

MC MEDI-CAPS LIMITED

Regd. Office & Works :

Mhow-Neemuch Road, Sector-1,
Pithampur - 454775, Distt. Dhar,
Madhya Pradesh, INDIA

L24232MP1983PLC002231

Phone : + 91-7292-424242
Fax. : + 91-7292-407387
E-mail : info@medicaps.com
sales@medicaps.com
Website : www.medicaps.com

MEDICAPS/SE/16-17

Online filing at: listing.bseindia.com

30th August, 2017

To,
The General Manager
DCS-CRD
BSE Ltd.
Rotunda Building
P.J. Tower, Dalal Street, Fort
MUMBAI - 400001

BSE Code: 523144

Sub: Filing of the Annual Report for the year ended 31st March, 2017 proposed to be adopted at the ensuing Annual General Meeting scheduled to be held on 28th September, 2017.

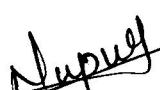
Dear Sir/Madam,

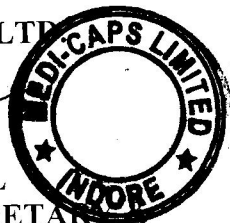
We are pleased to submit the 34th Annual Report for the year 2016-17 of the Company containing the Balance sheet as at 31st March, 2017 and the Statement of the Profit and Loss, Cash Flow for the year ended 31st March, 2017 and the Board's Report along with Corporate Governance Report on that date and its annexures, being sent to the members of the Company by email/Physical copy, as may be required.

Kindly note that the Annual General Meeting of the Company is scheduled to be held on Thursday, the 28th September, 2017 at the registered office of the Company at 11:00 A.M.

You are requested to please take on record the above said document of the Company for your reference and further needful.

Thanking You,
Yours Faithfully,
For, MEDI-CAPS LTD.


NUPUR LODWAL
COMPANY SECRETARY
COMPLIANCE OFFICER



Encl.: 1. Copy of 34th Annual Report_2016-17

Indore Office :

**201, Pushpratna Paradise, 9/5, New Palasia, Indore 452 001 (INDIA)
Telefax No. : +91-731-4046321, 4041435, 4028148**



MEDI-CAPS LIMITED

34th

Annual

Report

2016-2017

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Ramesh Chandra Mittal
 Mr. Alok K Garg
 Mrs. Kusum Mittal
 Mrs. Manisha Garg#
 Dr. Shamsheer Singh
 Mr. Mahesh Kumar Patni
 Mr. Pramod Fatehpuria
 Dr. Keshav Singh Varma##
 Mr. Ashok Omprakash Agrawal###
 Mrs. Trapti Vikas Gupta

Chairman & Non Executive Director
 Managing Director
 Whole Time Director
 Whole Time Director
 Independent Director
 Independent Director
 Independent Director
 Independent Director
 Independent Director
 Non executive Director

#Mrs. Manisha Garg has appointed w.e.f. 11th November, 2016.
 ## Mr. Keshav Singh Varma has resigned w.e.f. 28th April, 2017.
 ### Mr. Ashok Omprakash Agrawal has appointed w.e.f. 25th July, 2017.
 ####Mrs. Trapti Vikas Gupta has resigned w.e.f. 11th November, 2016.

AUDIT COMMITTEE

Dr. Shamsheer Singh
 Mr. Mahesh Kumar Patni
 Mr. Pramod Fatehpuria
 Dr. Keshav Singh Varma

Chairman and Independent Director
 Member and Independent Director
 Member and Independent Director (w.e.f. 30th May, 2017)
 Member and Independent Director (ceased w.e.f. 28th April, 2017)

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Dr. Shamsheer Singh
 Mr. Mahesh Kumar Patni
 Mr. Ashok R. Pitliya

Chairman and Independent Director
 Member and Independent Director
 Member and G.M. Finance

NOMINATION AND REMUNERATION COMMITTEE

Dr. Shamsheer Singh
 Mr. Mahesh Kumar Patni
 Mr. Pramod Fatehpuria
 Dr. Keshav Singh Varma

Chairman and Independent Director
 Member and Independent Director
 Member and Independent Director (w.e.f. 30th May, 2017)
 Member and Independent Director (ceased w.e.f. 28th April, 2017)

RISK MANAGEMENT COMMITTEE

Mr. Ramesh Chandra Mittal
 Mr. Alok K. Garg
 Mr. Ashok R. Pitliya

Chairman
 Member and Managing Director
 Member and G.M. Finance

CS & COMPLIANCE OFFICER

CS Nupur Lodwal

CHIEF FINANCIAL OFFICER

Mr. Manish Kumar Jain

AUDITORS

C.P. Rawka & Co.,
 Chartered Accountants
 403, Arcade Silver 56, 1, New Palasia
 Indore (M.P.) 452001

SECRETARIAL AUDITOR

Ishan Jain & Co.
 Company Secretaries
 401, Silver Ark Plaza, 20/1, New Palasia
 Indore (M.P.) 452001

INTERNAL AUDITOR

Praveen Shrivastava & Co.
 Chartered Accountant
 208, Sapana Chamber,
 12/1 South Tukoganj,
 Behind Shreemaya Hotel Indore (M.P.)

BANKERS

IndusInd Bank Ltd.
 IDBI Bank Limited
 State Bank Of India
 Citibank N.A. India

REGISTERED OFFICE & PLANT

Mhow Neemuch Road,
 Sector-1 Pithampur, Dhar (M.P.) 454775
 Phone: 07292-424242;
 Email: investors@medi-caps.com
 Website: http://www.medicaps.com

CORPORATE OFFICE

201, Pushpratna Paradise
 9/5, New Palasia, Indore (M.P.) 452001
 Phone: 0731-4046321
 Email: indore@medi-caps.com

SHARE TRANSFER AGENT

Ankit Consultancy Pvt. Ltd.
 Plot No. 60, Electronic Complex,
 Pardeshipura, Indore (M.P.) 452010,
 Phone: 0731-2551745,
 Email: ankit_4321@yahoo.com

NAME OF THE STOCK EXCHANGE

(Where the Company's Securities Listed)
 BSE Limited

NOTICE

Notice is hereby given that the 34th Annual General Meeting of the members of **MEDI-CAPS LIMITED** will be held on **Thursday, the 28th September, 2017 at 11.00 A.M.** at the registered office of the Company situated at Mhow - Neemuch Road, Sector-1, Pithampur, District Dhar (M.P.) 454775 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive consider and adopt the Standalone and Consolidated Audited financial statements of the Company for the financial year ended on March 31st, 2017 together with the report of Board's and Auditors thereon;
2. To appoint a Director in place of Mr. Ramesh Chandra Mittal (DIN-00035272), who retires by rotation and being eligible offer himself for re- appointment.
3. 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 section 139, 141 and other applicable provisions, if any, of Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, M/s Rawka & Associates, Chartered Accountants, (FRN 021606C) be and are hereby appointed as the Statutory Auditors of the Company in place of M/s C.P. Rawka & Co., Chartered Accountants (F.R.No. 000518C) whose term shall be concluded on the conclusion of the ensuing Annual General Meeting, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 39thAGM of the Company to be held in the year 2022, subject to ratification of their appointment at every Annual General Meeting on such remuneration as may be fixed by the Board.”

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as **Ordinary Resolution:**

“RESOLVED THAT pursuant to provisions of section 149 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment & Qualification of Directors) Rules, 2014 as may be amended from time to time Mrs. Manisha Garg (DIN 01006545), who was appointed as an Additional Director of the Company w.e.f. 11.11.2016 by the Board of the Company and who holds office upto the date of ensuing AGM of the company and in respect of whom the company has received a notice in writing under Section 160 of the Companies Act, 2013 proposing the candidature of Mrs. Manish Garg for the office of a director and who is eligible for appointment be and is hereby appointed as a Director of the company.

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the said Act and Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 30 of the SEBI (LODR) Regulations, 2015, the consent of the members of the company be and is hereby accorded to appoint Mr. Ashok Omprakash Agrawal (DIN- 07870578) who was appointed as an additional director by the Board in the category of Independent Director and who has given a declaration confirming that he meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and in respect thereof the Company has received a notice from a member as required under section 160 of the Companies Act, 2013 and is eligible for appointment as an Independent Director of the Company to hold office of Independent Director for a term upto five consecutive years upto 24th July, 2022 and he will not be liable to retire by rotation.”

6. 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 section 190, 197, 198, 203 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 and other applicable provisions, including any statutory modifications or re-enactment thereof for the time being enforced, the approval of members be and is hereby accorded for appointment of Mrs. Manisha Garg (DIN 01006545) as the Whole-time Director of the Company for a term of three years w.e.f. 11th November, 2016 to 10th November, 2019 on the following terms, conditions and remuneration with authority to the Board to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board and Mrs Manisha Garg:

- (a) Salary & other allowances: Rs.1,00,000/- p.m.
- (b) Contributions: to the Provident Fund, Family Benefit Fund Superannuation Fund as may be admissible under the PF/Income Tax Rules.
- (c) Gratuity: not exceeding half a month salary for each completed year of service, subject to the provisions of the Gratuity Act as may be amended from time to time.
- (d) Earned Privilege Leave: As per the Rules of the Company subject to the condition that the leave accumulated but not availed of will be allowed to be encashed for 15 days salary for every year completed services at the end of the tenure.

FACILITIES:

- (i) Car: The Company shall provide a car with driver for the Company's business and if no car is provided, reimbursement of the conveyance shall be payable as per actual on the basis of claims made by her.
- (ii) Telephone: Free use of mobile and a telephone at her residence provided that personal long distance calls on the telephone shall be billed by the Company to the Whole-time Director.

RESOLVED FURTHER THAT the remuneration payable to Mrs. Manisha Garg, shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 of the Companies Act, 2013 read with the provisions of Schedule V of the Act from time to time.

RESOLVED FURTHER THAT there would be relations of the Company with Mrs. Manisha Garg as the employer -employee for all the purposes and her appointment made be terminated by any party with the advance notice of 6 months or salary in lieu thereof.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby severally authorized to decide the break up of the salary and allowances within the aforesaid limits and to do all such acts, matters, deeds and things to give effect to the aforesaid resolution.

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to provisions of section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules prescribed thereunder, the consent of the Company be and is hereby accorded to the Board of directors or the person authorized by the Board charge from member(s) fee in advance, a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode, if any request has been made by such member(s) for delivery of such document(s) to him through such mode of service as required and the same be provided upon such request in writing along with the requisite fee if has been duly received by the Company at least one week in advance of the dispatch of the document by the Company.

RESOLVED FURTHER THAT Board of director and/or any person authorized by the Board be and are hereby authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to above resolution.”

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as **Special Resolution**:

“RESOLVED THAT pursuant to provisions of section 94 and other applicable provisions, if any, of the Companies Act, 2013, (“the Act”) approval of the members be and is hereby accorded to keep the Company's register of members, the index of members, the Registers and copies of all its annual returns prepared under sections 92 and other applicable provisions, if any, of the act together with the copies of certificates and documents required to be annexed thereto under section 92 of the Act, at the office of Ankit Consultancy Pvt. Ltd, Registrar and Share Transfer Agent of the Company, situated at Plot No. 60, Electronic Complex Pardeshipura, Indore (M.P.) – 452010.

Date: 25th July, 2017

Place: Pithampur

By Orders of the Board
Nupur Lodwal
Company Secretary
ACS 45770

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/IES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. A person can act as a proxy on behalf of members not exceeding 50 and holding in aggregating not more than 10% of the total share capital of the Company carry ing voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or Shareholder.
 The instrument of proxy in order to be effective should be deposited at the Registered Office of the Company duly completed and signed not less than 48 hours before the time fixed for the Meeting. A Proxy form is sent herewith.
3. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013, which sets out details relating to special business at the meeting is annexed hereto.
4. The company has notified closure of Register of Members and Share Transfer Books from 22nd September, 2017 to 28th September, 2017 (both days inclusive) for the purpose of the Annual General Meeting.
5. The report on the Corporate Governance and Management Discussion and Analysis also form part of the Boards Report. Boards.
6. Members seeking any information are requested to write to the Company by email at investors@medicaps.com at least 7 days before the date of the AGM to enable the management to reply appropriately at the AGM.
7. The unpaid dividend for the year 2009-10 shall be transferred to the Investors Education and Protection Funds after completion of 7 years. Therefore members are requested to please approach to the Company and/or Share Transfer Agent to claim the unpaid dividend if any for the year 2010-11 and 2011-12.
8. Members are requested to immediately notify correct address for any change in their address and also intimate their active E-Mail ID to their respective Depository Participants (DPs) and in respect of shares held in the company in physical form to the Registrar and Share Transfer Agent Ankit Consultancy Pvt. Ltd., Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) having email Id ankit_4321@yahoo.com, to receive the soft copy of the annual report and all other communication and notice of the meetings etc., of the Company.
9. Electronic copy of the Annual report for the year 2016-17 is being sent to the members whose email IDs are registered with the Share Transfer Agent of the Company/Depository Participants unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual reports being sent in the permitted mode.
10. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting pursuant to section 113 of Companies Act, 2013 are requested to send a duly certified copy of the relevant Board Resolution together with the respective specimen signatures of those representatives authorized under the said resolution to attend and vote on their behalf at the Meeting.
11. Relevant documents referred to in the accompanying the Notice are open for inspection by the members at the Registered Office of the company on all working days, except Saturday, between 11:00 A.M and 1:00 P.M up to the date of the Annual General Meeting.
12. Members/proxies/ authorized representatives are requested to bring the duly signed attendance slip in accordance with their specimen registered with the Company and a copy of Annual Report with them to attend the Meeting.

13. The Register of Directors, Key Managerial Personnel and their shareholding, maintained under section 170 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.
14. The Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013 and will be available for inspection by the members at the Annual General Meeting.
15. SEBI has also mandated that for registration of transfer of securities the transferee(s) as well as the transferor(s) shall furnish a copy their PAN to the Share Transfer Agent for registration of transfer of securities.
16. Members may also note that the Notice of 34th Annual General Meeting, Attendance Slip, Proxy Form, Route Map, Ballot Paper and the Annual Report for the year 2016-17 will also be available on the company website www.medicaps.com for their download.
17. The Brief profile of the directors seeking appointment re-appointment at the ensuing Annual General Meeting is annexed with the Notice.

18. Voting through electronic means

- I. In compliance with provisions of section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (LODR), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again at the AGM.
- IV. The remote e-voting period commences on 25th September, 2017, Monday (09.00 A.M.) and ends on 27th September, 2017, Wednesday (05.00 P.M.). During this period members of the Company, holding shares either in physical or in dematerialized form, as on the cut-off date of 21st September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

Members are requested to carefully read the below mentioned instructions for remote e-voting before casting their vote.

The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:

- (i) Open email and open PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file “remote e-voting.pdf”.

- (i) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (ii) Click on Shareholder - Login
- (iii) Put your user ID and password. Click Login.
- (iv) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (v) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vi) Select “REVEN” of “MEDI-CAPS LIMITED”.
- (vii) Now you are ready for remote e-voting as Cast Vote page opens.
- (viii) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (ix) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (x) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xi) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to csarvindmeena@gmail.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM

REVEN (Remote E Voting Event Number)	USER ID	PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

NOTE: Shareholders who forgot the User Details/Password can use “Forgot User Details/Password ” or “Physical User Reset Password ” option available on www.evoting.nsdl.com

V In case shareholders are holding shares in demat mode, USER-ID is the combination of (DPID + ClientID).

VI. In case Shareholders are holding shares in physical mode, USER-ID is the combination of (REVEN No+Folio No).

- VII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VIII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 21st September, 2017.
- IX. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 21st September, 2017 for eligible of the Notice and the Annual Report, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.
- X. However, a member is already registered with NSDL for remote e-voting then, he can use his existing user ID and password for casting his vote. If a member forgot his password, he can reset his password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII CS Arvind Kumar Meena, Practicing Company Secretary (ACS No. 41713 CP No. 15510) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting by use “Ballot Paper” or “Poling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility. However, no remote e-voting facility shall be made available at the venue of the AGM.
- XV The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XIV The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.medicaps.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

EXPLANATORY STATEMENT IN TERMS OF SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO. 3:-

The existing Auditors, M/s C.P. Rawka & Co., Chartered Accountants, (F.R.No. 000518C) who were appointed for a term of three years at the Annual General Meeting of the Company held on 27th September, 2014 is eligible to hold office till the conclusion of the ensuing Annual General Meeting, pursuant to section 139 and other applicable provisions, as may be applicable of the Companies Act, 2013 read with Rule 33 of Companies (Audit and Auditors) Rules, your company is required to rotate the statutory auditors on completion of the maximum term permitted under the said section.

The Audit Committee and the Board has proposed the appointment of M/s Rawka & Associates, Chartered Accountant (FRN 021606C) as the Statutory Auditors of the company to hold office for a term of 5 consecutive year from the conclusion of the 34th Annual General Meeting to be held on 28th September, 2017 till the conclusion of the 39th Annual General Meeting to be held in the year 2022 subject to the ratification of their appointment at every AGM.

None of the Directors or Key Managerial Personnel (KMP) or their relatives are, concerned or interested financially or otherwise in the proposed Resolution.

The Board recommends to pass necessary resolution as set out in the Item No. 3 of the notice as an Ordinary Resolution.

ITEM No. 4 & 6:

Based on recommendation of the Nomination and Remuneration Committee, Mrs. Manisha Garg (DIN 01006545) was appointed as an Additional Director on the Board with effect from 11th November, 2016 to hold office upto the date of ensuing Annual General Meeting.

The Company has received a notice pursuant to section 160 of the Companies Act, 2013 (the Act) with the amount of requisite deposit from a member signifying their intention to propose the appointment of Mrs. Manisha Garg as a director of the Company along with her consent to act as a director

Further that based on recommendation of the Nomination and Remuneration Committee at their meeting held on 11th November, 2016, Mrs. Manisha Garg (DIN 01006545) was appointed as a Whole-time Director for a period of three years from 11th November, 2016 subject to confirmation by the members in ensuing General Meeting.

She is responsible for managing, strategic and operational responsibility for the entire portfolio of the Company's offerings.

She has completed her Graduate in Bachelor of Commerce in marketing field and has over 2½ year of experience in marketing and Corporate Affairs. She has wide knowledge of marketing in pharmaceutical industry and Market Development and Relationship Management.

The Remuneration and other terms and condition of appointment of Mrs. Manisha Garg is set out in the resolution which is subject to your approval and which is in conformity of relevant provisions, rules and regulation of Companies Act, 2013.

Necessary relevant documents are available at the registered office of the Company for inspection during the normal business hours till the conclusion of the Annual General Meeting.

The Resolution as set out in item No. 4 and 6 of this notice is accordingly commended for your approval.

Mrs. Manisha Garg may be deemed financially interested to the extent of remuneration as may be drawn by her and Mr. Ramesh Chandra Mittal, Mr. Alok K. Garg and Mrs. Kusum Mittal being her relatives may be considered interested otherwise. Except that none of the other directors or Key Managerial Personnel (KMP) or their relatives are concerned or interested in the Resolutions.

Mrs. Manisha Garg is holding only 100 Equity Shares in the Company.

ITEM No.5:

Based on recommendation of the Nomination and Remuneration Committee, Mr. Ashok Omprakash Agrawal (DIN 07870578) was appointed as an additional director in the category of Independent Director by the Board with effect from 25th July, 2017 to hold office up to the date of Annual General Meeting.

The Company has received a notice pursuant to section 160 of the Companies Act, 2013 (the Act) with the amount of requisite deposit from a member signifying their intention to propose the appointment of Mr. Ashok Omprakash Agrawal as a director of the Company along with his consent to act as a director

Mr. Agrawal fulfills the conditions of the independency and has given a declaration as required under section 149(6) of the Act and in the opinion of the Board he meets the criteria of Independency.

Necessary relevant documents are available at the register office of the Company for inspection during the normal business hours till the conclusion of the Annual General Meeting.

The Resolution as set out in item No. 5 of this notice is accordingly commended for your approval.

Except Mr. Ashok Omprakash Agrawal, being appointee may be deemed financially interested to the extent of the fee for attending the meetings as may be drawn by him, none of the other directors or Key Managerial Personnel (KMP) or their relatives are concerned or interested in the Resolutions.

Mr. Agrawal does not hold any Equity Shares in the Company.

ITEM NO. 7

As per the provisions of section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him/her/them by post or by registered post or by courier or by delivering to his/her office or any other address or by such electronic mode as may be prescribed.

Further the section provides that a member may request for delivering of any document through a particular mode, for which the member shall pay such fee in advance as may be determine by the Company in its Annual General Meeting.

Accordingly the Board of Directors and/or Key Managerial Personnel of the Company or their relatives is /are in any way concerned or interested, whether financially or otherwise, in this resolution.

The proposed resolutions do not relate to or affect any other Company.

The Resolution as set out in item No. 7 of this Notice is accordingly commended for your approval.

ITEM No. 8

As required under section 94 of the Companies Act, 2013 certain documents such as register of members, Index of Members and certain other registers, certificates, documents etc., are required to be kept at the registered office of the Company, however all this documents may also be kept any other place in India in which more than more than One Tenth of the Total Number of members reside, if approved by the special resolution passed by the members in the General Meeting of the Company.

According to the above provision the approval of the members is to be sought for keeping the aforementioned registers and documents specified in the resolution mentioned in Item No. 8 at the office of the Registrar and transfer agent of the Company (RTA), Ankit Consultancy Private Limited, Plot No. 60 Electronic Complex, Pardeshipura, Indore, 452010 (M.P.) in Indore City.

A copy of proposed Resolution is being forwarded in advance to the Registrar of Companies, Gwalior Madhya Pradesh, as required under section 94 of the Companies Act, 2013 and rules made there under for the purpose.

None of the Directors and Key Managerial Person of the Company and/or their relative may be deemed to be concerned or interested in the said resolution.

The Resolution as set out in item No. 8 of this Notice is accordingly commended for your approval.

By Orders of the Board

Place: Pithampur

Date: 25th July, 2017

Nupur Lodwal
Company Secretary
ACS 45770

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-PPPOINTMENT IN THE ENSUING ANNUAL GENERAL MEETING.

Name of Directors	Mr. Ramesh Chandra Mittal(Chairman)	Mrs. Manisha Garg (Whole -time Director- Woman)	Mr. Ashok Omprakash Agrawal (Independent Director)
DIN	00035272	01006545	07870578
Date of Birth	16/06/1947	15/09/1971	16/07/1960
Date of Appointment	06/08/1983	11/11/2016	25/07/2017
Expertise/Experience in specific functional areas	Having wide experience of more than 40 years in the field of pharma industry and real estates.	2½ year experience in the Managing Corporate Affairs of the Company	He is an energetic, focused and organized personality and having vast experience of business and administration. He is Past Honorary Joint Secretary of AIMP (Association of Industries of M.P.)
Qualification	B. Pharma	B.Com (Marketing)	B.Com
No. & % of Equity Shares held	3166320(25.39%)	100 (0.00%)	0 (0.00%)

List of outside Company's directorship or Designated Partner in LLPs held	1. Trapti Investments LLP 2. Medicaps Finance LLP 3. Taurus Dwellers LLP 4. Saffron Realities LLP 5. Medpak India Limited 6. Crystal Devcons P.Ltd. 7. Kusum Devcon (Indore) Pvt. Ltd. (Formerly known as Diatonic Developers Pvt. Ltd.) 8. North Rajasthan Holdings Pvt. Ltd. 9. Geet Dwellers Pvt. Ltd. (Formerly known as Medicaps IT Park Pvt. Ltd.) 10. Medgel Pvt. Ltd.	1. Medpak India Ltd. 2. Medgel Pvt. Ltd	-
Chairman / Member of the Committees of the Board of Directors of the Company	Member of Risk Management Committee	-	-
Chairman / Member of the Committees of the Board Directors of other Companies in which she is director	-	-	-
Inter-se relations with other directors	Relative of Mr. Alok K. Garg, Mrs. Kusum Mittal and Mrs. Manisha Garg	Relative of Mr. Alok K. Garg, Mrs. Kusum Mittal and Mr. Ramesh Chandra Mittal	-

ROUTE MAP



BOARD'S REPORT

To,
The Members
Medi-Caps Limited
Your directors present 34th Annual Report of Medi-Caps Limited together with the Standalone and Consolidated Audited Financial Statements for the year ended 31st March, 2017
The Consolidated performance of the Company and its subsidiary has been referred to wherever required.

FINANCIAL RESULTS

The following table shows the operational results of the company for the financial year 2016-17 as compared to that of the previous year.

(Rs. In Lakhs)

Particulars	Consolidated		Standalone	
	2016-17	2015-16	2016-17	2015-16
Revenue from operation	4479.80	4363.83	2332.56	2548.27
Other income (net)	126.64	1.38	56.44	1.30
Total Income	4606.44	4365.21	2389.00	2549.57
Profit before Depreciation, finance cost and tax	354.35	325.47	187.68	207.25
Depreciation & Amortization expenses	180.89	180.42	36.64	32.99
Finance Cost	1.34	2.69	0	0
Profit before tax (PBT)	172.13	142.36	151.04	174.26
Tax expenses	35.33	55.98	35.33	55.98
Profit for the year	136.80	86.38	115.71	118.28
Earning per share				
Basic & Diluted	1.10	0.69	0.93	0.95

Financial Performance and the State of Company Affair.

- On a consolidated basis, the revenue from operations for FY 2016-17 is ` 4479.80 Lakhs which is higher by 2.66% over the last year (` 4363.83 Lakhs in previous FY 2015-16).
- On Standalone basis, the revenue from operations for FY 2016-17 at ` 2332.56 Lakhs is declined by 8.46% over the last year (` 2548.27 Lakhs in previous FY 2015-16).
- Consolidated profit after tax for the year is ` 136.80 Lakhs, registering a growth of 58.37% over the Profit after tax of ` 86.38 Lakhs in previous FY 2015-16.
- Standalone profit after tax for the year is ` 115.71 which is decreased by 2.17% as compared to the previous year (` 118.28 Lakhs in previous FY 2015-16.)

CHANGE IN THE NATURE OF BUSINESS.

The Company engaged in the activity of manufacturing of empty hard gelatine Capsules, Halal gelatine Capsules, liquid fills capsules and various range of empty capsules. There is no change in the business of your company during the financial year.

DIVIDEND

In view of inadequate profits and due to requirement of the long term financial resources your directors propose to utilize the profits generated during the financial year in line of business activities and do not recommend any dividend for the year 2016-17 (previous year : Nil)

SHARE CAPITAL

The paid-up Share Capital as on 31st March, 2017 was Rs. 1246.99 lakhs divided into 124.69 lakhs equity shares of Rs. 10/- each. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

TRANSFER TO RESERVES

During the year under review your company has not transferred any amount to any type of reserves. (Previous Year: Nil)

FINANCE (CASH AND CASH EQUIVALENT)

Cash and cash equivalent as at 31st March, 2017 was Rs. 197.19 Lakhs (Previous year Rs. 103.02 Lakhs). The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

DEPOSITS

The Company has not accepted any deposit from the public falling within the ambit of section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and there were no remaining unclaimed deposits as on 31st March, 2017. Further that there was no contravention of the provisions of the Chapter V of the Companies Act, 2013 and the Rules made there under.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has made investment, provided loans and security and given guarantees pursuant to section 186 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 as details given hereunder:

(Rs. in Lakhs)

Name of the company	Nature of Transactions	Investment made/ Guarantee/Loans	Opening Balance as on	Transactions made during the	Closing Balance as on
		Provided	01/04/2016	year	31/03/2017
Medgel Private Limited.	Wholly Owned Subsidiary	Investment Made	3312.34	970.01	4282.35
		Guarantee Security provided	200.00	0.00	200.00
Medi-Caps Finance LLP	Partners Capital Non- Current	Investment Made	2.18	0.00	2.18
Endolabs Ltd.	Non- Current	Investment Made	10.70	(10.70)*	0.00
Natural Capsules Ltd.	Non- Current	Investment Made	00.01	0.00	00.01
Jord Engineers India Ltd.	Non- Current	Investment Made	21.41	(21.41)*	0.00
Bharti Healthcare Ltd.	Non- Current	Investment Made	0.02	(0.02)*	0.00
Mutual Funds	Current	Investment Made	276.10	229.02	505.12

* the aforesaid investments were written off as there is no trading on the shares at the floor of the stock exchange and the book value of the shares are negative, therefore, for impairment of assets, the same has been write off.

The Company has given advance against salary or otherwise to employees of the Company as per the terms of appointment and the Company’s policy on which no interest was charged.

NON -APPLICABILITY OF CSR PROVISIONS:

In view of the paid-up capital, profits and turnover, your company does not fall under the provisions of the section 135 of the Companies Act, 2013 and the rules made their under.

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

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (‘Act’) and Rules made there under, your company has constituted Internal Complaints Committees (ICC). Statement showing the number of complaints filed during the financial year and the number of complaints pending as on the end of the financial year is shown as under: -

Category	No. of complaints pending at the beginning of F.Y. 2016 -17	No. of complaints filed during the F.Y. 2016-17	No. of complaints pending as at the end of F.Y. 2016-17
Sexual Harassment	Nil	Nil	Nil

Since, there is no complaint received during the year which is appreciable as the management of the company endeavor efforts to provide safe environment for the female employees of the company.

STATEMENT FOR RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY:

The Company is engaged in the business of manufacturing of Hard Gelatin Capsule Shell and is associated with the normal business risk as well as the imbalance of demand- supply of products in the Domestic and in International Market. Further pharmaceutical industry has always been under intense scrutiny by various regulatory authorities, both Indian and international. This trend continues resulting in regulatory standards being upgraded all the time. Further it is close to two years since the new pricing regulation was enacted in the Indian market. Over the last one year. Since the pricing regulatory authorities are reviewing the existing pricing mechanism and are considering expanding the scope, the threat of future decline in price remains.

Other than this, the Government policy, local area authority, Taxation policy, fluctuations in foreign currency rates may adversely affect the profitability of the Company subject to various process and clearance, payment of compensations, etc as may be decided by the concerning state government.

ADEQUACY OF INTERNAL FINANCIAL CONTROL & ITS EFFECTIVENESS:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

Based on the report of internal audit, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company has a Vigil Mechanism named Vigil Mechanism/Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The details of the Vigil Mechanism Policy is explained in the Corporate Governance Report as well as annexed to the Board Report as “Annexure A” and also posted on the website of the Company at www.medicaps.com.

SUBSIDIARIES AND JOINT VENTURES:

The Particulars of the 100% Wholly Owned Subsidiary Company Medgel Private Limited continuing having status of the same is given as required under section 129(3) of the Act, read with the Companies (Accounts) Rules, 2014 in the **Form AOC-1** as containing part of the Annual report annexed as “Annexure B”.

Further, the Company does not have any associate or joint venture company at the beginning or closing or any time during the year 2016-17.

There are no companies which become/ceased to be subsidiaries, JVs or Associate during the year of your Company.

In accordance with third proviso of section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone basis and the consolidated financial statements has been placed on the website of the Company, www.medicaps.com. Further, as per fourth proviso of the said section, audited annual accounts of the subsidiary company have also been placed on the website of the Company, www.medicaps.com. The consolidated financial statement of the company is also annexed as containing part of the annual report.

BOARD OF DIRECTORS, KMPs & THEIR BOARD MEETINGS

Constitution of the Board

The Board of directors are comprising of total **8 (Eight)** Directors, which includes **4 (Four)** Independent and **2 (Two)** Women Director. The Chairman of the Board is promoter and Non-executive. The Board members are highly qualified with the varied experience in the relevant field of the business activities of the Company which plays significant roles for the business policy and decision making process and provide guidance to the executive management to discharge their functions effectively.

Board Independence

Our definition of ‘Independence’ of Directors or Regulation is derived from Regulation 16 of SEBI (LODR) Regulations, 2015 and section 149(6) of the Companies Act, 2013. The Company is having following Independent Directors;

1. Dr. Shamsheer Singh
2. Mr. Pramod Fatehpuria
3. Mr. Mahesh Kumar Patni
4. Dr. Keshav Singh Varma (Ceased w.e.f. 28th April, 2017)
5. Mr. Ashok Omprakash Agrawal (Appointed w.e.f. 25th July, 2017)

As per provisions of the Companies Act, 2013, Independent Directors were appointed for a term of 5 (five) consecutive years, but shall be eligible for re-appointment on passing of a special resolution by the Company and shall not be liable to retire by rotation.

During the year, Dr. Keshav Singh Varma (DIN: 01490522) Independent Director has resigned from the Board w.e.f. 28th April, 2017 due to his pre- occupation and Mr. Ashok Omprakash Agrawal (DIN: 07870578) has been appointed as an additional director under the category of Independent Director for a term of 5 years w.e.f. 25th July, 2017 subject to the confirmation of his appointment at the ensuing Annual General Meeting.

Declaration by Independent Directors

All Independent Directors have given their declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and SEBI (LODR), Regulations 2015. In the Opinion of the Board, all the Independent Directors fulfil the criteria of independency as prescribed under the Companies Act and SEBI (LODR), Regulations 2015.

Directors seeking appointment and re-appointment at the ensuing Annual General Meeting

In accordance with the provisions of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Ramesh Chandra Mittal (DIN - 00035272) Director and Chairman is liable to retire by rotation and is eligible for re-appointment.

Further, that your Board has appointed Mrs. Manisha Garg (DIN - 01006545) as an Additional Director under the category of Promoter Executive Director and further designated as the Whole-time Director w.e.f. 11th November, 2016 and Mr. Ashok Omprakash Agrawal (DIN - 07870578) as the Additional Director in the capacity of Independent Director of the company w.e.f. 25th July, 2017 to hold the office upto the ensuing Annual General Meeting. Your Board has placed this agenda in the Notice of the Annual General Meeting to confirm their appointment as the Director.

Cessation of Director

During the year, Mrs. Trapti Vikas Gupta has resigned from the Board of Directors w.e.f. 11th November. 2016 and Dr. Keshav Singh Varma has resigned from the Board w.e.f. 28th April, 2017 due to their pre-occupation. Your Board place on record their sincere thanks for the valuable services rendered by them in the capacity of directors of the Company.

Key Managerial Personnel

Mr. Alok K. Garg, Managing Director; Mrs. Kusum Mittal and Mrs. Manisha Garg, Whole-time Directors, Mr. Manish Kumar Jain, Chief Financial Officer and CS Nupur Lodwal, Company Secretary & Compliance Officer have been categorized as the Key Managerial Personnel within the meaning of section 203 of the Companies Act, 2013. There is no change in the Key Managerial Personnel during the year 2016-17 except the following: -

- 1) Mr. Ramesh Chandra Mittal has resigned from the office of the Managing Director w.e.f. 26th July, 2016 and is continuing in the Board as the Non- Executive Director and Chairman of the board.
- 2) CS Rajat Gupta has resigned from the post of Company Secretary and Compliance Officer w.e.f. 11th November 2016 and CS Nupur Lodwal, was appointed as the Company Secretary and Compliance Officer w.e.f. 11th November, 2016 and designated as the Key Managerial Personnel.
- 3) Mr. Alok K. Garg has been re-designated as the Managing Director of the company w.e.f. 11th August, 2016 for his remaining term which will be ending on 31st March 2019.
- 4) Mrs. Manisha Garg was appointed as the Whole-time director of the Company w.e.f. 11th November, 2016.

Number of Meetings of the Board

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board business. However, in case of a special and urgent business need, the Board’s approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board Meeting.

The Notice of Board meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in Pithampur, at the Registered Office of the Company. The Agenda of the Board/Committee meetings are circulated at least a week prior to the date of the meeting. The Agenda for the Board and Committee meetings include detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the year 2016-17 Four (4) Board Meetings were held on 27th May, 2016, 11th August, 2016, 11th November, 2016 and 09th February, 2017.

The maximum interval between any two meetings did not exceed 120 days. The detail of Board Meetings, Committee Meetings held and number of meeting attended by each Director and members according to Secretarial Standards are given in Corporate Governance Report annexed with this Annual Report.

Company’s policy on Director’s, KMPs appointment and remuneration including criteria for determining Qualification, Attributes, Independence,etc.

The Policy of the Company on Directors’ appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178, is annexed with the Report as “Annexure C” and the same has uploaded on companies website www.medicaps.com.

Formal Annual Board Evaluation and Familiarization Programme

The Board has carried out the Formal Annual evaluation of its own performance, Board Committees and Individual Director pursuant to the provision of the Companies Act, 2013 and regulation 17 of SEBI (LODR) Regulations, 2015.

The detail and manner in which the evaluation has been carried out has been provided in the Corporate Governance Report.

The details of programme for familiarization of Independent Directors of Your Company is available on your Company’s website www.medicaps.com.

DIRECTORS’ RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual financial statements for the year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in Note-1 of the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws and that systems were in place and were adequate and operating effectively.

COMMITTEES OF THE BOARD

During the year, in accordance with the Companies Act, 2013, and other applicable Acts the Board has the following **5 (five)** Committees as follows:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Stakeholders’ Relationship Committee
- (d) Risk management Committee
- (e) Internal Committee for Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 redressal of complaint at the workplace

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the “Report on Corporate Governance”, a part of this Annual Report.

RELATED PARTY TRANSACTIONS.

All Related Party Transactions (RPT) that were entered into during the Financial Year 2016-17 were on Arm’s Length Basis and were in the Ordinary Course of business. No materially significant RPT made by the Company with promoters, directors, key managerial personnel or their relatives or subsidiary or any other Group Concerns which may have a potential conflict with the interest of the Company at large.

All RPT were approved by the Audit Committee by Omnibus approval or otherwise as the case may and the Board. The RPT entered into by the company are audited. The Company has developed a RPT policy, Standard Operating Procedures for purpose of identification and monitoring of such transactions.

The policy of RPT as approved by the Board is available on the Company's website www.medicaps.com. The company has done RPT in the ordinary course of business and which are on Arms' Length Basis and which are not materials in nature and hence the requirement of Form AOC-2 is not applicable on the company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

AUDITORS, THEIR REPORT AND COMMENTS BY THE MANAGEMENT:

Statutory Auditors Report and appointment of the statutory auditors

Your Board of directors takes pleasure in stating that no such observation has been made by the Auditors in their report which needs any further explanation by the Board.

The existing auditors, M/s C.P. Rawka & Co., Chartered Accountants, who were appointed for a term of 3 (three) years at the Annual General Meeting of the Company held on 27th September, 2014 shall hold the office till the ensuing Annual General Meeting. Pursuant to section 139 and other applicable provisions of the Companies Act, 2013 read with Rule 33 of Companies (Audit and Auditors) Rules, it is mandatory to rotate the existing statutory auditors on completion of the maximum term permitted under the said section.

The Audit Committee and the Board at their meeting held on 25th July, 2017 has recommended the appointment of M/s Rawka & Associates, Chartered Accountant (FRN 021606C) as the Statutory Auditors of the company. Auditors if appointed will hold office for a period of 5 (Five) consecutive year from the conclusion of 34th Annual General Meeting of the company scheduled to be held on 28th September, 2017 till the conclusion of the 39th Annual General Meeting to be held in the year 2022 subject to the ratification of their appointment at every AGM if required.

Secretarial Audit

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Ishan Jain & Co., Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report for the year 2016-17 is annexed herewith as "**Annexure D**".

There is no qualification, reservation or adverse remark or disclaimer in Secretarial Audit report except the following:-

- (a) *Some forms were filed by the Company after the prescribed time along with the adequate additional filing fee and this has reported as compliance by reference of payment of additional fees;*

Management Comment/Explanations:

There was some delay in filing of the particulars forms and has already complied with the same and has paid additional filing fee as prescribed. Therefore, there is no default as such.

- (b) *There are 3 (Three) Charges which were satisfied long back but no evidence for the satisfaction were produced before us and reflecting in the Index of Charges at the portal of MCA whereas 2 (Two) charges which were satisfied but still appearing on the portal of the MCA in the Index of Charges which needs correction in the index of charges;*

Management Comment/Explanations:

One Charge of IDBI Bank Ltd. of Rs. 115 lakhs and the other one of AKVN amounting to Rs.90 lakhs has also satisfied but it still appear on MCA, we are in process for rectifying the same, for other three charges, the Company is in continuous follow up with the bank since the charge is satisfied by the company long back and the Company and Bank is in searching for old documents and will proceed further for removing the charge from MCA Portal.

Cost Auditor and their report

In view of the orders issued by the Cost Audit Branch of the MCA, the Company is not falling under the purview of the requirement for Cost Records and its audit during the year 2016-17.

DISCLOSURE FOR FRAUDS AGAINST THE COMPANY:

In terms of the provisions of section 134(3) (ca) of the Companies Act, 2013, there were no fraud committed against the Company and any person which are reportable under section 141(12) by the Auditors to the Central Government as well as non reportable frauds during the year 2016-17.

CORPORATE GOVERNANCE:

Pursuant to SEBI (LODR) Regulations, 2015, a separate report titled 'Corporate Governance' has been attached in this Annual Report.

All Board members and senior management personnel have affirmed compliance with the Code of Conduct for the year 2016-17. A declaration to this effect signed by the Chairman is contained in this Annual Report.

The Managing Director and CFO have certified to the Board with regard to the financial statements and other matters as required under regulation 17(8) of the SEBI Listing Regulations, 2015. Certificate from Auditors of the company regarding compliance of conditions of corporate governance is annexed to this Report as "**Annexure-E**".

Mr.Alok K. Garg, Managing Director and Mr. Manish Kumar Jain, Chief Financial Officer have certified that the financial statements and other matters as required under regulation 17(8), read with Part B of Schedule II of

the SEBI Listing Regulations, 2015 are duly complied with. A copy of the certificate on the financial statements for the financial year ended 31st March, 2017 is annexed along with this Report as “**Annexure F**”.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and analysis report for the year under review, as stipulated under SEBI (LODR) Regulation, 2015 is present in a separate section forming part of the annual report.

CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements of the Company prepared in accordance with relevant Accounting Standards (AS) viz. AS 21, AS 23 and AS 27 issued by the ICAI forming part of this Annual Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule, 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as “**Annexure-G**”.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRING AFTER BALANCE SHEET DATE:

There have been no material changes and commitments, if any, affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in form MGT-9 for the year ended 31st March, 2017 is annexed herewith as “**Annexure H**”.

RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE’S REMUNERATION AND PARTICULARS OF EMPLOYEES

Pursuant to provision of section 197(12) of Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the details of Top 10 employees given in the “**Annexure I**”

During the year, none of the employees received remuneration in excess of Rs. 102.00 Lakhs or more per annum. In accordance with the provisions of Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Therefore, there is no information to disclose in terms of the provisions of the Companies Act, 2013.

CODE OF CONDUCT:

Regulation 17(5) of the SEBI (LODR) Regulations, 2015 requires listed companies to lay down a Code of Conduct for its directors and senior management, incorporating duties of directors as laid down in the Companies Act, 2013. The Company has adopted Code of Conduct for all Directors and Senior Management of the Company and the same has been hosted on the website of the company www.medicaps.com. All Directors and Senior Management personnel have affirmed compliance with the new Code for 2016-17. A declaration to this effect signed by the Managing Director is given in this Annual Report. A certificate to that effect for the proper compliances given by the Managing Director is annexed as the “**Annexure J**” with this Report.

PREVENTION OF INSIDER TRADING

In view of the SEBI (Prohibition of Insider Trading) Regulation, 2015 the Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company.

The Code requires Trading Plan, pre-clearance for dealing in the Company’s shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

APPLICABILITY OF THE IND -AS

Rule 4(1)(iii)(a) of the Companies (Indian Accounting Standards) Rules, 2015 notified vide Notification No.G.S.R.111(E) on 16th February, 2015, provides that if the company is a listed company or having a networth of less than Rs. 500 Crore then Company is required to comply with the Indian Accounting Standards (Ind AS) w.e.f. 01st April, 2017. Therefore, Ind AS has been applicable on the company w.e.f. 01st April, 2017.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their gratitude to various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board

Place: Pithampur
Date: 25th July, 2017

Ramesh Chandra Mittal
Chairman
DIN 00035272

Whistle Blower/Vigil Mechanism Policy

Preface

- 1.1 The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior.
- 1.2 This policy is formulated to provide employee an avenue to lodge Complaints, in line with the commitment of Company to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication. To provide necessary safeguards for protection of employees from reprisals or victimization, for whistle-blowing in good faith.
- 1.3 Regulation 22 of the SEBI (LODR), Regulations 2015 (“SEBI Listing Regulations”), provides, to establish a mechanism called “Whistle Blower/Vigil Mechanism Policy” for directors and employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company’s code of conduct.
- 1.4 The purpose of this policy is to provide a framework to protect employees wishing to raise a concern about serious irregularities within the Company.

2. Definitions

- 2.1 “Medi-Caps” means Medi-Caps Limited.
- 2.2 “Audit Committee” means the Audit Committee of the Board constituted by the Board of Directors of Medi-Caps in accordance with provisions of section 177(1) of Companies Act, 2013 read with SEBI (LODR) Regulations, 2015.
- 2.3 “Competent Authority” means the Dr. Shamsher Singh, Independent Director of Medi-Caps Limited and will include any person(s) to whom he may delegate any of his powers as the Competent Authority under this policy from time to time. In case of conflict of interest (WTD being the subject person), Competent Authority means Chairman of the Audit Committee.
- 2.4 “Dedicated Confidential Section” means any Section/Department of the Company which is decided by the Competent Authority from time to time for maintaining the records as per the Whistle Blower/Vigil Mechanism Policy.
- 2.5 “Disciplinary Action” means any action that can be taken on completion of/during the investigation proceedings by the Competent Authority as he/she deems fit considering the gravity of the matter.
- 2.6 “Employees” mean the entire permanent employees which are working in Medi-Caps Limited.
- 2.7 “Improper Activity” means unethical behavior, actual or suspected fraud, embezzlement etc., violation of the Company’s general guidelines on conduct, moral turpitude, unlawful conduct etc. by an employee of Medi-Caps Limited.
- 2.8 “Investigators” means those persons authorized, appointed, consulted or approached by the Competent Authority in connection with conducting investigation into a protected disclosure.
- 2.9 “Protected Disclosure” means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- 2.10 “Subject” means a person against or in relation to whom a protected disclosure is made or evidence gathered during the course of an investigation.
- 2.11 “Whistle Blower” means an Employee or Director making a Protected Disclosure under this policy.

3. Scope

Whistle Blower/Vigil Mechanism Policy shall be applicable for all permanent employees and to all the Directors of the Company.

4. Interpretation

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 and/or SEBI Act and/or any other SEBI Regulation(s) as amended from time to time.

5. Guiding Principles

- 5.1 Protected disclosures shall be acted upon in a time bound manner.
- 5.2 Complete confidentiality of the Whistle Blower will be maintained.
- 5.3 The Whistle Blower and/or person(s) processing the protected Disclosure will not be subjected to victimization.
- 5.4 Evidence of the Protected Disclosure will not be concealed and appropriate action including disciplinary action will be taken in case of attempts to conceal or destroy evidence.
- 5.5 “Subject” of the Protected Disclosure i.e. Employee against or in relation to whom a protected disclosure has been made, will be provided an opportunity of being heard.
- 5.6 The Whistle Blower should bring to attention of the Competent Authority at the earliest any improper activity or practice. Although they are not required to provide proof, they must have sufficient cause for concern.
- 5.7 The Whistle Blower shall co-operate with investigating authorities, maintaining full confidentiality.

6. Whistle Blower – Role & Protections

Role:

- 6.1 The whistle Blower’s role is that a reporting party with reliable information.
- 6.2 The Whistle Blower is not required or expected to conduct any investigations on his own.
- 6.3 The Whistle Blower may also be associated with the investigations, if the case so warrants. However, he/she shall not have a right to participate.

- 6.4 Protected Disclosure will be appropriately dealt with by the Competent Authority.
- 6.5 The Whistle Blower shall have a right to be informed of the disposition of his disclosure except for overriding legal or other reasons.

Protections:

- 6.6 No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blower.
- 6.7 Complete protection will, therefore, be given to Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behavior or the like including any direct or indirect use of authority to obstruct the Whistle Blower’s right to continue to perform his duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.
- 6.8 If the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.
- 6.9 The identity of the Whistle Blower shall be kept confidential.
- 6.10 Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

7. Procedures – Essential and Handling Procedure Disclosure

- 7.1 The Protected Disclosure/Complaint should be attached to a letter bearing the identity of the Whistle blower/complaint i.e. his/her Name, Employee Code and Location and should be inserted in an envelope which should be closed/secured/sealed. The envelope thus secured/sealed should be addressed to the Competent Authority and should be super scribed “Protected Disclosure”. (If the envelope is not super scribed and closed/sealed/ secured, it will not be possible to provide protection to the whistle blower as specified under this policy).
- 7.2 If the Whistle Blower believes that there is a conflict of interest between the Competent Authority and the Whistle Blower, he/she may send his/her protected disclosure directly to the Chairman of the Audit Committee, Medi-Caps Limited.
- 7.3 Anonymous or pseudonymous Protected Disclosure shall not be entertained.
- 7.4 Protected Disclosure should either be typed or written in legible hand writing in English, Hindi or Regional language of the place of employment of the Whistle blower, should provide a clear understanding of the improper activity involved or issue/concern raised. The reporting should be factual and not speculative in nature. It must contain as much relevant information as possible to allow for preliminary review and proper assessment.
- 7.5 Investigations into any improper activity which is subject matter of an inquiry or order under the Commission of Inquiry Act, 1952 will not come under the purview of this policy.
- 7.6 The contact details of the Competent Authority for addressing and sending the Protected Disclosure is as follows:

Dr. Shamsher Singh, Independent Director

Competent Authority

Whistle Blower/Vigil Mechanism

Medi Caps Limited

Mhow - Neemuch Road, Sector – I Pithampur-454775 Distt.Dhar (M.P.)

- 7.7 The Contact details for addressing protected disclosures to the Chairman, Audit Committee are as follows:

Chairman, Audit Committee,

Whistle Blower/Vigil Mechanism

Medi-Caps Limited

Mhow - Neemuch Road, Sector – I Pithampur

In addition to above, the exact address shall be displayed prominently on the notice Board of all locations.

- 7.8 The Competent Authority shall mark the envelope containing the Protected Disclosure to a dedicated Confidential Section, which shall maintain a record thereof.
- 7.9 The Competent Authority shall weed out frivolous complaints after a preliminary enquiry by the Confidential Section. The Competent Authority based on the recommendations of the Confidential Section and depending upon the merit of the case shall forward the Complaint to the investigator(s) nominated for this purpose without disclosing the identity of the Whistle Blower.

8. Investigations and Role of Investigators

Investigation:

- 8.1 Investigation shall be launched if the Competent Authority is satisfied after preliminary review that:
 - a) The alleged act constitutes an improper or unethical activity or conduct; and
 - b) The allegation is supported by information and specific enough to be investigated or in cases where the allegation is not supported by specific information; it is felt that the concerned matter deserves investigation.
- 8.2 The decision taken by the Competent Authority to conduct an investigation is by itself not to be construed as an accusation (ilzam) and is to be treated as a neutral fact finding process.

- 8.3 The identity of the subject(s) and the Whistle Blower will be kept confidential.
- 8.4 Subject(s) will normally be informed of the allegations at the commencement of a formal investigation and will be given opportunities for providing their inputs during the investigation.
- 8.5 Subject(s) shall have a duty to co-operate with the Investigator(s) during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- 8.6 Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, threatened or intimidated by the subject(s).
- 8.7 Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrong doing against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- 8.8 The investigation shall be completed normally within 60 days of the date of receipt of the protected disclosure or such extended period as the Competent Authority may permit for reasons to be recorded.
- 8.9 Subject(s) have a right to be informed of the outcome of the investigation.

Role of Investigator(s)

- 8.10 Investigators(s) are required to conduct a process towards fact finding and analysis. Investigator(s) shall derive their authority from Competent Authority when acting within the course and scope of their investigation. The Investigator(s) shall submit his/their report to the Competent Authority.
- 8.11 All Investigators shall perform their role in an independent and unbiased manner; Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviors and observance of professional standards.
- 8.12 All Investigators are authorized to take reasonable steps including reprimand against the Whistle blower in case of repeated frivolous complaints.

9. Action

- 9.1 The competent authority shall take such other remedial action as deemed fit to remedy the improper activity mentioned in the protected disclosure and/or to prevent the re-occurrence of such improper activity.
- 9.2 If the investigation discloses that no further action on the protected disclosure is warranted, the report shall be filed in the confidential section.

10. Reporting & Review

The competent Authority shall submit a quarterly report of the protected disclosures, received and of the investigation conducted and of the action taken to the Audit Committee for review.

11. Notification

All departmental heads are required to notify & communicate the existence and contents of this policy to the employees of their department. The Whistle Blower policy shall be prominently displayed on all Notice Boards of the Company, This policy, including amendments thereof shall be made available on Company's website and Board Report of the Company.

12. Annual Affirmation

The Company shall annually affirm that it has not denied any personnel access to the Audit Committee and that it has provided protection to whistle blower from adverse personnel action. The affirmation shall form part of Corporate Governance report as attached to the Annual Report of the Company.

13. Amendment

This Policy can be modified at any time by the board of directors of the Company.

“Annexure B”

Form AOC-I

(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.)

S. No.	Name of Subsidiary	Medgel Private Limited
1	The date since when Subsidiary was acquired	01.04.2011
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as of Holding Company
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR
4	Paid up Share capital	14,68,19,530
5	Reserves & surplus	22,71,58,462
6	Total assets	40,04,98,963
7	Total Liabilities	40,04,98,963
8	Investments	1,36,23,769
9	Turnover	21,28,10,641
10	Profit/(Loss) before taxation	21,08,312
11	Provision for taxation	0
12	Profit after taxation	21,08,312

13	Proposed Dividend	0
14	% of shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year: Nil

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S.No.	Name of Associate/Joint Ventures	N.A.
1	Latest Audited Balance Sheet Date	
2	Date on which the Associate or Joint Venture was associated or acquired	
3	Shares of Associate or Joint Ventures held by the Company on the year end	
	Number	
	Amount of Investment in Associates/ Joint Venture	
	Extend of Holding in %	
4	Description of how there is significant influence	
5	Reason why the Associate/ Joint Venture is not consolidated	
6	Net worth attributable to Shareholding as per latest audited Balance Sheet	
7	Profit / Loss for the year	
	(i) Considered in Consolidation	-
	(ii) Not Considered in Consolidation	

- Names of associates or joint ventures which are yet to commence operations: Nil
- Names of associates or joint ventures which have been liquidated or sold during the year: Nil

As per our report of even date,

M/s C.P. Rawka & Co.

Chartered Accountants
Firm Reg. No.: -000518C

C.P. Rawka

Proprietor
M.N. 070060
Place: Indore
Date: 25 July, 2017

Ramesh Chandra Mittal
Chairman
DIN: 00035272

Manish Jain
C.F.O

For and on behalf of the board,

Alok K Garg
Managing Director
DIN: 00274321

Nupur Lodwal
Company Secretary
M.No:A45770

“Annexure C”

POLICY FOR APPOINTMENT OF DIRECTORS AND CRITERIA FOR DETERMINING THE QUALIFICATIONS, POSITIVE ATTITUDE AND INDEPENDENCY OF A DIRECTOR.

1. INTRODUCTION

The Company recognised that an enlightened Board can effectively create a culture of leadership to provide long term vision, improve the quality of governance and invite the confidence of stakeholders. In order to ensure that Board of Directors can discharge their duties and responsibilities effectively, the Company aims to have an optimum combination of experience and commitment. The Company also believes the importance of Independent Directors and Directors in achieving the effectiveness of the Board.

2. SCOPE AND EXCLUSION

The policy contains the guiding principle for the Nomination and Remuneration Committee to identify the person who is qualified to become Director and to determine the independency of Directors in case of appointment of Independent Director in the Company.

3. DEFINITION

In this Policy following terms has been used to convey the meaning set out below.

- Director – Means a Director appointed in the Board of the Company.
- Independent Director – Means a Director who meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and SEBI (Listing obligation and disclosure requirements) Regulations, 2015.
- Nomination and Remuneration Committee- Means a committee constituted in terms of provisions of section 178 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

4. QUALIFICATION AND CRITERIA

The Nomination and Remuneration Committee shall review on an annual basis the appropriate knowledge, experience and skills required of the Board as a whole and its individual members to discharge duties and responsibilities effectively. The idea to have a Board with diverse background and experience that is required for the domestic and international business of the Company. The following criteria may be considered for evaluating the suitability of an individual in the Board.

5. ELIGIBILITY

The proposed appointee shall not be convicted of any offence in connection with promotion, formation or management of any company and have not found guilty of any fraud of any breach of duty to any company

under this Act or under any previous company law in the last five years. The proposed appointee to declare further that if appointed, his/her total Directorship in all the companies taken together shall not exceed the prescribed number of companies for which a person can be appointed as a Director under Companies Act, 2013.

6. NUMBER OF DIRECTORSHIP/COMMITTEE MEMBERSHIP

The proposed appointee shall not exceed the prescribed number of companies for which a person can be appointed as a Director. However, the proposed appointee shall not serve as an Independent Director more than 7 Companies and not more than 3 listed Companies in case he/she is serving as a whole- time Director in any Listed Company. The Proposed appointee shall not be a member in more than 10 Committees or act as a Chairman of more than 5 committee across all companies where he holds directorships. For the purpose of counting the Limit of Committee, the Audit Committee and Stakeholder Relationship Committee shall be taken into consideration.

CRITERIA OF SELECTION OF NON EXECUTIVE DIRECTORS

- a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, engineering, medical science finance, governance and general management.
- b. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- c. The N&R Committee shall consider the following attributes/criteria, whilst recommending to the Board the candidature for appointment as Director.
 - Qualification, expertise and experience of the Directors in their respective fields;
 - Personal, Professional or business standing;
 - Diversity of the Board.
- d. In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

CRITERIA FOR APPOINTMENT OF EXECUTIVE, WHOLE- TIME DIRECTORS ON THE BOARD:

For the purpose of selection of the MD and WTD the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

CRITERIA FOR DETERMINING INDEPENDENCY OF DIRECTORS:

The Nomination and Remuneration Committee shall assess Independency of a Director at the time of appointment and re-appointment and Board shall assess independency annually. However, the Board shall re-assess the independency when a new interest is disclosed by a Director. The criteria of independency as specified in Companies Act, 2013 and SEBI (Listing obligation and disclosure requirements) Regulations, 2015 is summarised below:-

"Independent Director" means a non-executive director, other than a nominee director of the listed entity:

1. who, in the opinion of the board of directors, is a person of integrity and possesses relevant expertise and experience;
2. who is or was not a promoter of the listed entity or its holding, subsidiary or associate company;
3. who is not related to promoters or directors in the listed entity, its holding, subsidiary or associate company;
4. who, apart from receiving director's remuneration, has or had no material pecuniary relationship with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
5. none of whose relatives has or had pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
6. who, neither himself, nor whose relative(s) —
 - holds or has held the position of a key managerial personnel or is or has been an employee of the listed entity or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
 - a firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate company; or
 - any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - holds together with his relatives two per cent or more of the total voting power of the listed entity; or
 - is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts or corpus from the listed entity, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the listed entity;
 - is a material supplier, service provider or customer or a lessor or lessee of the listed entity;
7. who is not less than 21 years of age.

CRITERIA FOR POSITIVE ATTITUDE

The Nomination and Remuneration Committee shall consider the following criteria for determining the positive attitude of a Director.

1. Acts objectively and constructively while discharging duties and responsibilities.
2. Actively participate in developing strategies for addressing issues concerning weakness of the Company.
3. Demonstrates quality of analysis and judgment related to progresses and opportunities and need for changes.
4. Keep well informed about the Company and the external environment in which it operates.
5. To act collectively with other Directors of Board amidst congenial atmosphere in the Board.

“Annexure D”

**Form MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Medi-Caps Limited
Mhow-Neemuch Road,
Sector 1 Pithampur
District Dhar (M.P.)-454775

Dear Sir/s,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **Medi-Caps Limited** (hereinafter called **“the Company”**). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the **Financial Year ended 31ST March, 2017**(1STApril, 2016 to 31ST March, 2017), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31ST March, 2017, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit Period);
- (v) (i) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): —
 - (a) The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011;
 - (b) The SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (ii) Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) were not applicable to the Company under the financial year under report: -
 - (a) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (b) The SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (c) The SEBI (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) The SEBI (Delisting of Equity Shares) Regulations, 2009; and
 - (e) The SEBI (Buyback of Securities) Regulations, 1998

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in **Annexure I**.

Further, the Company is having business of manufacturing, distribution and selling of Hard Shell of Gelatine Capsules.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013; and
- (ii) The SEBI (LODR) Regulations, 2015

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

- (c) *Some forms were filed by the Company after the prescribed time along with the adequate additional filing fee and this has reported as compliance by reference of payment of additional fees;*
- (d) *There are 3 (Three) Charges which were satisfied long back but no evidence for the satisfaction were produced before us and reflecting in the Index of Charges at the portal of MCA whereas 2 (Two) charges which were satisfied but still appearing on the portal of the MCA in the Index of Charges which needs correction in the index of charges.*

We 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, however, in some cases adequate acknowledgment receipt thereof was not produced before us for verification for the Board/Committee Meetings. Detailed Agenda were sent at least seven days in advance, along with the respective notices 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

Based on the records and process explained to us for compliances under the provisions of other specific acts applicable to the Company, we 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.

We further report that the compliance by the Company for the applicable Financial Laws like Direct Taxes, Indirect Taxes and the compliance of the Accounting Standards, Disclosure of quarterly financial results under Regulation 33 of the SEBI (LODR) Regulations, 2015 and the annual financial statements along with notes attached therewith, and the Cost Record has not been reviewed, since the same have been subject to the statutory auditor or by other designated professionals. Therefore, we do not offer any comment. This report is to be read with our letter of even date which is annexed as **Annexure II** and forms an integral part of this report.

We further report that during the audit period of the Company, there was no specific events/action having a major bearing on the Company's affairs in pursuant of the above referred laws, rules, regulations, guidelines, standards etc. referred to above. However, the Company has made further investment in 3927125 shares for the investments value of Rs. 970.00 Lakhs in the Wholly Owned Subsidiary Company Medgel Pvt. Ltd.

For, ISHAN JAIN & CO.

COMPANY SECRETARIES

CS ISHAN JAIN

PROPRIETOR

ACS 29444

CP 13032

Place: Indore

Date: 15th July, 2017

Annexure - I to the Secretarial Audit Report

List of specific/other laws generally applicable to the Company

1. The Pharmacy Act, 1948;
2. Drugs and Cosmetics Act, 1940;
3. Factories Act, 1948;
4. Industries (Development & Regulation) Act, 1951
5. Standard Weight and Measurement Act, 1976
6. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on it payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
7. Acts prescribed under prevention and control of Pollution;
8. Acts prescribed under Environmental protection;
9. Acts as prescribed under Direct Tax and Indirect Taxation
10. Labour Welfare laws of the Madhya Pradesh.
11. Local laws as applicable to the registered office and plant at Madhya Pradesh.

For, ISHAN JAIN & CO.

COMPANY SECRETARIES

CS ISHAN JAIN

PROPRIETOR

ACS 29444; CP 13032

Place: Indore; Date: 15th July, 2017

Annexure - II to the Secretarial Audit Report

To,
The Members,
Medi-Caps Ltd.
Mhow-Neemuch Road,
Sector 1 Pithampur
District Dhar (M.P.)-454775

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of treatment of various tax liabilities and payment thereof, compliance of the applicable accounting standards, financial records and Books of Accounts of the company as the same is subject to the statutory audit being performed by the independent auditors.
4. Wherever required, we have obtained the Management representation and also relied 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, guidelines, standards etc., are the responsibility of management. Our 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.
7. We do not take any responsibility for any person if taking any commercial, financial or investment decision based on our secretarial audit report as aforesaid and they needs to take independent advise or decision as per their own satisfaction.

For, ISHAN JAIN & CO.
COMPANY SECRETARIES
CS ISHAN JAIN
PROPRIETOR
ACS 29444; CP 13032
Place: Indore;
Date: 15th July, 2017

“Annexure E”

Corporate Governance Certificate by the Auditors

To,
The Members,
Medi-Caps Limited
Mhow-Neemuch Road,
Sector 1 Pithampur
District Dhar (M.P.)-454775

We have examined the compliance of conditions of Corporate Governance by Medi-Caps Limited. for the year ended 31st March, 2017 as stipulated in Regulation 27 of SEBI (LODR) Regulations, 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the directors and management, we certify that the company has complied with the conditions of Corporate Governance applicable as aforesaid.

As required by the Guidance Note issued by the ICAI, on the basis of information and explanations given to us, we have to state that no investor grievances were pending for a period of one month.

We further state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted its affairs.

FOR, C.P.RAWKA & CO.
CHARTERED ACCOUNTANTS

Place: Pithampur
Date: 25th July, 2017

C.P. RAWKA
PROPRIETOR
M.NO.070060

MD / CFO CERTIFICATION

To,

The Board of Directors
Medi-Caps Limited

- (A) We have reviewed the Financial Statements, Cash Flow Statements, Books of Accounts, detailed trial balance and grouping thereof for the Financial Year 2016-17 and that to the best of our knowledge and belief:
- a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
 - c) no transactions entered by the Company during the year which are fraudulent, illegal or violate the Company’s code of conduct.
- (B) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (C) We have indicated to the auditors and the Audit committee:
- a) significant changes in internal control over financial reporting during the Financial Year 2016-17
 - b) significant changes in accounting policies during the period and that the same have been disclosed in the notes of the financial statements; and
 - c) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company’s internal control system over financial reporting.

Place: Pithampur
Date: 25th July, 2017

For, Medi-Caps Limited

Alok K. Garg
Managing Director
DIN00274321

Manish Kumar Jain
Chief Financial Officer

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Section 134(3) (m) of The Companies Act, 2013 read with Rule 8(3) of the (Companies Accounts) Rules, 2014]

S.No.	Particulars		
(A)	Conservation of energy		
(i)	the steps taken or impact on conservation of energy;	Company uses DG sets	
(ii)	the steps taken by the company for utilising alternate sources of energy;	DG sets	
(iii)	the capital investment on energy conservation equipments	Nil	
(B)	Technology absorption		
(i)	the efforts made towards technology absorption	Regularly modifying the machinery to utilize latest technology	
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Saving of Energy, Increase production and quality improvement	
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year	NA	
	(a) the details of technology imported	NA	
	(b) the year of import	NA	
	(c) whether the technology been fully absorbed	NA	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NA	
(iv)	the expenditure incurred on Research and Development	NA	
(C)	Foreign exchange earnings and Outgo		
S. No.	Particulars	2016-17	2015-16
(i)	The Foreign Exchange earned in terms of actual inflows during the year;	109.08 Lakhs	143.39 Lakhs
(ii)	and the Foreign Exchange outgo during the year in terms of actual outflows.	303.15 Lakhs	11.95 Lakhs

“Annexure H”

**EXTRACT OF ANNUAL RETURN-FORM MGT-9
AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017**

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

I. REGISTRATION AND OTHER DETAILS

CIN	L24232MP1983PLC002231
Registration Date	06/08/1983
Name of the Company	MEDI-CAPS LIMITED
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details	Mhow Neemuch Road, Sector-1, Pithampur, Dhar (M.P.) 454775, Phone: 07292-424242 Email: investors@medi-caps.com
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Ankit Consultancy Pvt. Ltd. Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) 452001, 0731-2551745, ankit_4321@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Empty Hard Gelatin Capsules (Manufacture of allopathic pharmaceutical preparations)	24232	100

III. Name and Address of the Holding, Subsidiary and Associate Companies:

Name and address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Medgel Private Limited	U24239MP2007PTC019204	Subsidiary Company	100%	2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as % of the total Equity)

i) Category-wise Shareholding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
A. Promoters									
(1) Indian									
a) Individual / HUF	5944804	-	5944804	47.67	5944804	-	5944804	47.67	0.00
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate/LLP	307128	-	307128	2.46	307128	-	307128	2.46	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	6251932	-	6251932	50.14	6251932	-	6251932	50.14	0.00
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = (A)(1) + (A)(2)	6251932	-	6251932	50.14	6251932	-	6251932	50.14	0.00
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	-	1200	1200	0.01	-	1200	1200	0.01	0.00
b) Banks / FI	-	32800	32800	0.26	-	32800	32800	0.26	0.00
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture	-	-	-	-	-	-	-	-	-

Capital Funds									
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	-	34000	34000	0.27	-	34000	34000	0.27	0.00
(2) Non-Institutions									
a) Bodies Corporate/LLP									
i) Indian	336666	12600	349266	2.80	367384	12600	379984	3.05	0.25
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Share holders holding nominal share capital upto Rs.1 lakh	2844708	513812	3358520	26.93	2627857	505612	3133469	25.13	(1.80)
ii) Individual Share holders holding nominal share capital in excess of Rs.1 lakh	2299830	22800	2322630	18.63	2505906	22800	2528706	20.28	1.64
c) Others specify)									
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
ii) Other Foreign Nationals	-	-	-	-	-	-	-	-	-
iii) Foreign Bodies	-	-	-	-	-	-	-	-	-
iv) NRI / OCBs	122849	25680	148529	1.19	107420	25680	133100	1.07	(0.12)
v) Clearing Members /Clearing House	5079	0	5079	0.04	8765	0	8765	0.07	0.03
vi) Trusts	-	-	-	-	-	-	-	-	-
vii) Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-
viii) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2):	5609132	574892	6184024	49.59	5617332	566692	6184024	49.59	0
Total Public Share holding (B)=(B)(1)+ (B)(2)	5609132	608892	6218024	49.86	5617332	600692	6218024	49.86	0
Grand Total (A+B)	11861064	608892	12469956	100.00	11869264	600692	12469956	100.0	0

ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
Mr. Ramesh Chandra Mittal	3166320	25.39	-	3166320	25.39	-	-
Mrs. Kusum Mittal	2700136	21.65	-	2700136	21.65	-	-
Trapti Investment Pvt. Ltd.	307128	2.46	-	307128	2.46	-	-
Mr. Alok K Garg	69600	0.56	-	69600	0.56	-	-
Mrs. Gitika Agrawal	400	0.00	-	400	0.00	-	-
Mrs. Manisha Garg	100	0.00	-	100	0.00	-	-
Mr. Anantram Daudayal Mittal	6172	0.05	-	6172	0.05	-	-
Mr. Nirmala Anantram Mittal	2076	0.02	-	2076	0.02	-	-
Total	6251932	50.14	-	6251932	50.14	-	-

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

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	6251932	50.14		
Datewise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): No change	-	-		
At the end of the year			6251932	50.14

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year		Changes during the year					Reason
	No. of Shares	% of total shares of the Co.	No. of Shares	% of total shares of the Co.	Date	No. shares before Change	No. shares After Change	Increase	Decrease	
Subramanian P.	234790	1.88	605050	4.85	08/07/16	235690	237490	1800	-	Acquired
					22/07/16	237490	241360	3870	-	Acquired
					29/07/16	241360	244690	3330	-	Acquired
					05/08/16	244690	245590	900	-	Acquired
					19/08/16	245590	246490	900	-	Acquired
					26/08/16	246490	249550	3060	-	Acquired
					02/09/16	249550	250000	450	-	Acquired
					07/10/16	250000	250900	900	-	Acquired
					14/10/16	250900	592590	3416990	-	Acquired
					21/10/16	592590	593490	900	-	Acquired
					28/10/16	593490	595290	1800	-	Acquired
					04/11/16	595290	601750	6460	-	Acquired
					23/12/16	601750	602850	1100	-	Acquired
					06/01/17	602850	604050	1200	-	Acquired
Sangeetha S	214450	1.72	Not in the list		03/02/17	604050	605050	1000	-	Acquired
					15/04/17	218649	220549	1900	-	Acquired
					06/05/16	220549	221449	900	-	Acquired
					13.05.16	221449	223450	2001	-	Acquired
					20/05/16	223450	224405	955	-	Acquired
					03/06/16	224405	225790	1385	-	Acquired
					10/06/16	225790	228490	2700	-	Acquired
					17/06/16	228490	233940	5450	-	Acquired
					24/06/16	233940	235690	1750	-	Acquired
					30/06/16	235690	237490	1800	-	Acquired
					15/07/16	237490	239290	1800	-	Acquired
					22/07/16	239290	241528	2238	-	Acquired
					29/07/16	241528	245590	4062	-	Acquired
					19/08/16	245590	246490	900	-	Acquired
26/08/16	246490	247390	900	-	Acquired					
02/09/16	247390	248643	1253	-	Acquired					
09/09/16	248643	250000	1357	-	Acquired					
14/10/16	250000	27075	-	222925	Disposed					
Vijit Ramavat	207000	1.66	207000	1.66	-	-	-	-	-	-
Mahendra Girdharilal	199717	1.60	103420	0.83	22/07/16	199717	186316	-	13401	Disposed
					29/07/16	186316	183116	-	3200	Disposed
					05/08/16	183116	176678	-	6438	Disposed
					11/11/16	176678	144000	-	32678	Disposed
					02/12/16	144000	140905	-	3095	Disposed
					09/12/16	140905	139451	-	1454	Disposed
					16/12/16	139451	136391	-	3060	Disposed
					23/12/16	136391	135975	-	416	Disposed
					31/12/16	135975	130704	-	5271	Disposed
					06/01/17	130704	119046	-	11658	Disposed
					20/01/17	119046	115459	-	3587	Disposed
					10/03/17	115459	103420	-	12039	Disposed
					Rajshri Tarunkumar Shah	148517	1.19	108517	0.87	10/03/17
17/03/17	128517	108517	-	20000						Disposed
Babalbhai Manilal Patel	108060	0.87	79660	0.64	10/06/16	106060	107060	1000	-	Acquired
					17/06/16	107060	107570	510	-	Acquired
					24/06/16	107570	102200	-	5370	Disposed
					08/07/16	102200	101060	-	1140	Disposed
					30/09/16	101060	106060	5000	-	Acquired
					07/10/16	106060	101060	-	5000	Disposed
					14/10/16	101060	99060	-	2000	Disposed
					04/11/16	99060	97060	-	2000	Disposed
					11/11/16	97060	92060	-	5000	Disposed
					18/11/16	92060	87060	-	5000	Disposed
					02/12/16	87060	88410	-	1350	Disposed
					31/12/16	88410	85160	-	3250	Disposed
					10/02/17	85160	83160	-	2000	Disposed
					17/02/17	83160	84160	-	1000	Disposed
					24/02/17	84160	81160	-	3000	Disposed
17/03/17	81160	79660	-	1500	Disposed					
Rakhee Agarwal	90000	0.72	Not in the list		09/09/16	90000	79080	-	10920	Disposed
					23/09/16	79080	50000	-	29080	Disposed
Shekhar R Athalye	85832	0.69	85832	0.69	-	-	-	-	-	-

Shri Parasram Holdings Pvt.Ltd.	75956	0.61	101801	0.82	15/04/16	75956	75931	-	25	Disposed
					17/06/16	75931	76731	800	-	Acquired
					24/06/16	76731	76931	200	-	Acquired
					08/07/16	76931	75931	-	1000	Disposed
					12/08/16	75931	76931	1000	-	Acquired
					19/08/16	76931	77931	1000	-	Acquired
					26/08/16	77931	78010	79	-	Acquired
					02/09/16	78010	79010	1000	-	Acquired
					09/09/16	79010	81010	2000	-	Acquired
					16/09/16	81010	83010	2000	-	Acquired
					23/09/16	83010	83410	400	-	Acquired
					30/09/16	83410	83610	200	-	Acquired
					07/10/16	83610	84081	471	-	Acquired
					14/10/16	84081	84171	90	-	Acquired
					21/10/16	84171	85171	1000	-	Acquired
					28/10/16	85171	85161	-	10	Disposed
					04/11/16	85161	85661	500	-	Acquired
					11/11/16	85661	84661	-	1000	Disposed
					18/11/16	84661	85661	1000	-	Acquired
					09/12/16	85661	85796	135	-	Acquired
					31/12/16	85796	86746	950	-	Acquired
					06/01/16	86746	85596	-	1150	Disposed
					10/02/17	85596	86696	1100	-	Acquired
17/02/17	86696	88083	1387	-	Acquired					
03/03/17	88083	89623	1540	-	Acquired					
10/03/17	89623	92573	-	2950	Disposed					
17/03/17	92573	98236	5663	-	Acquired					
24/03/17	98236	101736	3500	-	Acquired					
31/03/17	101736	101801	65	-	Acquired					
Rama Sen	52800	0.42	Not in the list		22/04/16	52800	-	-	-	-
Vinay Kumar	Not in the list		56728	0.45	29/04/16	56728	58478	1750	-	Acquired
					13/05/16	58478	58503	25	-	Acquired
					27/05/16	53540	58503	4963	-	Acquired
					03/06/16	58503	55500	-	3003	Disposed
					17/06/16	55500	57420	1920	-	Acquired
					24/06/16	57420	60000	2580	-	Acquired
					08/07/16	60000	60600	600	-	Acquired
					22/07/16	60600	55000	-	5000	Disposed
Sathya S. Mahalingam	Not in the list	0	Not in the list	-	05/08/16	55690	68290	12600	-	Acquired
					12/08/16	68290	72070	3780	-	Acquired
					26/08/16	72070	72790	720	-	Acquired
					09/09/16	72790	83590	10800	-	Acquired
					23/09/16	83590	91690	8100	-	Acquired
Amit Chander	Not in the list	0	83450	0.67	10/03/17	61933	83450	21517	-	Acquired
Vijit Assets Management Pvt. Ltd.	Not in the list	0	113700	0.91	06/01/17	55476	75326	19850	-	Acquired
					20/01/17	75326	80826	5500	-	Acquired
					03/02/17	80826	82211	1385	-	Acquired
					24/03/17	82211	113700	31489	-	Acquired
Deepak Shah	Not in the list	0	132000	1.06	17/03/17	121769	130000	8231	-	Acquired
					24/03/17	130000	132000	2000	-	Acquired

Note: The above changes are based on weekly report received from Registrar and Transfer Agent.

v) Shareholding of Directors and Key Managerial Personnel

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Mr. Ramesh Chandra Mittal, Chairman & Director				
At the beginning of the year	3166320	25.39		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year			3166320	25.39
Mrs. Kusum Mittal, (Whole-time Director)				
At the beginning of the year	2700136	21.65		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year			2700136	21.65
Mr. Alok K Garg, (Managing Director)				

At the beginning of the year	69600	0.56		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year			69600	0.56
Mrs. Manisha Garg (Whole Time Director)				
At the beginning of the year	100	0		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
<i>* Appointed at the Board meeting as additional Director w.e.f. 11.11.2016.</i>				
At the end of the year			100	0
Dr. Shamsher Singh, (Independent Director)				
At the beginning of the year	-	-		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year			-	-
Dr. Keshav Singh Verma, (Independent Director)				
At the beginning of the year	-	-		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
<i>* Resigned from the post of Independent Director w.e.f 28.04.2017</i>				
At the end of the year			-	-
Mr. Mahesh Kumar Patni, (Independent Director)				
At the beginning of the year	-	-		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
<i>* Appointed as an Independent Director w.e.f 27.05.2016.</i>				
At the end of the year			-	-
Mr. Pramod Fatehpuria, (Independent Director)				
At the beginning of the year	-	-		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year			-	-
Mrs. Trapfi Vikas Gupta (Non-Executive Director)				
At the beginning of the year	-	-		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
<i>* Resigned from the Directorship w.e.f. 11.11.2016.</i>				
At the end of the year			-	-
CS Rajat Gupta, (Company Secretary)				
At the beginning of the year	-	-		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
<i>* Resigned from the Post of Company Secretary w.e.f. 11.11.2016.</i>				
At the end of the year			-	-
CS Nupur Lodwal, (Company Secretary)				
At the beginning of the year	-	-		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-

<i>* Appointed as a Company Secretary w.e.f. 11.11.2016.</i>				
At the end of the year			-	-
Mr. Manish Jain, CFO				
At the beginning of the year		-	-	
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):		-	-	-
At the end of the year			-	-
Mr. Shashi Kant Sharma				
At the beginning of the year	2200	0.02	-	-
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):		-	-	-
<i>*Resigned from the Post of Independent Director w.e.f. 12.04.2016.</i>				
At the end of the year	-	-	2200	0.02

V. INDEBTNESS

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

(Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTOR AND KMP

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

S.No.	Particular of Remuneration	Mr. Ramesh Chandra Mittal (Chairman & Director)*	Mr. Alok K. Garg (MD)	Mrs. Kusum Mittal (WTD)	Mrs. Manisha Garg (WTD)**
1	Gross Salary	10,00,000	30,00,000	18,00,000	5,00,000
	(a) Salary as per provisions contained u/s 17(1) of the ITAct,				
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961				
	(c) Profits in lieu of salary u/s 17(3) Income Tax Act, 1961				
2	Stock Options	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	- Others, specify....	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	10,00,000	30,00,000	18,00,000	5,00,000
	Ceiling as per Schedule V of the CA 2013	14,00,000	42,00,000	42,00,000	15,75,000

*Remuneration has given to Mr. Ramesh Chandra Mittal is up to July 2016.

**Remuneration has given to Mrs. Manisha Garg from 11th November, 2016 i.e. effective date of appointment.

B. Remuneration to other Directors:

1. Independent Directors: No remuneration was paid to independent directors

S.No.	Particular of Remuneration	Dr. Shamsher Singh	Mr. Shashikant Sharma*	Dr. Keshav Singh Varma*	Mr. Mahesh Kumar Patni*	Mr. Pramod Fatehpuria	Total
1	-Fee for attending Board/Committee Meetings	-	-	-	-	-	

2	-Commission	-	-	-	-	-
3	- Others, please specify	-	-	-	-	-
	Total B.1	-	-	-	-	-

*Mr. Shashikant Sharma has resigned from the post of Independent Director w.e.f 12.04.2016

*Dr. Keshav Singh Varma has resigned from the post of Independent Director w.e.f. 28.04.2017

*Mr. Mahesh Kumar Patni has appointed as an Independent Director w.e.f 27.05.2016

2. Other Non Executive Directors: No remuneration was paid to non executive directors

S.No.	Particular of Remuneration	Mrs. Trapti Vikas Gupta	*Mr. Ramesh Chandra Mittal (from 26 th July, 2016)	Total
1	-Fee for attending Board/Committee Meetings	-	-	-
2	-Commission	-	-	-
3	- Others, please specify	-	-	-
	Total B.2	0	0	0
	Total (B1+B2)	0	0	0
	Total Managerial Remuneration	0	0	0
	Overall Ceiling as per the Act	0	0	0

* Designated as the Chairman Non-Executive Promoter Director w.e.f. 26th July, 2016.

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

S. No.	Particular of Remuneration	Mr. Rajat Gupta CS	Ms. Nupur Lodwal CS	Mr. Manish Jain CFO	Total
1	Gross Salary	172812	100,000	256800	529612
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961				
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	0	0	0	0
2	Stock Options	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	- Others, specify....	0	0	0	0
5	Others, please specify	0	0	0	0
	Total C	172812	1,00,000	256800	529612

VII. PENALTY/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	AUTHORITY [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTOR					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICER IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board

Place: Pithampur
Date: 25th July, 2017

Ramesh Chandra Mittal
Chairman
DIN 00035272

Particulars of Employees

[As per section 197(12) read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. Ratio and remuneration of Directors & KMPs

S. No	Name	Designation	Remuneration For the year 2016-17	Remuneration for the year 2015-16 (Rs.)	Increase In Remuneration %	Ratio Between Director or KMP and Median Employee
1	Mr. Ramesh Chandra Mittal	Chairman	10,00,000	30,00,000	0	24.81
2	Mrs. Kusum Mittal	WTD	18,00,000	18,00,000	0	12.40
3	Mr. Alok K. Garg	MD	30,00,000	30,00,000	0	24.81
4	Dr. Shamsher Singh	ID	0	0	0	NA
6	Mrs. Trapti Vikas Gupta #	NED/Women	0	0	0	NA
7	Mr. Pramod Fatehpuria	Independent Director	0	0	0	NA
8	Mrs. Manisha Garg ##	WTD	5,00,000	0	0	9.92
9	Dr. Keshav Singh Varma###	ID	0	0	0	NA
10	Mr. Manish Kumar Jain (W.e.f. 1/04/15)	CFO	2,59,200	2,40,000	8.00%	2.14
11	CS Rajat Gupta (W.e.f. 01/04/15)	Company Secretary	1,72,800	2,52,000	0	2.14
12	CS Nupur Lodwal (W.e.f. 11/11/16)	Company Secretary	1,00,000	0	0	1.98

#Mrs. Trapti Vikas Gupta has resigned from the post of Non- Executive Director w.e.f. 11.11.2016

##Mrs. Manisha Garg has appointed as Whole Time Director w.e.f. 11.11.2016

###Dr. Keshav Singh Varma has resigned from the post of Independent Director w.e.f. 28.04.2017

2. Increase in percentage of Median employees:

The remuneration of median employee was Rs.10078.5 p.m. (Rs. 120936 p.a) during the year 2016-17 as compared to Rs. 7,550 p.m. (Rs. 90600 p.a.) in the previous year, increased by 33.49% considering profitability of the Company.

3. Number of permanent employees on the Roll.

During the Financial year the total number of employees on the roll was 193.

4. Comparison between Share quotation and last public offer

Price quotation on 31 st March, 2017 (31.03.2017)	Last Right issue offer in the year 1995	Change in % (Increase or Decrease)
110.40	Rs. 10.00 (Premium of Rs 116/-)	(-) Rs. 15.60 (Decrease 12.70)

* the Company has made bonus issue in the year 2013 in the proportion of three equity shares of Rs. 10/- for every one equity shares held by the members, therefore the change in the price quotation have been readjusted accordingly as Rs. 110.40 per share multiplying by 4 to the market quotation of Rs. 27.60 per shares on 31.03.2017.

5. Particulars of the top 10 employees in respect of the remuneration drawn during the year 2016-17 are as under.

S. No.	Name of Employee	Designation of the employee	Remuneration received	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the company	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	Remarks
1	Mr. Ramesh Chandra Mittal#	Chairman & Director	Rs. 10,00,000/-	Non Contractual	B.Pharm and having 39 Years of experience in the manufacturing and business activities	06.08.83	69 Years	N.A	1. Husband of Mrs. Kusum Mittal. 2. Father-in-law of Mr. Alok K Garg 3. Father of Mrs. Manisha Garg	-
2	Mr. Alok K Garg	Managing Director	Rs. 30,00,000/-	Non Contractual	B.A. (Honors), MBA (Marketing), Diploma in Export Documentation & Implementation from IIFT, Delhi More than 15 years experience	11.06.96	48 Years	N.A	1. Son- in law of Mr. Ramesh Chandra Mittal & Mrs. Kusum Mittal 2. Husband of Mrs. Manisha Garg.	-
3	Mrs. Kusum Mittal	Whole-Time Director	Rs. 18,00,000/-	Non Contractual	B. A Having experience in the Real Estate, investments	01.11.10	66 Years	N.A	1. Wife of Mr. Ramesh Chandra Mittal 2. Mother-in-law of Mr. Alok K Garg	-

					and finance					3. Mother of Mrs. Manisha Garg	
4	Mrs. Manisha Garg	Whole Time Director	Rs. 12,00,000/-	Non Contractual	Diploma in Marketing 2.5 year	11.11.16	45 Years	N.A		1. Wife of Mr. Alok K Garg 2. Daughter of Mr.. Ramesh Chandra Mittal & Mrs. Kusum Mittal	-
5	Dr. Rajendra Kumar Sharma	Vice-President	Rs. 9,60,000/-	Non Contractual	M.B.A., P.hd LL.B	06.02.87	55 Years	N.A			-
6	Dr. Ashish Moitra	Sr. Marketing Manager	Rs. 8,11,800/-	Non Contractual	M.B.A., P.hd, MIB , 9 years	06.06.08	37 Years	N.A			-
7	Mr. Ashok R. Pitliya	General Manager-Finance	Rs. 8,06,895/-	Non Contractual	M.Com, M.A 33 Year	01.07.85	55 Years	N.A			-
8	Mr. Anurag Dutt	Sr. Account Officer	Rs. 5,11,680/-	Non Contractual	M.Com, MBA 15 Years	01.01.02	45 Years	Aurobindo Medical College			-
9	Mr. Hemchand Jain	Q. A Manager	Rs. 4,22,100/-	Non Contractual	B.E(Mech.) 9 Years	22.09.08	52 Years	N.A			-
10	Mr. Mukesh Sharma	Electrical Manager	Rs. 3,60,000/-	Non Contractual	Diploma in Electricals 14 Years	01.12.03	45 Years	N.A			-

For and on behalf of the Board

Place: Pithampur
Date: 25th July 2017

Ramesh Chandra Mittal
Chairman
DIN 00035272

“Annexure J”

Certificate on Compliance with Code of Conducts

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Business Conduct and Ethics, The Company has formulated the code of conduct for the Board members and senior executives under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011 and the SEBI (Prohibition of Insider Trading) Regulations, 2015.

For and on behalf of the board

Place: Pithampur
Date: 25th July, 2017

Ramesh Chandra Mittal
Chairman
DIN 00035272

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. OVERVIEW OF INDUSTRY

The Indian Pharmaceutical industry has been witnessing phenomenal growth in recent years, driven by rising consumption levels in the country and strong demand from export markets. In the current economic scenario, the Indian Pharmaceuticals market has seen double-digit growth in the last one year; India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level also the government started to encourage the growth of drugs by Indian manufacturing Companies in the early 1960's.

As your company is one of the Company in pharmaceutical industries and continue to fulfilment our commitments to provide modern affordable product to end users, your Company continues to grow in field of nature exciting products with high innovation quotient, preparing like SLS free products, SLS refer to Sodium Lauryl sulfate which is a common irritant that is banned in several countries, such as Japan and also several European Union Countries. Your Company also manufacture preservative free capsules as per the customer requirement.

2. MARKET SIZE AND DEVELOPMENT

Indian pharma industry, which is expected to grow over 15% p.a. between 2015 and 2020, will outperform the global pharma industry, which is set to grow at an annual rate of 5% between the same periods. The market is expected to grow to US\$ 55 billion by 2020. By 2020, India is likely to be among the top three pharmaceutical markets by incremental growth and sixth largest market globally in absolute size.

The Indian pharmaceuticals market increased at a CAGR of 17.46% (approx) in 2017 from US\$ 6 billion in 2005 and is expected to expand at a CAGR of 15.92% to US\$ 55 billion by 2020. India has also maintained its lead over China in pharmaceutical exports with a year-on-year growth of 7.55% to US\$ 12.54 billion, according to data from the Ministry of Commerce and Industry.

Overall drug approvals given by the US Food and Drug Administration (USFDA) to Indian companies have nearly doubled to increase of 84% as per analysis by USFDA.

3. INVESTMENTS

The Union Cabinet has given its approval to amend the existing FDI policy in the pharmaceutical sector in order to cover medical devices. The Cabinet has allowed FDI up to 100% under the automatic route for manufacturing of medical devices subject to specified conditions.

4. OPPORTUNITIES AND THREATS

India with a population of over a billion is a largely untapped market. In fact the penetration of modern medicine is less than 30% in India. To put things in perspective, per capita expenditure on health care in India is US\$ 93 while the same for countries like Brazil is US\$ 453 and Malaysia US\$189. The growth of middle class in the country has resulted in fast changing lifestyles in urban and to some extent rural centers. This opens a huge market for lifestyle drugs, and preparation of pharmaceutical products which has a very low contribution in the Indian markets.

Indian manufacturers are one of the lowest cost producers of drugs in the world. With a scalable labor force, Indian manufactures can produce drugs at 40% to 50% of the cost to the rest of the world. In some cases, this cost is as low as 90%. Indian pharmaceutical industry possess' excellent chemistry and process reengineering skills. This adds to the competitive advantage of the Indian companies. The strength in chemistry skill helps Indian companies to develop processes, which are cost effective.

The global economy continued to grow at a slower pace this lacklustre growth was mainly due to a continued deceleration of economic activity in emerging and developing economies amid weakening commodity prices, global trade and capital flows

5. ECONOMIC SCENARIO AND OUTLOOK

The Indian Pharma Industry is on a good growth path and is likely to be in the top 10 global markets in value term by 2020, according to the PWC – CII report titled "India Pharma Inc: Gearing up for the next level of growth". Today, India is among the top five pharmaceutical emerging markets in the world. The market is expected to grow at a compound annual growth rate (CAGR) of 14-17. Even in the most pessimistic scenario, the sector is expected to be the sixth largest in the world in terms of absolute size by 2020.

The Indian pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of value. Branded generics dominate the pharmaceuticals market, constituting nearly 70 to 80% of the market. India is the largest provider of generic drugs globally with the Indian generics accounting for 20% of global exports in terms of volume.

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level.

Government Initiatives:

The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. The government introduced mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to deal with the issue of affordability and availability of medicines.

Some of the major initiatives taken by the government to promote the pharmaceutical sector in India are as follows:

- Indian Pharmaceutical Association (IPA), the professional association of pharmaceutical companies in India, plans to prepare data integrity guidelines which will help to measure and benchmark the quality of Indian companies with global peers.

- The Government of India plans to incentivise bulk drug manufacturers, including both state-run and private companies, to encourage 'Make in India' programme and reduce dependence on imports of Active Pharmaceutical Ingredients (API), nearly 85 per cent of which come from China.
- The Department of Pharmaceuticals has planned to launch a venture capital fund of Rs 1,000 crore (US\$ 148 million) to support start-ups in the research and development in the pharmaceutical and biotech industry.

6. VOLUME OF MANUFACTURING

Your company is in the manufacturing of the Hard Gelatine Capsules. During the year company has manufactured following quantity.

Particulars	Quantity in Nos. (in Lakhs)	
	2016-17	2015-16
Opening Finished goods available	4482.03	3911.23
Manufactured during the year	28129.85	30863.87
Capsules sold during the year	28339.18	30163.96
Capsules removed for Remelted	37.54	129.11
Closing Finished goods available	4235.16	4482.03

7. SELLING PRICE

Selling price for the year was Rs. 78.98 per thousand capsules as compared to Rs. 82.37 per thousand capsules in the previous year.

8. OCCUPATIONAL HEALTH & SAFETY (OH&S)

This initiative involved and positively engaged all levels of personnel on the plant and the Company's business. With regard to contractor safety, two key areas of focus identified were Facility Management for the contractors' employees and Equipment, Tools & Material Management. The Facility Management initiative was implemented to ensure adequate welfare facilities for contract labour such as washrooms with bathing facilities, rest rooms, availability of drinking water etc. The Equipment, Tools & Material Management program ensured that the tools used by contractors were safe. The process of screening of contractors was made more stringent to ensure that the contractors were aligned with the Company's objectives to ensure 'Zero Harm'.

9. HUMAN RESOURCES

Many initiatives have been taken to support business through organizational efficiency, process change support and various employee engagement programmes which has helped the Organization achieve higher productivity levels. A significant effort has also been undertaken to develop leadership as well as technical/functional capabilities in order to meet future talent requirement.

The Company's HR processes such as hiring and on-boarding, fair transparent online performance evaluation and talent management process, state-of-the-art workmen development process, and market aligned policies have been seen as benchmark practices in the Industry.

During the year under review, the following Human Resources initiatives received greater focus:

Choice of employees: Employees are encouraged to express their views and are empowered to work independently. Employees are given the opportunity to learn through various small projects which make them look at initiatives from different perspectives and thus provide them with a platform to become result oriented. This has helped greatly in overall development of the employee and has significantly arrested the attrition rate.

Leadership Development: As a part of leadership development, talented employees have been seconded to the senior leadership team to mentor them and prepare them for the next higher role.

Industrial Relations: The Company's Industrial Relations policy has been benchmarked by the manufacturing sector. The Company shares relevant business information with the Unions in order to enlighten them and make them sensitive towards business requirements. This has helped to build a healthy relationship and resolve issues through mutual dialogue.

10. ENHANCING SHAREHOLDERS VALUE

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

11. INDUSTRIAL RELATIONS

During the year under review your Company enjoyed cordial relationship with worker and employees at all levels.

12. RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Though it is not possible to completely eliminate various risks associated with the business of the Company, efforts are made to minimize the impact of such risks on the operations of the Company. For this, the Company has established a well-defined process of risk management which includes identification, analysis and assessment of various risks, measurement of probable impact of such risks, formulation of the risk mitigation strategies and implementation of the same so as to minimize the impact of such risks on the operations of the Company. An enterprise wide risk evaluation and validation process is carried out regularly and the review of the risk management policy is also carried out at regular intervals by the Risk Management Committee and the Board of Directors and Financial risk is reviewed by our Audit Committee, so as to ensure that the new risks which might have arisen or the impact of the existing risks which might have increased are identified and a proper strategy is put in place for mitigating such risks.

The Company has put in place various internal controls for different activities so as to minimize the impact of various risks. Also, as mandated by the Companies Act, 2013, the Company has implemented the Internal Financial Control (IFC) framework to ensure proper internal controls over financial reporting. Apart from this, a well-defined system of internal audit is in place so as to independently review and strengthen these internal controls. The Audit Committee of the Company regularly reviews the reports of the internal auditors and recommends actions for further improvement of the internal controls.

13. FINANCIAL PERFORMANCE AND OPERATIONAL PERFORMANCE

Total operating Revenues

The total income from operation in current year 2016-17 is Rs. 2332.56 Lakhs in compare to last year revenue of Rs. 2548.27 Lakhs and total consolidated income from operation is 4479.80 which is grew by 115.97 Lakhs in compare to last year revenue is Rs. 4363.83 Lakhs.

Profits and margins

The EBIDTA (Earnings before Interest, Depreciation, Taxation and Amortization) Rs.187.68 Lakhs from Rs. 207.25 Lakhs last year. The EBIDTA margin is reduced by 0.09% to total income from operations from 8.13% to 8.04%. Net profit during the year is Rs. 115.71 lakhs from Rs.118.28 Lakhs last year. Earnings per share are 0.93.

Net worth

The net worth of the Company for the year end 31st March, 2017 is Rs. 6637.48 Lakhs in compare with the net worth of year ended of 31st March 2016 is Rs. 6553.90 Lakhs, up by 1.27%.

The reserves and surplus of the Company for the Year end 31st March, 2017 is Rs. 5390.49 Lakhs in compare with the reserves and surplus of the year ended 31st March, 2016 is 5306.91 Lakhs up by 1.57%.

Debt

The Company is a Debt free Company and does not carry any types of Debts.

Fixed Assets and Capital Expenditure

Fixed assets of the company having gross block at 31stMarch, 2017 of Rs. 2092.91 Lakhs. In compare to gross block of last year was Rs. 2036.33 having depreciation on gross block for the financial year end 31stMarch, 2017 is Rs. 1705.32 Lakhs in compare to last year was Rs. 1672.78 Lakhs.

During the year company spend Rs. 64,00,000 on purchase of vehicles as capital expenditure.

CORPORATE GOVERNANCE REPORT

(Pursuant to Regulation 34 of the SEBI (LODR) Regulation, 2015)

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Medi-Caps Limited ('Medi-Caps') is committed to the adoption of best governance practices. The company's vision document spells out a direction for the policies and procedures which ensure long term sustainability. Value creation for stakeholders is thus a continuous endeavour at Medi-Caps. Our governance philosophy rests on *five basic tenets*:

- Board accountability to the Company and shareholders;
- Strategic guidance and effective monitoring by the Board;
- Protection of minority interests and rights;
- Equitable treatment of all shareholders; and
- Superior transparency and timely disclosure.

On the same lines the Company has always followed fair business and corporate practices while dealing with the shareholders, employees, customers, creditors, lenders and the society at large.

In harmony with this philosophy, the Company relentlessly strives for excellence by bench marking itself with esteemed companies with good corporate governance. Your company is compliant with all the provisions of SEBI (LODR) Regulations, 2015 and other Laws which are applicable to the Company.

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our plants, transparency in decision making process, fair & ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices being followed since the inception have contributed to the Company's sustained growth. The Company also believes that its operations should ensure that the precious natural resources are utilized in a suitable manner that contributes to the "*Triple Bottom Line*".

The details of compliance are as follows:

The Governance Structure of Medi-Caps

MEDI-CAPS's governance structure is based on the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibility so as to meet the expectation of all the stakeholders. In line with these principles, the Company has formed *three tiers of Corporate Governance structure, viz.:*

(i) The Board of Directors - The primary role of the Board is to protect the interest and enhance value for all the stakeholders. It conducts overall strategic supervision and control by setting the goals & targets, policies, Practices, governance standards, reporting mechanism & accountability and decision making process to be followed.

(ii) Committees of Directors - such as Audit Committee, Nomination & Remuneration Committee, Stake Holder Relationship Committee and Risk Management Committee etc. are focused on financial reporting, audit & internal controls, compliance issues, appointment and remuneration of Directors, Auditors, investor grievance redress and the Risk Management framework.

(iii) Executive Management – The entire business including, production and the support services are managed with clearly demarcated responsibilities and authorities at different levels.

Executive and Managing Director

The Functions of the Company are headed by the Managing Director. The Whole-time directors, Vice – President, CFO, Company Secretary and Compliance officer and the Heads of Manufacturing, Marketing and HR are its other members. All important business issues are discussed and decisions are taken collectively. They review and monitors monthly performances, addresses challenges faced by the business, draws strategies and policies and keep the Board informed about important developments having bearing on the operational and financial performance of the Company. The departmental heads reports to the Managing Director.

The Managing Director is responsible for achieving the Company’s vision and mission, business strategies, project execution, mergers and acquisition, significant policy decisions and all the critical issues having significant business & financial implications. He is also responsible for the overall performance and growth of the Company and ensures implementation of the decisions of the Board of Directors and its various Committees. He reports to the Chairman and Board of Directors.

BOARD OF DIRECTORS

A. Composition of Board

The Board of directors of Medi-Caps consists of an optimum combination of Executive, Non-Executive, Independent and Woman Directors, to ensure the independent functioning of the Board. The composition of the Board also complies with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. at the end of financial year 2016-17, the Board consists total Eight (8) directors, out of which One (1) is non-executive and four (4) are Independent Directors. However, One (1) Independent Director has resigned from the Board w.e.f. 28th April, 2017 and the Company has appointed an Additional Director under the category of Independent Director on place of resigned Director.

The composition of the Board of directors and the number of Board Committee in which they are chairman/member as on 31.03.2017 are as under

Name	Category	No. of Directorship in other Companies	No. of Committee held in Companies	
			Chairman	Member
Mr. Ramesh Chandra Mittal	Promoter & Non Executive Director, Chairman of the Board	6	1	1
Mr. Alok K. Garg	Promoter & Managing Director	3	0	1
Mrs. Kusum Mittal	Promoter & Whole- Time Director	3	0	0
Mrs. Manisha Garg #	Promoter & Whole- Time Director	2	0	0
Dr. Shamsher Singh	Independent & NED	0	3	0
Dr. Keshav Singh Varma##	Independent & NED	0	0	3
Mr. Pramod Fatehpuria	Independent & NED	2	0	0
Mr. Mahesh Kumar Patni	Independent & NED	1	0	3
Mr. Shashikant Sharma###	Independent & NED	0	0	3

Mrs. Manisha Garg has appointed on the Board w.e.f.11 November, 2017.

Dr. Keshav Singh Varma has resigned w.e.f. 28th April, 2017.

###Mr. Shashikant Sharma has resigned w.e.f. 12th April, 2016.

B. Selection and Appointment of Director:

The Board has approved a policy for the Selection, Appointment and Remuneration of Directors and the Nomination & Remuneration Committee followed the same. In line with the said Policy, the Committee facilitates the Board in identification and selection of the Directors who shall be of high integrity with relevant expertise and experience so as to have well diverse Board. The abstract of the said Policy forms part of the Directors’ Report. Directors are appointed or re-appointed with the approval of the shareholders wherever it is required and shall remain in office in accordance with the provisions of the law laid down by the Board from time-to-time. The Managing Director and all the Non-Executive Directors (except Independent Directors) are liable to retire by rotation unless otherwise specifically provided under the Articles of Association or under any statute.

As required under Regulation 46(2)(b) of the Listing Regulations, Medi-Caps has issued formal letters of appointment to the Independent Directors. The terms & conditions of appointment of their appointment and Appointment Letter are posted on the Company’s website and can be accessed at www.medicaps.com.

C. Meetings, agenda and proceedings etc. of the Board Meeting:

The names of the Directors on the Board, Date of Board Meetings, and their record of attendance at Board Meetings held during the financial year 2016-17 and at the last Annual General Meeting, are as follows

4 (Four) Board meetings were held during the financial year 2016-17 on 27th May, 2016, 11th August, 2016, 11th November, 2016 and 9th February, 2017. The gap between two Board meetings were not more than 120 days according to provisions laid down in Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and Secretarial Standards.

Name of Director	No. of Board Meetings entitled to attend during the year	No. of Board Meetings Attended	Attendance at the last AGM held on 29 th September, 2016
Mr. Ramesh Chandra Mittal	4	4	YES
Mr. Alok K. Garg	4	3	YES
Mrs. Kusum Mittal	4	4	YES
Mrs. Trapti VikasGupta#	2	2	NO
Dr. Shamsher Singh	4	3	NO
Mr. Pramod Fatehpuria	4	4	NO
Dr. Keshav Singh Varma###	4	4	YES
Mr. Mahesh Kumar Patni	4	4	YES
Mrs. Manisha Garg####	2	1	N.A.
Mr. Shashikant Sharma#####	-	-	N.A.

#Mrs. TraptiVikas Gupta has resigned w.e.f. 11th November, 2016.

Dr. Keshav Singh Varma has resigned from the Board w.e.f. 28th April 2017.

Mrs. Manisha Garg has appointed on the Board w.e.f. 11th November, 2016.

Mr. Shashikant Sharma has resigned from the Board w.e.f. 12th April, 2016.

D. Disclosure of Relationship between Directors inter-se (as on 31st March, 2017):

Name	Relationship	Name of other Directors in inter-se relationship
Mr. Ramesh Chandra Mittal	Husband	Mrs. Kusum Mittal
	Father	Mrs. Manisha Garg
	Father in Law	Mr. Alok K. Garg
Mr. Alok K. Garg	Husband	Mrs. Manisha Garg
	Son in Law	Mr. Ramesh Chandra Mittal and Mrs. Kusum Mittal
Mrs. Kusum Mittal	Wife	Mr. Ramesh Chandra Mittal
	Mother in law	Mr. Alok K. Garg
	Mother	Mrs. Manisha Garg
Mrs. Manisha Garg#	Daughter	Mr. Ramesh Chandra Mittal and Mrs. Kusum Mittal
	Wife	Mr. Alok K. Garg

Mrs. Manisha Garg was appointed on the Board w.e.f. 11th November, 2016.

E. No. of Shares held by Non- Executive Director

Name of Directors	No. of Shares Held
Mr. Ramesh Chandra Mittal#	3166320
Dr. Shamsher Singh	0
Dr. Keshav Singh Varma	0
Mr. Pramod Fatehpuria	0
Mr. Mahesh Kumar Patni	0
Mr. Shashikant Sharma##	2200

Mr. Ramesh Chandra Mittal has resigned from the post of Managing Director w.e.f. 26th July, 2016 and continuing as a Non- executive Director and Chairman of the Board.

##Mr. Shashikant Sharma has resigned from the post of Independent Director w.e.f. 12th April, 2016.

F. Induction and Familiarization Program for Directors:

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through an induction and familiarization program including the presentation and interactive session with the Managing Director, Executive Committee Members and other Functional Heads on the Company’s manufacturing, marketing, finance and other important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. On the matters of specialized nature, the Company engages outside experts/consultants for presentation and discussion with the Board members. The details of familiarization program can be accessed from the website: www.medicaps.com.

G. Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 11th November, 2016 to review the performance of Non-Independent Directors (including the Chairman) and the entire Board.

The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its’ Committees which is necessary for effective performance of duties.

H. Notice and Agenda:

All the meetings are conducted as per well designed and structured Notice and agenda. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated separately or placed at the meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the previous meetings of all the Board Committees and Subsidiaries for the information of the Board. Additional agenda items in the form of “Other Business” are included with the permission of the

Chairman. Agenda papers are circulated seven days prior to the Board Meeting. In addition, for any business exigencies, the resolutions are passed by circulation and later placed at the subsequent Board/Committee Meeting for ratification / approval.

I. Invitees & Proceedings:

Apart from the Board members, Company Secretary, CFO, Vice President and various Departments Head are also invited to attend Board Meetings wherever required and when necessary, to provide additional inputs for the items being discussed by the Board. The CFO makes presentation on the quarterly and annual operating & financial performance and on annual operating & capex budget. The Managing Director and other senior executives make presentations on capex proposals & progress, operational health & safety and other business issues. The Chairman of various Board Committees brief the Board on all the important matters discussed & decided at their respective committee meetings, which are generally held prior to the Board meeting.

J. Post Meeting Action:

After meeting all important decisions taken at the meeting are informed to the concerned officials and departments. Action Taken on the decisions reviewed periodically by the Managing Director.

K. Support and Role of Company Secretary:

The Company Secretary upon the instructions of the Chairman and/or Managing Director is responsible for convening the Board and Committee meetings, preparation and distribution of Notice of meeting Agenda and other documents and recording of the Minutes of the meetings. She acts as interface between the Board and the Management and provides required assistance and assurance to the Board and the Management on compliance and governance aspects.

L. Board Evaluation:

During the year, the Board adopted a formal mechanism for evaluating its performance and effectiveness as well as that of its Committees and individual Directors, including the Chairman of the Board. For Board and its Committees, the exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. In case of evaluation of the individual Directors, one to one meeting of each Director with the Chairman of the Board and the Chairman of the Nomination & Remuneration Committee was held.

The Directors were satisfied with the evaluation results, which reflected the overall engagement and effectiveness of the Board and its Committees.

M. Code of Conduct:-

The Board of Directors has laid down a Code of Conduct for Business and Ethics (the Code) for all the Board members and all the employees in the management grade of the Company. The Code covers amongst other things the Company's commitment to honest & ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health & safety, transparency and compliance of laws & regulations etc. The Company believes in "Zero Tolerance" to bribery and corruption in any form and in line with our governance philosophy of doing business in most ethical and transparent manner, the Board has laid down an "Anti Bribery and Corruption Directives", which is embedded to the Code. The Code of Conduct is posted on the website of the Company www.medicaps.com. All the Board members and senior management personnel have confirmed compliance with the code.

N. Prevention of Insider Trading Code:

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading and Insider Code of Fair Regulation. All the Directors, employees and connected persons such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. The Managing Director is responsible for setting forth procedures and implementation of the code for trading in Company's securities, however Company also appointed Ms. Nupur Lodwal as a Company secretary an Compliance officer for compliance purpose. During the year under review there has been due compliance with the said code.

AUDIT COMMITTEE

Terms of reference

The Board has constituted a well-qualified Audit Committee. All the members of the Committee are Non-Executive Directors with majority of them are Independent Directors including Chairman. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc. The Company Secretary acts as secretary to the committee.

The Audit Committee has adequate powers and detailed terms of reference to play effective role as required under the provisions of section 149 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 entered into with the Stock Exchanges.

The terms of reference of the Audit Committee are as per the guidelines set out in the listing regulations read with section 177 of the Companies Act, 2013. These broadly includes

- I. Develop an annual plan for Committee
- II. review of financial reporting processes,
- III. review of risk management, internal control and governance processes,
- IV. discussions on quarterly, half yearly and annual financial statements and the auditor's report,
- V. interaction with statutory, internal and cost auditors to ascertain their independence and effectiveness of audit process,
- VI. recommendation for appointment, remuneration and terms of appointment of auditors and

- I. Risk management framework concerning the critical operations of the Company.
In addition to the above, the Audit Committee also reviews the following:
- I. Matter included in the Director's Responsibility Statement.
- II. Changes, if any, in the accounting policies.
- III. Major accounting estimates and significant adjustments in financial statement.
- IV. Compliance with listing and other legal requirements concerning financial statements.
- V. Providing Omnibus approval for related party transactions.
- VI. Review on quarterly basis, Related Party Transactions entered into by the Company pursuant to each omnibus or specific approval given.
- VII. Decisions on the writing off the investments, book debts, etc as required for impairment of assets to provide true and fair view on the financial status of the Company.
- VIII. Qualification in draft audit report.
- IX. Scrutiny of inter-corporate loans & investments.
- X. Management's Discussions and Analysis of Company's operations.
- XI. Valuation of undertakings or assets of the company, wherever it is necessary.
- XII. Periodical Internal Audit Reports and the report of Ethical View Reporting Committee (Fraud Risk Management Committee).
- XIII. Findings of any special investigations carried out either by the Internal Auditors or by the external investigating agencies.
- XIV. Letters of Statutory Auditors to management on internal control weakness, if any.
- XV. Major non routine transactions recorded in the financial statements involving exercise of judgement by the management.
- XVI. Recommend to the Board, the appointment, re-appointment and, if required the replacement or removal of the statutory auditors and Secretarial Auditors, considering their independence and effectiveness, and recommend the audit fees.
- XVII. Recommend to the Board, the appointment and remuneration of the CFO and Internal Auditors.

(B) Constitution and Composition

The terms of reference of the audit committee are extensive and include all that is mandated in regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 with the Stock Exchange and Section 149 of the Companies Act, 2013. The Company has complied with the requirements of regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as regards composition of the Audit Committee.

The Audit Committee of the Company as on 31st March, 2017 comprises of the following Directors of the Company.

Name of the Director	Designation
Dr. Shamsher Singh	Chairman
Mr. Mahesh Kumar Patni	Member
Dr. Keshav Singh Varma#	Member
Mr. Pramod Fatehpuria##	Member

#Dr. Keshav Singh Varma ceased w.e.f. 28th April, 2017.

Mr. Pramod Fatehpuria Appointed (as member of the committee) w.e.f. 30th May, 2017

All the three members of the audit committee are non-executive directors and independent.

(C) Meeting and attendance during the year

Four (4) meetings were held during the financial year 2016-17 on 27th May 2016, 11th August 2016, 11th November 2016 and 09th February 2017. The attendance of each member of the committee is as under:

Name of the Director	Total no. of meeting held during the year	No. of Meeting attended
Dr. Shamsher Singh	4	3
Mr. Mahesh Kumar Patni	4	3
Dr. Keshav Singh Varma#	4	4
Mr. Pramod Fatehpuria##	N.A.	N.A.

Dr. Keshav Singh Varma ceased w.e.f. 28th April, 2017.

Mr. Pramod Fatehpuria Appointed (as member of the committee) w.e.f. 30th May, 2017.

D. Invitees / Participants:

- 1. The M.D. & CFO are the permanent invitees to all Audit Committee meetings.
- 2. Internal Auditors attends all the Audit Committee Meetings as far as possible and briefs the Committee on all the points covered in the Internal Audit Report as well as the other issues that come up during discussions.
- 3. The representatives of the Statutory Auditors have attended all the Audit Committee meetings held during the year.
- 4. The Company Secretary of the Company acts as the secretary of the Audit Committee.

E. Private Meetings:

In order to get the inputs and opinions of the Statutory Auditors and the Internal Auditors, the Committee also held one separate one-to-one meeting during the year with the Statutory Auditor and Head of Internal Audit department but without the presence of the M.D. and the management representatives.

NOMINATION & REMUNERATION COMMITTEE

Terms of reference

The Remuneration Committee recommends remuneration, promotions, increments and appointments etc. for the Directors, whole time directors and relative of the directors to the Board for approval. The Committee is empowered to -

- I. Formulate criteria for determining qualifications, positive attributes and independence of Directors and oversee the succession management process for the Board and senior management employees.
- II. Identification and assessing potential individuals with respect to their expertise, skills, attributes, personal and professional standing for appointment and re-appointment as Directors/Independent Directors on the Board and as Key Managerial Personnel.
- III. Formulate a policy relating to remuneration for the Directors, Committee and also the Senior Management Employees.
- IV. Support Board in evaluation of performance of all the Directors & in annual self-assessment of the Board's overall performance.
- V. Conduct Annual performance review of MD and CEO and Senior Management Employees;

(B) Composition

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Listing Regulation. The Nomination and Remuneration Committee of the Company as on 31st March, 2017 comprises of the following Directors of the Company.

Name of the Director	Designation
Dr. Shamsheer Singh	Chairman
Mr. Mahesh Kumar Patni	Member
Dr. Keshav Singh Varma#	Member
Mr. Pramod Fatehpuria##	Member

Dr. Keshav Singh Varma ceased w.e.f. 28/04/2017.

Mr. Pramod Fatehpuria appointed as Member w.e.f. 30th May, 2017.

All the three members of the remuneration committee are Independent directors.

C) Meeting and attendance during the year

Total 3 (three) meetings were held during the financial year 2016-17 on 27th May, 2016, 11th August 2016 and 11th November, 2016. The attendance of each member of the committee is as under:

Name of the Director	No. of Meeting held during the year	No. of Meeting attended
Dr. Shamsheer Singh	3	2
Mr. Mahesh Kumar Patni	3	2
Dr. Keshav Singh Varma	3	3
Mr. Pramod Fatehpuria	N.A.	N.A.

D) Performance Evaluation for Independent Directors:

Pursuant to the Provisions of the Companies Act, 2013 and as stipulated under regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board of Directors adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors. A structured evaluation process covering various aspects of the Boards functioning such as Composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc.

E) Remuneration Policy and Policy on selection of Directors.

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors, Managing Director, Whole-time Directors, senior management and Key Managerial Persons and also adopt policy for their remuneration. This Policy is accordingly derived from the said Charter. The said policies can be accessed from the website: www.medicaps.com and annexed as part of the Annual report.

F) Remuneration of Directors

- Pecuniary relationship or transaction of the non-executive directors:- NIL
- Criteria of making payment to non-executive directors:- Remuneration policy of Directors states terms & condition criteria for making payment to directors, the said policy is part of the annual report further this policy has hosted on website of your Company The said policies can be accessed from the website: www.medicaps.com and annexed as the part of the Annual report.
- Details of Remuneration for the year ended 31st March, 2017

Non-Executive Directors

Name	Commission	Sitting Fees
Mr. Ramesh Chandra Mittal#	-	-
Dr. Shamsheer Singh	-	-
Dr. Keshav Singh Varma##	-	-
Mr. Mahesh Kumar Patni	-	-
Mr. Pramod Fatehpuria	-	-

Mr. Ramesh Chandra Mittal has re-designated as Chairman & Non-Executive Director W.e.f. 26th July, 2016.

Dr. Keshav Singh Varma has resigned from the Board w.e.f. 28th April, 2017

Managing Director and Whole-Time Director

Name	Salary	Benefits, Perquisites and allowances	Commission	ESPS	Period of Contract
Mr. Ramesh Chandra Mittal#	10,00,000	0	0	0	-
Mr. Alok K. Garg	30,00,000	0	0	0	01/04/16 to 31/03/19
Mrs. Kusum Mittal	18,00,000	0	0	0	01/10/16 to 30/09/19
Mrs. Manisha Garg ##	5,00,000	0	0	0	11/11/16 to 10/11/19

Mr. Ramesh Chandra Mittal has re-designated as Chairman & Non-Executive Director W.e.f. 26th July, 2016.

Mrs. Manisha Garg has appointed as Whole-time Director on Board w.e.f. 11th November, 2016

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Based on the revised scope, this Committee is responsible for transfer/transmission of shares, satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services. The Committee also looks into shares kept in abeyance, if any.

In compliance with the provisions of Section 178 of the Companies Act, 2013 and regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board has constituted the "Stakeholders' Relationship Committee" consists of the members as stated below. During the year ended on 31st March, 2017 only one meeting was required to held on 19th December, 2016).

Name of the Director/Member	Designation	No. of Meeting Held	No. of Meetings Attended
Dr. Shamsheer Singh	Chairman	1	1
Mr. Mahesh Kumar Patni	Member	1	1
Mr. Ashok R. Pitliya	Member	1	1

Compliance Officer of the Company: CS Nupur Lodwal, Company Secretary is designated as the Compliance Officer (w.e.f. 11th November, 2016.)

Share holder Complaint Status during the financial year 2016 -17:

No. of Shareholder Complaint received	No. of Complaint resolved	No. of Complaint Pending.
31	31	-

CSR COMMITTEE:

As per the provisions of section 135 of the Companies Act, 2013, The Company is not required to constitute any CSR Committee during the year.

RISK MANAGEMENT COMMITTEE:

In compliance with the provisions of listing regulations and Companies Act, 2013, the Board has constituted voluntarily a Risk Management Committee under the Chairmanship of Mr. Ramesh Chandra Mittal and consists of the members as stated below.

Name of the Director/Member	Designation
Mr. Ramesh Chandra Mittal	Chairman
Mr. Alok K. Garg	Member
Mr. Ashok R. Pitliya	Member

During the year ended on 31st March, 2017 this Committee has no meetings. The Committee is required to lay down the procedures to review the risk assessment and minimization procedures and the Board is responsible for framing, implementing and monitoring the risk management plan of the Company.

The Terms of Reference of the Committee are:-

- a) To review the framework of BRM process;
- b) To risk identification and assessment;
- c) To review and monitoring of risk mitigation plans

During the year, the Committee reviewed the risk trend, exposure and potential impact analysis carried out by the management. It was specifically confirmed to the Committee by the MD and the CFO that the mitigation plans are finalized and up to date, owners are identified and the progress of mitigation actions are monitored.

INFORMATION ON GENERAL BODY MEETINGS

The details of the location and time for last three Annual General Meetings are given hereunder: -

Year	Date of AGM	Time of AGM	Venue	Special Resolution	Postal Ballot
2013-14	27/09/2014	11.00 A.M.	At the Registered Office	1	Nil
2014-15	24/09/2015	11.00 A.M.	At the Registered Office	Nil	Nil
2015-16	29/09/2016	11.00 A.M.	At the Registered Office	Nil	Nil

MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These are widely published in following newspapers. These results are simultaneously posted on the website of the Company at www.medicaps.com and also uploaded on the website of the BSE Ltd.

<i>Quarterly Results</i>	<i>Date of publication in newspapers</i>	<i>Newspaper Publication</i>	<i>Displayed in Website</i>
30.06.2016	13.08.2016	Choutha Sansaar & Free Press, Indore	www.medicaps.com
30.09.2016	13.11.2016	Choutha Sansaar & Free Press, Indore	www.medicaps.com
31.12.2016	11.02.2017	Choutha Sansaar & Free Press, Indore	www.medicaps.com
31.03.2017	30.05.2017	Choutha Sansaar & Free Press, Indore	www.medicaps.com

However, the Company has not made any official releases and presentation to any institution.

GENERAL SHAREHOLDER INFORMATION.

a) Annual General Meeting

The 34th Annual General Meeting of the Company will be held on Thursday, 28th September, 2017 at 11.00 A.M. at the registered office of the company situated at “Mhow - Neemuch Road, Sector I, Pithampur, District Dhar-454775.

b) Financial Year: 2016-17

From 1st April, 2016 to 31st March, 2017

c) Dividend payment date

The Board of directors of the Company has not declared dividend during the financial year 2016-17

d) Interim Dividend

The Board of directors of the Company has not declared dividend during the financial year 2016-17

e) Dividend History

The Company has not declared any dividend during the previous 3 years.

f) Listing on Stock Exchange

The Company's shares are traded on BSE.

The Company's shares are presently listed on the Bombay Stock Exchange Limited. The Company has paid annual listing fee for the year 2016-17 and in advance fee of 2017-18.

g) Stock Code/ Details of Scrip

BSE : 523144
ISIN NO : INE442D01010

h) Market Price Data (Rs.)

The monthly high and low quotations of shares of the Company traded at the Stock Exchange, Mumbai during the financial year 2016-17 are given below:

<i>Month</i>	<i>High(Rs.)</i>	<i>Low(Rs.)</i>
April, 2016	24.00	19.55
May, 2016	24.65	20.20
June, 2016	23.70	19.15
July, 2016	24.80	20.00
August, 2016	22.25	18.00
September, 2016	19.80	17.00
October, 2016	29.00	18.00
November, 2016	26.30	19.55
December, 2016	23.20	20.15
January, 2017	25.50	21.00
February, 2017	25.15	20.10
March, 2017	34.00	21.50

i) Ankit Consultancy Pvt. Ltd.

Plot No. 60, Electronic Complex, Pardeshipura, Indore- 452 010 (M.P), Tel: 0731-2551745, 0731-2551746
Fax: 0731-4065798, E-mail: ankit_4321@yahoo.com

SHARE TRANSFER SYSTEM

a) The Share Transfer-cum-Investors Grievance Committee attends to share transfer formalities once in a fortnight. Demat requests are normally confirmed within an average period of 15 days from the date of receipt. The Company has appointed following agency as Share Transfer Agent (Electronic + Physical). The shareholders may address their communication, suggestions, grievances and queries to Ankit Consultancy Pvt. Limited (RTA).

b) Distribution of Shareholding as on 31st March, 2017

<i>No. of Shares</i>	<i>No. of Shareholders</i>	<i>% of Shareholders</i>	<i>Share Amount</i>	<i>% of Total</i>
1-1000	721	16.92	401690	0.32
1001-2000	500	11.73	924390	0.74
2001-3000	215	5.04	595780	0.48
3001-4000	955	22.41	3784860	3.04
4001-5000	250	5.87	1219090	0.98

No. of Shares	No. of Shareholders	% of Shareholders	Share Amount	% of Total
5001-10000	755	17.71	6137020	4.92
10001-20000	470	11.03	7452140	5.98
20001-30000	123	2.89	3171650	2.54
30001-40000	80	1.88	2919680	2.34
40001-50000	52	1.22	2442300	1.96
50001-100000	72	1.69	5164510	4.14
100000 Above	69	1.62	90486450	72.56
TOTAL	4262	100	124699560	100

c) Dematerialisation of Shares & Liquidity

The shares of the Company are under compulsory demat segment and are listed on Bombay Stock Exchange, Mumbai. The Company's shares are available for trading in the depository of both NSDL & CDSL.

PLANT LOCATIONS OF THE COMPANY

Mhow-Neemuch Road, Sector I, Pithampur, District Dhar-454775

a) Address for communication

The shareholders may address their communication, suggestions, grievances and queries to:

Ankit Consultancy Pvt. Ltd., Plot No. 60, Electronic Complex, Pardeshipura, Indore- 452 010 (M.P)

Tel: 0731-2551745, 0731-2551746, Fax: 0731-4065798, E-mail: ankit_4321@yahoo.com

b) Details of D-mat Shares as on 31st March 2017

Particulars	No. of Shareholders/Beneficial Owners	No. of Shares	% of Capital
NSDL	2066	9940294	79.72%
CDSL	1333	1928970	15.47%
Sub-Total	3399	11869264	95.19%
Shares in physical form	863	600692	4.81%
Grand Total	4262	12469956	100.00%

c) Reconciliation of Share Capital Audit:

As stipulated by Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to stock exchanges, NSDL and CDSL and is also placed before the Board of Directors. No discrepancies were noticed during these audits.

d) Outstanding Convertible Instruments

There are no outstanding warrants or any convertible instruments.

e) Book Closure/Record date:

The Register of Members and the Share Transfer Books of the Company shall remain closed from 22nd September, 2017 to 28th September, 2017 (both days inclusive) for the Annual General Meeting.

TRANSFER OF UNCLAIMED/ UNPAID AMOUNTS TO THE INVESTORS EDUCATION AND PROTECTION FUND ("IEPF").

Pursuant to Sections 124 and 125, and other applicable provisions, if any, of the Companies Act, 2013, all unclaimed/unpaid dividend, as applicable, remaining unclaimed /unpaid for a period of seven years from the date they became due for payment, were required to be transferred to the IEPF Account. Sections 124 and 125 of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), both of which were applicable with effect from September 7, 2016, also contain similar provisions for transfer of such amounts to the IEPF. Accordingly, all unclaimed/unpaid dividends, as applicable, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, in relation to Medi-Caps Limited have transferred to the IEPF Account established by the Central Government. No claim shall be entertained against the Company for the amounts so transferred and other related information about IEPF viz, outstanding dividend accounts, due dates and other information can be accessed from company's website <http://www.medicaps.com>.

Further the Company also needs to transfer the equity shares which was standing in the name of the shareholders as on the cut off date 31st May, 2016 and have not claimed any amount of dividend during the preceding 7 years continuously. The Company shall make necessary transfer of the said eligible shares to the IEPF Authority as may be required by the Central Government.

OTHER DISCLOSURES

1. Except remuneration there are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or Subsidiaries that had potential conflict with the Company's interest.
2. There were no non-compliance by the Company and no penalty, strictures imposed by the stock exchange of the SEBI or any statutory authority on any matter related to capital market during the last three year.
3. The Company has formed and hosted the Vigil Mechanism/whistle blower Policy on the website of the Company, and the Company confirm that no personnel were denied to access to the audit committee.
4. The Company has complied with all the mandatory requirements under the SEBI (LODR) Regulations, 2015 as applicable.
5. The Company has hosted all the required policy on the website of the company including policy for determining (material) subsidiaries and for related party transactions.

6. The Company has updated the Policy on related party transaction in Annual report as well as on website of the Company <http://www.medicaps.com>.
7. Since the Company is not dealing in commodity hedging, therefore, it is not having any risk associated thereto.
8. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the Annual Report. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at <http://www.medicaps.com>
9. The Company is not having any security to credit in the d-mat suspense account or unclaimed suspense account u/s 124(5) and (6) of the Companies Act, 2013.

DISCRETIONARY REQUIREMENTS UNDER REGULATION 27 OF LISTING REGULATION

The status of compliance with discretionary recommendations of the Regulation 27 of the Listing Regulations with Stock Exchanges is provided below:

1. **Non-Executive Chairman's Office** : Chairman's office is separate from that of the Managing Director.
2. **Shareholders' Rights** : As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
3. **Modified Opinion in Auditors Report** : The Company's financial statement for the year 2016-17 does not contain any modified audit opinion.
4. **Separate posts of Chairman and Managing Director** : The Board appoints Chairman for each of the Board Meeting, which is separate from Managing Director of the Company.
5. **Reporting of Internal Auditor** : The Internal Auditor reports to the Audit Committee.

During the year under review, no extra ordinary general meeting was held as well as no resolution was passed through the Postal Ballot process.

through the Postal Ballot process.

MD / CFO CERTIFICATION

The MD and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

INDEPENDENT AUDITOR’S REPORT

To
The Members of
MEDI-CAPS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **MEDI-CAPS LIMITED** (“the company”) which comprise of the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company’s Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 March 31, 2017, and its Profit/Loss and Cash Flow Statement for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1) 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 purpose 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 and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account 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.
- d) On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
- f) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- g) The Company has disclosed the pending litigations in point no. (vii) (c) of CARO 2016. However same doesn't affect its financial position as on date.
- h) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

1) Company has transferred required amount to the Investor Education and Protection Fund as per provision of Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2017.

2) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, are applicable to the extent of "Annexure B".

The Company has provided requisite disclosures in the standalone Financial Statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

For: C.P. RAWKA & CO.

Chartered Accountants

C.P. RAWKA

(Proprietor)

M. No.: 070060

FRN: 000518C

Place: INDORE

Date: 30th May, 2017

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(e) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **MEDI-CAPS LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

Auditors' 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 (the "Guidance Note") 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 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.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For: C.P. RAWKA & CO.

Chartered Accountants

**C.P. RAWKA
(Proprietor)
M. No.: 070060
FRN: 000518C**

**Place: INDORE
Date: 30th May, 2017**

“ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in Paragraph 2 under ‘Report on other legal and regulatory Requirements’ of the report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed and other relevant records evidencing title provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees, as applicable. The Company has guaranteed Rs. 2 Crore for the Loan taken by Medgel Private Limited (its subsidiary) from IDBI Bank Limited in terms of Section 185 and 186 of the Companies Act, 2013.

(v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.

(vi) The company is not required to maintain cost records as been specified by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees’ state insurance, income tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and any other material statutory dues with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved	Amount Unpaid
Income Tax Act, 1961	Income Tax	ITAT	A. Y. 2010-11	Rs. 6200000/-	Fully Paid
Income Tax Act, 1961	Income Tax	ITAT	A. Y. 2013-14	Rs. 1801360/-	Rs. 1651360/-
Income Tax Act, 1961	Income Tax	CIT(A)	A. Y. 2014-15	Rs. 2123210/-	Rs. 2123210/-

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, government and dues to Banks.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any term loan during the year.

Further the Company has not raised moneys by way of initial public offer or further public offer.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and 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 directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For: C.P. RAWKA & CO.

Chartered Accountants

**C.P. RAWKA
(Proprietor)
M. No.: 070060
FRN: 000518C**

**Place: INDORE
Date: 30th May, 2017**

MEDI-CAPS LTD.			
Balance Sheet as at 31st March, 2017			
Amount in Rs.			
Particulars	Note	As at 31st Mar 2017	As at 31st Mar 2016
I. EQUITY AND LIABILITIES			
-1 Shareholder's Funds			
(a) Share Capital	2	124699560	124699560
(b) Reserves and Surplus	3	539048589	530690894
-2 Non-Current Liabilities			
(a) Deferred tax liabilities (Net)	4	3869566	3636303
(b) Long term provisions	5	10513682	8486458
-3 Current Liabilities			
(a) Trade payables	6	22449786	18683278
(b) Other current liabilities	7	16207796	18376392
(c) Short-term provisions	8	3300000	5500000
Total		720088979	710072885
II. ASSETS			
-1 Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		38759135	36355137
(b) Non-current investments	10	453157626	467995277
(c) Long term loans and advances	11	4094327	4560130
-2 Current assets			
(a) Current investments	12	50511938	27610447
(b) Inventories	13	76033914	77402074
(c) Trade receivables	14	60562910	66146687
(d) Cash and cash equivalents	15	19719228	10301951
(e) Short-term loans and advances	16	17249900	19701182
Total		720088979	710072885
The Notes referred to above are integral part of Balance Sheet.			
Note on Accounts as Note '1 to 33'			
As per our report of even date,		For and on behalf of the board	
C.P.Rawka & Co.		For MEDI-CAPS LTD.	
Chartered Accountants			
Firm Reg. No.:-000518C			
C.P. Rawka		Alok K. Garg	
Proprietor		Managing Director	
Membership No. 070060		DIN:00274321	
Place : Indore			
Date : 30th May, 2017			
		Manish Jain	
		C.F.O.	
		CS.Nupur Lodwal	
		Company Secretary	
		ACS 45770	

MEDI-CAPS LTD.			
Profit and Loss statement for the year ended 31st March, 2017			
Amount in Rs.			
Particulars	Note	As at 31st Mar 2017	As at 31st Mar 2016
I. Revenue from operations	17	227570961	250378727
II. Other Income	18	11328890	4578163
III. Total Revenue (I +II)		238899851	254956890
IV. Expenses:			
Cost of materials consumed	19	101584155	124053906
Purchase of stock in trade		976750	0
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	2317139	(10364957)
Employee benefit expense	21	50894444	52488733
Other expenses	22	64359481	68053995
Depreciation and amortization expense	10	3663772	3299248
Total Expenses		223795741	237530924
V. Profit before exceptional and extraordinary items and tax (III - IV)		15104109	17425966
VI. Exceptional Items		0	0
VII Profit before extraordinary items and tax (V - VI)		15104109	17425966
VIII Extraordinary Items		0	0
IX. Profit before tax (VII - VIII)		15104109	17425966
X. Tax expense:			
(1) Current tax		3300000	5500000
(2) Earlier year excess provision for tax written back		0	(144091)
(3) Deferred tax		233263	242288
XI. Profit/(Loss) for the period (IX - X)		11570846	11827769
XII. Earning per equity share:	28		
(1) Basic		0.93	0.95
(2) Diluted		0.93	0.95

The Notes referred to above are integral part of Balance Sheet.
Note on Accounts as Note '1 to 33'

As per our report of even date,
C.P.Rawka & Co.

Chartered Accountants
Firm Reg. No.: -000518C

R.C.Mittal
Chairman & Director
DIN:00035272

For and on behalf of the board
For MEDI-CAPS LTD.

Alok K. Garg
Managing Director
DIN:00274321

C.P. Rawka
Proprietor
Membership No. 070060
Place : Indore
Date : 30th May, 2017

Manish Jain
C.F.O.

CS Nupur Lodwal
Company Secretary
ACS 45770

MEDI CAPS LIMITED		
Cash Flow Statement for the year ended March 31, 2017		
Amount in Rs.		
PARTICULARS	31st Mar 2017	31st Mar 2016
A. Cash Flow from Operating Activities		
Net Profit before Tax & Extraordinary Items	15104109	17425966
Adjustment For:		
Depreciation	3663772	3299248
Dividend Income	(300)	(300)
Operating Profit before Working Capital Change	18767581	20724914
Adjustment for Working Capital		
(Increase)/ Decrease in Sundry Debtors	5583777	218679
(Increase)/ Decrease in Inventories	1368160	(6809727)
(Increase)/ Decrease in Loans & Advances	2917085	(2893162)
Increase/ (Decrease) in Current Liabilities & Prov.	1643136	8543486
Cash Generated from Working Capital	11512158	(940726)
Cash generated from Operation	30279739	19784188
Net Income Tax Paid	3300000	5355909
Net cash Flow from Operating Activity	26979739	14428279
B. Cash Flow from Investing Activities		
Sale/(Purchase) of Investments	(11494992)	(13075657)
Purchase of Fixed Assets	(6400000)	(6442)
Dividend Received	300	300
Adjustment for Dep on sale of Fixed Assets	332230	0
Net Cash used in Investing Activities	(17562462)	(13081799)
C. Cash Flow from Financial Activities		
Net Cash Used in Financial Activities	0	0
Net Increase in Cash and Cash Equivalents (A+B+C)	9417277	1346480
Cash & Cash Equivalents at the		
Beginning of the year	10301951	8955471
Closing of the year	19719228	10301951
Increase in Cash and Cash Equivalents	9417277	1346480
As per our report of even date annexed For C.P.Rawka & Co. Chartered Accountants	R.C.Mittal Chairman & Director DIN:00035272	For and on behalf of Board Medi-Caps Ltd. Alok K. Garg Managing Director DIN: 00274321
C.P.Rawka Proprietor M.No. 070060 FRN No. 000518C Date : 30th May, 2017	Manish Jain C.F.O.	CS Nupur Lodwal Company Secretary ACS 45770

NOTE 1 –NOTES FORMING PART OF THE FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES:-

Company Overview

Medi Caps Limited ('the Company') was incorporated in 1983 as Medi Caps Pvt. Ltd. The Company together with its subsidiary operates as a Pharmaceutical organization with business encompassing the entire value chain in the Marketing, production and distribution of Pharmaceutical products.

The Company's shares are listed for trading on the Bombay Stock Exchange Limited (BSE).

a. Basis of preparation of financial statements:-

The Financial Statements of the company have been prepared under the historical cost inventions, in accordance with Indian Generally Accepted Accounting Principles to comply with the Accounting Standards notified under section 211 (3C) of the Companies Act, 1956 (which continue to be applicable in respect of section 133 of the Companies Act, 2013, to the extent applicable in terms of General Circular 15/2013 dated 13 Sep, 2013 of the Ministry of Corporate Affairs)

This Financial Statements have been prepared on accrual basis and the accounting policies adopted are consistent with followed in the previous year.

b. Fixed Assets and Depreciation:-

Fixed assets are stated at cost net of CENVAT or revalued figures less depreciation provided on straight line basis at the rates specified in Schedule II to the Companies Act, 2013.

c. Investments:-

The Company has policy to make investments on strategic and long term basis and the investments have been shown as the cost of investments of acquisition, no adjustments for change in the valuations as on the date of the balance sheet being made, as it has temporary in the nature.

d. Valuation of Inventories:-

Inventories are valued at lower of cost or net realisable value.

e. Foreign Exchange Transactions:-

Transactions in foreign currency are recorded by applying rate applicable on the date of transaction. The difference if any on actual payments / realisation is charged off to revenue.

f. Sundry Debtors and Advances:-

Company's management periodically verify the outstanding balance of sundry debtors, advances etc and on the basis of such verification management determines whether the said outstanding are good, bad or doubtful and accordingly same are written off or provided for.

g. Research & Developments:-

Capital Expenditure is treated in same line as any other Capital expenditure and Revenue expenditure is charged to the respective heads of Profit & Loss Accounts.

h. Terminal Benefits:-

Gratuity Liability is accounted for an accrual basis & the company has constituted trust with Life Insurance Corporation of India, Separate accounts for fund deposited with LIC and Provision for Gratuity Payable maintained by Company. Leave Encashment is accounted on Cash basis i.e. it is accounted for as and when paid.

i. Taxations:-

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax recognised, subject to the consideration of prudence in respect of deferred tax assets as timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

j. Earning Per Share:-

Basic and Diluted earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

k. Revenue Recognition:-

Revenue from sale of goods is recognized includes excise duty. Revenue (including in respect of insurance or other claims etc.) is recognized when it is reasonable to expect that the collection will be made. Interest income is accounted on accrual basis. Dividend from investment is recognized as revenue when right to receive the payments is established.

l. Employee Benefits:-

Defined Benefit Plan

The Employee Gratuity Fund Scheme and Leave Encashment Scheme managed by Life Insurance Corporation of India is a Defined Benefit Plan.

Defined Contribution Plans

The company's contribution paid/ payable for Provident Fund, ESIC and Pension Fund for the year is recognized in the statement of Profit and Loss.

Short Term Employee benefits

Short term benefits are recognized as an expense in the statement of profit & loss of the year in which the related services are rendered.

m. Intangible Assets:-

Cost incurred on intangible assets, resulting in future economic benefits are capitalized as intangible assets and amortised on equated basis over the estimated useful life of such assets. However Goodwill on acquisition of subsidiary company represents the excess of the cost of the acquisition over the face value of its shares.

MEDI-CAPS LTD.
Notes on Financial Statement for the year ended 31st March, 2017
Amount in Rs.

Note : 2 Share Capital	As At 31st Mar 2017	As At 31st Mar 2016
Authorised Share Capital : 1,50,00,000 Equity Shares of Rs. 10/- each (Previous Year 1,50,00,000 Equity Shares of Rs. 10/- each)	150000000	150000000
1,24,69,956 Equity Shares of Rs. 10 each fully paid up (Previous Year 1,24,69,956 Equity Shares of Rs.10/- each)	124699560	124699560
	124699560	124699560

Reconciliation of the equity shares outstanding at the beginning and at the end of the year				
	As at 31 March, 2017		As at 31 March, 2016	
	Numbers	Value	Numbers	Value
Equity Shares				
At the beginning of the year	12469956	124699560	12469956	124699560
Issued during the year				
Outstanding at the end of the year	12469956	124699560	12469956	124699560
Details of Shareholders holding more than 5 percent shares in the company				
Name of Shareholders	No. of Shares as at			
	31st Mar 2017	% of Holding	31st Mar 2016	% of Holding
R.C.Mittal	3166320	25.40%	3166320	25.40%
Kusum Mittal	2700136	21.65%	2700136	21.65%

Note : 3 Reserve & Surplus	As At 31st Mar 2017	As At 31st Mar 2016
Capital Reserve		
Opening Balance	4421000	4421000
Less: Adjustment for Investment in Share Written Off	3213151	0
	1207849	4421000
Share Forfeiture A/c		
As per last balance sheet	2755455	2755455
General Reserve		
As per last balance sheet	30456832	30456832
Surplus		
Opening balance	493057607	481229839
Add: Net profit for the current year	11570846	11827768
Closing Balance	504628453	493057607
	539048589	530690894

Note : 4 Deferred Tax Liability	As At 31st Mar 2017	As At 31st Mar 2016
On Depreciation (Difference of as per Books & as per Income Tax Act)	3869566	3636303
	3869566	3636303

Note : 5 Long Term Provisions	As At 31st Mar 2017	As At 31st Mar 2016
Provision for Gratuity	9950883	7923659
Leave Encashment Payable	562799	562799
	10513682	8486458

Note : 6 Trade Payable	As At 31st Mar 2017	As At 31st Mar 2016
Sundry Creditors	22449786	18683278
	22449786	18683278

Note : 7 Other Current Liabilites	As At 31st Mar 2017	As At 31st Mar 2016
Advance Recd from Customers	549311	1589100
Bonus Payable	2746587	3917996
Commission Payable	7577078	7600070
CST & VAT Payble	488649	492405
Entry Tax Payable	390818	0
ESI Payable	30170	23678
Outstanding Liabilities	3793583	3761602
Professional Tax	8481	8473
Provident Fund	280351	298378
TDS on Consultancy	36405	64008
TDS on Contractor Payment	14372	11216
TDS on Salary	67050	222730
TDS on Sales Commission	224941	386736
	16207796	18376392

Note :8 Short-Term Provisions	As At 31st Mar 2017	As At 31st Mar 2016
For Taxation	3300000	5500000
	3300000	5500000

Note : 10 Non-Current Investments	As at 31st Mar 2017	As at 31st Mar 2016
a) Investment in properties	10793000	10793000
b) Investment in Equity instruments		
i) Trade Investment (Unquoted)		
In Subsidiary Company		
1,46,81,953 (1,07,54,828) Equity Share of Rs. 10/- each of Medgel Private Limited	428234968	331233980
In Other Company		
21,800 (21800) Equity Shares of Rs.10/-each of Medicaps Finance Ltd.	218000	218000
NIL (1,07,000) Equity Shares of Rs. 10/- each of Endolabs Ltd.	0	1070000
	428452968	332521980
ii) Other Investment (Quoted)		
100 (100) Equity Shares of Natural Capsules	1000	1000
NIL (43,600) Equity Shares of Jord Engineers India Ltd.	0	2141139
NIL (100) Shares of Bharati Healthcare Ltd	0	2012
	1000	2144151
c) Other Investments		
Investment in Mutual Funds And Others	13910658	122536145
	13910658	122536145
	453157626	467995277

Note-09- Fixed Assets- Tangible Assets up to 31.03.2017

S. NO.	FIXED ASSETS	GROSS BLOCK					DEPRECIATION/AMORTIZATION					NET BLOCK			Useful Life
		As at 1st April 2016	Additions	Deductions	As at 31st March 2017	Up to 31st March 2016	For the Year ended 31st March 2017	Deletions	Up to 31st March 2017	As At 31st March 2017	As At 31st March 2016				
1	Free Hold Land	1178000	0	0	1178000	0	0	0	0	1178000	1178000	1178000			
2	Factory Building	23904874	0	0	23904874	17054624	508545	0	17563169	6341705	6850250	6850250	30 Years		
3	Office Building	19121350	0	0	19121350	2816369	492348	0	3308717	15812633	16304981	16304981	30 Years		
4	Plant & Machinery	132747429	0	0	132747429	129154983	142281	0	129297264	3450165	3592446	3592446	20 Years		
5	Furniture & Fixtures	7059692	0	0	7059692	5690006	163254	0	5853260	1206432	1369686	1369686	10 Years		
6	Vehicles	17339539	6400000	742000	22997539	10279765	2357344	409770	12227339	10770200	7059774	7059774	8 Years		
7	Computers	2282109	0	0	2282109	2282108	0	0	2282108	1	1	1	3 Years		
	TOTAL	203632993	6400000	742000	209290993	167277855.5	3663772	409770	170531857.5	38759135	36355137	36355137			
	PREVIOUS YEAR	203626551	6442	0	203632993	163978607.5	3299248	0	167277855.5	36355137	39648353	39648353			

Note :

- 1 Factory Building includes staff quarters for which separates cost is not ascertainable
- 2 During the year depreciation on computer not charged, Since Computer was fully depreciated last year after charging depreciation but nominal value of Rs.1/- kept in books because Computers are exist in physical form at the year end.

	As at 31st Mar 2017	As at 31st Mar 2016
Note : 11 Long-Term Loans & Advances		
(Unsecured, considered good unless otherwise stated)		
Security Deposits	4094327	4560130
	4094327	4560130

	As at 31st Mar 2017	As at 31st Mar 2016
Note : 12 Current Investment		
Investment in Mutual Funds		
Birla Mutual Fund	1000000	0
IDBI Ultra Short Term Fund- Growth	24149905	9000000
Reliance Money Manager Fund- Growth	25362033	18610447
	50511938	27610447

	As at 31st Mar 2017	As at 31st Mar 2016
Note : 13 Inventories		
Raw Materials	10177963	8420305
Finished Goods	51900727	56341441
Stock in process and waste	5776975	3653400
Stores and Spares	1281380	1521630
Colour & Chemical	2490250	2225325
Packing Material	3578470	3576762
Printing Material	107264	80495
Lab Chemical & Equipments	56725	64445
Fuel	664160	541520
EHG Capsules (Traded Goods)	0	976750
	76033914	77402074

Note : 14 Trade Receivables		
Unsecured , Considered Good as certified by the Management		
Outstanding over six months	8977402	8977402
Others	51585508	57169285
	60562910	66146687

	As at 31st Mar 2017	As at 31st Mar 2016
Note : 15 Cash & Bank balances		
Cash in Hand	48879	202940
Balance with Noted Banks :		
In Current Accounts	6292280	5525416
In Fixed Deposit Accounts	13378069	4573595
	19719228	10301951

	As at 31st Mar 2017	As at 31st Mar 2016
Note : 16 Short-term Loans & Advances		
(Unsecured & Considered Good - Advance recoverable in Cash or in kind or for value to be received)		
Advance to Suppliers & Others	398837	464839
Balances with Government Authorities	1641011	1736077
Advance Tax & TDS (Net of Provisions)	14260549	16169075
Prepaid Expenses	737553	744417
Other Loans & Advances	211950	586774
	17249900	19701182

Note : 17 Sales	As at 31st Mar 2017	As at 31st Mar 2016
Sale of product	252888869	277274912
Less : Excise Duty	25317908	26896185
	227570961	250378727

Note :18 Other Incomes	As at 31st Mar 2017	As at 31st Mar 2016
Claims Received	268195	95884
Capital gain / (Loss) on Mutual Fund	5344706	0
Dividend income	300	300
Interest Income	1888222	1659733
Cr. Bal No Longer Required W/off	30598	34063
Misc. Income	3796869	2788183
	11328890	4578163

Note : 19 Cost of Materials Consumed	As at 31st Mar 2017	As at 31st Mar 2016
A) Raw Material Consumed		
Opening Stock	10710075	15799166
Purchases	97160636	112341786
	107870711	128140952
Less : Closing Stock	12724938	10710075
Raw Material Consumed	95145773	117430877
B) Packing Material Consumed		
Opening Stock	3576762	2432676
Purchases	6440090	7767115
	10016852	10199791
Less : Closing Stock	3578470	3576762
Packing Material Consumed	6438382	6623029
Grand total of Materials Consumed (A) + (B)	101584155	124053906

Note : 20 Increase/(Decrease) in Stocks	As at 31st Mar 2017	As at 31st Mar 2016
Closing Stock of :		
Finished Goods	51900727	56341441
Stock in Process	5162612	3281309
Waste	614363	372091
Total (A)	57677702	59994841
Opening Stock of :		
Finished Goods	56341441	46504115
Stock in Process	3281309	2810369
Waste	372091	315400
Total (B)	59994841	49629884
Increase/(Decrease) in Stock (A-B)	(2317139)	10364957

Note : 21 Employees Remuneration & benefits	As at 31st Mar 2017	As at 31st Mar 2016
Salary, Wages, Allowances & other Benefits	37867652	39004634
Directors Remuneration	6300000	7800000
Gratuity	2600000	1498214
P. F. Contribution	3754507	3849029
Staff Welfare Expenses	372285	336856
	50894444	52488733

Note : 22 Other Expenses	As at 31st Mar 2017	As at 31st Mar 2016
Advertisement & Publicity	50508	82891
Audit Fee	250000	322500
Annual Listing Fees	366400	290000
Bank Charges	243531	129347
Business Promotion Expenses	3058553	664476
Charity & Donations	15000	216500
Consultancy Charges	1167774	999952
Conveyance Expenses	571110	481346
Entry Tax	1255228	1444080
Electricity & Water	952681	791205
Freight Expenses	4714914	5587496
Factory Power & Fuel	32585893	32625000
Factory Expenses	448467	1264644
Insurance Charges	834036	794670
Import / Export Expenses	1072566	82968
ISO Certification Charges	33935	54086
Legal Expenses	79158	356538
Loss on sale of Vehicle	101662	0
Membership Fee & Subscription	69591	61866
Misc. Expenses	2188548	750462
Net gain/loss on foreign currency transaction	135026	0
Office & General Expenses	148518	124807
Postage, telegram	145133	82654
Printing Material consumed	287445	474251
Printing & Stationary	345694	440527
Rent, Rates & Taxes	215342	314116
Repairs & Maintenance		
Buildings	0	21200
Machinery	2250871	7403932
Electricals	414860	2805506
A.C.Plant	1193726	856356
Computer	47702	125020
Other	16680	8989
Sales Commission	4138953	4060221
Sales promotion Expenses	1385483	1219368
Swatch Bharat Cess	57098	19370
Stores & Spares Consumed	1093536	1050039
Telephone & Telex Charges	491200	468392
Tour & Travelling Expenses	1115905	991783
Vehicle Running & Maintenance	816755	587437
	64359481	68053995

Note 23 Segment Information

The entire operation of the company related to one segment as such there is no separate reporting required. Company's earning include Rs. 72.33 Lacs from Interest, Dividend and Income from Investments however as per explanation given in AS 17 revenue does not include Dividend income, Interest & Income from Investment hence there is no separate reporting required.

Note 24 Deferred Tax

Information on deferred tax has been provided in accordance with AS-22 Accounting for taxation on income, issued by the Institute of Chartered Accountants of India. The deferred tax assets for the year is Rs.2,33,263/- has been recognised in the profit & Loss Account.

Note 25 Payment to Auditors (Ex. GST)	As at 31st Mar 2017	As at 31st Mar 2016
Audit Fees	250000	250000
In other Capacity		
Tax Audit Fee	20000	20000
Other	30000	30000
	300000	300000

Note 26 Additional Information

a) Capacity and Production	As at 31st Mar 2017	As at 31st Mar 2016
Class of Goods Produced	Hard Geletin Capsules	Hard Geletin Capsules
(Qty. - Nos in Lacs)		
i) Licenced Capacity	NA	NA
ii) Installed Capacity	42000	42000
iii) Actual Production*	28130	30864

*Rounded off to nearest Lacs and after deduction quantities removed as such.

	As st 31st Mar 2017		As at 31st Mar 2016	
	Qty (In Lacs)	Value (Rs. In Lacs)	Qty (In Lacs)	Value (Rs. In Lacs)
b) Finished Goods (Hard Geletin Capsule-Gross)				
i) Opening Stock	4482.03	599.95	3911.23	496.30
ii) Closing Stock	4235.16	576.78	4482.03	599.95
c) Turnover				
Hard Geletin Capsules (Net)	28340.68	2528.89	30163.96	2772.75
d) Raw Material Consumed				
Geletin	216325 Kgs	902.56	238610 Kgs	1129.45
e) Value of Imports on C.I.F. Basis				
Raw Material		264.5		NIL
Capital Goods		2.41		62.74
f) Expenditure in Foreign Currency				
Foreign Travel & Others		36.24		11.95

Note 27 Related Party Disclosure

Information on Related party transactions as per Accounting Standard 18 on related party disclosure:

S. No.	Related Party	Transactions	As at 31st Mar 2017	As at 31st Mar 2016
1	Mr. R.C.Mittal Non Executive Director & Chairman	Remuneration	1000000	3000000
2	Mr. Alok K. Garg Managing Director	Remuneration	3000000	3000000
3	Mrs. Kusum Mittal Whole time Director	Remuneration	1800000	1800000
4	Mrs. Manisha Garg Whole time Director	Remuneration	1200000	1200000
5	Medgel Pvt. Ltd. Subsidiary Company (on arm length basis in the ordinary course of business)	Purchase Sale	0 19106	4106250 4021000

Note 28 Earning Per Share

Earning per share, the numerator and denominator used to calculate Basic and Diluted Earning per shares:

	As at 31st Mar 2017	As at 31st Mar 2016
i) Profit after tax used as the numerator	11570846	11827769
ii) Basic / Weighted Average number of Equity Shares used as the denominator	12469956	12469956
iii) Nominal Value of Equity shares	10/-	10/-
iv) Basic & Diluted Earning per Equity Share	0.93	0.95

	As at 31st Mar 2017	As at 31st Mar 2016
Note 29 Employee Benefits		
a. Defined benefits plan		
I Change in obligation during the year		
1 Present value of Defined benefit obligation at beginning of year	8897811	6611737
2 Current Service Cost	2600000	2044129
3 Past Service Cost	238691	0
4 Interest Cost	(768618)	(707199)
5 Actuarial (Gains) / Losses	0	0
6 Benefits Paid	539619	465254
7 Present value of Defined benefit obligation at the end of the year	9950883	8897811
II Change in assets during the year ended March 31		
1 Plan assets at the beginning of the year	9744570	7561515
2 Settlements	0	0
3 Expected return on plan assets	768618	707199
4 Contribution by Employer	2600000	2044129
5 Actual benefits paid	539619	465254
6 Actuarial Gains / (Losses)	(114549)	(103019)
7 Plan assets at the end of the year	12459020	9744570
III Net Assets / (Liability) recognized in the Balance Sheet at March 31		
1 Present value of Defined enefits Obligation as at March 31.	9950883	8897811
2 Fair value of plan assets as at March 31	12459020	9744570
3 Fund Status (Surplus / (Deficit))	2508137	846759
4 Net Assets / (Liabilty) as at end of the year	2508137	846759

IV	Expenses recognised in the Statement of Profit & Loss for the year ended March 31		
1	Current Service Cost	2600000	2044129
2	Interest Cost	0	0
3	Expected return on plan assests	(768618)	707199
4	Past service cost	0	0
5	Net Actuarial (Gains) / Losses	0	0
6	Total Expenses	1831382	2751328
V	The major categories of plan assets as a percentage of total plan	N.A.	N.A.
b. Contribution to provident fund and other funds stated under defined contribution plans is Rs. 37.55 Lacs (Previous year Rs. 38.49 Lacs).			

Note 30 The company does not have outstanding for more than 30 days as on 31st March 2017 of S.S.I units the respective parties.

Note 31 The previous years figures have been regrouped/ restated wherever necessary to confirm with the current years classification.

Note 32 Contingent Liabilities

The company has given Corporate Guarantees in respect of Fund based limit taken by Medgel Pvt Ltd (Subsidiary Company of Medi Caps Limited) for Rs. 2 Crores which is taken from IDBI Bank Ltd.

Note 33

Report on the Specific Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:-

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8-11-2016	-	97,375/-	97,375/-
(+) Permitted receipts	-	10,71,300/-	10,71,300/-
(-) Permitted payments	-	9,78,139/-	9,78,139/-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30-12-2016	-	1,90,536/-	1,90,536/-

Explanation: For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016."

INDEPENDENT AUDITORS REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO,
THE MEMBERS OF
MEDI-CAPS LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of MEDI-CAPS LIMITED (hereinafter referred to as “the Holding Company”) its subsidiary MEDGEL PRIVATE LIMITED (the Holding Company and its Subsidiary Company together referred to as “the Group”), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

Management’s Responsibility for the Consolidated Financial Statements

The Holding Company’s Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance and Consolidated Cash Flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor’s Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company’s preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company’s Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2017, and their consolidated Profit/loss and their consolidated cash flows for the year ended on that date.

Other Matters

We have audited the financial statements of its subsidiary **Medgel Private Limited** for the year ended on that, as considered in the consolidated financial statements.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter, Financial Statements/Financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. 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 of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group Companies is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure A” which is based on the auditor report of Holding Company and Subsidiary Company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company/Subsidiary Company incorporated in India internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Group has following pending litigations which are stated in the table below. However same doesn’t affect its financial position as on date.

Name of the Statute	Nature of Dues	Forum where dispute pending	Period to which the amount relates	Amount Involved	Amount Unpaid
Income Tax Act, 1961	Income Tax	ITAT	A.Y. 2010-11	Rs. 6200000/-	Fully Paid
Income Tax Act, 1961	Income Tax	ITAT	A.Y. 2013-14	Rs. 1801360/-	Rs. 1651360/-
Income Tax Act, 1961	Income Tax	CIT(A)	A.Y. 2014-15	Rs. 2123210/-	Rs. 2123210/-

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 delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiary incorporated in India.

2. The Company has provided requisite disclosures in the standalone Financial Statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

For: C.P. RAWKA & CO.
Chartered Accountants

C.P.RAWKA
Proprietor
M. No.:070060
FRN: 000518C

Place: INDORE
Date: 30th May, 2017

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in Paragraph 1(f) under ‘Report on other legal and regulatory Requirements’ of the report of even date) Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In Conjunction with our audit of the Consolidated Financial Statements of “the Group” as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **MEDICAPS LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiary **MEDGEL PRIVATE LIMITED** (the Holding Company and its Subsidiary Company together referred to as “the Group”), as of March 31, 2017 which are incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by “the Group” as adopted by each company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its Subsidiary Company, which are Companies incorporated in India, have, 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 March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal Financial Controls over financial reporting insofar as it relates to the subsidiary company, which is a Company incorporated in India, is based on our reports.

For: C.P. RAWKA & CO.

Chartered Accountants

C.P. RAWKA
Proprietor
M. No.:070060
FRN: 000518C

Place: INDORE
Date: 30th May, 2017

MEDI-CAPS LTD.			
Consolidated Balance Sheet as at 31st March, 2017			
			Amount in Rs.
Particulars	Note	As at 31st Mar 2017	As at 31st Mar 2016
I. EQUITY AND LIABILITIES			
-1 Shareholder's Funds			
(a) Share Capital	2	124699560	124699560
(b) Reserves and Surplus	3	766207051	698012307
-2 Non-Current Liabilities			
(a) Long term borrowings	4	910641	805831
(b) Deferred tax liabilities (Net)	5	3869566	3636303
(C) Long term provisions	6	10513682	8486458
-3 Current Liabilities			
(a) Trade payables	7	43483013	59282951
(b) Other current liabilities	8	20784899	29841516
(c) Short-term provisions	9	3300000	5500000
Total		973768412	930264926
II. Assets			
-1 Non-current assets			
(a) Fixed assets	10	610557544	564055256
(b) Non-current investments	11	24922658	39761297
(c) Long term loans and advances	12	7738591	9680167
-2 Current assets			
(a) Current investments	13	64135707	27610447
(b) Inventories	14	132229811	149668995
(c) Trade receivables	15	89409492	97087341
(d) Cash and cash equivalents	16	21268212	12950315
(e) Short-term loans and advances	17	23506396	29451109
Total		973768412	930264926
The Notes referred to above are an integral part of Balance Sheet. Note on Accounts as Note '1 to 34'			
As per our report of even date,		For and on behalf of the board For MEDI-CAPS LTD.	
C.P.Rawka & Co. Chartered Accountants Firm Reg. No.: -000518C	R.C.Mittal Chairman & Director DIN:00035272	Alok K. Garg Managing Director DIN:00274321	
C.P. Rawka Proprietor Membership No. 070060 Place : Indore Date : 30th May, 2017	Manish Jain C.F.O.	CS.Nupur Lodwal Company Secretary ACS 45770	

MEDI-CAPS LTD.			
Consolidated Profit and Loss statement for the year ended 31st March, 2017			
Amount in Rs.			
Particulars	Note	As at 31st Mar 2017	As at 31st Mar 2016
I. Revenue from operations	18	440381602	429714681
II. Other Income	19	20261790	6806033
III. Total Revenue (I +II)		460643392	436520714
IV. Expenses:			
Cost of materials consumed	20	218376616	230865470
Purchase of stock in trade		976750	0
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	7071213	(18375678)
Employee benefit expense	22	87426981	80807682
Finance Cost	23	134230	269415
Other expenses	24	111356041	110674964
Depreciation and amortization expense	10	18089140	18042810
Total Expenses		443430971	422284662
Profit before exceptional and extraordinary items and tax (III - IV)		17212421	14236051
V. Exceptional Items		0	0
VII Profit before extraordinary items and tax (V - VI)		17212421	14236051
VIII Extraordinary Items		0	0
IX. Profit before tax (VII - VIII)		17212421	14236051
X. Tax expense:			
(1) Current tax		3300000	5500000
(2) Earlier year excess provision for tax written back		0	(144091)
(3) Deferred tax		233263	242288
XI. Profit/(Loss) for the period (IX - X)		13679158	8637854
XII. Earning per equity share:	29		
(1) Basic		1.10	0.69
(2) Diluted		1.10	0.69

The Notes referred to above are an integral part of Balance Sheet.

Note on Accounts as Note '1 to 34'

As per our report of even date,

For and on behalf of the board
For MEDI-CAPS LTD.

C.P.Rawka & Co.

Chartered Accountants
Firm Reg. No.:-000518C

R.C.Mittal
Chairman & Director
DIN:00035272

Alok K. Garg
Managing Director
DIN:00274321

C.P. Rawka

Proprietor
Membership No. 070060
Place : Indore
Date : 30th May, 2017

Manish Jain
C.F.O.

CS.Nupur Lodwal
Company Secretary
ACS 45770

MEDI CAPS LIMITED			
Consolidated Cash Flow Statement for the year ended March 31, 2017			
Amount in Rs.			
PARTICULARS	As at Mar 2017	31st Mar 2016	As at Mar 2016
A. Cash Flow from Operating Activities			
Net Profit before Tax & Extraordinary Items	17212421		14236051
Adjustment For:			
Depreciation	18089140		18042810
Dividend Income	(300)		(300)
Operating Profit before Working Capital Change	35301261		32278561
Adjustment for Working Capital			
(Increase)/ Decrease in Sundry Debtors	7677849		(10638257)
(Increase)/ Decrease in Inventories	17439184		(15098548)
(Increase)/ Decrease in Loans & Advances	7886289		(11711322)
Increase/(Decrease) in Current Liabilities & Provisions	(24811331)		36405910
Cash Generated from Working Capital	8191991		(1042217)
Cash generated from Operation	43493252		31236344
Income Tax for the year	3300000		5355909
Net cash Flow from Operating Activity	40193252		25880435
B. Cash Flow from Investing Activities			
Sale/(Purchase) of Investments	(25118761)		(13075657)
Purchase of Fixed Assets	(7193920)		(1598488)
Dividend Received	300		300
Adjustment for Dep on sale of Fixed Assets	58060968		0
Net Cash used in Investing Activities	25748587		(14673845)
C. Cash Flow from Financial Activities			
Issue of share capital	39271250		0
Proceeds from Long Term Borrowings	(96895190)		(7289449)
Net Cash Used in Financial Activities	(57623940)		(7289449)
Net Increase in Cash and Cash Equivalents (A+B+C)	8317899		3917141
Cash & Cash Equivalents at the			
Beginning of the year	12950313		9033172
Closing of the year	21268211		12950313
Increase in Cash and Cash Equivalents	8317899		3917141
As per our report of even date annexed		For and on behalf of Board	
For C.P.Rawka & Co.		Medi-Caps Ltd.	
Chartered Accountants			
C.P.Rawka	R.C.Mittal	Alok K. Garg	
Proprietor	Chairman & Director	Managing Director	
M.No. 070060	DIN:00035272	DIN: 00274321	
FRN No. 000518C			
Date : 30th May, 2017	Manish Jain	CS Nupur Lodwal	
	C.F.O.	Company Secretary	
		ACS 45770	

NOTE 1–NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

a. Basis of preparation of financial statements:-

The Consolidated Financial Statements of the company have been prepared under the historical cost inventions, in accordance with Indian Generally Accepted Accounting Principles to comply with the Accounting Standards notified under section 211 (3C) of the Companies Act, 1956 (which continue to be applicable in respect of section 133 of the Companies Act, 2013, to the extent applicable in terms of General Circular 15/2013 dated 13 Sep, 2013 of the Ministry of Corporate Affairs). This Financial Statements have been prepared on accrual basis and the accounting policies adopted are consistent with followed in the previous year.

Principles of Consolidation:-

- i)** The financial statements of the Company and its subsidiary have been consolidate in accordance with the Accounting Standard 21 (AS-21) “Consolidated Financial Statements”, on line by line basis by adding together the book value of like items of assets, liabilities , income and expenses, after fully eliminating intra group balances, intra group transactions and the unrealized profit /Losses.
- ii)** The financial statements of the company and it subsidiary have been consolidated using uniform accounting policies for like transaction and other events in similar circumstances.
- iii)** Minority Interest in the net assets of the consolidated subsidiary consist of
 - i. The amount of equity attributable to minorities as at the date on which the investment in a subsidiary is made and,
 - ii. The minority share of movements in equity since the date the parent subsidiary relationship came into existence. The Losses applicable to the minority in excess of the minority interest in the equity of the subsidiary and further losses applicable to minority , are adjusted against the majority interest except to the extent that the minority has a binding obligation to and is able to make good the losses.
 - iii. Minority interest is presented separately from the liabilities or assets and the equity of the shareholders in the consolidated Balance Sheet. Minority Interest in the income or loss of the company is separately presented.

b. Fixed Assets and Depreciation:-

Fixed assets are stated at cost net of CENVAT or revalued figures less depreciation provided on straight line basis at the rates specified in Schedule II to the Companies Act, 2013.

c. Investments:-

The Company has policy to make investments on strategic and long term basis and the investments have been shown as the cost of investments of acquisition, no adjustments for change in the valuations as on the date of the balance sheet being made, as it has temporary in the nature.

d. Valuation of Inventories:-

Inventories are valued at lower of cost or net realisable value.

e. Foreign Exchange Transactions:-

Transactions in foreign currency are recorded by applying rate applicable on the date of transaction. The difference if any on actual payments /realisation is charged off to revenue.

f. Sundry Debtors and Advances:-

Company's management periodically verify the outstanding balance of sundry debtors, advances etc and on the basis of such verification management determines whether the said outstanding are good, bad or doubtful and accordingly same are written off or provided for.

g. Research & Developments:-

Capital Expenditure is treated in same line as any other Capital expenditure and Revenue expenditure is charged to the respective heads of Profit & Loss Accounts.

h. Terminal Benefits:-

Gratuity Liability is accounted for an accrual basis & the company has constituted trust with Life Insurance Corporation of India, Separate accounts for fund deposited with LIC and Provision for Gratuity Payable maintained by Company. Leave Encashment is accounted on Cash basis i.e. it is accounted for as and when paid.

i. Taxations:-

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax recognised, subject to the consideration of prudence in respect of deferred tax assets as timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

j. Earning Per Share:-

Basic and Diluted earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

k. Revenue Recognition:-

Revenue from sale of goods is recognized includes excise duty. Revenue (including in respect of insurance or other claims etc.) is recognized when it is reasonable to expect that the collection will be made. Interest income is accounted on accrual basis. Dividend from investment is recognized as revenue when right to receive the payments is established.

l. Employee Benefits:-

Defined Benefit Plan

The Employee Gratuity Fund Scheme and Leave Encashment Scheme managed by Life Insurance Corporation of India is a Defined Benefit Plan.

Defined Contribution Plans

The company's contribution paid/ payable for Provident Fund, ESIC and Pension Fund for the year is recognized in the statement of Profit and Loss.

Short Term Employee benefits

Short term benefits are recognized as an expense in the statement of profit & loss of the year in which the related services are rendered.

m. Intangible Assets:-

Cost incurred on intangible assets, resulting in future economic benefits are capitalized as intangible assets and amortised on equated basis over the estimated useful life of such assets. However Goodwill on acquisition of subsidiary company represents the excess of the cost of the acquisition over the face value of its shares.

MEDI-CAPS LTD.
Notes on Financial Statement for the year ended 31st March, 2017

Note : 2 Share Capital	As at 31st Mar 2017	As at 31st Mar 2016
Authorised Share Capital : 1,50,00,000 Equity Shares of Rs. 10/- each (Previous Year 1,50,00,000 Equity Shares of Rs. 10/- each)	150000000	150000000
Subscribed & Paidup Capital 1,24,69,956 Equity Shares of Rs. 10 each fully paid up (Previous Year 1,24,69,956 Equity Shares of Rs.10/- each)	124699560	124699560
	124699560	124699560

Reconciliation of the equity shares outstanding at the beginning and at the end of the year				
	As at March 31, 2017		As at March 31, 2016	
	Number	Value	Number	Value
Equity Shares				
At the beginning of the year	12469956	124699560	12469956	124699560
Issued during the year	-	-	-	-
Outstanding at the and the year	12469956	124699560	12469956	124699560
Details of Shareholders holding more than 5 percent shares in the company				
Name of Shareholders	No. of Shares as at			
	31.03.17	% of Holding	31.03.16	% of Holding
R.C.Mittal	3,166,320	25.40%	3,166,320	25.40%
Kusum Mittal	2,700,136	21.65%	2,700,136	21.65%

Note : 3 Reserve & Surplus	As at 31st Mar 2017	As at 31st Mar 2016
Capital Reserve		
Opening Balance	4421000	4421000
Less: Adjustment for Investment in Share Written Off	3213151	0
	1207849	4421000
Share Forfeiture A/c		
As per last balance sheet	2755455	2755455
Securities Premium Account		
Opening Balance	268620700	268620700
Add: Security Premium on Share issued during the year	5728738	0
	326349438	268620700
General Reserve		
As per last balance sheet	30456832	30456832
Surplus		
Opening balance	391758320	383120466
Add: Net profit for the current year	13679157	8637854
Closing Balance	405437477	391758320
	766207051	698012307

Note : 4 Long Term Borrowings	As at 31st Mar 2017	As at 31st Mar 2016
Other Borrowings	910641	805831
	910641	805831

	As at 31st Mar 2017	As at 31st Mar 2016
Note : 5 Deferred Tax Liability		
On Depreciation (Difference of as per Books & as per Income Tax Act)	3869566	3636303
	3869566	3636303

	As at 31st Mar 2017	As at 31st Mar 2016
Note : 6 Long Term Provisions		
Provision for Gratuity	9950883	7923659
Leave Encashment Payable	562799	562799
	10513682	8486458

	As at 31st Mar 2017	As at 31st Mar 2016
Note : 7 Trade Payable		
Sundry Creditors	43483013	59282951
	43483013	59282951

	As at 31st Mar 2017	As at 31st Mar 2016
Note : 8 Other Current Liabilities		
Advance Recd from Customers	2905801	10667929
Bonus Payable	3746587	3917996
Commission Payable	7577078	7600070
CST & VAT Payable	498968	496372
Entry Tax Payable	390818	0
ESI Payable	70497	69729
Outstanding Liabilities	3893583	3761602
Professional Tax	34459	20043
Provident Fund	528513	471356
TCS on Scrap Sales	0	413
Unpaid Salary & Wages (Provision)	494681	1998237
TDS on Consultancy	50860	64008
TDS on Contractor Payment	151469	37254
TDS on Salary	204410	349771
TDS on Rent	5517	0
TDS on Sales Commission	231658	386736
	20784899	29841516

	As at 31st Mar 2017	As at 31st Mar 2016
Note :9 Short-Term Provisions		
For Taxation	3300000	5500000
	3300000	5500000

Note-10- Fixed Assets-(A) Tangible Assets up to 31.03.2017

S. NO.	FIXED ASSETS	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK	
		As at 1st April 2016	Additions	Deductions	As at 31st March 2017	Up to 31st March 2016	For the Year ended 31st March 2017	Deletions	Up to 31st March 2017	As At 31st March 2017	As At 31st March 2016
1	Free Hold Land	1178000	0	0	1178000	0	0	0	0	1178000	1178000
2	Factory Building	173862187	0	0	173862187	38182631	5016786	0	43199417	130662770	135679556
3	Office Equipment	556045	0	0	556045	418124	137920	0	556044	1	137921
4	Office Buliding	19121350	0	0	19121350	2816369	492348	0	3308717	15812633	16304981
5	Plant & Machinery	305098774	759920	0	305858694	158642295	4904372	0	163546667	142312027	146456479
6	Furniture & Fixtures	54703181	0	0	54703181	22722937	5133777	0	27856714	26846467	31980244
7	Vehicles	19020064	6434000	742000	24712064	10387691	2403938	409770	12381859	12330205	8632373
8	Computers	3802046	0	0	3802046	3802045	-1	0	3802044	2	1
	TOTAL - A	577341647	7193920	742000	583793567	236972091	18089140	409770	254651461	329142106	340369556

1	Goodwill	223685700	57729738	0	281415438	0	0	0	0	281415438	223685700
	G. TOTAL (A+B+C)	801027347	64923658	742000	865209005	236972091	18089140	409770	254651461	610557544	564055256
	PREVIOUS YEAR	799428859	1598488	0	801027347	218929282	18042810	0	236972091	564055256	580499577

Note: Goodwill considered in Intangible assets and it is a purchase goodwill , hence no amortization charged in the books of account.

Note : 11 Non-Current Investments		As at 31st Mar 2017	As at 31st Mar 2016
a) Investment in properties		10793000	10793000
b) Investment in Equity instruments			
i) Trade Investment (Unquoted) In Other Company			
21800 (21800) Equity Shares of Rs.10/-each of Medicaps Fin.Ltd.	218000	218000	
NIL (107000) Equity Shares of Rs. 10/- each of Endolabs Ltd.	0	1070000	
	218000	1288000	
ii) Other Investment (Quoted)			
100 (100) Equity Shares of Natural Capsules	1000	1000	
NIL (43600) Equity Shares of Jord Engineers India Ltd.	0	2141139	
NIL (100) Shares of Bharati Healthcare Ltd	0	2012	
	1000	2144151	
c) Investment in Mutual Funds			
LIC Group Gratuity and Other Funds	13910658	25536145	
	13910658	25536145	
	24922658	39761297	

Note : 12 Long-Term Loans & Advances	As at 31st Mar 2017	As at 31st Mar 2016
(Unsecured, considered good unless otherwise stated)		
Security Deposits	7738591	9680167
	7738591	9680167

Note : 13 Current Investment	As at 31st Mar 2017	As at 31st Mar 2016
Investment in Mutual Funds		
Birla Sun Life Mutual Fund	2350000	0
IDBI Ultra Short Term Fund- Growth	24149905	9000000
Reliance Money Manager Fund- Growth	37635803	18610447
	64135707	27610447

Note : 14 Inventories	As at 31st Mar 2017	As at 31st Mar 2016
Raw Materials	29305190	36790863
Finished Goods	86674266	95869054
Stock in process and waste	5776975	3653400
Stores and Spares	1281380	1521630
Colour & Chemical	2490250	2225325
Packing Material	5873601	7945512
Printing Material	107264	80495
Lab Chemical & Equipments	56725	64445
Fuel	664160	541520
EHG Capsules (Traded Goods)	0	976750
	132229811	149668995

Note : 15 Trade Receivables	As at 31st Mar 2017	As at 31st Mar 2016
Unsecured , Considered Good as certified by the Management		
Outstanding over six months	37823984	8977402
Others	51585508	88109939
	89409492	97087341

Note : 16 Cash & Bank balances	As at 31st Mar 2017	As at 31st Mar 2016
Cash in Hand	433362	203404
Balance with Noted Banks :		
In Current Accounts	6452012	6608514
IDBI Bank C.C. A/c 0382655100000125	55752	1564801
In Fixed Deposit Accounts	14327086	4573595
	21268212	12950315

Note : 17 Short-term Loans & Advances	As at 31st Mar 2017	As at 31st Mar 2016
(Unsecured & Considered Good - Advance recoverable in Cash or in kind or for value to be received)		
Advance to Suppliers & Others	5568955	9057859
Balances with Government Authorities	1916695	2053503
Advance Tax & TDS (Net of Provisions)	14260549	16169075
Prepaid Expenses	1254010	1475928
Other Loans & Advances	506187	694744
	23506396	29451109

Note : 18 Sales	As at 31st Mar 2017	As at 31st Mar 2016
Sale of product	465699510	456610866
Less : Excise Duty	25317908	26896185
	440381602	429714681

Note :19 Other Incomes	As at 31st Mar 2017	As at 31st Mar 2016
Claims Received	567065	95884
Capital gain / (Loss) on Mutual Fund	5626476	7261
Dividend income	300	300
Interest Income on FDR	2132944	1865031
Cr. Bal No Longer Required W/off	6470025	34063
Foreign Exchange Fluctuation	1139621	336281
Misc. Income	4325360	4467213
	20261790	6806033

Note : 20 Cost of Materials Consumed	As at 31st Mar 2017	As at 31st Mar 2016
A) Raw Material Consumed		
Opening Stock	39080633	44689978
Purchases	194284724	217543616
	233365357	262233594
Less : Closing Stock	31852165	39080633
Raw Material Consumed	201513192	223152961
B) Packing Material Consumed		
Opening Stock	7945512	6003072
Purchases	14791514	9654949
	22737026	15658021
Less : Closing Stock	5873601	7945512
Packing Material Consumed	16863425	7712509
Grand total of Materials Consumed (A) + (B)	218376616	230865470

Note : 21 Increase/(Decrease) in Stocks	As at 31st Mar 2017	As at 31st Mar 2016
Closing Stock of :		
Finished Goods	86674266	95869054
Stock in Process	5162612	3281309
Waste	614363	372091
Total (A)	92451241	99522454
Opening Stock of :		
Finished Goods	95869054	78021007
Stock in Process	3281309	2810369
Waste	372091	315400
Total (B)	99522454	81146776
Increase/(Decrease) in Stock (A-B)	(7071213)	18375678

Note : 22 Employees Remuneration & benefits	As at 31st Mar 2017	As at 31st Mar 2016
Salary, Wages, Allowances & other Benefits	74172060	67151300
Directors Remuneration	6300000	7800000
Gratuity	2600000	1498214
P. F. Contribution	3754507	3849029
Staff Welfare Expenses	600414	509139
	87426981	80807682

Note : 23 Finance Cost	As at 31st Mar 2017	As at 31st Mar 2016
Interest on C.C. Limit	134230	269415
	134230	269415

Note : 24 Other Expenses	As at 31st Mar 2017	As at 31st Mar 2016
Advertisement & Publicity	50508	82891
Audit Fee	270000	349350
Annual Listing Fees	366400	290000
Bad Debts	1037086	0
Bank Charges	822036	336663
Business Promotion Expenses	3058553	664476
Certificate & Standard Exp.	310573	489539
Charity & Donations	15000	216500
Consultancy Charges	1273324	1461094
Conveyance Expenses	619625	681095
Development Charges to AKVN	364089	66198
Entry Tax	1255228	1444080
Electricity & Water	1595484	1550467
Freight Expenses	24445676	22152597
Factory Power & Fuel	45853894	48678587
Factory Expenses	1091984	1864860
Insurance Charges	1266162	945647
Import / Export Expenses	1072566	82968
ISO Certification Charges	33935	54086
Legal Expenses	79158	405862
Loss on Sale of Fixed Assets	101662	0
Membership Fee & Subscription	69591	61866
Misc. Expenses	4365232	1752307
Net gain/loss on foreign currency transaction	135026	0
Office & General Expenses	148518	124807
Postage, telegram	312115	332692
Printing Material consumed	287445	474251
Printing & Stationary	509736	871719
Rent, Rates & Taxes	863553	369281
Repairs & Maintenance		
Buildings	558000	43200
Machinery	2484015	7512134
Electricals	431660	2812506
A.C.Plant	1193726	856356
Computer	133502	228570
Other	91249	382447
Sales Commission	4138953	4060221
Sales promotion Expenses	1493150	1219368
Security Charges	926312	363094
Swatch Bharat Cess	57098	19370
Stores & Spares Consumed	1354124	1050039
Telephone & Telex Charges	614680	591990
Tour & Travelling Expenses	1202983	994473
Utility Expenses	551755	1948993
Vehicle Running & Maintenance	4450675	2788321
	111356041	110674964

Note 25 Segment Information

The entire operation of the company related to one segment as such there is no separate reporting required. Company's earning include Rs. 77.59 Lacs from interest Dividend and income from Investments However as per explanation given in AS 17 revenue does not include Dividend income, Interest & Income from Investment hence there is no separate reporting required.

Note 26 Deffered Tax

Information on deferred tax has been provided in accordance with AS-22 Accounting for taxation on income, issued by the Institute of Chartered Accountants of India. The deferred tax assets for the year is Rs.2,33,263/- has been recognised in the profit & Loss Account.

	As at 31st Mar 2017	As at 31st Mar 2016
Note 27 Payment to Auditors (Ex. GST Tax)		
Audit Fees	260000	250000
In other Capacity		
Tax Audit Fee	25000	20000
Other	35000	30000
	320000	300000

Note 28 Related Party Disclosure

Information on Related party transactions as per Accounting Standard 18 on related party disclosure:

S.No	Related Party	Transactions	As at 31st Mar 2017	As at 31st Mar 2016
1	Mr. R.C.Mittal Non Executive Director & Chairman	Remuneration	1000000	3000000
2	Mr. Alok K. Garg Managing Director	Remuneration	3000000	3000000
3	Mrs. Kusum Mittal Whole time Director	Remuneration	1800000	1800000
4	Mrs. Manisha Garg Whole time Director	Remuneration	1200000	1200000
5	Medgel Pvt. Ltd. Subsidiary Company (on arm length basis in the ordinary course of business)	Purchase Sale	19106 0	4106250 4021000
6	Akshit Garg CFO	Remuneration	300000	250000

Note 29 Earning Per Share

Earning per share, the numerator and denominator used to calculate Basic and Diluted Earning per shares:

	As at 31st Mar 2017	As at 31st Mar 2016
i) Profit after tax used as the numerator	13679158	8637854
ii) Basic/Weighted Average number of Equity Shares used as the denominator	12469956	12469956
iii) Nominal Value of Equity shares	10/-	10/-
iv) Basic & Diluted Earning per Equity Share	1.10	0.69

	As at 31st Mar 2017	As at 31st Mar 2016
Note 30 Employee Benefits		
a. Defined benefits plan		
I Change in obligation during the year		
1 Present value of Defined benefit obligation at beginning of year	8897811	6611737
2 Current Service Cost	2600000	2044129
3 Past Service Cost	238691	0
4 Interest Cost	(768618)	707199
5 Actuarial (Gains) / Losses	0	0
6 Benefits Paid	539619	465254

7 Present value of Defined benefit obligation at the end of the year	9950883	8897811
II Change in assets during the year ended March 31		
1 Plan assets at the beginning of the year	9744570	7561515
2 Settlements	0	0
3 Expected return on plan assets	768618	707199
4 Contribution by Employer	2600000	2044129
5 Actual benefits paid	539619	465254
6 Actuarial Gains / (Losses)	(114549)	(103019)
7 Plan assets at the end of the year	12459020	9744570
III Net Assets / (Liability) recognized in the Balance Sheet at March 31,		
1 Present value of Defined enefits Obligation as at March 31.	9950883	8897811
2 Fair value of plan assets as at March 31	12459020	9744570
3 Fund Status (Surplus / (Deficit))	2508137	846759
4 Net Assets / (Liabilty) as at end of the year	2508137	846759
IV Expenses recognised in the Statement of profit & Loss for the year ended March 31		
1 Current Service Cost	2600000	2044129
2 Interest Cost		
3 Expected return on plan assests	(768618)	707199
4 Past service cost		
5 Net Actuarial (Gains) / Losses		
6 Total Expenses	1831382	2751328
V The major categories of plan assets as a percentage of total plan	N.A.	N.A.
	N.A.	N.A.

Note 31 The company does not have outstanding for more than 30 days as on 31st March 2017 of S.S.I units the respectives parties.

Note 32 The previous years figures have been regrouped/ restated wherever necessary to confirm with the current years classification.

Note 33 Contingent Liabilities

The Holding Company has given Corporate Guarantees in respect of Fund Raised by Medgel Pvt. Ltd. (Subsidiary Company) for Rs. 2 Crores which is taken from IDBI Bank Ltd.

Note 34 Report on the Specific Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:-

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8-11-2016 (Holding)	-	97,375/-	97,375/-
Closing cash in hand as on 8-11-2016 (Subsidiary)	4,000/-	15,676/-	19,676/-
(+) Permitted receipts (Holding)	-	10,71,300/-	10,71,300/-
(+) Permitted receipts (Subsidiary)	-	3,00,000/-	3,00,000/-
(-) Permitted payments (Holding)	-	9,78,139/-	9,78,139/-
(-) Permitted payments (Subsidiary)	-	1,39,496/-	1,39,496/-
(-) Amount deposited in Banks (Holding)	-	-	-
(-) Amount deposited in Banks (Subsidiary)	4,000/-	-	4,000/-
Closing cash in hand as on 30-12-2016 (Holding)	-	1,90,536/-	1,90,536/-
Closing cash in hand as on 30-12-2016 (Subsidiary)	-	1,76,180/-	1,76,180/-

Explanation: For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016."

**PROXY FORM
FORM MGT- 11**

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

Name : **MEDI-CAPS LIMITED**
 CIN : L24232MP1983PLC002231
 Regd office : Mhow - Neemuch Road Sector 1 Pithampur Dhar (M.P.) 454775.
 Name of the member (s) :
 Registered address :
 E-mail Id :
 Folio No/ Client Id/ DP ID :
 I/We, being the member (s) of shares of the above named company, hereby appoint

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

as my/our proxy to attend and vote on a poll for me/us and on my/our behalf at the 34th Annual general meeting of the company, to be held on 28th, September, 2017 At the Registered Office at Mhow - Neemuch Road Sector 1 Pithampur Dhar (M.P.) 454775 at 11.00 A.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	Type of Resolution	Resolutions/Agenda Items
1.	Ordinary Resolution	Consider and adopt the standalone and consolidated Audited Financial Statement, reports of the Board and Auditor for the year ended 31 st March, 2017.
2.	Ordinary Resolution	Reappointment of Mr. Ramesh Chandra Mittal (DIN 00035272) who is liable to retire by rotation being eligible offers himself for re-appointment.
3.	Ordinary Resolution	Appointment of the Statutory Auditors of the Company till the conclusion of the 39 th AGM to be held in the year 2022, subject to ratification of their appointment at every AGM.
4.	Ordinary Resolution	Appointment of Mr. Ashok Omprakash Agrawal (DIN 07870578) under the category of Independent Director, who was appointed as an additional director by the Board in the category of Independent Director.
5.	Ordinary Resolution	Appointment of Mrs. Manisha Garg (DIN 01006545) for the office of Director, who was appointed as an additional director by the Board.
6.	Ordinary Resolution	Appointment of Mrs. Manisha Garg (DIN 01006545) as whole Time Director for further period of three year.
7.	Ordinary Resolution	Approval of the shareholders under Section 20 of the Companies Act, 2013 to charge a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode if any request has been made by such member for delivery of such document to him.
8.	Special Resolution	Approval of the shareholders under Section 94 of the Companies Act, 2013 to keep the Register of members & the index of members at any place other than the Registered office of the Company.

Signed this -----day of-----2017

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.

**ATTENDANCE SLIP
34TH ANNUAL GENERAL MEETING OF MEDI-CAPS LIMITED**

Regd. Folio No./DP ID/Client ID/Ben. A/C _____.

No. of shares held _____.

Mr./Mrs./Ms. _____.

I/We certify that I/We am/are registered shareholder/ proxy for the registered shareholder of the Company.

I/We hereby record my/our presence at the 34th Annual General Meeting of the Company at the registered Office of the Company on 28th, September 2017.

(If signed by proxy, his name should be written in block letters)

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

Note:

1. Shareholders/ proxy holder are requested to bring the attendance slip with them when they come to the meeting and hand over them at the entrance after affixing their signature on them
2. If it is intended to appoint a proxy, the form of proxy should be completed and deposited at the registered office of the Company at least 48 hours before the meeting.

BOOK-POST

If Undelivered please return to
Medi-Caps Limited
Mhow-Nemuch Road, Sector-I,
Pithampur - 454775, Distt. Dhar (M.P.)
E-mail : investors@medicaps.com
Website : medicaps.com