<u>102.26</u>
TOTAL ₹		<u>3,018.31</u>		<u>2,720.56</u>

* inclusive of uniform & liveries. (₹1.23)

NOTE 2.6 : FINANCE COSTS

(₹ in lakh)

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	₹	₹	₹	₹
Interest				
-Banks				
Term Loans	508.96		293.48	
Working Capital Loans	<u>182.37</u>	116.39	<u>691.33</u>	409.87
Bank Charges		39.48		58.63
TOTAL ₹		<u>730.81</u>		<u>468.50</u>

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

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	₹	₹	₹	₹
Operating Expenses				
- Consumable Stores	1,051.37		606.03	
- Packing Material	592.54		628.81	
- Power & Fuel	2,186.28		2,189.53	
- Capsule Sorting Charges	82.35		82.39	
- Others	<u>237.92</u>	4,150.46	<u>247.52</u>	3,754.28
Rent		25.98		25.62
Repairs & Maintenance				
- Building & Electricals	88.34		82.82	
- Machinery & Equipment	324.71		171.69	
- Computers	21.69		12.91	
- Vehicles	<u>21.68</u>	456.42	<u>15.03</u>	282.45
Insurance		67.75		66.74
Rates & Taxes		34.33		36.06
Legal & Professional Charges		108.04 *		124.22
Other Administrative Expenses		101.11		83.41
Travelling & Conveyance				
- Directors	0.00		0.47	
- Staff/Others	<u>293.37</u>	293.37	<u>216.55</u>	217.02
- General Charges		64.67		146.31
-Selling & Distribution Expenses		2,569.42 **		2,376.83
CSR Expenses		67.31		30.70
TOTAL ₹		<u>7,938.86</u>		<u>7,143.64</u>

* inclusive of Auditors' Remuneration (₹ 3.50).

** inclusive of Freight & Forwarding (₹ 2,485.26).

HEALTHCAPS INDIA LIMITED
NOTE '3': SIGNIFICANT ACCOUNTING POLICIES
(Forming part of Accounts)
FOR THE YEAR ENDED 31st MARCH, 2023

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 recognized in the period in which the results are known/materialized.

3.3. Property, Plant & Equipment

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

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

- Intangible Assets

Intangible Assets are stated at cost less accumulated amortisation.

- Capital Work-in-Progress

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

3.4. Depreciation/Amortisation

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

3.5. Impairment of Assets

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

3.6. Valuation of Inventories

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

whichever is lower.

- Work in-Progress includes cost of material and proportionate cost of conversion.
- Finished Goods have been valued at cost.

3.7. Goods and Services Tax

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

3.8. Capital Subsidy

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

3.9. Revenue Recognition

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

3.10. Employee Benefits

a) Short-term Employee Benefits:

Bonus is accounted for on accrual basis.

b) Post-Employment Benefits

(i) Defined Contribution Plans

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

(ii) Defined Benefit Plans

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

c) Other Employee Benefits

Leave Encashment is accounted on the basis of Actuarial Valuation, carried out for the financial year, as per Accounting Standard 15: "Employee Benefits", accordingly the present value of obligation at the year end as per Schedule III of the Companies Act, 2013 is ₹ 3,20,62,210/- out of which ₹ 1,12,59,744/- is a short-term liability while remaining sum of ₹ 2,08,02,466/- is a long-term liability.

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 capitalized 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 amortized 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, 2023

4.1. Contingent Liabilities & Commitments:

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

b) Contingent Liabilities:

- Letter of Credit opened by HDFC Bank for purchase of Raw Material - ₹ 61.07 lakh (previous year - ₹ 281.43 lakh).
- Fixed Deposits (Margin Money - ₹ 153.42 lakh inclusive of interest accrued & due) against Letter of Credit have been pledged with the HDFC Bank.
- Letter of Credit opened by State Bank of India for purchase of Capital Goods - ₹ NIL (USD – NIL)] (previous year – ₹ 145.54 Lakh, USD-1.92 Lakh).
- Bank Guarantee issued from HDFC Bank in favour of The President of India Acting through Dy. Commissioner of Customs , Custom House, Mundra, Gujarat for ₹ 1.87 Lakh (previous year-Nil).
- Fixed Deposits (Margin Money - ₹ 0.19 Lakh) against Bank Guarantee have been pledged with the HDFC Bank Limited.
- Bank Guarantee issued from HDFC Bank in favour of THINK Gas Ludhiana Private Limited, Laxmi Nagar, Delhi 110092, India for ₹ 4.60 Lakh (previous year-Nil).
- Bank Guarantee issued from HDFC Bank in favour of THINK Gas Ludhiana Private Limited, Laxmi Nagar, Delhi 110092, India for ₹ 17.60 Lakh (previous year-Nil).
- Fixed Deposits (Margin Money - ₹ 4.40 Lakh) against Bank Guarantee have been pledged with the HDFC Bank Limited. (previous year-Nil).
- Liabilities in respect of Income Tax, Goods & Services Tax, Custom Duty and other material statutory dues have been accounted for on the basis of respective returns filed with the relevant authorities.
- Additional demand, if any, on account of statutory dues, arising at the time of assessment will be accounted for in the year in which assessment is completed.

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

4.2. Reserves & Surplus:

- Capital Reserve (₹ 48.36 lakh) include:
Central Investment Subsidy (₹ 15.00 lakh).

4.3. Long-term Borrowings:

Secured

Term Loans:

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

- 9 monthly installments of ₹ 5.00 lakh each w.e.f. July, 2017 to March, 2018.
- 24 monthly installments of ₹ 7.00 lakh each w.e.f. April, 2018 to March, 2020.
- 24 monthly installments of ₹ 9.00 lakh each w.e.f. April, 2020 to March, 2022.
- 12 monthly installments of ₹ 12.00 lakh each w.e.f. April, 2022 to March, 2023.
- 11 monthly installments of ₹ 14.00 lakh each w.e.f. April, 2023 to February, 2024.
- 1 monthly installment of ₹ 13.00 lakh due & payable in March, 2024.

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

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

- 77 monthly installments of ₹ 30.77 lakh each w.e.f. November, 2022 to March, 2029.
- 1 monthly installment of ₹ 30.71 lakh due & payable in April, 2029.

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

- 23 quarterly installments of ₹ 52.08 lakh each w.e.f. December, 2018 to June, 2024.
- 1 monthly installment of ₹ 52.16 lakh due & payable in September, 2024.

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

- 1 quarterly installment of ₹ 15.63 lakh due & payable in November, 2019.
- 2 quarterly installments of ₹ 23.89 lakh each w.e.f. February, 2020 to May, 2020.
- 2 quarterly installments of ₹ 41.03 lakh each w.e.f. August, 2020 to November, 2020.
- 19 quarterly installments of ₹ 43.66 lakh each w.e.f. February, 2021 to September, 2025.

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

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

- 69 monthly installments of ₹ 11.50 lakh each w.e.f. August, 2021 to April, 2027.
- 03 monthly installments of ₹ 10.50 lakh each w.e.f. May, 2027 to July, 2027.

- Interest on Term Loans is payable on monthly basis.

Working Capital Term Loans:

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

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

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

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

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

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

From : UCO Bank (Account No. IV - ₹ 270.00 lakh), is repayable in 48 monthly installments of ₹ 5.625 lakh each w.e.f. April, 2025 to March, 2029.

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

4.4. a) In the opinion of the Directors, "Current Assets" and "Loans & Advances" are approximately of the value stated in the Balance sheet, if realized in the ordinary course of business and to the best of their knowledge provisions for all the known liabilities have been made and, as certified, all the contractual and statutory obligations have been duly complied with.

b) Party balances have been incorporated in the financial statements at the value as per the books of account & are considered hopeful of recovery/good for payment.

4.5. Other Current Liabilities (₹ 1,498.22 lakh):

Advance from Customers (₹ 23.27 lakh); supplies/ services will be effected/rendered in the ensuing year and accordingly party accounts updated/adjusted

4.6. Segment Reporting (AS-17):

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

4.7. Related Party Disclosures (AS-18):

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

4.8. Earnings Per Share (AS-20):

		Year ended 31st March, 2023 (₹ in lakh)		Year ended 31st March, 2022 (₹ in lakh)
Numerator				
Net Profit attributable to Equity shareholders	₹	29,81,27,397	₹	51,81,69,840
Denominator				
Weighted Average Number of Equity shares outstanding	No.s'	40,37,190	No.s'	40,37,190
Nominal				
Value per Equity share	₹	10	₹	10
Earnings per Equity share				
- Basic & Diluted	₹	73.85	₹	128.35

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

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

<u>Particulars</u>	<u>Amount</u> (₹ in lakh)	<u>Total</u> (₹ in lakh)
a) Timing Difference (Liability)		
Depreciation:		
- As per Income Tax Act, 1961	1,407.55	
- As per Financial Statements	<u>638.47</u>	769.08
Expenses:		
u/s 35DDA of the Income Tax Act, 1961		
Salaries & Allowances		
-Voluntary Retirement Compensation (i.e. 1/5 of ₹ 400,000/-)		0.80
u/s 43B of the Income Tax Act, 1961:		
(paid during the year)		
-Gratuity	24.50	
-Bonus	47.55	
-Leave Encashment	<u>21.59</u>	<u>93.64</u>
b) Timing Difference (Asset)		
Expenses:		
u/s 43B of the Income Tax Act, 1961		
(Not paid till date)		
-Gratuity	50.39	
-Bonus	46.96	
-Leave Encashment	<u>62.36</u>	<u>159.71</u>
Net Timing Difference (Liability)		
703.81		
Tax on Net Timing Difference (Liability) (@ 25.1680%)		
	177.14	
Or say		
Add: Opening Balance		177.14
		<u>1063.22</u>
Deferred Tax Liability (Net)	Total ₹	<u>1,240.36</u>

4.10. a) Exceptional items (₹25.30 lakh) represent:

- Loss on disposal of Computer (₹0.05 lakh) (i.e difference between sale proceeds of computer - ₹ .05 lakh less W.D.V. of computer - ₹0.10 lakh) i.e. Cost of Computer - ₹2.07 lakh less accumulated depreciation - ₹1.97 lakh),
- Loss on disposal of Workshop Equipment (₹ 0.19 lakh) (i.e difference between sale proceeds of workshop equipment - ₹ .05 lakh less W.D.V. of workshop equipment - ₹ 0.24 lakh) i.e. Cost of Workshop Equipment - ₹ 1.96 lakh less accumulated depreciation - ₹1.72 lakh),
- Loss on disposal of Plant & Machinery (₹ 25.13 lakh) (i.e difference between sale proceeds of plant & machinery - ₹ 8.50 lakh less W.D.V. of plant & machinery - ₹ 33.63 lakh) i.e. Cost of Plant & Machinery - ₹ 84.56 lakh less accumulated depreciation - ₹ 50.93 lakh),

Net off

- Profit on sale of Office Equipment (₹0.03 lakh) [i.e. difference between sale proceeds of office equipment - ₹ 0.03 lakh less W.D.V. of office equipment - ₹ 0.00 lakh (Cost of office equipment - ₹ 0.10 lakh less accumulated depreciation - ₹ 0.10 lakh)].
- Profit on sale of Vehicle(₹ 0.02 lakh) [i.e. difference between sale proceeds of vehicle - ₹ 0.02 lakh less W.D.V. of vehicle - ₹ 0.00 lakh (Cost of vehicle - ₹ 0.19 lakh less accumulated depreciation - ₹ 0.19 lakh)].

- Profit on sale of Computer (₹0.02 lakh) [i.e. difference between sale proceeds of computer - ₹ 0.04 lakh less W.D.V. of computer - ₹ 0.02 lakh (Cost of computer - ₹ 0.30 lakh less accumulated depreciation - ₹ 0.28 lakh)].

b) Property, Plant & Equipment:

- Capital Work-in-Progress: NIL

c) Trade Receivables (₹ 11,255.23 lakh) include:

₹ 6,582.91 lakh and ₹ 2,512.75 lakh due from Alfa Caps LLC and Healthcaps Europe Ltd.(Foreign Companies in which relative of Directors is interested), against sales effected in the ordinary course of business at Arm's Length price.

d) Short-term Borrowings (₹ 4,675.04 lakh) include:

Current Maturities of Long-term Borrowings ₹1,570.60 lakh.

e) Bad Debts(₹ 6.31 Lakh) represent :

Irrecoverable party balances written off during the year.

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

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

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

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

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

4.11. Taxes:

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

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

(refer Central Board of Direct Taxes (CBDT) Circular No. 29/2019, dated 02nd October, 2019)

c) Keeping in view the provisions specified u/s 115BAA, the management of the Company had decided to avail the benefit of concessional rate of Income Tax [i.e. @ 25.1680% (Base rate @ 22% plus Surcharge @10% plus Cess @ 4%)], hence, the Company will not be:

- **required to pay Minimum alternate Tax (MAT) u/s 115JB of the Income Tax Act, 1961, and**
- **eligible to claim Additional Depreciation u/s 32(1) of the Income Tax Act, 1961.**

4.12. Impairment of Assets (AS-28):

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

4.13. Corporate Social Responsibility

CSR Expenses - ₹ 67.31 lakh [refer Note no. 2.7 (Other Expenses)] comprise of:

<u>Particulars</u>		<u>(₹ in Lakh)</u> <u>Amount</u>
2% of the average profit of three preceding financial years i.e. 2019-2020, 2020-2021 and 2021-2022.	-	67.31
Total (₹)	-	<u>67.31</u>

The Company had paid - ₹ 67.31 lakh to Registered Trust [Mata Krishnawanti Memorial Educational Society (regd.)], during the previous financial year, towards Corporate Social Responsibilities for the financial year 2022-2023.

4.14. Micro, Small & Medium Enterprises:

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

	Particulars	(₹ in lakh)	(₹ in lakh)
		As at 31.03.2023	As at 31.03.2022
(i)	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act, 2006).		
	Principal Amount due to micro and small enterprises		
	Trade Payables	33.50	39.31
	Creditors for Capital Goods	647.96	624.26
	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, along with the amount of the payment made to the supplier beyond the appointed day during the period.	Nil	Nil
(iii)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	Nil	Nil
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
(v)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	Nil	Nil

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

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

4.16. Auditor's Remuneration:

(excluding Goods and Services Tax)

	31st March, 2023 AMOUNT (₹ in lakh)	31st March, 2022 AMOUNT (₹ in lakh)
- As Auditors	3.50	3.50
Total ₹	3.50	3.50

4.17. Other Additional Information:

a) Revenue from operations

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

<u>Particulars</u>	<u>31st March, 2023</u> <u>AMOUNT</u> (₹ in lakh)	<u>31st March, 2022</u> <u>AMOUNT</u> (₹ in lakh)
b) Raw material consumed:		
Gelatine	3,774.27	3,400.36
HPMC	5,167.65	3,866.72
Colours & Chemicals	826.73	507.75
Total ₹	9,768.65	7,774.83

c) Finished Goods:

Opening Stock

- Empty Hard Gelatine Capsules	95.72	167.03
- Hydroxy Propyl Methyl Cellulose Capsules	80.30	160.48

Closing Stock

- Empty Hard Gelatine Capsules	212.78	95.72
- Hydroxy Propyl Methyl Cellulose Capsules	573.06	80.30

d) Imported & indigenous consumption of Raw Material & percentage thereof:

	<u>31st March, 2023</u>		<u>31st March, 2022</u>	
	<u>AMOUNT</u> (₹ in lakh)	<u>%</u>	<u>AMOUNT</u> (₹ in lakh)	<u>%</u>
'I' Imported	4,305.33	44.07	3,757.33	48.33
'ii' Indigenous	5,463.32	55.93	4,017.50	51.67

e) Transactions in Foreign Currency:

	<u>31st March, 2023</u>		<u>31st March, 2022</u>	
	<u>AMOUNT</u> (₹ in Lakh)	<u>TOTAL</u> (₹ in Lakh)	<u>AMOUNT</u> (₹ in Lakh)	<u>TOTAL</u> (₹ in Lakh)
- C.I.F. value of import:				
Raw Material (USD 52.99)		4,365.88		4,186.90
Capital Goods (USD 2.56)		203.84		278.72

- Expenditure:

Consumable Stores (USD 0.00040)	0.04		43.27	
(GBP 0.00)	-		26.39	
(JPY 0.00)	<u>-</u>	0.04	<u>1.82</u>	71.48
Business Promotion (USD 0.00)	-		4.45	
(GBP 0.006)	0.73		0.62	
(AED 0.09568)	<u>2.18</u>	2.91	<u>-</u>	5.07
Spares (USD 0.87)		71.01		NIL
Electrical Stores (JPY 4.49)		3.18		NIL
Travelling and Conveyance (USD 0.424)	35.70			
(GBP 0.029)	2.88			
(AED 0.018)	0.42			
(CHF 0.020)	<u>1.66</u>	40.66		NIL
Commission (USD 0.28)		22.74		15.25
Rates & Taxes (USD 0.05880)		4.61		4.11
Packing & Forwarding (USD 0.00)		NIL		0.36
Laboratory & Testing Charges (EURO 0.00099)		0.08		0.58
Bank Charges (USD 0.00)		NIL		0.06
Advances (USD 0.12)	9.80		19.44	
(JPY 0.00)	<u>-</u>	9.80	<u>1.46</u>	20.90
- Earnings:				
F.O.B. value of export (Direct) (USD 138.32)	10,932.14		12,764.60	
(GBP 36.73)	3,496.98		2,775.52	
(EURO 6.11)	487.61		193.20	
(AUD 0.00)	<u>-</u>	14,916.73	<u>3.47</u>	15,736.80

4.18. Management Representation

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

In terms of our attached report of even date.

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

**For AARSH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 024177N**

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

**Sd/-
(RACHIT GOYAL)
PARTNER
Membership No. 520418
UDIN: 23520418BGYPEC4769**

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

**Date: 29th June, 2023
Place: S.A.S. Nagar, Mohali**

HEALTHCAPS INDIA LIMITED
NOTES FORMING PART OF ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2023
ANNEXURE 'A' TO NOTES TO ACCOUNTS [NOTE 4.7]

RELATED PARTY DISCLOSURES :

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

'A' Relationship

1. Key Management Personnel

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

2. Relatives of Key Management Personnel

Mr. Satjiv Singh
Mr. Anuj Gandhi

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

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

AlfaCaps LLC
Healthcap Europe Limited

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

S.No.	Nature of Transactions	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which K.M.P./their relatives have significant influence
		AMOUNT (₹ in lakh)	AMOUNT (₹ in lakh)	AMOUNT (₹ in lakh)
A)	Revenue			
1.	Sales			
	- AlfaCaps LLC			9,534.13
	- Healthcaps Europe Limited			4,019.30
B)	Expenditure			
1.	Salaries & Allowances	-	120.00	-
2.	Directors' Expenses	106.58	-	-
3.	Other Operating Expenses			
	- Job Work	-	-	38.50
	- Capsules Sorting Charges	-	-	82.35
	- Rent	-	-	10.04
	- Travelling & Conveyance(Staff/Others)	-	-	0.62
	- Repair & Maintenance - Building	-	-	1.97

C) Others			
1. Property, Plant & Equipment			
- Purchases			
- Ozark Engineering Pvt Ltd.	-	-	1,051.77
D) Year end balances			
1. Due to Director			
- Chiranjiv Singh	3.30	-	-
- Hariti Singh	1.88	-	-
2. Salaries & Wages Payable			
- Satjiv Singh	-	2.92	-
- Anuj Gandhi	-	2.92	-
3. Trade Payables			
- Alfa Caps Pvt. Ltd.	-	-	54.87
- Ozark Engineering Pvt. Ltd.	-	-	647.95
4. Trade Receivables			
- AlfaCaps LLC	-	-	6,582.91
- Healthcaps Europe Limited	-	-	2,512.75

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

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

Dated : 29th June, 2023
Place : S.A.S Nagar, Mohali

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

HEALTHCAPS INDIA LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023
DISCLOSURE OF CAPITAL WORK-IN-PROGRESS
ANNEXURE 'B' TO NOTES TO ACCOUNTS [NOTE 4.10]

Capital-work-in-progress aging schedule

(₹ in lakh)

		As on 31st March, 2023					
CWIP		Amount of CWIP in period of					
		Less than	1-2	2-3	More than	Total	
		1 year	years	years	3 years		
Projects in progress							
1	Building	0.00	0.00	0.00	0.00	0.00	
2	Plant & Machinery	0.00	0.00	0.00	0.00	0.00	
3	Vehicle	0.00	0.00	0.00	0.00	0.00	

Capital-work-in-progress completion schedule

(₹ in lakh)

		As on 31st March, 2023					
CWIP		To be completed in					
		Less than	1-2	2-3	More than	Total	
		1 year	years	years	3 years		
1	Building	0.00	0.00	0.00	0.00	0.00	
2	Plant & Machinery	0.00	0.00	0.00	0.00	0.00	
3	Vehicle	0.00	0.00	0.00	0.00	0.00	

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

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

Dated : 29th June, 2023
 Place : S.A.S. Nagar, Mohali

HEALTHCAPS INDIA LIMITED
NOTES FORMING PART OF ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2023
DISCLOSURE OF FINANCIAL RATIOS
ANNEXURE 'C' TO NOTES TO ACCOUNTS [NOTE 4.15]

	As at 31st March, 2023	As at 31st March, 2022
	AMOUNT (₹ in lakh)	AMOUNT (₹ in lakh)
1. Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}} = \frac{16,019.47}{9,111.77} = 1.76$	$\frac{13,618.45}{8,262.35} = 1.65$

Current Assets = Current Assets + Loans & Advances (except non-current)
Current Liability = Current Liabilities & Provisions

2. Debt-Equity (D/E) Ratio	$\frac{\text{Debts}}{\text{Total Shareholders Equity}} = \frac{9,281.23}{16,350.61} = 0.57$	$\frac{8,501.60}{13,373.16} = 0.64$
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Debts = Short-term Borrowing + Long-term Borrowing
Total Shareholders Equity = Share Capital + Reserve & Surplus

3. Debt Service Coverage Ratio (DSCR)	$\frac{\text{Net Operating Income}}{\text{Debt Service}} = \frac{5,407.07}{2,118.40} = 2.55$	$\frac{7,881.58}{1,367.33} = 5.76$
---------------------------------------	--	------------------------------------

Net Operating Income = Net Profit before taxes + Non-cash operating expense (Depreciation) + Interest
Debt Service = Interest & Lease Payment + Principal Repayment (Interest + Installment)

4. Return on Equity Ratio (ROE)	$\frac{\text{Net Income}}{\text{Average Shareholders Equity}} = \frac{2,981.27}{14,861.89} = 20.06\%$	$\frac{5,181.69}{10,782.31} = 48.06\%$
---------------------------------	---	--

Net Income = Net Profit after taxes - Preference Dividend
Average Shareholders Equity = (Beginning Shareholder's Equity + Closing Shareholder'S Equity)/2

5. Inventory Turnover Ratio	$\frac{\text{Cost of good sold}}{\text{Average Inventory}} = \frac{15,460.25}{480.93} = 32 \text{ Times}$	$\frac{13,618.04}{251.77} = 54 \text{ Times}$
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6. Trade Receivables Turnover Ratio	$\frac{\text{Average Debtors}}{\text{Sales}} = \frac{10,022.12}{24,636.25} * 365 = 148 \text{ Days}$	$\frac{6,708.41}{25,509.35} * 365 = 96 \text{ Days}$
-------------------------------------	--	--

7. Trade Payables Turnover Ratio	=	$\frac{\text{Average Creditors Purchases}}{1,659.48}$	=	$\frac{7,764.22}{1,659.48} \times 365 = 78 \text{ Days}$
8. Capital Turnover Ratio	=	$\frac{\text{Sales}}{\text{Average Working Capital}}$	=	$\frac{25,509.35}{3,717.98} = 6.86$
9. Net Profit Margin Ratio	=	$\frac{\text{Net Profit After Tax}}{\text{Sales}}$	=	$\frac{5,181.69}{25,509.35} = 20.31\%$
10. Return on Capital Employed (ROCE)	=	$\frac{\text{EBIT}}{\text{Capital Employed}}$	=	$\frac{7,354.31}{20,102.51} = 36.58\%$
EBIT = Net Income + Interest + Taxes				
Capital Employed = Total Assets - Current Liabilities				
11. Return on Investment	=	$\frac{\text{Net Profit After Tax}}{\text{Net Worth}}$	=	$\frac{2,981.27}{16,350.61} = 18.23\%$
				$\frac{5,181.69}{13,373.16} = 38.75\%$

Net Worth = Equity Share Capital + Reserve & Surplus

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

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

Dated : 29th June, 2023
Place : S.A.S. Nagar, Mohali

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

<u>Particulars</u>	<u>CURRENT YEAR</u> <u>31st March, 2023</u> (₹ in lakh)	<u>PREVIOUS YEAR</u> <u>31st March, 2022</u> (₹ in lakh)
"A" CASH FLOWS		
(I) <u>FROM OPERATING ACTIVITIES</u>		
a) <u>Profit before tax</u> :	4,051.97	6,944.44
Adjustments :		
Depreciation and amortisation	638.47	525.11
(Gain)/Loss on sale of fixed assets	25.30	2.16
Reserves & Surplus (Adjustment)	(3.82)	0.00
Interest earned	(27.32)	(16.93)
Interest paid/incurred (net)	691.33	409.87
Profit from operating activities	5,375.93	7,864.65
b) <u>Working capital changes</u> :		
(Increase)/Decrease in Inventories	(725.05)	112.94
(Increase)/Decrease in Trade Receivables	(2,466.22)	(4,161.21)
(Increase)/Decrease in Short-term Loans and Advances	(881.04)	(1,619.16)
(Increase)/Decrease in Other Current Assets	122.49	(49.03)
(Increase)/Decrease in Long-term Loans and Advances	193.01	1,132.12
Increase/(Decrease) in Long-term Provisions	66.66	122.87
Increase/(Decrease) in Trade Payables	458.40	(90.90)
Increase/(Decrease) in Other Current Liabilities	(18.20)	(264.32)
Increase/(Decrease) in Short-term Provisions	0.00	0.00
Cash generated from operations	2,125.99	3,047.96
c) <u>Direct taxes paid (net of refund)</u>	(85.77)	(29.29)
Total "I"	<u>2,040.22</u>	<u>3,018.68</u>
(II) <u>FROM INVESTING ACTIVITIES</u>		
a) Purchase of tangible assets/intangible assets/ capital work-in-progress	(2,176.92)	(4,966.04)
b) Proceeds from sale of tangible assets/intangible assets/capital work-in-progress	8.73	1.00
c) Purchase of investments	0.00	(0.94)
d) (Increase)/Decrease in Other Non-Current Assets	(0.52)	(42.56)
e) (Increase)/Decrease in Fixed Deposits	(149.03)	13.51
f) Interest received	27.31	16.93
Total "II"	<u>(2,290.42)</u>	<u>(4,978.10)</u>

(III) FROM FINANCING ACTIVITIES

a) Proceeds from issue of Share Capital	0.00	0.00
b) Share application money (pending allotment)	0.00	0.00
c) Proceeds from Long-term Borrowings (net)	(111.07)	1,585.28
d) Increase/(Decrease) in Short-term Borrowings (net)	890.17	(258.62)
e) Redemption of Preference Shares	0.00	0.00
f) Repayment of Long-term Borrowings (net)	0.00	0.00
g) Decrease in Short-term Borrowings (net)	0.00	0.00
h) Dividends paid (including distribution tax)	0.00	0.00
i) Interest and Other Finance Costs	(691.33)	(409.87)
j) Share issue expenses	0.00	0.00
Total "III"	87.77	916.79
"B" Net (Decrease)/Increase in cash and cash equivalents (I+II+III)	(162.44)	(1,042.64)
Add : Cash and cash equivalents at the beginning of the year	176.44	1,219.07
"C" Cash and cash equivalents at the end of the year	14.00	176.44
Cash and Cash equivalents comprises of	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
	<u>31ST MARCH, 2023</u>	<u>31ST MARCH, 2022</u>
	(₹ in lakh)	(₹ in lakh)
Cash & Bank Balances as per Note 1.15	463.26	476.66
Less : Fixed Deposits (Balances held as margin money)	449.26	300.22
	14.00	176.44

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 A A R S H & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. - 024177N

Sd/-
(RACHIT GOYAL)
PARTNER
Membership No. - 520418
UDIN : 23520418BGYPEC4769

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

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

Dated : 29th June, 2023
Place : S.A.S. Nagar, Mohali

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

The Members,
Healthcaps India Limited.

1. **Opinion**

We have audited the accompanying consolidated financial statements of **Healthcaps India Limited** (the Holding Company) and its Subsidiary, which comprise the Consolidated Balance Sheet as at 31st March 2023, the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March, 2023 and their Profit and their Cash Flows for the year ended on that date.

2. **Basis for Opinion**

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

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

The Holding Company's Management & Board of Directors are responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, financial performance and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, holding company's and subsidiary company's management are responsible for assessing the group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective management is also responsible for overseeing the Group's financial reporting process.

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

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

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

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

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

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

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

5. Report on Other Legal and Regulatory Requirements

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

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

- b) In our opinion proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid consolidated financial statements, comply with the Accounting Standards, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the Directors of holding and subsidiary companies as on 31st March, 2023 taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March, 2023 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 Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
- g) With respect to the recording of audit trail (edit log) facility, while the feature was already enabled in the accounting software of the holding company throughout the audit period, however in subsidiary company, the feature of audit trail (edit log) was not enabled in accounting software throughout the audit period. The provisions are applicable to the group w.e.f. 1st April 2023.
- h) 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 Group does not have any pending litigations which would impact its financial position.
 - ii. The Group 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 holding company and its subsidiary company.
- iv. a) Management has represented that, to the best of its knowledge and belief, as disclosed in the note no. 4.19 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or any other sources or kind of funds) by the Group to or in any other person or entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) Management has represented that, to the best of its knowledge and belief, as disclosed in the note no. 4.19 to the consolidated financial statements, no funds have been received by the Group from any person or entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in any other person or entity identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) Based on the audit procedures adopted by us, nothing has come to our attention that has caused us to believe that the representations made by the management under sub clause (a) & (b) above, contain any material misstatement.

v. The Group has not declared or paid any dividend, during the year.

B) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, Remuneration paid by the holding company to Directors during the current year is in accordance with the provisions of Section 197 of the Act. However, no remuneration has been paid to directors of subsidiary company. Remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

C) With respect to the matter specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditors' report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its Subsidiary in the Consolidated Financial Statement of the Company, to which reporting under CARO is applicable, we report that there are no qualification or adverse remarks in these CARO reports.

**For AARSH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.: 024177N**

Sd/-

**RACHIT GOYAL
PARTNER**

**Membership No.: 520418
UDIN: 23520418BGYPED4948**

Date: 29th June, 2023

Place: S.A.S Nagar, Mohal

"ANNEXURE A" 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** and its **Subsidiary** as of 31st March 2023 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

In our opinion, the Group 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 2023 based on the internal control over financial reporting criteria established by the Group 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 Holding company's and subsidiary company's management are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the group 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 Group'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 Group'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 consolidated 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 Group'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 consolidated 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 consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

**For A A R S H & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.: 024177N**

**Sd/-
RACHIT GOYAL
PARTNER**

**Date: 29th June, 2023
Place: S.A.S Nagar, Mohal**

**Membership No.: 520418
UDIN: 23520418BGYPED4948**

HEALTHCAPS INDIA LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2023 (₹ in lakh)

PARTICULARS	NOTE	As at 31st March, 2023 ₹	As at 31st March, 2022 ₹
<u>EQUITY & LIABILITIES</u>			
Shareholders' Funds			
(a) Share Capital	1.1	403.72	403.72
(b) Reserves & Surplus	1.2	15,946.78	12,969.40
Minority Interest		0.06	0.06
Non-Current Liabilities			
(a) Long-term Borrowings	1.3	4,606.19	4,992.81
(b) Deferred Tax Liabilities (Net)	4.9	1,240.36	1,063.22
(c) Long-term Provisions	1.4	743.49	676.83
Current Liabilities			
(a) Short-term Borrowings	1.5	4,675.04	3,512.29
(b) Trade Payables	1.6	2,072.43	1,614.03
(c) Other Current Liabilities	1.7	1,498.27	1,516.99
(d) Short-term Provisions	1.8	866.08	1,619.04
		TOTAL ₹	₹
		32,052.42	28,368.38
<u>ASSETS</u>			
Non-Current Assets			
(a) Property, Plant & Equipment	1.9	15,804.04	14,038.08
(b) Intangible Assets	1.9	12.92	6.55
(c) Capital Work-in-Progress	1.9	0.00	293.26
		15,816.96	14,337.89
(d) Long-term Loans & Advances	1.10	8.85	201.86
(e) Other Non-Current Assets	1.11	206.21	205.69
Current Assets			
(a) Inventories	1.12	2,912.32	2,187.27
(b) Trade Receivables	1.13	11,255.23	8,789.01
(c) Cash & Bank Balances	1.14	463.86	480.82
(d) Short-term Loans & Advances	1.15	1,354.05	2,033.76
(e) Other Current Assets	1.16	34.94	132.08
		TOTAL ₹	₹
		32,052.42	28,368.38
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 the Board of Directors Healthcaps India Limited

For A A R S H & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.- 024177N

Sd/-
(RACHIT GOYAL)
PARTNER

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

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

Dated : 29th June, 2023
Place : S.A.S. Nagar, Mohali

Membership No. - 520418
UDIN: 23520418BGYPED4948

HEALTHCAPS INDIA LIMITED
CONSOLIDATED STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in lakh)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31st March, 2023	FOR THE YEAR ENDED 31st March, 2022
		₹	₹
REVENUE			
Revenue from operations			
Sales		24,636.25	25,509.35
Other Operating Revenues	2.1	849.20	247.10
Other Income	2.2	31.63	21.16
Total Income		25,517.08	25,777.61
EXPENSES			
Cost of materials consumed	2.3	9,768.65	7,774.84
Changes in Inventories	2.4	(655.28)	198.36
Employee Benefits Expense	2.5	3,018.31	2,720.56
Finance Costs	2.6	730.81	468.50
Depreciation & Amortisation Expense	1.9	638.47	525.11
Other Expenses	2.7	7,938.93	7,143.69
Total Expenses		21,439.88	18,831.06
Profit before exceptional items		4,077.19	6,946.55
Exceptional items		(25.30)	(2.16)
Profit before tax		4,051.89	6,944.39
Tax expense			
- Earlier years		27.48	4.53
- Deferred tax		177.13	139.17
- Current tax		866.08	1,619.04
Profit after tax		2,981.20	5,181.65
Less : Minority Interest		0.004	0.003
Profit for the year		2,981.20	5,181.65
Earnings per equity share			
- Basic & Diluted	4.8	73.84	128.35
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 the Board of Directors
Healthcaps India Limited

For A A R S H & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.- 024177N

Sd/-
(RACHIT GOYAL)
PARTNER

Membership No. - 520418
UDIN: 23520418BGYPED4948

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

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

Dated : 29th June, 2023
Place : S.A.S. Nagar, Mohali

HEALTHCAPS INDIA LIMITED (CONSOLIDATED)

NOTE 1.1 : SHARE CAPITAL

(₹ in lakh)

Particulars	As at 31st March, 2023 ₹	As at 31st March, 2022 ₹
1.1.1 Authorised		
- 5,000,000 Equity shares of ₹ 10/- each	500.00	500.00
1.1.2 Issued, Subscribed & Paid up		
- 4,037,190 Equity shares of ₹ 10/- each, fully paid up	403.72	403.72
TOTAL ₹	403.72	403.72

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

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

b) Name of the Shareholders Promoters	<u>As at 31st March, 2023</u>		<u>As at 31st March, 2022</u>		<u>% Change during the year</u>
	No. of shares	% age of Shareholding	No. of shares	% age of Shareholding	
i) Mr. Chiranjiv Singh	26,50,618	65.66	26,50,618	65.66	0.00
ii) Mrs. Hariti Singh	4,62,462	11.46	4,62,462	11.46	0.00
TOTAL	31,13,080	77.12	31,13,080	77.12	0.00

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

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

NOTE 1.2 : RESERVES & SURPLUS

(₹ in lakh)

Particulars	As at 31st March, 2023 ₹		As at 31st March, 2022 ₹	
1.2.1 Capital Reserve				
-Balance brought forward		48.36		48.36
1.2.2 Surplus				
Statement of Profit & Loss				
- Balance brought forward	12,921.04		7,739.38	
- Less: Adjustment	3.82		0.00	
- Add : Net Profit for the year	2,981.20	15,898.42	5,181.65	12,921.04
TOTAL ₹		15,946.78		12,969.40

NOTE 1.3: LONG-TERM BORROWINGS

(₹ in lakh)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	₹	₹	₹	₹
1.3.1 Secured				
Term Loans				
-From : Banks	4,716.10		4,781.17	
-Less Current maturities (refer Note 1.5)	<u>1,300.58</u>	3,415.52	<u>1,008.29</u>	3,772.88
Working Capital Term Loans				
-From : Banks	1,451.07		1,490.77	
-Less Current Maturities (refer Note 1.5)	<u>263.23</u>	1,187.84	<u>284.04</u>	1,206.73
Vehicle Loans				
-From : Bank	9.62		15.92	
-Less Current maturities (refer Note 1.5)	<u>6.79</u>	2.83	<u>6.22</u>	9.70
1.3.2 Unsecured				
From : Company (Inter-corporate deposit)		0.00		3.50
TOTAL ₹		<u>4,606.19</u>		<u>4,992.81</u>

Note 1. Term Loans:

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

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

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

2. Working Capital - Term Loans:

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

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

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

NOTE 1.4 : LONG-TERM PROVISIONS

(₹ in lakh)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	₹	₹	₹	₹
Gratuity				
-Balance brought forward	396.98		345.93	
-Add : Current year's provision	<u>50.39</u>		<u>64.10</u>	
	447.37		410.03	
-Less: Contribution to Gratuity Fund	<u>24.50</u>	422.87	<u>13.05</u>	396.98
Leave Encashment				
-Balance brought forward	279.85		208.03	
-Add : Current year's provision	<u>62.36</u>		<u>85.68</u>	
	342.21		293.71	
-Less : Paid during the year	<u>21.59</u>	320.62	<u>13.86</u>	279.85
TOTAL ₹		<u>743.49</u>		<u>676.83</u>

NOTE 1.5 : SHORT-TERM BORROWINGS

(₹ in lakh)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	₹	₹	₹	₹
1.5.1 Secured				
Working Capital Loan				
- From : State Bank of India	1,955.52		526.02	
- From : HDFC Bank	428.74		791.75	
- From : UCO Bank	<u>522.86</u>	2,907.12	<u>574.31</u>	
			1,892.08	
Buyers' Credit				
- From : HDFC Bank	<u>197.32</u>	3,104.44	<u>321.66</u>	2,213.74
1.5.2 Current Maturities				
- Long-term Borrowings (refer Note 1.3)		1,570.60		1,298.55
TOTAL ₹		<u>4,675.04</u>		<u>3,512.29</u>

Note : Working Capital Loans and Buyers' Credit:

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

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

NOTE 1.6 : TRADE PAYABLES

(₹ in lakh)

Particulars	As at 31st March, 2023 ₹	As at 31st March, 2022 ₹
For Supplies & Services	2,072.43	1,614.03
TOTAL ₹	2,072.43	1,614.03

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

(₹ in lakh)

Particulars	<u>Less than 1 year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>More than 3 years</u>	<u>Total</u>
i) MSME	33.50	0.00	0.00	0.00	33.50
ii) Others	2,038.93	0.00	0.00	0.00	2,038.93
iii) Disputed Dues: -MSME/Others	0.00	0.00	0.00	0.00	0.00
TOTAL ₹	2,072.43	0.00	0.00	0.00	2,072.43

NOTE 1.7 : OTHER CURRENT LIABILITIES

(₹ in lakh)

Particulars	As at 31st March, 2023 ₹	As at 31st March, 2022 ₹
Interest accrued but not due	7.44	7.96
Advance from Customers	23.27	75.41
Creditors for Capital Goods	805.39	709.43
Taxes & Expenses Payable	359.71	411.39
Tax deducted at source	20.85	25.33
Other Liabilities	281.61	287.47
TOTAL ₹	1,498.27	1,516.99

NOTE 1.8 : SHORT-TERM PROVISIONS

(₹ in lakh)

Particulars	As at 31st March, 2023 ₹	As at 31st March, 2022 ₹
For : Income Tax	866.08	1,619.04
TOTAL ₹	866.08	1,619.04

NOTE 1.9 : PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND CAPITAL WORK-IN-PROGRESS (₹ in lakh)

PARTICULARS	GROSS BLOCK		DEPRECIATION/AMORTISATION		NET BLOCK			
	COST AS AT 01.04.2022	ADDITIONS / (ADJUSTMENTS)	TOTAL	AS AT 01.04.2022	DURING THE YEAR	TOTAL	W.D.V. AS AT 31.03.2022	W.D.V. AS AT 31.03.2023
"A" Property, Plant & Equipment								
Land and Site Development	505.58	0.00	505.58	0.00	0.00	0.00	505.58	505.58
Land - Guest House	1,173.06	0.00	1,173.06	0.00	0.00	0.00	1,173.06	1,173.06
Buildings	2,237.41	660.20	2,897.61	378.26	73.78	452.04	1,859.15	2,445.57
Buildings R&D	20.57	0.00	20.57	3.64	0.65	4.29	16.93	16.28
Buildings Guest House	100.27	0.00	100.27	1.46	1.59	3.04	98.82	97.23
Furniture & Fixtures	79.11	6.49	85.60	44.21	5.90	50.10	34.91	35.50
Plant & Machinery								
-Machinery	13,113.89	1,713.48 (145.85)	14,681.51	3,153.09	486.97 (86.88)	3,553.18	9,960.80	11,128.33
-Machinery R&D	107.19	0.00	107.19	17.44	4.07	21.51	89.75	85.68
-Office Equipment	53.42	0.00	53.32	48.94	0.93 (0.10)	49.77	4.48	3.55
-Electrical Installation	166.86	0.00	166.86	73.05	11.79	84.83	93.82	82.03
-Electrical Sub Station	83.56	0.00	83.56	79.97	0.00	79.97	3.59	3.59
-Laboratory Equipment	106.31	8.44	114.75	66.50	7.16	73.66	39.81	41.09
-Workshop Equipment	7.97	0.28	8.26	7.56	0.05	7.61	0.41	0.64
-Electrical Equipment	72.95	0.00	70.99	64.95	2.80 (1.72)	66.03	8.00	4.96
-Computers	67.28	17.21 (3.30)	81.19	49.47	10.35 (3.14)	56.69	17.81	24.50
-Vehicles	299.98	55.17 (0.19)	354.97	168.82	29.89 (0.19)	198.53	131.16	156.44
TOTAL "A" : ₹	18,195.42	2,461.26 (151.40)	20,505.28	4,157.34	635.92 (92.02)	4,701.25	14,038.08	15,904.04
"B" Intangible Assets								
Computer Software	20.97	8.91	29.89	14.42	2.55	16.97	6.55	12.92
TOTAL "B" : ₹	20.97	8.91	29.89	14.42	2.55	16.97	6.55	12.92
"C" Capital Work-in-Progress								
	293.26	0.00	0.00	0.00	0.00	0.00	293.26	0.00
		(293.26)						
"D" FIGURES FOR CURRENT YEAR : (A+B+C) ₹	18,509.65	2,470.18 (444.66)	20,535.17	4,171.77	638.47 (92.02)	4,718.22	14,337.89	15,816.96
"E" FIGURES FOR PREVIOUS YEAR : ₹	13,606.74	5,439.23 (536.32)	18,509.65	3,706.64	525.11 (59.98)	4,171.77	9,900.12	14,337.89

* As per Annexure - (B).

NOTE 1.10 : LONG-TERM LOANS & ADVANCES**(₹ in lakh)**

Particulars	As at 31st March, 2023 ₹	As at 31st March, 2022 ₹
(Unsecured considered good - unless otherwise stated). Advance For Capital Goods	8.85	201.86
TOTAL ₹	8.85	201.86

NOTE 1.11 : OTHER NON-CURRENT ASSETS**(₹ in lakh)**

Particulars	As at 31st March, 2023 ₹	As at 31st March, 2022 ₹	As at 31st March, 2022 ₹
Deposits with Government Departments & Other Agencies Advance	183.15	183.36	
- Punjab Pollution Control Board * (for Water & Air Pollution)			
- Balance brought forward	22.33	11.52	
- Add : Additions during the year	0.00	13.69	
	22.33	25.21	
- Less : Amount written off For Supplies & Services Others	5.39	16.94	22.33
		6.12	0.00
TOTAL ₹	206.21	205.69	

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

NOTE 1.12 : INVENTORIES**(₹ in lakh)**

Particulars	As at 31st March, 2023 ₹	As at 31st March, 2022 ₹
(As taken, valued and certified by the management)		
Raw Material	1,532.12	1,440.86
Work-in-Progress	223.66	201.39
Finished Goods	785.84	176.02
Stores & Spares etc.	258.57	275.00
Packing Material	43.72	48.78
Other Material *	68.41	45.22
TOTAL ₹	2,912.32	2,187.27

* represents reusable material.

NOTE 1.13 : TRADE RECEIVABLES

(₹ in lakh)

Particulars	As at 31st March, 2023 ₹	As at 31st March, 2022 ₹
(Unsecured considered good - unless otherwise stated)		
1.13.1 Exceeding six months	20.79	26.02
1.13.2 Others	11,234.44	8,762.99
TOTAL ₹	11,255.23	8,789.01

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

(₹ in lakh)

Particulars	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed - (considered good)	11,234.44	0.47	0.00	20.32	0.00	11,255.23
ii) Undisputed - (considered doubtful)	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ₹	11,234.44	0.47	0.00	20.32	0.00	11,255.23

Note : There were no Disputed Trade Receivables**NOTE 1.14 : CASH & BANK BALANCES**

(₹ in lakh)

Particulars	As at 31st March, 2023 ₹	As at 31st March, 2022 ₹
1.14.1 Cash and cash equivalents		
Balance with Banks		
Current Accounts	7.23	169.43
Cash Balances	7.37	11.17
	14.60	180.60
1.14.2 Other bank balances		
Balances held as margin money*	449.26	300.22
TOTAL ₹	463.86	480.82

*pledged as security for letter of credit

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
	₹	₹
For Supplies & Services	105.20	69.96
Prepaid Expenses	17.19	10.54
Staff	0.06	0.30
Advance for Capital Goods	3.52	0.00
Taxes	1,010.93	1,560.76
Balances		
-with Goods and Services Tax Department	217.15	392.20
TOTAL ₹	<u>1,354.05</u>	<u>2,033.76</u>

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
	₹	₹
Amount Recoverable (Unsecured considered good- unless otherwise stated).		
Exceeding six months	12.38	82.71
Others	22.56	49.37
TOTAL ₹	<u>34.94</u>	<u>132.08</u>

NOTE 2.1 : OTHER OPERATING REVENUES

(₹ in lakh)

Particulars	For the year ended 31st March, 2023 ₹	For the year ended 31st March, 2022 ₹
Gain		
-Foreign Exchange	729.08	154.40
Others		
-Duty Drawback/Export Incentives	120.12	92.70
TOTAL ₹	849.20	247.10

NOTE 2.2 : OTHER INCOME

(₹ in lakh)

Particulars	For the year ended 31st March, 2023 ₹	For the year ended 31st March, 2022 ₹
Interest earned	27.32	16.93
Amount written off (net)	1.18	0.00
Miscellaneous	2.53	4.23
Rent Received	0.60	0.00
TOTAL ₹	31.63	21.16

NOTE 2.3 : COST OF MATERIALS CONSUMED

(₹ in lakh)

Particulars	For the year ended 31st March, 2023 ₹		For the year ended 31st March, 2022 ₹	
Opening Stock	1,440.86		1,451.48	
Add: Purchases	<u>9,917.61</u>	11,358.47	<u>7,764.22</u>	9,215.70
Less: Damage Stock		57.70		0.00
Less: Closing Stock		<u>1,532.12</u>		<u>1,440.86</u>
TOTAL ₹		9,768.65		7,774.84

NOTE 2.4 : CHANGES IN INVENTORIES

(₹ in lakh)

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	₹	₹	₹	₹
Stock at Commencement				
-Work-in-Progress	201.39		275.17	
-Finished Goods	176.02		327.52	
-Other Material *	<u>45.22</u>	422.63	<u>18.30</u>	620.99
Stock at Close				
-Work-in-Progress	223.66		201.39	
-Finished Goods	785.84		176.02	
-Other Material *	<u>68.41</u>	1,077.91	<u>45.22</u>	422.63
TOTAL ₹		<u>(655.28)</u>		<u>198.36</u>

* represent reusable material

NOTE 2.5 : EMPLOYEE BENEFITS EXPENSE

(₹ in lakh)

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	₹	₹	₹	₹
Salaries & Wages (Salaries & Wages, Gratuity, Leave Encashment & Bonus)		2,748.47		2,481.41
Contribution to : - Provident Fund & Other Funds		156.30		136.89
Staff Welfare*		113.54 *		102.26
TOTAL ₹		<u>3,018.31</u>		<u>2,720.56</u>

* inclusive of uniform & liveries. (₹1.23)

NOTE 2.6 : FINANCE COSTS

(₹ in lakh)

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	₹	₹	₹	₹
Interest				
-Banks				
Term Loans	508.96		293.48	
Working Capital Loans	<u>182.37</u>	691.33	<u>116.39</u>	409.87
Bank Charges		39.48		58.63
TOTAL ₹		<u>730.81</u>		<u>468.50</u>

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

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	₹	₹	₹	₹
Operating Expenses				
- Consumable Stores	1,051.37		606.03	
- Packing Material	592.54		628.81	
- Power & Fuel	2,186.28		2,189.53	
- Capsule Sorting Charges	82.35		82.39	
- Others	<u>237.92</u>	4,150.46	<u>247.52</u>	3,754.28
Rent		25.98		25.62
Repairs & Maintenance				
- Building & Electricals	88.34		82.82	
- Machinery & Equipment	324.71		171.69	
- Computers	21.69		12.91	
- Vehicles	<u>21.68</u>	456.42	<u>15.03</u>	282.45
Insurance		67.75		66.74
Rates & Taxes		34.35		36.06
Legal & Professional Charges		108.09 *		124.27
Other Administrative Expenses		101.11		83.41
Travelling & Conveyance				
- Directors	0.00		0.47	
- Staff/Others	<u>293.37</u>	293.37	<u>216.55</u>	217.02
- General Charges		64.67		146.31
-Selling & Distribution Expenses		2,569.42 **		2,376.83
CSR Expenses		67.31		30.70
TOTAL ₹		<u>7,938.93</u>		<u>7,143.69</u>

* inclusive of Auditors' Remuneration (₹ 3.55).

** inclusive of Freight & Forwarding (₹ 2,485.26).

HEALTHCAPS INDIA LIMITED
NOTE '3': SIGNIFICANT ACCOUNTING POLICIES
(Forming part of Consolidated Financial Statements)
FOR THE YEAR ENDED 31st MARCH, 2023

CORPORATE INFORMATION

The Consolidated Financial Statements include the financial statements of Healthcaps India Limited (the "Company" or the "Holding Company") and HV Caps Private Limited (the "Subsidiary Company") referred to as "Group".

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

SIGNIFICANT ACCOUNTING POLICIES

3.1. Basis of Accounting

The consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical convention on accrual basis. These financial statements have been prepared to comply, in all material aspects, with the accounting standards 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. Principles of Consolidation

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

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

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

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

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

3.3. Property, Plant & Equipment

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

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

- Intangible Assets

Intangible Assets are stated at cost less accumulated amortisation.

- Capital Work-in-Progress

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

3.4 Depreciation/Amortisation

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

3.5. Impairment of Assets

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

3.6. Valuation of Inventories

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

3.7. Goods and Services Tax

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

3.8. Capital Subsidy

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

3.9. Revenue Recognition

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

3.10. Employee Benefits

a) Short-term Employee Benefits:

Bonus is accounted for on accrual basis.

b) Post-Employment Benefits

(i) Defined Contribution Plans

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

(ii) Defined Benefit Plans

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

c) Other Employee Benefits

Leave Encashment is accounted on the basis of Actuarial Valuation, carried out for the financial year, as per Accounting Standard 15: "Employee Benefits", accordingly the present value of obligation at the year end as per Schedule III of the Companies Act, 2013 is ₹ 3,20,62,210/- out of which ₹ 1,12,59,744/- is a short-term liability while remaining sum of ₹ 2,08,02,466/- is a long-term liability.

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 capitalized 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 amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit & Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year. Gain or Loss on contracts relating to acquisition of imported fixed assets is adjusted to the carrying cost of fixed assets.

3.14. Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the

leased assets are classified as operating leases. Operating lease charges are recognised as an expense in the Statement of Profit & Loss on a straight line basis.

3.15. Research and Development Expenditure

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

3.16. Taxes on Income

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

3.17. Earnings Per Share (EPS)

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

3.18. Cash Flow Statement

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

3.19. Contingencies and Provisions

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

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

NOTE 4 : OTHER NOTES TO ACCOUNTS (Forming part of Consolidated Financial Statements) FOR THE YEAR ENDED 31st MARCH, 2023

4.1. Contingent Liabilities & Commitments

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

b) Contingent Liabilities

- Letter of Credit opened by HDFC Bank for purchase of Raw Material - ₹ 61.07 lakh (previous year - ₹ 281.43 lakh).
- Fixed Deposits (Margin Money - ₹ 153.42 lakh inclusive of interest accrued & due) against Letter of Credit have been pledged with the HDFC Bank.
- Letter of Credit opened by State Bank of India for purchase of Capital Goods - ₹ NIL (USD – NIL)] (previous year – ₹145.54 Lakh, USD-1.92 Lakh).
- Bank Guarantee issued from HDFC Bank in favour of The President of India Acting through Dy. Commissioner of Customs , Custom House, Mundra, Gujarat for ₹ 1.87 Lakh (previous year-Nil).
- Fixed Deposits (Margin Money - ₹ 0.19 Lakh) against Bank Guarantee have been pledged with the HDFC Bank Limited.
- Bank Guarantee issued from HDFC Bank in favour of THINK Gas Ludhiana Private Limited, Laxmi Nagar, Delhi 110092, India for ₹ 4.60 Lakh (previous year-Nil).
- Bank Guarantee issued from HDFC Bank in favour of THINK Gas Ludhiana Private Limited, Laxmi Nagar, Delhi 110092, India for ₹ 17.60 Lakh (previous year-Nil).
- Fixed Deposits (Margin Money - ₹ 4.40 Lakh) against Bank Guarantee have been pledged with the HDFC Bank Limited. (previous year-Nil).
- Liabilities in respect of Income Tax, Goods & Services Tax, Custom Duty and other material statutory dues have been accounted for on the basis of respective returns filed with the relevant authorities.
- Additional demand, if any, on account of statutory dues, arising at the time of assessment will be accounted for in the year in which assessment is completed.

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

4.2. Reserves & Surplus:

Capital Reserve (₹ 48.36 lakh) include:
Central Investment Subsidy (₹ 15.00 lakh).

4.3. Long-term Borrowings:

Secured Term Loans:

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

9 monthly installments of ₹ 5.00 lakh each w.e.f. July, 2017 to March, 2018.
24 monthly installments of ₹ 7.00 lakh each w.e.f. April, 2018 to March, 2020.
24 monthly installments of ₹ 9.00 lakh each w.e.f. April, 2020 to March, 2022.
12 monthly installments of ₹ 12.00 lakh each w.e.f. April, 2022 to March, 2023.
11 monthly installments of ₹ 14.00 lakh each w.e.f. April, 2023 to February, 2024.
1 monthly installment of ₹ 13.00 lakh due & payable in March, 2024.

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

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

77 monthly installments of ₹ 30.77 lakh each w.e.f. November, 2022 to March, 2029.
1 monthly installment of ₹ 30.71 lakh due & payable in April, 2029.

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

23 quarterly installments of ₹ 52.08 lakh each w.e.f. December, 2018 to June, 2024.
1 monthly installment of ₹ 52.16 lakh due & payable in September, 2024.

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

1 quarterly installment of ₹ 15.63 lakh due & payable in November, 2019.
2 quarterly installments of ₹ 23.89 lakh each w.e.f. February, 2020 to May, 2020.

2 quarterly installments of ₹ 41.03 lakh each w.e.f. August, 2020 to November, 2020.
19 quarterly installments of ₹ 43.66 lakh each w.e.f. February, 2021 to September, 2025.

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

From: UCO Bank (₹ 825.00 lakh), is repayable in 72 monthly installments:
69 monthly installments of ₹ 11.50 lakh each w.e.f. August, 2021 to April, 2027.
03 monthly installments of ₹ 10.50 lakh each w.e.f. May, 2027 to July, 2027.

- Interest on Term Loans is payable on monthly basis.

Working Capital Term Loans:

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

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

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

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

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

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

From: UCO Bank (Account No. IV - ₹ 270.00 lakh), is repayable in 48 monthly installments of ₹ 5.625 lakh each w.e.f. April, 2025 to March, 2029.

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

4.4. a) In the opinion of the Directors, "Current Assets" and "Loans & Advances" are approximately of the value stated in the Balance sheet, if realized in the ordinary course of business and to the best of their knowledge provisions for all the known liabilities have been made and, as certified, all the contractual and statutory obligations have been duly complied with.

b) Party balances have been incorporated in the financial statements at the value as per the books of account & are considered hopeful of recovery/good for payment.

4.5. Other Current Liabilities (₹ 1,498.27 lakh):

Advance from Customers (₹ 23.27 lakh); supplies/services will be effected/rendered in the ensuing year and accordingly party accounts updated/adjusted.
Audit fees payable (₹ 0.05 lakhs) of HV Caps Private Limited.

4.6. Segment Reporting (AS-17):

Since, the Company primarily operates in one segment (manufacturing of single product i.e. Empty Capsules) – therefore segment reporting as required under Accounting Standard -17 is not

applicable; there is no reportable geographical segment either.

4.7. Related Party Disclosures (AS-18):

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

4.8. Earnings Per Share (AS-20):

	Year ended 31st March, 2023		Year ended 31st March, 2022	
Numerator				
Net Profit attributable to Equity shareholders	₹	29,81,19,664	₹	51,81,64,840
Denominator				
Weighted Average Number of Equity shares outstanding	No.s'	40,37,190	No.s'	40,37,190
Nominal				
Value per Equity share	₹	10	₹	10
Earnings per Equity share				
- Basic EPS	₹	73.84	₹	128.35

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

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

<u>Particulars</u>	<u>Amount</u> (₹ in lakh)	<u>Total</u> (₹ in lakh)
a) Timing Difference (Liability)		
<u>Depreciation:</u>		
- As per Income Tax Act, 1961	1,407.55	
- As per Financial Statements	<u>638.47</u>	769.08
<u>Expenses:</u>		
u/s 35DDA of the Income Tax Act, 1961		
Salaries & Allowances		
-Voluntary Retirement Compensation (i.e. 1/5 of ₹ 400,000/-)	0.80	
u/s 43B of the Income Tax Act, 1961:		
(paid during the year)		
-Gratuity	24.50	
-Bonus	47.55	
-Leave Encashment	<u>21.59</u>	<u>93.64</u>
863.52		
b) Timing Difference (Asset)		
<u>Expenses:</u>		
u/s 43B of the Income Tax Act, 1961		
(Not paid till date)		
-Gratuity	50.39	
-Bonus	46.96	
-Leave Encashment	<u>62.36</u>	<u>159.71</u>
177.14		
Net Timing Difference (Liability)		703.81
Tax on Net Timing Difference (Liability) (@ 25.1680%)		177.14
Or say		177.14
Add: Opening Balance		1063.22
Deferred Tax Liability (Net)	Total ₹	<u>1,240.36</u>

4.10. a) Exceptional items (₹ 25.30 lakh) represent:

- Loss on disposal of Computer (₹ 0.05 lakh) (i.e., difference between sale proceeds of computer - ₹ .05 lakh less W.D.V. of computer - ₹ 0.10 lakh) i.e. Cost of Computer - ₹2.07 lakh less accumulated depreciation - ₹ 1.97 lakh),
- Loss on disposal of Workshop Equipment (₹ 0.19 lakh) (i.e., difference between sale proceeds of workshop equipment - ₹ .05 lakh less W.D.V. of workshop equipment - ₹ 0.24 lakh) i.e. Cost of Workshop Equipment - ₹ 1.96 lakh less accumulated depreciation - ₹ 1.72 lakh),
- Loss on disposal of Plant & Machinery (₹ 25.13 lakh) (i.e., difference between sale proceeds of plant & machinery - ₹ 8.50 lakh less W.D.V. of plant & machinery - ₹ 33.63 lakh) i.e. Cost of Plant & Machinery - ₹ 84.56 lakh less accumulated depreciation - ₹ 50.93 lakh),

Net off

- Profit on sale of Office Equipment (₹ 0.03 lakh) [i.e., difference between sale proceeds of office equipment - ₹ 0.03 lakh less W.D.V. of office equipment - ₹ 0.00 lakh (Cost of office equipment - ₹ 0.10 lakh less accumulated depreciation - ₹ 0.10 lakh)].
- Profit on sale of Vehicle (₹ 0.02 lakh) [i.e., difference between sale proceeds of vehicle - ₹ 0.02 lakh less W.D.V. of vehicle - ₹ 0.00 lakh (Cost of vehicle - ₹ 0.19 lakh less accumulated depreciation - ₹ 0.19 lakh)].
- Profit on sale of Computer (₹ 0.02 lakh) [i.e., difference between sale proceeds of computer - ₹ 0.04 lakh less W.D.V. of computer - ₹ 0.02 lakh (Cost of computer - ₹ 0.30 lakh less accumulated depreciation - ₹ 0.28 lakh)].

b) Property, Plant & Equipment:

- Capital Work-in-Progress: NIL

c) Trade Receivables (₹ 11,255.23 lakh) include:

₹ 6,582.91 lakh and ₹ 2,512.75 lakh due from Alfa Caps LLC. and Healthcaps Europe Ltd. (Foreign Companies in which relative of Directors is interested), against sales effected in the ordinary course of business at Arm's Length price.

d) Short-term Borrowings (₹ 4,675.04 lakh) include:

Current Maturities of Long-term Borrowings ₹ 1,570.60 lakh.

e) Bad Debts (₹ 6.31 Lakh) represent:

Irrecoverable party balances written off during the year.

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

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

4.11. Taxes:

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

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

(Refer Central Board of Direct Taxes (CBDT) Circular No. 29/2019, dated 02nd October, 2019)

c) Keeping in view the provisions specified u/s 115BAA, the management of the Company had decided to avail the benefit of concessional rate of Income Tax [i.e. @ 25.1680% (Base rate @ 22% plus Surcharge @ 10% plus Cess @ 4%)], hence, the Company will not be:

- required to pay Minimum alternate Tax (MAT) u/s 115JB of the Income Tax Act, 1961, and
- eligible to claim Additional Depreciation u/s 32(1) of the Income Tax Act, 1961.

4.12. Impairment of Assets (AS-28):

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

4.13. Corporate Social Responsibility

CSR Expenses - ₹ 67.31 lakh [refer Note no. 2.7 (Other Expenses)] comprise of:

<u>Particulars</u>	<u>(₹ in Lakh)</u> <u>Amount</u>
2% of the average profit of three preceding financial years i.e. 2019-2020, 2020-2021 and 2021-2022.	67.31
Total (₹)	<u>67.31</u>

The Company had paid - ₹ 67.31 lakh to Registered Trust [Mata Krishnawanti Memorial Educational Society (regd)], during the financial year, towards Corporate Social Responsibilities for the financial year 2022-2023.

4.14. Micro, Small & Medium Enterprises:

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

	Particulars	(₹ in lakh)	(₹ in lakh)
		As at 31.03.2023	As at 31.03.2022
(i)	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act, 2006).		
	Principal Amount due to micro and small enterprises		
	Trade Payables	33.50	39.31
	Creditors for Capital Goods	647.96	624.26
	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, along with the amount of the payment made to the supplier beyond the appointed day during the period.	Nil	Nil
(iii)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	Nil	Nil
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
(v)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	Nil	Nil

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

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

4.16. Auditor's Remuneration:

(excluding Goods and Services Tax)

	31st March, 2023 AMOUNT (₹ in lakh)	31st March, 2022 AMOUNT (₹ in lakh)
- As Auditors	3.55	3.55
TOTAL ₹	<u>3.55</u>	<u>3.55</u>

4.17. Other Additional Information:

A. Holding Company

a) Revenue from operations:

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

Particulars	31st March, 2023 AMOUNT (₹ in lakh)	31st March, 2022 AMOUNT (₹ in lakh)
b) Raw material consumed:		
Gelatine	3,774.27	3,400.36
HPMC	5,167.65	3,866.72
Colours & Chemicals	826.73	507.75
Total ₹	<u>9,768.65</u>	<u>7,774.83</u>

c) Finished Goods:

Opening Stock

- Empty Hard Gelatine Capsules	95.72	167.03
- Hydroxy Propyl Methyl Cellulose Capsules	80.30	160.48

Closing Stock

- Empty Hard Gelatine Capsules	212.78	95.72
- Hydroxy Propyl Methyl Cellulose Capsules	573.06	80.30

d) Imported & indigenous consumption of Raw Material & percentage there of:

	31st March, 2023		31st March, 2022	
	AMOUNT (₹ in Lakh)	%	AMOUNT (₹ in Lakh)	%
'i' Imported	4,305.33	44.07	3,757.33	48.33
'ii' Indigenous	5,463.32	55.93	4,017.50	51.67

e) Transactions in Foreign Currency:

	31st March, 2023		31st March, 2022	
	AMOUNT (₹ in Lakh)	TOTAL (₹ in Lakh)	AMOUNT (₹ in Lakh)	TOTAL (₹ in Lakh)
- C.I.F. value of import:				
Raw Material (USD 52.99)		4,365.88		4,186.90

Capital Goods (USD 2.56)		203.84		278.72
- Expenditure:				
Consumable Stores (USD 0.00040)	0.04		43.27	
(GBP 0.00)	-		26.39	
(JPY 0.00)	-	0.04	1.82	71.48
	<u> </u>		<u> </u>	
Business Promotion (USD 0.00)	-		4.45	
(GBP 0.006)	0.73		0.62	
(AED 0.09568)	2.18	2.91	-	5.07
	<u> </u>		<u> </u>	
Spares (USD 0.87)		71.01		NIL
Electrical Stores (JPY 4.49)		3.18		NIL
Travelling and Conveyance (USD 0.424)	35.70			
(GBP 0.029)	2.88			
(AED 0.018)	0.42			
(CHF 0.020)	1.66	40.66		NIL
	<u> </u>			
Commission (USD 0.28)		22.74		15.25
Rates & Taxes (USD 0.05880)		4.61		4.11
Packing & Forwarding (USD 0.00)		NIL		0.36
Laboratory & Testing Charges (EURO 0.00099)		0.08		0.58
Bank Charges (USD 0.00)		NIL		0.06
Advances (USD 0.12)	9.80		19.44	
(JPY 0.00)	-	9.80	1.46	20.90
	<u> </u>		<u> </u>	
- Earnings:				
F.O.B. value of export (Direct) (USD 138.32)	10,932.14		12,764.60	
(GBP 36.73)	3,496.98		2,775.52	
(EURO 6.11)	487.61		193.20	
(AUD 0.00)	-	14,916.73	3.47	15,736.80
	<u> </u>		<u> </u>	

B. Subsidiary Company

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

4.18. Other additional information

Name of the Entity	Net Assets i.e. Total Assets less Total Liabilities		Share in Profit or Loss	
	As a % of Consolidated Net Assets	Amount (₹ In lakh)	As a % of Consolidated Profit or Loss	Amount (₹ In lakh)
Holding Company Healthcaps India Ltd.	99.993884%	16,349.56	100.00%	2,981.272
Subsidiary Company HV Caps Private Limited.	0.005749%	0.94	(0.00%)	(0.064)
Minority Interest	0.000367%	0.06	(0.00%)	(0.004)
Total ₹	100.00%	16,350.56	100.00%	2,981.20

4.19. Management Representation

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

In terms of our attached report of even date.

For AARSH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 024177N

Sd/-
(RACHIT GOYAL)
PARTNER
Membership No. 520418
UDIN: 23520418BGYPED4948

Date: 29th June, 2023
Place: S.A.S. Nagar, Mohali

For and on behalf of the Board of Directors

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

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

HEALTHCAPS INDIA LIMITED
NOTES FORMING PART OF ACCOUNTS CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023
ANNEXURE 'A' TO NOTES TO ACCOUNTS [NOTE 4.7]

RELATED PARTY DISCLOSURES :

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

'A' Relationship

1. Key Management Personnel

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

2. Relatives of Key Management Personnel

Mr. Satjiv Singh
Mr. Anuj Gandhi

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

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

AlfaCaps LLC
Healthcap Europe Limited

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

S.No. Nature of Transactions	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which K.M.P./their relatives have significant influence
	AMOUNT (₹ in lakh)	AMOUNT (₹ in lakh)	AMOUNT (₹ in lakh)
A) Revenue			
1. Sales			
- AlfaCaps LLC			9,534.13
- Healthcaps Europe Limited			4,019.30
B) Expenditure			
1. Salaries & Allowances	-	120.00	-
2. Directors' Expenses	106.58	-	-
3. Other Operating Expenses			
- Job Work	-	-	38.50
- Capsules Sorting Charges	-	-	82.35
- Rent	-	-	10.04
- Travelling & Conveyance(Staff/Others)	-	-	0.62
- Repair & Maintenance - Building	-	-	1.97

C) Others			
1. Property, Plant & Equipment			
- Purchases			
- Ozark Engineering Pvt Ltd.	-	-	1,051.77
D) Year end balances			
1. Due to Director			
- Chiranjiv Singh	3.30	-	-
- Hariti Singh	1.88	-	-
2. Salaries & Wages Payable			
- Satjiv Singh	-	2.92	-
- Anuj Gandhi	-	2.92	-
3. Trade Payables			
- Alfa Caps Pvt. Ltd.	-	-	54.87
- Ozark Engineering Pvt. Ltd.	-	-	647.95
4. Trade Receivables			
- AlfaCaps LLC	-	-	6,582.91
- Healthcaps Europe Limited	-	-	2,512.75

For and on behalf of the Board of Directors

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

**Dated : 29th June, 2023
Place : S.A.S Nagar, Mohali**

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

HEALTHCAPS INDIA LIMITED
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023
DISCLOSURE OF CAPITAL WORK-IN-PROGRESS
ANNEXURE 'B' TO NOTES TO ACCOUNTS [NOTE 4.10]

Capital-work-in-progress aging schedule

(₹ in lakh)

		As on 31st March, 2023					
CWIP		Amount of CWIP in period of					
		Less than	1-2	2-3	More than	Total	
		1 year	years	years	3 years		
Projects in progress							
1	Building	0.00	0.00	0.00	0.00	0.00	
2	Plant & Machinery	0.00	0.00	0.00	0.00	0.00	
3	Vehicle	0.00	0.00	0.00	0.00	0.00	

Capital-work-in-progress completion schedule

(₹ in lakh)

		As on 31st March, 2023					
CWIP		To be completed in					
		Less than	1-2	2-3	More than	Total	
		1 year	years	years	3 years		
1	Building	0.00	0.00	0.00	0.00	0.00	
2	Plant & Machinery	0.00	0.00	0.00	0.00	0.00	
3	Vehicle	0.00	0.00	0.00	0.00	0.00	

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

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

Dated : 29th June, 2023
 Place : S.A.S. Nagar, Mohali

HEALTHCAPS INDIA LIMITED
CONSOLIDATED NOTES FORMING PART OF ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2023
DISCLOSURE OF FINANCIAL RATIOS
ANNEXURE 'C' TO NOTES TO ACCOUNTS [NOTE 4.15]

1. Current Ratio	=	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	=	$\frac{16,020.40}{9,111.82}$	=	1.76	As at 31st March, 2023	As at 31st March, 2022
							AMOUNT (₹ in lakh)	AMOUNT (₹ in lakh)
							13,622.35	8,262.35
							=	=
							1.65	1.65

Current Assets = Current Assets + Loans & Advances (except non-current)
Current Liability = Current Liabilities & Provisions

2. Debt-Equity (D/E) Ratio	=	$\frac{\text{Debts}}{\text{Total Shareholders Equity}}$	=	$\frac{9,281.23}{16,350.50}$	=	0.57	As at 31st March, 2023	As at 31st March, 2022
							8,501.60	13,373.12
							=	=
							0.64	0.64

Debts = Short-term Borrowing + Long-term Borrowing
Total Shareholders Equity = Share Capital + Reserve & Surplus

3. Debt Service Coverage Ratio (DSCR)	=	$\frac{\text{Net Operating Income}}{\text{Debt Service}}$	=	$\frac{5,406.99}{2,118.40}$	=	2.55	As at 31st March, 2023	As at 31st March, 2022
							7,881.53	1,367.33
							=	=
							5.76	5.76

Net Operating Income = Net Profit before taxes + Non-cash operating expense (Depreciation) + Interest
Debt Service = Interest & Lease Payment + Principal Repayment (Interest + Installment)

4. Return on Equity Ratio (ROE)	=	$\frac{\text{Net Income}}{\text{Average Shareholders Equity}}$	=	$\frac{2,981.20}{14,861.81}$	=	20.06%	As at 31st March, 2023	As at 31st March, 2022
							5,181.65	10,782.29
							=	=
							48.06%	48.06%

Net Income = Net Profit after taxes - Preference Dividend
Average Shareholders Equity = (Beginning Shareholder's Equity + Closing Shareholder'S Equity)/2

5. Inventory Turnover	=	$\frac{\text{Cost of good sold}}{\text{Average Inventory}}$	=	$\frac{15,460.25}{480.93}$	=	32 Time	As at 31st March, 2023	As at 31st March, 2022
							13,618.04	251.77
							=	=
							54 Time	54 Time

6. Trade Receivables Turnover Ratio	=	$\frac{\text{Average Debtors}}{\text{Sales}}$	=	$\frac{10,022.12}{24,636.25}$	=	* 365 = 148 Days	As at 31st March, 2023	As at 31st March, 2022
							6,708.41	25,509.35
							* 365 = 148 Days	* 365 = 96 Days

7. Trade Payables Turnover Ratio	=	$\frac{\text{Average Creditors Purchases}}{1,843.23} * 365 = 68 \text{ Days}$	$\frac{1,659.48}{7,764.22} * 365 = 78 \text{ Days}$
8. Capital Turnover Ratio	=	$\frac{\text{Sales}}{\text{Average Working Capital}} = \frac{24,636.25}{6,134.58} = 4.02$	$\frac{25,509.35}{3,720.21} = 6.86$
9. Net Profit Margin Ratio	=	$\frac{\text{Net Profit After Tax}}{\text{Sales}} = \frac{2,981.20}{24,636.25} = 12.10\%$	$\frac{5,181.65}{25,509.35} = 20.31\%$
10. Return on Capital Employed (ROCE)	=	$\frac{\text{EBIT}}{\text{Capital Employed}} = \frac{4,743.30}{22,940.60} = 20.68\%$	$\frac{7,354.26}{20,106.03} = 36.58\%$
EBIT = Net Income + Interest + Taxes			
Capital Employed = Total Assets - Current Liabilities			
11. Return on Investment	=	$\frac{\text{Net Profit After Tax}}{\text{Net Worth}} = \frac{2,981.20}{16,350.50} = 18.23\%$	$\frac{5,181.65}{13,373.12} = 38.75\%$

Net Worth = Equity Share Capital + Reserve & Surplus

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

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

Dated : 29th June, 2023
 Place : S.A.S. Nagar, Mohali

HEALTHCAPS INDIA LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2023

	<u>CURRENT YEAR</u> <u>31st March, 2023</u> (₹ in lakh)	<u>PREVIOUS YEAR</u> <u>31st March, 2022</u> (₹ in lakh)
"A" CASH FLOWS		
(I) FROM OPERATING ACTIVITIES		
a) Profit before tax	4,051.89	6,944.39
Adjustments :		
Depreciation and amortisation	638.47	525.11
(Gain)/Loss on sale of fixed assets	25.30	2.16
Reserves & Surplus (Adjustment)	(3.82)	0.00
Interest earned	(27.32)	(16.93)
Interest paid/incurred (net)	691.33	409.87
Profit from operating activities	5,375.86	7,864.60
b) Working capital changes :		
(Increase)/Decrease in Inventories	(725.05)	112.94
(Increase)/Decrease in Trade Receivables	(2,466.22)	(4,161.21)
(Increase)/Decrease in Short-term Loans and Advances	(881.04)	(1,619.16)
(Increase)/Decrease in Other Current Assets	122.49	(49.37)
(Increase)/Decrease in Long-term Loans and Advances	193.01	1,132.12
Increase/(Decrease) in Long-term Provisions	66.66	122.87
Increase/(Decrease) in Trade Payables	458.40	(90.90)
Increase/(Decrease) in Other Current Liabilities	(18.19)	(264.27)
Increase/(Decrease) in Short-term Provisions	0.00	0.00
Cash generated from operations	2,125.92	3,047.62
c) Direct taxes paid (net of refund)	(85.77)	(29.29)
Total "I"	2,040.15	3,018.34
(II) FROM INVESTING ACTIVITIES		
a) Purchase of tangible assets/intangible assets/ capital work-in-progress	(2,176.92)	(4,966.04)
b) Proceeds from sale of tangible assets/intangible assets/capital work-in-progress	8.73	1.00
c) Purchase of investments	0.00	(0.94)
d) (Increase)/Decrease in Other Non-Current Assets	(0.52)	(42.56)
e) (Increase)/Decrease in Fixed Deposits	(149.03)	13.51
f) Interest received	27.31	16.93
Total "II"	(2,290.42)	(4,978.10)

(III) FROM FINANCING ACTIVITIES

a) Proceeds from issue of Share Capital	0.00	1.00
b) Share application money (pending allotment)	0.00	0.00
c) Proceeds from Long-term Borrowings (net)	(114.57)	1,588.78
d) Increase/(Decrease) in Short-term Borrowings (net)	890.18	(258.62)
e) Redemption of Preference Shares	0.00	0.00
f) Repayment of Long-term Borrowings (net)	0.00	0.00
g) Decrease in Short-term Borrowings (net)	0.00	0.00
h) Dividends paid (including distribution tax)	0.00	0.00
i) Interest and Other Finance Costs	(691.33)	(409.87)
j) Share issue expenses	0.00	0.00
Total "III"	84.28	921.29
"B" Net (Decrease)/Increase in cash and cash equivalents (I+II+III)	(165.99)	(1,038.48)
Add : Cash and cash equivalents at the beginning of the year	180.60	1,219.07
"C" Cash and cash equivalents at the end of the year	14.60	180.60

Cash and Cash equivalents comprises of

	<u>CURRENT YEAR</u> <u>31ST MARCH, 2023</u> (₹ in lakh)	<u>PREVIOUS YEAR</u> <u>31ST MARCH, 2022</u> (₹ in lakh)
Cash & Bank Balances as per Note 1.14	463.86	480.82
Less : Fixed Deposits (Balances held as margin money)	449.26	300.22
	14.60	180.60

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 A A R S H & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. - 024177N

Sd/-
(RACHIT GOYAL)
PARTNER
Membership No. - 520418
UDIN : 23520418BGYPED4948

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

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

Dated : 29th June, 2023
Place : S.A.S. Nagar, Mohali

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