



**MEDI-CAPS LIMITED**

***31<sup>st</sup>* Annual Report**  
**2013-14**



**BOARD OF DIRECTORS**

• SHRI R.C.MITTAL	CHAIRMAN & MANAGING DIRECTOR	(DIN :00035272)
• SHRI ALOK K.GARG	EXECUTIVE/WHOLETIME DIRECTOR	(DIN :00274321)
• SMT.KUSUM MITTAL	EXECUTIVE/WHOLETIME DIRECTOR	(DIN :00035356)
• SMT.TRAPTIVIKAS GUPTA	NON EXECUTIVE DIRECTOR	(DIN :00204741)
• DR.SHASHI KANT SHARMA	INDEPENDENT DIRECTOR	(DIN :00204610)
• DR.KESHAV SINGH VERMA	INDEPENDENT DIRECTOR	(DIN :01490522)
• DR.SHAMSHER SINGH	INDEPENDENT DIRECTOR	(DIN :00204290)
• DR.VISHWANATH B.MALKAR	INDEPENDENT DIRECTOR	(DIN :02491684) (Upto 29.05.2014)
• SHRI PRAMOD FATEHPURIA	INDEPENDENT DIRECTOR	(DIN :00972389)

**COMPANY SECRETARY:**

CS RAJAT GUPTA

**CHIEF FINANCIAL OFFICER:**

SHRI MANISH KUMARJAIN

**STATUTORY AUDITORS:**

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

**BANKERS:**

IDBI Bank Ltd.  
Indusind Bank Ltd.  
State Bank of India  
Citibank

**REGISTERED OFFICE & WORKS:**

Mhow-Neemuch Road, Sector-1,  
Pithampur -454775, Distt. - Dhar (M.P.)  
Email Id: [investors@medicaps.com](mailto:investors@medicaps.com)  
Website: [www.medicaps.com](http://www.medicaps.com)  
Phone: 07292-424242

**CORPORATE OFFICE:**

201, Pushpratna Paradise,  
9/5, New Palasia, Indore- 452001  
Email: [indore@medicaps.com](mailto:indore@medicaps.com)  
[www.medicaps.com](http://www.medicaps.com)  
Phone: 0731-4046321

**REGISTRAR AND SHARE TRANSFER AGENT**

Ankit Consultancy Pvt.Ltd.  
Plot No.60, Electronic Complex, Pardeshipura, Indore (M.P.)-452010  
Tel-0731-2551745, 2551746, Fax-0731-4065798  
Email id- [ankit\\_4321@yahoo.com](mailto:ankit_4321@yahoo.com)

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**NOTICE**

**Notice** is hereby given that 31<sup>st</sup> Annual General Meeting of the members of **MEDI-CAPS LIMITED** will be held on Saturday the 27<sup>th</sup> day of September, 2014 at 11.00 A.M. at the registered office of the company at Mhow-Neemuch Road, Sector-1 Pithampur, District Dhar (M.P.) 454775 to transact the following businesses:

**ORDINARY BUSINESSSES:**

1. To receive, consider and adopt the audited standalone and consolidated Balance Sheet as at March 31, 2014, the Statement of Profit & Loss and Cash Flow Statement for the financial year ended March 31, 2014 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Ramesh Chandra Mittal, (having DIN 00035272) who retires by rotation and being eligible, offers 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** subject to the provisions of section 139 and other applicable provisions, if any, of Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s C.P. Rawka & Co., Chartered Accountants (ICAI Firm Registration No.000518C), the retiring Auditors of the Company subject to the peer reviewed by the ICAI be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the thirty fourth AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM) 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 **Special Resolution:**  
  
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 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 the Clause 49 of the Listing Agreement as may be amended from time to time, Shri Pramod Fatehpuria (DIN- 00972389), who was appointed as an additional director under the category of an Independent director pursuant to the provisions of section 161 of the Companies Act, 2013 by the Board w.e.f. 29<sup>th</sup> May, 2014 to hold the office of the directors till the date of the annual general meeting and in respect of whom the Company has received a notice in writing as required under section 160 of the Companies Act, 2013 from a member proposing him as a candidate for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years upto 28<sup>th</sup> May, 2019 and he will not be liable to retire by rotation.”
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, 160 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 the Clause 49 of the Listing Agreement as may be amended from time to time, Dr. Shashi Kant Sharma, (DIN-00204610), who was holding positions of the Independent Director and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the director of the Company and who has also submitted a declaration confirming that he meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years upto 31<sup>st</sup> March, 2019 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 **Ordinary Resolution:**  
  
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 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 the Clause 49 of the Listing Agreement as may be amended from time to time, Dr. Shamsher Singh (DIN-00204290), who was holding positions of the Independent Director and in respect of whom the company has received a notice in writing as required under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the director of the Company and who has also submitted a declaration confirming that he meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and is eligible for appointment, be and is hereby

appointed as an Independent Director of the Company to hold office for a term upto five consecutive years upto 31<sup>st</sup> March, 2019 and he will not be liable to retire by rotation.”

7. 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, 160 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 the Clause 49 of the Listing Agreement as may be amended from time to time, Dr. Keshav Singh Verma (DIN-01490522), who was holding positions of the Independent Directors and in respect of whom the company has received a notice in writing as required under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the director of the Company and who has also submitted a declaration confirming that he meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years upto 31<sup>st</sup> March, 2019 and he will not be liable to retire by rotation.”

**BY ORDERS OF THE BOARD**

**Date: 13<sup>th</sup> August, 2014**  
**Place: Pithampur**  
**Medicaps Ltd.**  
**CIN: L24232MP1983PLC002231**  
**Mhow-Neemuch Road,**  
**Sector 1, Pithampur**  
**District Dhar (M.P.)-454775**

**RAJAT GUPTA**  
**COMPANY SECRETARY**  
**ACS 35414**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
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 voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or member.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is given below and forms part of the Notice.
4. The company has notified closure of register of members and share transfer books from September, 25<sup>th</sup>, 2014 to September 27<sup>th</sup>, 2014 (both days inclusive).
5. The Members are requested to:
  - a) Intimate changes, if any, in their registered addresses immediately.
  - b) Quote their ledger folio number in all their correspondence.
  - c) Hand over the enclosed attendance slip, duly signed in accordance with their specimen registered with the Company for admission to the meeting place.
  - d) Bring their Annual Report and Attendance Slips with them at the AGM venue.
  - e) Send their Email address to us for prompt communication and update the same with their D.P to receive softcopy of the Annual Report of the Company.
6. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Directors.
7. Members seeking any information are requested to write to the Company by email at [investors@medicaps.com](mailto:investors@medicaps.com) at least 7 days before the date of the AGM to enable the management to reply appropriately at the AGM.
8. Members are requested to notify immediately any change in their address and E-mail ID to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company at Ankit Consultancy Pvt.Ltd.Plot No.60,Electronic Complex,Pardeshipura,Indore (M.P).
9. Electronic copy of the Annual report is being sent to the members whose email IDs are registered with 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 Report being sent in the permitted mode.
10. **Members may also note that the Annual Report for FY 2013-14 will also available for downloading on Company's website [www.medicaps.com](http://www.medicaps.com).**  
**Note :** The Ministry of Corporate Affairs (MCA) has taken a 'Green Initiative in Corporate Governance' by allowing paperless compliances by companies. Vide its Circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011, MCA has permitted companies to send Notices, Annual Report, etc. to its members in electronic form, i.e. through e-mail. **In view of the above, Members who have not registered their e-mail address so far are requested to register their e-mail address to the Registrar and Share Transfer Agent of the Company at Ankit Consultancy Pvt.Ltd. Plt No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) Email id : [ankit\\_4321@yahoo.com](mailto:ankit_4321@yahoo.com) for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
11. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting needs to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.
12. Relevant documents referred to in the accompanying 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 meeting.
13. **Voting through electronic means**

In compliance with the provisions of section 108 of the Companies Act, 2013 and the Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the 31st annual general meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL)

**The instructions for e-voting are as under:**

- A. In case a Member receives an email from NSDL: [for members whose email IDs are registered with the Depository Participants(s)]**
  - (i) Open email and open PDF file viz: (File Name) The said PDF file contains your user ID and password/ PIN for e-voting.
  - (ii) Launch internet browser by typing the following **URL: <https://www.evoting.nsdl.com>**
  - (iii) Click on Shareholder Login
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) If you login first time, Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or a combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.

- (vii) Select "EVEN" (E-voting Event Number) of Medicaps Ltd.
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional & Corporate 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 [evoting@medicaps.com](mailto:evoting@medicaps.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**B. In case Email I.D. of the member is not registered with the depository participant and members holding shares in Physical Form:**

- (i) Initial password will be provided/intimated through Letter from our Registrar:

<b>EVEN(E Voting Event Number )</b>	<b>USER ID</b>	<b>PASSWORD/PIN</b>

- (ii) Please follow all steps from Sl.No.(ii) to Sl.No.(xii) above, to cast vote.
- I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- II. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- III. 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).
- IV. The e-voting period commences on 23<sup>rd</sup> September, 2014 (9:00 am) and ends (6:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 8<sup>th</sup> August, 2014 may cast their vote electronically in the manner and process set out herein above. The 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.
- V. 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 8<sup>th</sup> August, 2014.
- VI. CA Neha Jain, Practising Chartered Accountants has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VII. The scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VIII. The results of e-voting, and poll, if any, shall be aggregated and declared on or after the AGM of the Company by the Chairman or by any other person duly authorized in this regard. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.medicaps.com](http://www.medicaps.com) and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
- IX. For any other queries relating to the shares of the Company, you may contact the Share Transfer Agents Ankit Consultancy Pvt. Ltd. Plot No.60, Electronic Complex, Pardeshipura Indore (M.P.) 452010 Tel-0731-2551745, 2551746 Fax-0731-4065798  
Email id: [ankit\\_4321@yahoo.com](mailto:ankit_4321@yahoo.com).

**Details of the directors seeking appointment/re-appointment in the ensuing Annual General Meeting**

<b>Name of Directors</b>	<b>Shri R.C. Mittal</b>	<b>Dr. Shashi Kant Sharma</b>	<b>Shri Pramod Fatehpuria</b>	<b>Dr. Shamsher Singh</b>	<b>Dr. Keshav Singh Verma</b>
Date of Birth	16/06/1947	05/03/1947	02/11/1961	06/06/1942	01/08/1939
Date of Appointment	06/08/1983	29/06/1993	29/05/2014	30/04/2002	30/04/2007
Expertise / Experience in specific functional areas	Having wide experience of 36 years in the field of pharma industry and real estates.	Having wide experience in the field of marketing.	Having a wide experience of 34 years in the field of manufacturing and marketing of Power and Distribution of Transformers and initiated green energy since 2006	Having wide experience in the field of Computer Science and Engineering.	Having over 41 years experience in the field of engineering.
Qualification	B. Pharma	MBBS (Medicine)	B.com	B.E, M.E and Ph.D (IIT, Mumbai).	M.Tech , PHD (Mechanical Engineering)
No. & % of Equity Shares held	3166320 (25.39%)	2200 (0.02%)	-	-	-
List of outside Company's directorship held	1. Trapti Investments Pvt. Ltd. 2. Medicaps Finance Ltd. 3. Medpak India Limited 4. Crystal Devcons Pvt.Ltd. 5. Diatonic Developers Pvt. Ltd. 6. Skyline Devcons Pvt. Ltd. 7. Saffron Realities Pvt. Ltd. 8. North Rajasthan Holdings Pvt. Ltd. 9. Medicaps IT Park Pvt. Ltd. 10. Medgel Pvt. Ltd. 11. Taurus Dwellers Pvt. Ltd.	1. Medgel Pvt. Ltd.	1. Fatehpuria Vidyut Udyog Pvt. Ltd.	-	-
Chairman / Member of the Committees of the Board of Directors of the Company	-	1.Chairman of Audit Committee 2.Chairman of Nomination and Remuneration Committee 3.Chairman of Stakeholder Relationship Committee	-	1. Audit Committee 2. Nomination and Remuneration Committee 3. Stakeholder Relationship Committee	1.Audit Committees 2.Nomination and Remuneration Committee
Chairman / Member of the Committees of the Board Directors of other Companies in which he is director	-	-	-	-	-



**EXPLANATORY STATEMENT IN TERMS OF SECTION 102 OF THE COMPANIES ACT, 2013.****Item No.3:**

This explanatory statement is provided though strictly not required as per section 102 of the Act. M/s C.P. Rawka & Co., Chartered Accountants (ICAI Firm Registration No.000518C), Indore have been the Auditors of the Company since more than 5 years.

As per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Companies Act, 2013 to comply with this requirement. In view of the above, M/s C.P. Rawka & Co., Chartered Accountants, being eligible (subject to the peer review by the ICAI) for re-appointment and based on the recommendation of the Audit Committee, the Board of directors has, at its meeting held on 29<sup>th</sup> May, 2014 proposed the re-appointment of M/s C.P. Rawka & Co., Chartered Accountants as the statutory auditors for a period of three years up to the conclusion of the 34<sup>th</sup> annual general meeting to be held in the calendar year 2017 and to hold office from the conclusion of this AGM (subject to ratification of their appointment at every AGM).

The Board recommends the Resolution as set out at Item No.3 for approval by the members as an Ordinary Resolution.

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

**Item No.4 to 7:**

The Board of directors of the Company comprises eight directors out of which four are Non-Executive Independent Directors of the Company.

As per the provisions of section 161 and 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Board of directors at their meeting held on 29<sup>th</sup> May, 2014 has appointed Shri Pramod Fatehpuria (DIN- 00972389) as an additional director under the category of Independent Director to hold the office of the director till the date of this annual general meeting. He holds a degree of B.Com. Shri Pramod Fatehpuria does not hold any Shares in the company.

A notice has been received in writing from a member as required under section 160 along with the deposit of requisite amount proposing Shri Pramod Fatehpuria as a candidate for the office of Director. In the opinion of the Board, he fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as a director. The Board recommends passing necessary resolution as set out in Item No.4 of the notice.

**Dr. Shashi Kant Sharma** joined the Board on 29<sup>th</sup> June, 1993 as an Independent Director and has served as director of the Company for over 21 years. He Holds a degree of MBBS (Medicine) having experience in the medical Field.

Dr. Sharma is holding 2200 Equity shares which consist of 0.02% of total shares of the Company.

**Dr. Shamsher Singh** joined the Board on 30<sup>th</sup> April, 2002 as an Independent Director. He holds a degree of B.E, M.E and Ph.D (IIT, Mumbai). He was Professor and Head of Dept. of Computer Science and Engineering, Electronic Communication and of J.N. Vyas University, Jodhpur (Raj.).

Dr. Singh, does not hold any shares in the Company.

**Dr. Keshav Singh Verma** joined the Board on 30<sup>th</sup> April, 2007 as an Independent Director. He holds a degree of M.Tech., PHD (Mechanical Engineering) and fellow member of Institute of Engineering (India), Kolkata and Life Member of Indian Society for Technical Education, New Delhi.

Dr. Verma, does not hold any shares in the Company.

The detailed profile of the above said these four directors in other Companies are included separately in this Notice and report on Corporate Governance forming part of the Annual Report.

As per the provisions of section 149 of the Companies Act, 2013 which has come into force w.e.f. 1<sup>st</sup> April 2014, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company and shall not be liable to retire by rotation. Therefore, it is proposed to appoint them as Independent Directors at the ensuing Annual General Meeting for a period of 5 years, upto 31<sup>st</sup> March, 2019.

All the above said four Independent Directors has given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act.

In the opinion of the Board the above said four directors fulfils the conditions specified in the Act and the Rules made there under as the Clause 49 of the Listing Agreement for their appointment as Independent Directors of the Company.

The Company has received a notice in writing as required under section 160 of the Companies Act, 2013 from members for proposing the appointment of the above said directors.

All the 'Independent Directors' have expertise in specific functional areas and are eminent personalities in their respective fields .The Board considers that there continued association would be of immense benefit to the Company and it is desirable to continue to avail services of these four directors as Independent Directors. Accordingly, the Board recommends the resolution as set out in the Item No.5 to 7 as Ordinary Resolutions Dr. Shashi Kant Sharma, Shri Pramod Fatehpuria, Dr. Shamsher Singh and Dr. Keshav Singh Verma, who are proposed appointees may be considered as concerned or interested financially in the Resolutions to the extent of the sitting fee as may be paid by the company from time to time. Except that none of the other Directors nor Key Managerial Personnel or relatives thereof are, in any way, concerned or interested in the Resolutions.

**BY ORDERS OF THE BOARD**

**Date: 13<sup>th</sup> August, 2014**  
**Place: Pithampur**  
**Medicaps Ltd.**  
**CIN: L24232MP1983PLC002231**  
**Mhow-Neemuch Road,**  
**Sector 1, Pithampur**  
**District Dhar (M.P.)-454775**

**RAJAT GUPTA**  
**COMPANY SECRETARY**  
**ACS 35414**

**DIRECTORS' REPORT**

To,  
The Members,  
MEDICAPS LIMITED

The Directors submits their 31<sup>st</sup> Annual Report of the Company along with the Audited Standalone and Consolidated Financial Statements for the financial year ended March 31, 2014.

**1. FINANCIAL RESULTS:****(Rupees in Lacs)**

Particulars	31.03.2014	31.03.2013
Revenue from operation	2736.97	2602.51
Other Income	(156.19)	(133.24)
Total Income	2580.78	2469.27
Total Expenses	2458.33	2287.51
Profit before Interest, Depreciation & Tax (EBIDTA)	125.89	244.61
Less: Interest	0.00	0.00
Less: Depreciation	34.04	62.86
Profit before Tax	122.45	181.75
Less: (a) Current Tax	100.00	120.00
(b) Earlier year excess provision for tax written back	(0.48)	0.00
(c) Deferred Tax	8.67	(4.82)
Net Profit for the year	14.26	66.57
Add: Surplus brought forward from previous year	4604.42	4537.85
Surplus Carried to Balance Sheet	4618.68	4604.42
Paid up Equity Share Capital	124699560	124699560
Earning per share (Rs.10/- each) Basic & Diluted (in Rs.)	0.11	0.53

**2. DIVIDEND:**

Your Directors considered the feasibility of dividend for the year 2013-14 and considered the requirement of the liquid financial resources for the smooth running of the company and in view of the present financial status, the company needs to provide financial support to its subsidiary Medgel Pvt. Ltd. therefore this year the Directors proposes to escape the dividend and the profits earned by the Company be utilized for the further business plans to maximize the worth of the company and its shareholders. (Previous Year NIL)

**3. COMPANY'S PERFORMANCE & FUTURE OUTLOOK:**

In spite of the slack in the market condition during the year under review, it could earn the gross income of Rs. 2580.78 Lacs as compared to Rs. 2469.27 Lacs in previous year. Due to sharp increase in the cost of raw material and employee cost, the profitability of the Company has been decreased from Rs. 181.75 Lacs to Rs. 122.45 Lacs. The Company's investment in the Mutual Funds, etc. as well as in Subsidiary Company could not generate adequate profits even the Company has to incur losses on the investments activities due to depressed capital market and Mutual Funds in the country.

**4. DIRECTORS:**

The Board in its meeting held on 29<sup>th</sup> May, 2014 has appointed Shri Pramod Fatehpuria as an Additional Director under the category of Independent Director of the Company, to hold the office of the director till the conclusion of the Annual General Meeting.

Dr. Vishwanath Balkrishna Malkar, Director of the Company has resigned from the office of Director w.e.f. 29<sup>th</sup> May, 2014.

In view of impending retirement from the directorship of Shri R.C. Mittal liable to retire by rotation at the forthcoming Annual General Meeting, being eligible offers himself for re-appointment.

Further that Dr. Shashi Kant Sharma, Shri Pramod Fatehpuria, Dr. Shamsher Singh and Dr. Keshav Singh Verma the existing independent directors are further proposed to be appointed as Independent Directors for a term of 5 years as per requirement of section 149 of the Companies Act, 2013 as well as Clause 49 of the Listing Agreement.

The Company has received notice in writing from the members as required under section 160 of the Act for proposal for appointment of above said Directors of the Company at the ensuing Annual General Meeting.

The Independent Directors have submitted a declaration confirming that they meets the criteria for independence as provided in section 149(6) of the Act and is eligible for appointment as Independent Directors of the Company.

In the opinion of the Board the above said four directors fulfills the conditions specified in the Act and the Rules made there under as the Clause 49 of the Listing Agreement for their appointment as Independent Directors of the Company.

**5. DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, and based on the representation received from the operating management, the Directors hereby confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed and there is no material departures;
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that have been reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year under review;
- c. they have taken proper and sufficient care to the best of their Knowledge and ability for the maintenance of adequate accounting records in accordance with the provision of this Act. They confirm that there are adequate systems and controls for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities;
- d. they have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2014 on a going concern basis;

**6. DEPOSITORY SYSTEMS AND LISTING:**

The equity shares of the Company may also be kept in electronic form with the Central Depository Services Ltd. (CDSL) and National Depository Services Ltd. (NSDL) therefore all members and investors may hold their shares in the Company's shares in dematerialized form. Company's equity shares are listed at the BSE Ltd. and MPSE and being regularly traded at the BSE.

**7. FINANCE & ACCOUNTS:****7.1 Cash generation:**

Your company continued its strong cash generation driven by overall business performance. Your company optimized the return on investment by deployment of cash surplus in a balanced portfolio of sale and liquid securities and may be considered as 'Zero Debts Company'.

**7.2. Internal Control Systems and its adequacy:**

The Company's internal control procedures are tailored to match the organization pace of growth and increasing complexity of operations, these ensure compliance with various policies, practices and statutes. The Company's internal audit carries out extensive audit throughout the year, across all functional area and submits its report to the Audit Committee of the Board of directors.

**7.3 Adequate coverage of risk:**

The Company's assets are adequately insured against various risks, which were considered necessary by the management from time to time.

Your company is a foreign exchange earner and the transactions are suitably covered for exchange risk and there is no materially significant exchange rate risk associated with the company.

**7.4 Segment-wise results:**

Your company is dealing only in a single segment, i.e. manufacturing of the gelatin capsules; therefore AS-17 for Segment-Wise reporting is not applicable to the Company.

**7.5 Subsidiary Company:**

Medgel Pvt. Ltd. is a subsidiary company and it has invested Rs. 2812.34 in the share capital. Medgel Pvt. Ltd. is having its plant in the Pithampur (M.P.)

**7.6 Disclosures:**

The Company has made adequate disclosures regarding related party transactions, contingent liabilities, remuneration of directors, and significant accounting policy in the notes to the accounts as an integral part of the Balance Sheet and Profit & Loss Accounts for the year ended 31st March, 2014.

**8. ISO:9001:2000 CERTIFICATION:**

As you are aware that your Company is ISO:9001:2000 complied and this will give further strength to the quality as well as international recognition.

**9. AUDITORS:**

M/s C.P. Rawka & Co., Chartered Accountants (ICAI Firm Registration No. 000518C), Indore, statutory auditors of the Company, hold the office until the ensuing Annual General Meeting. The said Auditors have furnished the certificate of their eligibility for re-appointment.

Pursuant to the provisions of section 139 and other applicable provisions, if any, of Companies Act, 2013 read with Rule 3 of Companies (Audit and Auditors) Rules, 2014, subject to the peer review by the ICAI is proposed to re-appoint M/s C.P. Rawka & Co., Chartered Accountants (ICAI Firm Registration No. 000518C), as Statutory Auditors of the Company from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Thirty Fourth AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM) on such remuneration as may be decided & fixed by the board on the recommendations of the Audit Committee.

The Auditors' Report read with notes to accounts are self-explanatory and needs no further comments.

**10. COST AUDITORS:**

Pursuant to the directives of the Central Government under the provisions of section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, the Company is not required to appoint the Cost Auditors for the year 2014-15. The Cost Audit Report/Compliance Certificate for the year 2013-14 would be filed to the Central Government within the stipulated time.

**11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, PARTICULAR OF EMPLOYEES AND FOREIGN EXCHANGE:**

Information as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988 have been annexed herewith as **Annexure A**.

**12. DEPOSITS:**

Your Company has not accepted any public deposit within the meaning of provisions of section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 and there is no outstanding deposit due for re-payment.

**13. PERSONNEL:**

The Company continued to have cordial and harmonious, rooted in the philosophy of bilaterism. In totality our employees have shown a high degree of maturity and responsibility in responding to the changing environment, economic and the market conditions.

**14. SECRETARIAL AUDITORS:**

The Company has appointed M/s Ishan Jain & Co., Company Secretaries (ACS 29444 & CP 13032) as the Secretarial Auditors for the year 2014-15 as required under section 204 of the Companies Act, 2013.

**15. INSURANCE:**

The Company has taken adequate insurance cover for all movable & immovable assets for various types of risks.

**16. PARTICULARS OF EMPLOYEES:**

Your company did not have any person in employment that, if employed throughout the financial year or part thereof, was in receipt of remuneration, particulars of which are required to be included in this report as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975.

**17. CORPORATE GOVERNANCE REPORT:**

Report on Corporate Governance as required under the Listing Agreements with the Stock Exchanges along with the certificate of the Auditors, M/s C.P. Rawka & Co., Chartered Accountants (ICAI Firm Registration No. 000518C) confirming compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are attached to this report as **Annexure B**.

**18. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:****18.1 Industry structure and developments:**

India is among the top five emerging pharma markets and has grown at an estimated compound annual growth rate (CAGR) of 13% during the period FY 2009-2013. A new cluster of countries is contributing to the growth of the Pharma industry, resulting in a robust jump in export of drugs. The country's pharma industry accounts for about 1.4% of the global pharma industry in value terms and 10% in volume terms. Both domestic and export-led demand contributed towards the robust performance of the sector. Pharmaceutical sales in India are expected to grow by 14.4 per cent to US\$ 27 billion in 2016 from US\$ 22.6 billion in 2012, according to a report by Deloitte called "2014 Global Life Sciences Outlook".

Among the fastest growing pharma industries in the world, India's Pharmaceutical Sector is expected to expand at a compound annual growth rate (CAGR) of 12.1% during 2012-2020 and reach US\$ 45 billion. By 2020, the country is expected to be within the top three pharmaceutical markets by incremental growth and sixth largest market globally in absolute size. India exports to more than 200 countries; its share of exports is expected to grow manifold. India's pharmaceutical exports stood at US\$ 14.84 billion in FY 2013-14. The United States (US) is the country's biggest market for pharma exports accounting for about 25 per cent, followed by the United Kingdom (UK). We are expecting around 12 per cent growth this fiscal (2014-15). The export of bulk drugs continue to grow to regulated markets and is supported by India's existing foothold in semi-regulated market

With 70 per cent of India's population residing in rural areas, pharma companies have immense opportunities to tap this market. Demand for generic medicines in rural markets has seen a sharp growth. The rural health research centers are expected to put an overall positive impact on the Indian pharma sector highlighting the healthcare issues suffered by rural population and helping the Indian pharmaceutical companies to offer feasible solutions to the challenges. Other measures like setting up of four additional AIIMS and 12 government medical colleges are expected to result in improved quality of medical education and access to healthcare.

As per extant policy, FDI up to 100 per cent, under the automatic route, is permitted in the pharmaceuticals sector for Greenfield investment. Hundred per cent FDI is also permitted for investments in existing companies under the government approval route. Further, the Government of India has also put in place mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to address the issue of affordability and availability of medicines.

**18.2 SWOT ANALYSIS FOR THE COMPANY:****18.2.1 Strengths:**

- Strong in-house Research & Development.
- Integrated supply chain.
- Ability to deliver cost saving.
- High quality manpower resources.
- Centralized manufacturing activities at Pithampur Plant.
- Zero Debt Company.
- Strong financial planning.

**18.2.2 Weaknesses:**

- Scarcity of Technical Expertise.
- Controlling of process parameters is very critical.
- Dependency on drug formulation companies.
- Frequent fluctuation in market demand.
- Very sensitive process of manufacturing.

**18.2.3 Opportunities:**

There is very good demand of gelatin capsules in overseas and Indian market having good quantum in that and quality of Indian capsule recognized in world.

**18.2.4 Threats:**

- India has one of the lower per capita health care expenditure in the world.
- Aggressive price competition from local and multinational players.
- Fast technology change in the manufacturing line of the Company.
- Frequent change in Govt. policy for pharmaceutical industries.
- Registration of patent by the users of the products of the company.
- Developed countries are very rigid in procuring capsules from out of countries.
- Higher inflation rate.
- Uncertainty in the capital market.

**18.3. OUTLOOK**

While we cannot predict a further performance, we believe considerable opportunities will exist for sustained and profitable growth, not only in the developing countries but also in the developed western countries. The Company is in continuous process to launch new variety of empty capsules and variants to meet out the demands in the coming year and also to expand its marketing reach in other country for growth in the export as well as domestic turnover. The company with its continued focus on exports stands to gain a lot from the emerging scenario. However, return from the investment activities may largely affect the profitability of the Company.

**18.4. MARKETING AND EXPORT:**

In domestic market your company had some more well reputed companies. In the export front the turnover of the Company is increased to Rs.155.09 Lacs as compared to previous year Rs. 62.11 Lacs, however your company is making all the efforts to increase its export turnover in the coming years.

**19. ACKNOWLEDGEMENTS:**

Your directors acknowledge the vital role played by conscientious and hardworking employees of the company at all levels towards its overall success. Your directors also acknowledge the support provided by suppliers, vendors and valued customers in its efforts to provide high quality products. Your Board takes this opportunity to record their appreciation in this regard including valued investors and shareholders of the Company.

**FOR & ON BEHALF OF THE BOARD**

**Place : Pithampur  
Date: 13<sup>th</sup> August, 2014**

**RAMESH CHANDRA MITTAL  
CHAIRMAN CUM MANAGING DIRECTOR  
DIN-00035272**

**ANNEXURE A**

Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of board of Directors) Rules, 1988 forming part of the Directors' Report for the year ended 31<sup>st</sup> March 2014.

**I. Conservation of energy:****Power and Fuel Consumption**

	<b>2013-14</b>	<b>2012-13</b>
1. Electricity (Purchased) Units	4793402	5075361
Total Amount (Rs.)	29620343	29646651
Rate per Unit (Rs.)	6.18	5.84
2. Electricity (Generated) units	46500	95046
Diesel/LDO/SKO Consumed in Liters	14825	32405
Total Amount (Rs.)	902476	1681658
Rate per Unit (Rs.)	19.41	17.69
3. Total Units Consumed	4839902	5170407
Units Consumed in lac per capsule	141.34	142.58

**II. Technology Absorption and Research & Development:**

Research and Development is in process for followings:

- To increase production capacity of capsule manufacturing machine.
- To increase automization of manufacturing process.
- To reduce critical defects.

**III. Foreign exchange earnings and outgo:**

- Activities relating to exports initiatives taken to increase exports, development of new export market for products.
- Information in respect of Foreign Exchange Earning & Outgo is as under:

		<b>Current Year</b>	<b>Previous Year</b>
Earning	:	155.09 Lacs	62.11 Lacs
Outgo	:	162.67 Lacs	163.96 Lacs

**FOR & ON BEHALF OF THE BOARD**

**Place : Pithampur**  
**Date: 13<sup>th</sup> August, 2014**

**RAMESH CHANDRA MITTAL**  
**CHAIRMAN CUM MANAGING DIRECTOR**  
**DIN-00035272**

**ANNEXURE B**  
**Corporate Governance Report 2013-14**  
 (Forming part of the Directors' Report of Mediacaps Limited)

Effective corporate governance practices constitute the foundations on which successful commercial enterprises are built to last. Corporate Governance is a set of principles, processes and systems which govern a company. The elements of Corporate Governance are independence, transparent, accountability, responsibility, compliance ethics, values and trust. Corporate Governance enables an organization to perform efficiently and ethically generate long term wealth and create value for all its stakeholders.

The Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust and your Company always seeks to ensure that its performance goals are met with integrity. The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate.

**1. COMPANY'S PHILOSOPHY ON CODE:**

The Company's philosophy on Corporate Governance strives for attaining the optimum level of transparency and accountability in all facets of its operation and dealing with its shareholders, employees, lenders, creditors, customers and the government. The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements entered into with the Stock Exchange with regard to Corporate Governance and also has taken certain steps to ensure transparency and accountability. Your company shall continue to follow the same with a desire for further development on continuous basis.

The Board of Directors, by considering itself as trustee of its shareholders, aims at maximizing shareholders value and protecting the interest of all stakeholders

**2. BOARD OF DIRECTORS AND THEIR MEETINGS:**

The Board consists of Executive and Non-Executive Directors including Independent Directors who have wide and varied experience in different disciplines of corporate functioning. Shri R.C. Mittal, Chairman & Managing Director is also assisted by Shri Alok K. Garg, Executive Director & Mrs. Kusum Mittal, Whole time Director, is overall incharge for the affairs of the Company who exercise their powers and discharge their duties under the superintendence and control of the Board of directors from time to time. The Board of Directors of the Company comprises of three Executive Directors, four are Independent Directors and one Non- Executive Director.

During the financial year 2013-14 the Board of directors met **4 (Four)** times on, **30<sup>th</sup> May 2013; 14<sup>th</sup> August 2013; 13<sup>th</sup> November, 2013 and 13<sup>th</sup> February, 2014**. The time gap between any two Meetings of the Board was less than four months.

The composition of the Board of Directors and their attendance at the meetings during the year were as follows;

Name of the Directors	Category	Designation	No. of Board meeting held during the financial year	No. of Board meeting attended during the financial year	Whether attended last AGM held on 28.09 2013	No. of other directorship	No. of Committee Chairmanship/ membership in other Companies
Shri Ramesh Chandra Mittal	Promoter & Executive Chairman	Chairman & MD	4	4	Yes	11	Nil
Shri Alok K. Garg	Promoter & Executive Director	WTD	4	4	Yes	5	Nil
Mrs. Kusum Mittal	Promoter & Executive Director	WTD	4	4	Yes	9	Nil
Mrs. Trapti Gupta	Promoter & NED	Director	4	0	No	2	Nil
Dr. S.K. Sharma	Independent /NED	Director	4	4	No	1	Nil
Dr. Shamsher Singh	Independent /NED	Director	4	4	Yes	0	Nil
Dr. K.S.Verma	Independent /NED	Director	4	4	Yes	0	Nil
Dr. Vishwanath B.Malkar#	Independent /NED	Director	4	0	No	0	Nil
Shri Pramod Fetehpuria*	Independent /NED	Director	0	0	N.A.	1	Nil

#Shri Dr.Vishwanath B.Malkar **Resigned from the office of Director of the Company w.e.f. 29/05/2014.**

\* Shri Pramod Fetehpuria **appointed as Director of the Company w.e.f.29/05/2014.**

**3. INFORMATION PLACES BEFORE THE BOARD:**

The Board has unfettered and complete access to any information within the Company and from any of our employees. At meetings of the Board, it welcomes the presence of concerned employees who can provide additional insights into the items being discussed. Among others, information regularly supplied to the Board includes:

1. Annual operating plans and budgets and any updates.
2. Capital budgets and any updates.



3. Quarterly results for the company and its operating divisions or business segments.
4. Minutes of meetings of audit committee and other committees of the Board.
5. The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
6. Show cause, demand, prosecution notices and penalty notices which are materially important.
7. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
8. Any material default in financial obligations to and by the company, or substantial nonpayment for goods sold by the company.
9. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
10. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
11. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
12. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

Among other things, key matters like periodic operations and financial results, findings/ comments of the statutory, internal and other auditors, risk management, internal controls, resource mobilization efforts are considered and deliberated upon by the Board. The Board also regularly deliberates on the Company's positioning in the Indian and global market and adopts and approves the strategy for medium and long term growth. The Board also periodically reviews compliance reports of all laws applicable to the Company, prepared by the designated employees as well as steps taken to rectify instances of non-compliance.

The Agenda for the Board Meeting and its Committee Meetings are drafted by the Compliance officer/Company Secretary. The Agenda, along with all information, including statutory information, relevant to the matters to be discussed is sent well in advance to the Directors. The Members of the Board can also suggest any agenda item to the Chairman, which is taken up as an additional item after the circulated agenda items. Detailed presentations are made at the Board Meetings by the Managing Director on various strategic and operational issues.

#### 4. CODE OF CONDUCT:

The Company has adopted a Code of Conduct for Board of Directors and Senior Management. All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as on March 31, 2014.

As required by SEBI Regulations, the Company has adopted a code for the Prevention of Insider Trading.

Code is applicable to the Directors and employees of the Company and its subsidiaries and their dependent family members.

#### 5. BOARD COMMITTEES:

**Board has Three Committees, viz.**

- a. Audit Committee;
- b. Nomination and Remuneration Committee;
- c. Stakeholders Relationship Committee;

The above said Committees consist of a majority of Independent Directors. The quorum for the Meetings is either two Directors or one third of the members of the Committee, whichever is higher.

##### 5.1 AUDIT COMMITTEE:

As a measure of good Corporate Governance and to provide assistance to the Board of Directors and to meet the requirement of section 292A of the Companies Act, 1956 and the Clause 49 of the Listing Agreement and in fulfilling the Board's overall responsibilities, an Audit Committee is functioning consisting of only Independent directors. The Audit Committee inter-alia has the following mandate in terms of the Clause 49 of the Listing Agreement:

1. Overview of Company's financial reporting process and the disclosure of the financial information in the Annual Accounts.
2. To review and discuss with management, internal audit team and external auditors regarding any significant finding of material nature.
3. To consider and review the adequacy of management control system and internal audit function and frequency of internal audit process.
4. To review with Management the quarterly and annual financial statements before submission to the Board focusing primarily on any change in accounting policies and compliance with accounting standards, requirements of stock exchanges and other legal compliance.
5. To review Balance Sheet & Profit and Loss Accounts and Cash Flow Statement to be placed before the Board.
6. To consider and review the financial and risk management policy of the Company.
7. To consider and review the defaults, if any in payment to the Creditors, financial institutions and reasons thereof.
8. To review the functioning of the Whistle Blower Mechanism.
9. To appoint the Cost Auditors and review the Cost Auditor Reports/Compliance Report of the Cost accounting Report
10. To consider the Directors responsibility statement to be given by the Board in the Directors Report.
11. To consider the matter relating to the recommendation for appointment of the external auditors and fixation of their audit fee and also approval for payment of any other services.
12. Approval of the related party transactions.

##### a) Composition of the Audit Committee:

The Audit Committee of the company comprises of the following independent directors:

Name of Committee Member	Designation	Position
Dr. Shashi Kant Sharma	Director NED/IND	Chairman
Dr. Shamsher Singh	Director NED/IND	Member
Dr. Keshav Singh Verma	Director NED/IND	Member



CS Rajat Gupta is functioning as the Secretary to the Committee w.e.f. 1<sup>st</sup> April, 2014.

The Statutory Auditors and Managing Director of the Company were also invited by the Committee to express their views in the Meeting. The Chairman of the Audit Committee has also attended the Annual General Meeting of the members of the company.

**b) Meetings of the Audit Committee:**

During the financial year 2013-14 the Audit Committee met **4 (Four) times on, 30<sup>th</sup> May, 2013; 14<sup>th</sup> August, 2013; 13<sup>th</sup> November, 2013; 13<sup>th</sup> Feb. 2014** under the Chairmanship of Dr.S.K.Sharma, in which proper quorum was present.

The Committee considered the Annual Accounts for the year 2013-14 and reviewed financial and risk management policy of the Company.

The Whole-time Director Shri Alok K. Garg, in charge of the Finance and Accounts and the Statutory Auditors of the Company were the permanent invitee for the meetings of the Audit Committee.

**5.2. SHAREHOLDERS GRIEVANCE/STAKEHOLDERS RELATIONSHIP COMMITTEE:**

**a) Brief description of terms of reference:**

The Company has a 'Shareholders Grievance & Transfer Committee' at the Board level to look into the Redressing of shareholders and investor's complaints like:

- (i) Transfer of Shares, transmissions and delay in confirmation in Demat of shares.
- (ii) Non-receipt of Annual Report, etc.

**b) Composition of Committee and number of meetings held:**

S.No	Name	Designation	Position in Committee
1.	Dr.S.K.Sharma	Director NED/IND	Chairman
2.	Dr.Shamsher Singh	Director NED/IND	Member
3.	Shri Ashok Pitliya	GM (Finance)	Member

- (i) Name and designation of Compliance Officer : CS Rajat Gupta
- (ii) Number of shareholders complaints received during the year : 35
- (iii) Number of complaints solved during the year : 35
- (iv) Number of complaints pending at the end of the year : 0

The Company has given powers to implement transfer, transmission and Demat of Shares to the Share Transfer Agent and to resolve the relating problems as professional agency. The Committee meets only on specific nature of complaints not resolved within a period of 14 days from the date of its receipts.

**5.3 REMUNERATION/NOMINATION AND REMUNERATION COMMITTEE:**

**(a) Brief description of terms of reference:**

The terms of reference of the Committee are to review and recommend compensation payable to the Executive Directors. The Committee also ensures that the compensation policy of the Company provides for performance-oriented incentives to management.

**(b) Composition of Committee and number of meetings held:**

S.No	Name	Designation	Position in Committee
1.	Dr.Shashi Kant Sharma	Director NED/IND	Chairman
2.	Dr. Shamsher Singh	Director NED/IND	Member
3.	Dr. Keshav Singh Verma	Director NED/IND	Member

The name of the Committee was changed as the Nomination and Remuneration Committee w.e.f. 13<sup>th</sup> Feb., 2014. CS Rajat Gupta, Company Secretary is functioning as the Secretary to the Committee w.e.f. 1<sup>st</sup> April, 2014. Only one meeting held on 13<sup>th</sup> Feb., 2014 for approval of the appointment of CS Rajat Gupta as a Company Secretary and appointment of Shri Manish Kumar Jain as the Chief Financial Officer w.e.f. 1<sup>st</sup> April, 2014 in which proper quorum was present.

**c) Remuneration paid to directors during the year:**

(Amount in ₹)

S.No.	Name of Directors	Status	Sitting fee	Salary/remuneration
1	Shri Ramesh C.Mittal	Director/ CMD	-	30,00,000
2	Shri Alok K.Garg	Director/ WTD	-	24,00,000
3	Mrs. Kusum Mittal	Director/WTD	-	18,00,000
4	Mrs.Trapti Vikas Gupta	Director	Nil	Nil
5	Dr. S.K.Sharma	Director/ NED	Nil	Nil
6	Dr. Shamsher Singh	Director/ NED	Nil	Nil
7	Dr. K.S.Verma	Director/ NED	Nil	Nil
8	Dr.Vishwanath B.Malkar #	Director/ NED	Nil	Nil

# Dr.Vishwanath B.Malkar Resigned w.e.f.29<sup>th</sup> May, 2014

**6. VENUE AND TIME OF THE LAST THREE ANNUAL GENERAL MEETINGS:**

Date of AGM	Venue	Time	No. of Resolutions passed other than ordinary Businesses	No. of resolution passed by Postal Ballot
28-09-2011	Mhow- Neemuch Road, sector 1, Pithampur, Distt. Dhar (M.P.) 454775	11.00 A.M.	One	Nil
29-09-2012	---do---	---do---	Three	Nil
28-09-2013	---do---	---do---	Two	Nil

The Resolutions were passed by show of hands with requisite majority. The venue of the AGM of the company has been chosen for its central location, prominence and capacity. Chairman of the Audit Committee and Remuneration Committee, Dr. S.K. Sharma has also attended the Annual General Meetings.

**7. DISCLOSURES:**
**7.1 Related Party Transactions**

Details of all material transactions with related parties have been disclosed in the notes to the Accounts in the financial statements of the Company.

**7.2 Disclosure of Accounting Treatment**

The company is following the Accounting Standards as applicable to the Company.

**7.3 Remuneration of Directors**

- All pecuniary relationship or transactions of the Executive and Non-Executive Directors vis-à-vis the company has been given in the Corporate Governance Report as well as under the related party transaction in the financial statements.
- Disclosures on the remuneration of Directors have been given on the corporate governance of the Annual Report.
- Shri S.K.Sharma, Independent Director is holding only 2200 Equity Shares in the company, except that none of the non-executive directors is having any share or convertible instruments in the Company.

**7.4 Disclosure of Resignation of Directors**

The Company discloses the resignation along with the detailed reasons of resignation provided by the director of the Company to the stock exchange as and when it is required.

**7.5 Disclosure of formal letter of appointment**

The letter of appointment of the independent director along with the detailed profile shall be disclosed on the websites of the company and the Stock Exchanges.

**7.6 Proceeds from public issues, rights issue, preferential issues, etc.**

The Company has not raised money through an issue (public issues, rights issues, preferential issues etc.) during the year under review.

**7.7 Shareholder Rights**

The quarterly, half yearly and annual declarations of the financial performance are posted on the website of the Company and are also sent to the Bombay Stock Exchange, where the shares of the Company are listed. The complete Annual Report is sent to every shareholder of the company.

**7.8 Audit Qualifications**

It is always the Company's endeavour to present unqualified financial statements. There are no audit qualifications in the company's financial statements for the year ended 31<sup>st</sup> March 2014.

**7.9 Whistle Blower/Vigil Mechanism Policy**

The Company has laid down a Whistle Blower Policy/Vigil mechanism. The company encourages an open door policy where employees have access to the Head of the business/function. The company takes cognizance of the complaints made and suggestions given by the employees and others. Complaints are looked into and whenever necessary, suitable corrective steps are taken. No employee of the company has been denied access to the Audit Committee in this regard.

**7.10 Compliance by the Company**

There has not been any non-compliance by the company and no penalties or strictures imposed on the company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

**8. MEANS OF COMMUNICATION:**

The company regularly intimates its Un-Audited as well as Audited Financial Results to the Stock Exchange immediately after these are taken on record/approved by the Board. These financial results are published in the Economic Times, Free Press Journal (English) and in Chautha Sansar (Hindi), the vernacular newspaper. The results of the company are also available on the website of the company, at

[www.medicaps.com](http://www.medicaps.com).

**9. SHAREHOLDER INFORMATION**

- |  |  |
|--|--|
| a) Registered Office                                       | : Mhow Neemuch Road, sector 1, Pithampur, Distt. Dhar (M.P.)-454775                  |
| b) AGM Date, Time and Venue of Annual General Meeting      | : On 27 <sup>th</sup> Sept., 2014 at 11.00 A.M. at Registered Office of the Company. |
| c) E-voting period   | : On 23.09.2014 from 9 A.M. to 6 P.M.  |
| d) Financial Calender                                      | (Tentative)  |
| Results for the quarter ending 30 <sup>th</sup> June, 2014 | : Before 14 <sup>th</sup> August, 2014   |
| Results for the quarter ending 30 <sup>th</sup> Sept, 2014 | : Before 14 <sup>th</sup> Nov., 2014   |
| Results for the quarter ending 31 <sup>st</sup> Dec, 2014  | : Before 14 <sup>th</sup> Feb., 2014   |
| Results for the quarter ending 31 <sup>st</sup> Mar, 2015  | : Before 30 <sup>th</sup> May, 2015  |

- e) Board Meeting for consideration of Annual Accounts : 29<sup>th</sup> May,2014
- f) Book Closure : 25<sup>th</sup> Sept.,2014 to 27<sup>th</sup> September,2014  
(both days inclusive)
- g) Cut-off date for E-voting : 8<sup>th</sup> August,2014
- h) Posting/mailing of Annual Report : Before 3<sup>rd</sup> Sept.,2014
- i) Last date for receipt of Proxy : 25<sup>th</sup> Sept.,2014
- j) Listing : The equity shares of the Company are listed at BSE Ltd.and M.P.Stock Exchange and the listing fees has been paid for 2014-2015
- k) Registrars and Share Transfer Agent : Ankit Consultancy Pvt.Ltd.,  
Plot No.60,Electronic Complex, Pardeshipura,Indore (M.P.) 452010  
Tel:0731- 2551745,2551746 Fax:0731- 4065798  
Email:**ankit\_4321@yahoo.com**
- l) Compliance Officer and Company Secretary : CS Rajat Gupta
- m) Scrutiniser for E-voting : CA Neha Jain
- n) Scrip Code : N.A.  
The Stock Exchange, Madhya Pradesh : 523144  
BSE Ltd. Mumbai
- o) ISIN NO. : INE442D01010
- p) Distribution of shareholding as on 31/03/2014

<b>Nos. of shares</b>	<b>No. of owners</b>	<b>% of Share holders</b>	<b>Share Amount (Rs)</b>	<b>% to Total</b>
Upto 1000	446	11.73	212680	0.17
1001 -2000	430	11.31	796240	0.64
2001 -3000	116	3.05	314260	0.25
3001 -4000	1171	30.81	4651290	3.73
4001 -5000	79	2.08	367480	0.29
5001 -10000	707	18.60	5488940	4.40
10001-20000	466	12.26	7386040	5.92
20001-30000	103	2.71	2627410	2.11
30001-40000	103	2.71	3825540	3.07
40001-50000	23	0.61	1048640	0.84
50001-100000	85	2.24	6062190	4.86
100001- Above	72	1.89	91918850	73.71
<b>Total</b>	<b>3801</b>	<b>100.00</b>	<b>124699560</b>	<b>100.00</b>

**q) Shareholding pattern as on 31.03.2014**

Sr. No.	Category	No. of shares held	Holding % of share
A	<b>Promoter Holding</b>		
1	<b>Promoters</b>		
	Indian Promoters	<b>6245784</b>	<b>50.09</b>
	Foreign Promoters	0	0.00
2	Persons Acting in Concert	0	0.00
	<b>Sub Total</b>	<b>6245784</b>	<b>50.09</b>
B	<b>Non Promoters Holding</b>		
3.	Institutional investors		
(a)	Mutual Funds and UTI	4800	0.04
(b)	Bank, financial Institutions, companies (Central/State Govt./Non- Govt. Institutions)	29200	0.23
(c)	FIs	0	0.00
4	<b>Sub Total</b>	<b>34000</b>	<b>0.27</b>
(a)	Others		
(b)	Private Corporate Bodies	708615	5.68
(c)	Indian Public	5163486	41.41
(d)	NRI/OCBs	315090	2.53
	Any other (clearing members)	2981	0.02
	<b>Sub Total</b>	<b>6190172</b>	<b>49.64</b>
	<b>TOTAL (A+B)</b>	<b>12469956</b>	<b>100.00</b>

**r) Dematerialization of shares as at 31.03.2014**

Category	No. of shares	%
Total number of Dematted shares with NSDL	97,43,097	78.13%
Total number of Dematted shares with CDSL	20,84,027	16.71%

**s) Stock market data: Quotes of the Company traded at BSE (Monthly highs and lows Quotes at the BSE, 2013-14)**

Month	High (Rs.)	Low (Rs.)	Total volume of shares traded
April, 2013	14.00	10.55	44506
May, 2013	13.93	10.50	59752
June, 2013	11.60	10.55	15271
July, 2013	11.50	6.91	32188
August, 2013	8.40	7.61	1950
September, 2013	8.55	7.00	3688
October, 2013	9.95	6.46	13491
November, 2013	8.88	6.00	21026
December, 2013	8.87	6.25	52435
January, 2014	11.82	7.28	149571
February, 2014	12.35	10.75	79034
March, 2014	12.06	8.95	36770

**FOR & ON BEHALF OF THE BOARD**
**Place : Pithampur  
Date: 13<sup>th</sup> August, 2014**
**RAMESH CHANDRA MITTAL  
CHAIRMAN CUM MANAGING DIRECTOR  
DIN-00035272**

**MD / CEO CERTIFICATION**

To,  
The Board of Directors,  
Medicaps Ltd.

**Dear Sirs**

We have reviewed the Financial Statement read with the Cash Flow Statement of Medicaps Ltd. for the year 31<sup>st</sup> March, 2014 and that to the best of their knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might misleading;
2. 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.

We further certify that, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have not noticed any deficiency that need to be rectified or disclosed to the Auditors and the Audit.

We have indicated to the Auditors and the Audit Committee that there is

1. No significant change in internal control over financial reporting during the year
2. No significant change in accounting policies during the year under review and
3. No instance of any fraud in the Company in which the management has any role.

Place: Pithampur

Date: 13<sup>th</sup> August, 2014

**MANISH KUMAR JAIN**  
CHIEF FINANCIAL OFFICER

**RAMESH CHANDRA MITTAL**  
CHAIRMAN CUM MANAGING DIRECTOR  
DIN : 00035272

**AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To,  
The Members,  
Medicaps Ltd.

We have examined the compliance of conditions of Corporate Governance by Medicaps Ltd. for the year ended 31st March, 2014 as stipulated in Clauses 49 of the Listing Agreement with the Stock Exchanges.

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  
FRN : 000518C

Place: Indore

Dated - 13<sup>th</sup> August, 2014

**C.P.RAWKA**  
(PROPRIETOR)  
M.NO.070060

**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members of  
M/S MEDI-CAPS LIMITED,  
Indore, Madhya Pradesh

**Report on the Financial Statements**

We have audited the accompanying financial statements of **M/S MEDI-CAPS LIMITED ("the Company")**, which comprise the Balance Sheet as at **March 31, 2014**, and the Statement of Profit and Loss and the Cash Flow Statement for the year ended **March 31, 2014** ("Current Period"), and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014
- b) in the case of the Profit and Loss Account, of the profit/loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) We have 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 appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
  - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

**FOR, C.P.RAWKA & CO.**  
CHARTERED ACCOUNTANTS  
FRN:000518C

Place: Indore  
Dated - 29<sup>th</sup> May, 2014

**C.P.RAWKA**  
(PROPRIETOR)  
M.NO.070060

**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Medicaps Limited on the accounts of the company for the year ended 31<sup>st</sup> March, 2014.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.  
(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.  
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted loan of Rs. 5 Cr to Mission Viva Care Limited, Mumbai, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.  
(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.  
b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
15. According to the information and explanations given to us, the Company has given corporate guarantee of Rs. 15 Cr for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31<sup>st</sup> March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

**FOR, C.P.RAWKA & CO.**  
CHARTERED ACCOUNTANTS  
FRN:000518C

Place: Indore  
Dated - 29<sup>th</sup> May, 2014

**C.P.RAWKA**  
(PROPRIETOR)  
M.NO.070060

**Balance Sheet as at 31<sup>st</sup> March, 2014**
**(Amount in ₹)**

Particulars	Note	As at 31st March 2014	As at 31st March 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's Funds</b>			
(a) Share Capital	2	124699560	124699560
(b) Reserves and Surplus	3	499501714	498075443
<b>2 Non-Current Liabilities</b>			
(a) Deferred tax liabilities (Net)	4	2915121	2048182
(b) Other Long term liabilities	5	763038	763038
(c) Long term provisions	6	6636174	5537614
<b>3 Current Liabilities</b>			
(a) Trade payables	7	11727241	5336829
(b) Other current liabilities	8	17267524	15475203
(c) Short-term provisions	9	10000000	12000000
	<b>Total</b>	<b>673510371</b>	<b>663935869</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	10		
(i) Tangible assets		40013205	42762128
(b) Non-current investments	11	302731750	323204186
(c) Long term loans and advances	12	54202587	54202785
<b>2 Current assets</b>			
(a) Current investments	13	114809121	14315718
(b) Inventories	14	54397749	41294906
(c) Trade receivables	15	80023354	67455432
(d) Cash and cash equivalents	16	7965543	7504661
(e) Short-term loans and advances	17	19367062	113196053
	<b>Total</b>	<b>673510371</b>	<b>663935869</b>

The Notes referred to above are an integral part of Balance Sheet.  
Note on Accounts as Note '1 to 32'

As per our report of even date  
**C. P. RAWKA & CO.**  
Chartered Accountants  
Firm Reg. No. 000518C

**R.C. Mittal**  
Chairman & Managing Director  
DIN : 00035272

FOR AND ON BEHALF OF THE BOARD  
**For MEDI-CAPS LTD.**

**Alok K. Garg**  
Executive Director  
DIN : 00274321

**C.P. RAWKA**  
Proprietor  
Membership No. 070060  
Place : Indore  
Date : 29.05.2014

**Manish Jain**  
Chief Financial Officer

**Rajat Gupta**  
Company Secretary



**Profit and Loss Statement for the year ended 31st March, 2014**
**(Amount in ₹)**

Particulars	Note	As at 31st March 2014	As at 31st March 2013
I. Revenue from operations	18	273697909	260251235
II. Other Income	19	(15619247)	(13324621)
<b>III. Total Revenue (I +II)</b>		<b>258078662</b>	<b>246926614</b>
IV. Expenses:			
Cost of materials consumed	20	124829592	112457620
Changes in inventories of finished goods, work-in-progress	21	(7533645)	(16238684)
Employee benefit expense	22	47256655	44674591
Other expenses	23	77876283	81572070
Depreciation expense	10	3404572	6285974
<b>Total Expenses</b>		<b>245833458</b>	<b>228751571</b>
<b>V. Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>12245205</b>	<b>18175042</b>
VI. Exceptional Items		0	0
VII Profit before extraordinary items and tax (V - VI)		12245205	18175042
VIII Extraordinary Items		0	0
<b>IX. Profit before tax (VII - VIII)</b>		<b>12245205</b>	<b>18175042</b>
X. Tax expense:			
(1) Current tax		10000000	12000000
(2) Tax Expense/ (Benefit) for Prior Years		(48005)	0
(3) Deferred tax (Net)		866939	(482180)
<b>XI. Profit for the Year (IX - X)</b>		<b>1426271</b>	<b>6657222</b>
XII. Earning per equity share:	31		
(1) Basic		0.11	0.53
(2) Diluted		0.11	0.53
Face Value of Equity Share (In Rs.)		10.00	10.00

The Notes referred to above are an integral part of Balance Sheet.  
Note on Accounts as Note '1 to 32'

As per our report of even date  
**C. P. RAWKA & CO.**  
Chartered Accountants  
Firm Reg. No. 000518C

**R.C. Mittal**  
Chairman & Managing Director  
DIN : 00035272

FOR AND ON BEHALF OF THE BOARD  
**For MEDI-CAPS LTD.**

**Alok K. Garg**  
Executive Director  
DIN : 00274321

**C.P. RAWKA**  
Proprietor  
Membership No. 070060  
Place : Indore  
Date : 29.05.2014

**Manish Jain**  
Chief Financial Officer

**Rajat Gupta**  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2014**
**(Amount in ₹)**

PARTICULARS	2013-14	2012-13
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax & Extraordinary Items	12245205	18175042
Adjustment For:		
Depreciation	3404572	6285974
Dividend Income	(2837653)	(2941265)
Operating Profit before Working Capital Change	<u>12812124</u>	<u>21519751</u>
Adjustment for Working Capital		
(Increase)/ Decrease in Sundry Debtors	(12567922)	(16272873)
(Increase)/ Decrease in Inventories	(13102843)	(14542948)
(Increase)/ Decrease in Loans & Advances	(174811)	(45722990)
Increase in Current Liabilities & Provisions	7281293	(12929064)
<b>Cash Generated from Working Capital</b>	<u>(18564283)</u>	<u>(89467875)</u>
Cash generated from Operation	(5752159)	(67948124)
Net Income Tax Paid	9951995	12000000
<b>Net cash Flow from Operating Activity</b>	<u>(15704154)</u>	<u>(79948124)</u>
<b>B. Cash Flow from Investing Activities</b>		
Sale / (Purchase) of Investments	13983033	77984153
Purchase of Fixed Assets	(1935021)	(8414019)
Dividend Received	2837653	2941265
Adjustment for Dep on sale of Fixed Assets	1279372	172969
<b>Net Cash used in Investing Activities</b>	<u>16165036</u>	<u>72684368</u>
<b>C. Cash Flow from Financial Activities</b>		
	NIL	NIL
<b>Net Cash Used in Financial Activities</b>	<u>NIL</u>	<u>NIL</u>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>460882</b>	<b>(7263756)</b>
Cash & Cash Equivalents at the		
Beginning of the year	7504661	14768417
Closing of the year	7965543	7504661
<b>Increase in Cash and Cash Equivalents</b>	<b>460882</b>	<b>(7263756)</b>

**Note :-** The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 (AS-3) "Cash Flow Statements".

As per our report of even date  
**C. P. RAWKA & CO.**  
Chartered Accountants  
Firm Reg. No. 000518C

**C.P. RAWKA**  
Proprietor  
Membership No. 070060

Place : Indore  
Date : 29<sup>th</sup> May, 2014

**R.C. Mittal**  
Chairman & Managing Director  
DIN : 00035272

**Manish Jain**  
Chief Financial Officer

FOR AND ON BEHALF OF THE BOARD  
**For MEDI-CAPS LTD.**

**Alok K. Garg**  
Executive Director  
DIN : 00274321

**Rajat Gupta**  
Company Secretary

**NOTE 1 –NOTES FORMING PART OF THE FINANCIAL STATEMENTS****A. SIGNIFICANT ACCOUNTING POLICIES :-****Company Overview**

Medicaps 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 Empty Hard Geletin Capsules.

The Company's shares are listed for trading on the Bombay Stock Exchange Limited (BSE) and Madhya Pradesh Stock exchange (MPSE) in India.

**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 on Schedule XIV to the Companies Act, 1956 (as amended )and on prorata basis. Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, Comprising of direct cost, related incidental expenses and attributable interest.

**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 :-**

Transaction in foreign currency is 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 expenses in the statement of profit & loss of the year in which the related services are rendered

**Notes on Financial Statement for the year ended 31st March, 2014**
**(Amount in ₹)**

<b>Note : 2 Share Capital</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
<b>Authorised Share Capital:</b> 1,50,00,000 Equity Shares of Rs. 10/- each (Previous Year 1,50,00,000 Equity Shares of Rs. 10/- each)	150000000	150000000
<b>Issued Capital</b> 13,021,047 Equity Shares of Rs. 10 each fully paid up (Previous Year 1,30,21,047 Equity Shares of Rs. 10/- each)	130210470	130210470
<b>Subscribed &amp; Paidup Capital</b> 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
	<b>124699560</b>	<b>124699560</b>

<b>Reconciliation of the equity shares outstanding at the beginning and at the end of the year</b>				
	<b>As at March 31, 2014</b>		<b>As at March 31, 2013</b>	
	<b>Numbers</b>	<b>Value</b>	<b>Numbers</b>	<b>Value</b>
Equity Shares At the beginning of the year	12469956	124699560	3117489	31174890
Issued during the year under Bonus Issue	-	-	9352467	93524670
Outstanding at the and the year	12469956	124699560	12469956	124699560

<b>Details of Shareholders holding more than 5 percent shares in the company</b>				
<b>Name of Shareholders</b>	<b>No. of Shares as at</b>			
	<b>31.03.14</b>	<b>% of Holding</b>	<b>31.03.13</b>	<b>% of Holding</b>
R.C.Mittal	3166320	25.40%	3166320	25.40%
Kusum Mittal	2700136	21.65%	2680836	21.50%

<b>Note : 3 Reserve &amp; Surplus</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
<b>Capital Reserve</b> Opening & Closing Balance as per last balance sheet	4421000	4421000
<b>Share Forfeiture A/c</b> Opening & Closing Balance as per last balance sheet	2755455	2755455
<b>Securities Premium Account</b> As per Commencement of the year	0	38981502
Less : Utilize for Bonus Issue during the year	0	38981502
Closing Balance	0	0
<b>General Reserve</b> As at Commencement of the year	30456832	85000000
Add : Transferred from Profit and Loss Account	0	0
	30456832	85000000
Less : Utilize for Bonus Issue during the year	0	54543168
Closing Balance	30456832	30456832
<b>Surplus</b> Opening balance	460442156	453784934
Add: Net profit for the current year	1426271	6657222
<b>Closing Balance</b>	<b>461868427</b>	<b>460442156</b>
	<b>499501714</b>	<b>498075443</b>

(Amount in ₹)

<b>Note : 4 Deferred Tax Liability</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
On Difference between book & tax depreciation	2915121	2048182
	<b>2915121</b>	<b>2048182</b>

<b>Note : 5 Other Long Term Liabilities</b>		
<b>Others</b>		
Security Deposit	763038	763038
	<b>763038</b>	<b>763038</b>

<b>Note : 6. Long Term Provisions</b>		
Gratuity	6405774	5537614
Leave Encashment Payable	230400	0
	<b>6636174</b>	<b>5537614</b>

<b>Note : 7 Trade Payable</b>		
Sundry Creditors	11727241	5336829
	<b>11727241</b>	<b>5336829</b>

<b>Note : 8 Other Current Liabilities</b>		
Advance Recd from Customers	1336771	1015004
Bonus Payable	4849293	4615659
Commission Payable	6086105	2440341
CST & VAT Payable	442555	663121
Entry Tax Payable	131440	14333
ESI Payable	22297	22947
Outstanding Liabilities	3269064	5590829
Professional Tax	9468	5827
Provident Fund	252486	240987
TDS on Consultancy	29284	43528
TDS on Contractor Payment	2705	931
TDS on Rent	5500	5000
TDS on Salary	229700	273840
TDS on Sales Commission	600855	542856
	<b>17267524</b>	<b>15475203</b>

<b>Note : 9 Short-Term Provisions</b>		
For Taxation	10000000	12000000
	<b>10000000</b>	<b>12000000</b>

**Note 10: FIXED ASSETS - Tangible Assets up to 31.03.2014**

S. NO.	FIXED ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		AS AT 01.04.2013	ADDITION	DEDUCTIONS 31.03.2014	TOTAL AS AT 31.03.2014	UP TO 31.03.2013	FOR THE DEDUCT.	TOTAL ADJ./	AS AT 31.03.2014	AS AT 31.03.2013
1	Free Hold Land	1178000	0	0	1178000	0	0	0	1178000	1178000
2	Factory Building	23904874	0	0	23904874	14900083	798423	0	8206368	9004791
3	Office Building	19121350	0	0	19121350	1191764	311678	0	17617908	17929586
4	Plant & Machinery	130063549	0	0	130063549	130063548	0	0	1	1
5	Furniture & Fixtures	7033642	26050	0	7059690	4808078	446585	0	1805029	2225564
6	Vehicles	19154667	849786	26649914	17339539	6730482	1820136	1385542	10174463	12424185
7	Computers	2254359	27750	0	2282109	2254358	27750	0	1	1
	<b>TOTAL - A</b>	<b>202710441</b>	<b>903586</b>	<b>2664914</b>	<b>200949113</b>	<b>159948313</b>	<b>3404572</b>	<b>1385542</b>	<b>38981770</b>	<b>42762128</b>
8	Capital Work in Progress	0	1031435	0	1031435	0	0	0	1031435	0
	<b>TOTAL - B</b>	<b>0</b>	<b>1031435</b>	<b>0</b>	<b>1031435</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1031435</b>	<b>0</b>
	<b>Grand Total A+B</b>	<b>202710441</b>	<b>1935021</b>	<b>2664914</b>	<b>201980548</b>	<b>159948313</b>	<b>3404572</b>	<b>1385542</b>	<b>40013205</b>	<b>42762128</b>
	Previous Year	195042677	8414019	746255	202710441	154235625	6285974	573286	42762128	40807052

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.
- 3 As Plant & Machinery fully depreciated during the year after charging current year depreciation but nominal value of Rs.1/- kept in books because Plant & Machinery are exist in physical form at the year end.

(Amount in ₹)

<b>Note : 11 Non-Current Investments</b>		<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
<b>(a)</b>	<b>Investment in properties</b>	<b>10793000</b>	<b>10793000</b>
<b>b)</b>	<b>Investment in Equity instruments</b>		
i)	<b>Trade Investment (Unquoted)</b>		
	<b>In Subsidiary Company</b>		
	80,38,828(53,53,000) Equity Share of Rs. 10/- each of Medgel Private Limited	281233980	187230000
	<b>In other company</b>		
	21800 (21800) Equity Shares of Rs.10/- each of Medicaps Fin.Ltd.	218000	218000
	107000 (107000) Equity Shares of Rs. 10/- each of Endolabs Ltd.	1070000	1070000
		<b>282521980</b>	<b>188518000</b>
ii)	<b>Other Investment (Quoted)</b>		
	100 (100) Equity Shares of Natural Capsules	1000	1000
	43600 (43600) Equity Shares of Jord Engineers India Ltd.	2141139	2141139
	100 (100) Shares of Bharati Healthcare Ltd	2012	2012
		<b>2144151</b>	<b>2144151</b>
<b>c)</b>	<b>Investment in Mutual Funds</b>		
	NIL (526195.656) units of Reliance Mutual Fund	0	15000000
	NIL (542351.588) units of DSP Merrill Mutual Fund	0	10000000
	NIL (851253.485) units of TATA Mutual Fund	0	10000000
	NIL (516262.261) units of ICI Prudential Mutual Fund	0	10000000
	NIL (326594.598) units of Kotak Mutual Fund	0	10000000
		<b>0</b>	<b>55000000</b>
<b>d)</b>	<b>Investment in Monthly Income Plan</b>		
	NIL (939178.554) HDFC Monthly Income Plan	0	25000000
	NIL (1410971.427) Reliance Monthly Income Plan	0	35500000
		<b>0</b>	<b>60500000</b>
<b>e)</b>	<b>Other Investment</b>		
	LIC Group Gratuity Fund Scheme	6905648	6111666
	LIC Leave Encashment Scheme	366971	137369
		<b>7272619</b>	<b>6249035</b>
		<b>302731750</b>	<b>323204186</b>

<b>Note : 12 Long-Term Loans &amp; Advances</b>		
(Unsecured, considered good unless otherwise stated)		
Security Deposits	4202587	4202785
Mission Viva Care Limited	50000000	50000000
	<b>54202587</b>	<b>54202785</b>

<b>Note : 13 Current Investment</b>		
<b>Investment in Mutual Funds</b>		
NIL (527.925) IDBI Ultra Short Term Fund - Monthly Dividend	0	532407
46858.782 (NIL) IDBI Ultra Short Term Fund - Growth	63197658	0
30103.700 (NIL) Reliance Money Manager Fund - Growth	51611463	0
NIL (13742.691) IDBI Ultra Short Term Fund - Weekly Dividend	0	13783311
	<b>114809121</b>	<b>14315718</b>

(Amount in ₹)

<b>Note : 14 Inventories</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
Raw Materials	9368715	7258678
Finished Goods	37821397	30529402
Stock in Process and Waste	870443	628793
Stores and Spares	1813977	925729
Colour & Chemical	2298009	914650
Packing Material	1300668	589542
Printing Material	138245	60070
Lab Chemical & Equipments	124531	96551
Fuel	661763	291491
	<b>54397749</b>	<b>41294906</b>

<b>Note : 15 Trade Receivables</b>		
Unsecured, Considered Good as certified by the Management		
Outstanding over six month	6592135	6840178
Others	73431219	60615254
	<b>80023354</b>	<b>67455432</b>

<b>Note : 16 Cash &amp; Bank Balance</b>		
Cash in Hand	130641	94974
Balance with Noted Banks :		
In Current Accounts	3986983	3346628
In Fixed Deposit Accounts	3847919	4063059
	<b>7965543</b>	<b>7504661</b>

<b>Note : 17 Short-Term Loans &amp; Advances</b>		
(Unsecured & Considered Good - Advance recoverable in Cash or in kind or for value to be received)		
Advance to Suppliers & Others	4315435	3141143
Balances with Government Authorities	1281997	1229093
Advance Tax & TDS (Net of Provisions)	12482914	13478877
Prepaid Expenses	779828	854128
Other Loans & Advances	506888	94492812
	<b>19367062</b>	<b>113196053</b>

<b>Note : 18 Sales</b>		
Sale of Product	301211611	287593876
Less: Excise Duty	27513702	27342641
	<b>273697909</b>	<b>260251235</b>



(Amount in ₹)

<b>Note : 19 Other Incomes</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
Claims Received	59554	0
Capital gain/ (Loss) on Mutual Fund	(22490176)	(20009453)
Dividend income	2837653	2941265
Interest Income on FDR	2018853	1208086
Income Tax Refund	0	2047440
Misc. Income	1446963	161360
Net gain on foreign currency transaction and translation	0	326681
Profit on sale of securities	507906	0
	<b>(15619247)</b>	<b>(13324621)</b>

<b>Note : 20. Cost of Materials Consumed</b>		
<b>A) Raw Material Consumed</b>		
Opening Stock	8269879	9424266
Purchases	122275729	105323952
	<u>130545608</u>	<u>114748218</u>
Less : Closing Stock	11791255	8269879
Raw Material Consumed	<b>118754353</b>	<b>106478339</b>
<b>B) Packing Material Consumed</b>		
Opening Stock	589542	559846
Purchases	6786366	6008977
	<u>7375908</u>	<u>6568823</u>
Less : Closing Stock	1300668	589542
Packing Material Consumption	<b>6075240</b>	<b>5979281</b>
<b>Grand total of Materials Consumed (A) + (B)</b>	<b>124829592</b>	<b>112457620</b>

<b>Note : 21. Increase / (Decrease) in Stocks</b>		
<b>Closing Stock of:</b>		
Finished Goods	37821397	30529402
Stock in Process	737152	576054
Waste	133291	52739
	<b>Total (A)</b>	<b>31158195</b>
<b>Opening Stock of:</b>		
Finished Goods	30529402	14427598
Stock in Process	576054	446910
Waste	52739	45003
	<b>Total (B)</b>	<b>14919511</b>
<b>Increase/(Decrease) in Stock (A-B)</b>	<b>7533645</b>	<b>16238684</b>

<b>Note : 22 Employees Remuneration &amp; Benefits</b>		
Salary, Wages, Allowances & other Benefits	34800920	32710885
Directors Remuneration	7200000	7200000
Gratuity	1357710	1114309
P. F. Contribution	3318629	3141187
Staff Welfare Expenses	579396	508210
	<b>47256655</b>	<b>44674591</b>

(Amount in ₹)

<b>Note : 23 Other Expenses</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
Advertisement & Publicity	75852	181833
Audit Fee	200000	100000
Annual Listing Fees	127279	95288
Bank Charges	275446	140241
Bonus Issue Expenses	3876	1034896
Business Promotion Expenses	2671827	1250806
Charity & Donations	15000	185000
Consultancy Charges	848000	798450
Conveyance Expenses	372180	359815
Entry Tax	1597894	1442692
Electricity & Water	525763	565134
Freight Expenses	5827487	5429302
Factory Power & Fuel	33821136	33884182
Factory Expenses	1051327	1459678
Insurance Charges	476574	460833
Import / Export Expenses	124910	177023
ISO Certification Charges	30776	15000
Legal Expenses	195838	29000
Loss on Sale of Fixed Assets	157725	2969
Membership Fee & Subscription	57497	55572
Misc. Expenses	1890900	598115
Net gain/ Loss on foreign currency transaction	(144461)	45779
Office & General Expenses	179665	158801
Postage, telegram	61123	67505
Printing Material consumed	317450	297323
Printing & Stationary	422639	464121
Rent, Rates & Taxes	1101116	782599
<b>Repairs &amp; Maintenance</b>		
Buildings	1955995	268001
Machinery	6279786	7215409
Electricals	2794430	2502066
A.C.Plant	1531797	1293878
Computer	53805	53794
Other	9600	29098
Sales Commission	7943942	9952526
Sales promotion Expenses	600635	996824
Stores & Spares Consumed	2451763	6771793
Telephone & Telex Charges	431771	511995
Tour & Travelling Expenses	767474	1092236
Vehicle Running & Maintenance	770738	802494
	<b>77876283</b>	<b>81572070</b>

**Note 24 Segment Information**

Information on segment reporting as per Accounting standard-17, the entire operation of the company related to one segment as such there is no separate reporting required. Company's earning include Rs.(176.34) Lacs from interest, Dividend and income from Investments, However as per explanation given in AS-17 Segment revenue does not include Dividend income, Interest & Income from Investment hence there is no separate reporting required.

**Note 25 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 with effect from 1st April 2001.

The accumulated net deferred tax liability amounting to Rs.12866070/- has been adjusted against the general reserve. Further, the deferred tax assets for the year is Rs.866939/- has been recognised in the Statement of Profit & Loss.

(Amount in ₹)

<b>Note : 26 Payment to Auditors</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
Audit Fees	200000	100000
In other Capacity		
Tax Audit Fee	20000	20000
Other	30000	30000
	<b>250000</b>	<b>150000</b>

**Note 27 Additional Information**
**(a) Capacity and Production**

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*	33186	34284

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

	<b>2013-14</b>		<b>2012-13</b>	
	Qty. (In Lacs)	Value (Rs.in Lacs)	Qty. (In Lacs)	Value (Rs.in Lacs)
b) <b>Finished Goods</b> (Hard Geletin Capsule-Gross)				
i) Opening Stock	4593.42	311.58	3344.09	149.19
ii) Closing Stock	3719.87	386.92	4593.42	311.58
c) <b>Turnover</b> Hard Geletin Capsules (Net)	33825.76	3012.12	32762.42	2875.94
d) <b>Raw Material Consumed</b> Geletin	264855 kgs	1138.99	263900 Kgs.	1016.70
e) <b>Value of Imports on C.I.F. Basis</b> Raw Material		128.18		168.08
Capital Goods		2.63		2.08
f) <b>Expenditure in Foreign Currency</b> Foreign Travel & Others		31.86		21.35

(Amount in ₹)

<b>Note : 28 Employee Benefits</b>		<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
<b>a.</b>	<b>Defined benefits plan</b>		
<b>I</b>	<b>Change in obligation during the year</b>		
1	Present value of Defined benefit obligation at beginning of year	5537614	4833719
2	Current Service Cost	844445	642177
3	Past Service Cost		
4	Interest Cost	513265	472132
5	Actuarial (Gains) / Losses		
6	Benefits Paid	563728	410414
7	Present value of Defined benefit obligation at the end of the year	6331596	5537614
<b>II</b>	<b>Change in assets during the year ended March 31</b>		
1	Plan assets at the beginning of the year	6111666	5407771
2	Settlements		
3	Expected return on plan assets	513265	472132
4	Contribution by Employer	844445	642177
5	Actual benefits paid	563728	410414
6	Actuarial Gains / (Losses)		
7	Plan assets at the end of the year	6905648	6111666
<b>III</b>	<b>Net Assets / (Liability) recognized in the Balance Sheet at March 31.</b>		
1	Present value of Defined Benefits Obligation as at March 31.	6331596	4833719
2	Fair value of plan assets as at March 31	6905648	5407771
3	Fund Status (Surplus / (Deficit))	574052	574052
4	Net Assets / (Liability) as at end of the year	574052	574052
<b>IV</b>	<b>Expenses recognised in the Statement of profit &amp; Loss for the year ended March 31</b>		
1	Current Service Cost	844445	642177
2	Interest Cost	513265	472132
3	Expected return on plan assets		
4	Past service cost		
5	Net Actuarial (Gains) / Losses		
6	Total Expenses	<b>1357710</b>	<b>1114309</b>
<b>V</b>	<b>The major categories of plan assets as a percentage of total plan</b>	<b>N.A.</b>	<b>N.A.</b>
b.	Contribution to provident fund and other funds stated under defined contribution plans is Rs. 33.19 Lacs (previous year Rs. 31.41 Lacs).		
c.	Company has contribute Rs. 2.27 Lacs to Leave Encashment Scheme of LIC during the year.		

**Note 29** The company does not have outstanding for more than 30 days as on 31st March 2014 of S.S.I Units the respective parties.

**Note 30 Related Party Disclosure**

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

<b>S.No</b>	<b>Related Party</b>	<b>Transaction nature</b>	<b>2013-14</b>	<b>2012-13</b>
1	Mr. R.C.Mittal Chairman & Managing Director	Remuneration	3000000	3000000
2	Mr. Alok K. Garg Executive Director	Remuneration	2400000	2400000
3	Mrs. Kusum Mittal Whole time Director	Remuneration	1800000	1800000
4	Mrs. Manisha Garg G.M. Corporate Affairs	Remuneration	600000	600000

**Note 31 Earning Per Share**

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

	<b>2013-14</b>	<b>2012-13</b>
i) Profit after tax used as the numerator	1426270	6657222
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	0.11	0.53

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

**INDEPENDENT AUDITOR'S REPORT**

To,  
**The Members of  
Medi-Caps limited  
Indore**

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **MEDI-CAPS LIMITED ("the Company")**, its subsidiary **Medgel Pvt. Ltd.**, which comprises the Consolidated Balance Sheet as at **31<sup>st</sup> March 2014**, and the Consolidated Statement of Profit & Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and presentation of the consolidated 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 expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

**Opinion:**

In our opinion and to the best of our information and according to the explanations given to us and based on our report on audited financial statements of Medi-Caps Ltd. and its subsidiary Medgel Pvt Limited, as noted below, the consolidated financial statements 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, 2014;

- a) In the case of Consolidated Balance Sheet, of the state of affairs of Medi-Caps Ltd. and its subsidiary as at 31st March 2014;
- b) In the case of Consolidated Statement of Profit and Loss, of the profit of Medi-Caps Ltd. and its subsidiary for the year ended on that date; and
- c) In the case of Consolidated Cash Flow Statement, of the cash flows of Medi-Caps Ltd. and its subsidiary for the year ended on that date.

**FOR, C.P.RAWKA & CO.**  
**CHARTERED ACCOUNTANTS**  
FRN:000518C

Place: Indore  
Dated - 29<sup>th</sup> May, 2014

**C.P.RAWKA**  
(PROPRIETOR)  
M.NO.070060

**Consolidated Balance Sheet as at 31st March, 2014**
**(Amount in ₹)**

Particulars	Note	As at 31st March 2014	As at 31st March 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's Funds</b>			
(a) Share Capital	2	124699560	124699560
(b) Reserves and Surplus	3	709972177	660655936
<b>2 Share application money pending allotment</b>		0	94019000
<b>3 Minority Interest</b>		27160000	27160000
<b>4 Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	88686638	62711770
(b) Deferred tax liabilities (Net)	5	2915121	2048182
(c) Other Long term liabilities	6	763038	763038
(d) Long term provisions	7	6636174	5537614
<b>5 Current Liabilities</b>			
(a) Trade payables	8	24074605	14560936
(b) Other current liabilities	9	24541668	20152695
(c) Short-term provisions	10	10000000	12000000
<b>Total</b>		<b>1019448980</b>	<b>1024308731</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		370208055	389581210
(b) Non-current investments	12	222343470	269674186
(c) Long term loans and advances	13	57714851	57715049
<b>2 Current assets</b>			
(a) Current investments	14	114809121	14315718
(b) Inventories	15	107802253	84263096
(c) Trade receivables	16	115004747	84987948
(d) Cash and cash equivalents	17	8189496	7743388
(e) Short-term loans and advances	18	23376986	116028136
<b>Total</b>		<b>1019448980</b>	<b>1024308731</b>

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  
**C. P. RAWKA & CO.**  
Chartered Accountants  
Firm Reg. No. 000518C

**C.P. RAWKA**  
Proprietor  
Membership No. 070060

Place : Indore  
Date : 29<sup>th</sup> May, 2014

FOR AND ON BEHALF OF THE BOARD  
For **MEDI-CAPS LTD.**

**R.C. Mittal**  
Chairman & Managing Director  
DIN : 00035272

**Manish Jain**  
Chief Financial Officer

**Alok K. Garg**  
Executive Director  
DIN : 00274321

**Rajat Gupta**  
Company Secretary

**Consolidated Profit and Loss statement for the year ended 31st March, 2014**
**(Amount in ₹)**

Particulars	Note	Asat	
		31st March 2014	31st March 2013
I. Revenue from operations	19	374889219	300174954
II. Other Income	20	(11692094)	(12591435)
<b>III. Total Revenue (I +II)</b>		<b>363197125</b>	<b>287583519</b>
IV. Expenses:			
Cost of materials consumed	21	186781591	133761237
Changes in inventories of finished goods, work-in-progress	22	(19977446)	(34513660)
Employee benefits expense	23	65799907	58222066
Finance Cost	24	10949053	4506379
Other expenses	25	105920693	107048445
Depreciation and amortization expense	11	20733854	21170059
<b>Total Expenses</b>		<b>370207651</b>	<b>290194526</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)		<b>(7010526)</b>	<b>(2611008)</b>
VI. Exceptional Items		0	0
VII Profit before extraordinary items and tax (V - VI)		(7010526)	(2611008)
VIII Extraordinary Items		0	0
<b>IX. Profit before tax (VII - VIII)</b>		<b>(7010526)</b>	<b>(2611008)</b>
X. Tax expense:			
(1) Current tax		10000000	12000000
(2) Excess Provision for tax written back		48005	0
(3) Deferred tax		866939	(482180)
XI. Loss after Tax before Minority Interest	(IX-X)	(17829460)	(14128828)
XII. Less: Minority Interest		(4862072)	(6996584)
<b>XIII. Loss for the year (XI - XII)</b>		<b>(12967387)</b>	<b>(7132243)</b>
XIV. Earning per share of face value of Rs.10 each	31		
(1) Basic		(1.04)	(0.57)
(2) Diluted		(1.04)	(0.57)

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  
**C. P. RAWKA & CO.**  
Chartered Accountants  
Firm Reg. No.000518C

**C.P. RAWKA**  
Proprietor  
Membership No.070060

Place : Indore  
Date : 29<sup>th</sup> May, 2014

FOR AND ON BEHALF OF THE BOARD  
**For MEDI-CAPS LTD.**

**R.C. Mittal**  
Chairman & Managing Director  
DIN : 00035272

**Manish Jain**  
Chief Financial Officer

**Alok K. Garg**  
Executive Director  
DIN : 00274321

**Rajat Gupta**  
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**
**(Amount in ₹)**

PARTICULARS	2013-14	2012-13
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax & Extraordinary Items	(7010526)	(2611008)
Adjustment For:		
Depreciation	20733854	21170059
Dividend Income	(2837653)	(2941265)
Operating Profit before Working Capital Change	<u>10885675</u>	<u>15617787</u>
Adjustment for Working Capital		
(Increase)/ Decrease in Sundry Debtors	(30016799)	(32256534)
(Increase)/ Decrease in Inventories	(23539157)	(54235110)
(Increase)/ Decrease in Loans & Advances	(1352652)	(48115296)
Increase / (Decrease) in Current Liabilities & Provisions	38976070	(8288632)
<b>Cash Generated from Working Capital</b>	<u>(15932538)</u>	<u>(142895572)</u>
Cash generated from Operation	(5046863)	(127277785)
Net Income Tax Paid	9951995	12000000
<b>Net cash Flow from Operating Activity</b>	<u>(14998858)</u>	<u>(139277785)</u>
<b>B. Cash Flow from Investing Activities</b>		
Sale / (Purchase) of Investments	13983033	77984153
Purchase of Fixed Assets	(2640071)	(16896571)
Dividend Received	2837653	2941265
Adjustment for Dep on sale of Fixed Assets	1279372	172969
<b>Net Cash used in Investing Activities</b>	<u>15459986</u>	<u>64201816</u>
<b>C. Cash Flow from Financial Activities</b>		
Proceeds from issue of equity shares	26858280	0
Security premium received	67145700	7889000
Proceeds from Long Term Borrowings	0	59581779
Share Application Money	(94019000)	0
<b>Net Cash Used in Financial Activities</b>	<u>(15020)</u>	<u>67470779</u>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<u>446108</u>	<u>(7605190)</u>
Cash & Cash Equivalents at the		
Beginning of the year	7743388	15348578
Closing of the year	8189496	7743387.82
<b>Increase in Cash and Cash Equivalents</b>	<u>446108</u>	<u>(7605190)</u>

**Note:**

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 (AS-3) "Cash Flow Statements".

As per our report of even date annexed  
**C. P. RAWKA & CO.**  
Chartered Accountants  
Firm Reg. No. 000518C

FOR AND ON BEHALF OF THE BOARD  
**For MEDI-CAPS LTD.**
**C.P. RAWKA**  
Proprietor  
Membership No. 070060

**R.C. Mittal**  
Chairman & Managing Director  
DIN : 00035272

**Alok K. Garg**  
Executive Director  
DIN : 00274321

Place : Indore  
Date : 29<sup>th</sup> May, 2014

**Manish Jain**  
Chief Financial Officer

**Rajat Gupta**  
Company Secretary



**Note 1- NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS****SIGNIFICANT ACCOUNTING POLICIES:-****a) Basis of accounting and preparation of Consolidated 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 13th 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 consolidated 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
  - a) The amount of equity attributable to minorities as at the date on which the investment in a subsidiary is made and,
  - b) 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.
  - c) 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 on Schedule XIV to the Companies Act, 1956 (as amended) and on prorata basis. Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, Comprising of direct cost, related incidental expenses and attributable interest.

**c) Investments:**

The Company has policy to make investments on strategic and long term basis and the investment have been shown as the cost of investments of acquisition, no adjustments for change in the valuation 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 out standings 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 recognized, 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 ultimate 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 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 expenses in the statement of profit & loss of the year in which the related services are rendered.

**Notes forming Part of the Consolidated Financial Statement**
**(Amount in ₹)**

<b>Note : 2 Share Capital</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
<b>Authorised Share Capital :</b> 1,50,00,000 Equity Shares of Rs. 10/- each (Previous Year 1,50,00,000 Equity Shares of Rs. 10/- each)	150000000	150000000
<b>Issued Capital</b> 13,021,047 Equity Shares of Rs. 10 each fully paid up (Previous Year 1,30,21,047 Equity Shares of Rs. 10/- each)	130210470	130210470
<b>Subscribed &amp; Paidup Capital</b> 12,46,99,56 Equity Shares of Rs. 10 each fully paid up (Previous Year 1,24,69,956 Equity Shares of Rs. 10/- each)	124699560	124699560
	<b>124699560</b>	<b>124699560</b>

<b>Reconciliation of the equity shares outstanding at the beginning and at the end of the year</b>				
	<b>As at March 31, 2014</b>		<b>As at March 31, 2013</b>	
	<b>Numbers</b>	<b>Value</b>	<b>Numbers</b>	<b>Value</b>
Equity Shares				
At the beginning of the year	12469956	124699560	3117489	31174890
Issued during the year under Bonus Issue	-	-	9352467	93524670
Outstanding at the end of the year	12469956	124699560	12469956	124699560

<b>Details of Shareholders holding more than 5 percent shares in the company</b>				
<b>Name of Shareholders</b>	<b>No. of Shares as at</b>			
	<b>31.03.14</b>	<b>% of Holding</b>	<b>31.03.13</b>	<b>% of Holding</b>
R.C.Mittal	3166320	25.40%	3166320	25.40%
Kusum Mittal	2700136	21.65%	2680836	21.50%

<b>Note : 3 Reserve &amp; Surplus</b>		
<b>Capital Reserve</b>		
Opening & Closing as per last balance sheet	<b>4421000</b>	<b>4421000</b>
<b>Share Forfeiture A/c</b>		
Opening & Closing as per last balance sheet	<b>2755455</b>	<b>2755455</b>
<b>Securities Premium Account</b>		
As at Commencement of the Year	201475000	240456502
Add: Addition during the year	67145700	0
	268620700	240456502
Less: Utilize for Bonus Issue during the year	0	38981502
Closing Balance	268620700	201475000
<b>General Reserve</b>		
As at Commencement of the Year	30456832	85000000
Add : Transferred from Profit & Loss Account	0	0
	30456832	85000000
Less: Utilize for Bonus Issue during the year	0	54543168
Closing Balance	<b>30456832</b>	<b>30456832</b>
<b>Surplus</b>		
Opening balance	421547649	435676477
Add: Net profit for the current year	(17829460)	(14128828)
Less: Proposed Dividend	0	0
Tax on Proposed Dividend	0	0
Transfer to General Reserve	0	0
<b>Closing Balance</b>	<b>403718190</b>	<b>421547649</b>
	<b>709972177</b>	<b>660655936</b>

(Amount in ₹)

<b>Note : 4 Long Term Borrowings</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
IDBI Bank C.C.A/c 0382655100000125	88686638	62711770
	<b>88686638</b>	<b>62711770</b>

<b>Note : 5 Deferred Tax Liability</b>		
On Difference between Book & tax Depreciation	2915121	2048182
	<b>2915121</b>	<b>2048182</b>

<b>Note : 6 Other Long Term Liabilities</b>		
<b>Others</b>		
Security Deposit	763038	763038
	<b>763038</b>	<b>763038</b>

<b>Note : 7 Long Term Provisions</b>		
Gratuity	6405774	5537614
Leave Encashment Payable	230400	0
	<b>6636174</b>	<b>5537614</b>

<b>Note : 8 Trade Payable</b>		
Sundry Creditors	24074605	14560936
	<b>24074605</b>	<b>14560936</b>

<b>Note : 9 Other Current Liabilities</b>		
Advance Recd from Customers	1336771	1015004
Bonus Payable	4849293	4615659
Commission Payable	6086105	2440341
CST & VAT Payable	483640	666141
Entry Tax Payable	131440	14333
ESI Payable	60983	54026
Outstanding Liabilities	10341095	10212059
Professional Tax	14716	8502
Provident Fund	276383	248179
TDS on Consultancy	29284	43528
TDS on Contractor Payment	16924	13227
TDS on Rent	27566	5000
TDS on Salary	286613	273840
TDS on Sales Commission	600855	542856
	<b>24541668</b>	<b>20152695</b>

<b>Note : 10 Short-Term Provisions</b>		
For Taxation	10000000	12000000
	<b>10000000</b>	<b>12000000</b>

**Note 11 : FIXED ASSETS - Tangible Assets up to 31.03.2014**

S. NO.	FIXED ASSETS	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK	
		AS AT 01.04.2013	ADDITION	DEDUCTIONS	AS AT 31.03.2014	Up to 31.03.2013	FOR THE QTR ENDED 31.03.2014	DELETIONS	UP TO 31.03.2014	AS AT 31.03.2014	AS AT 31.03.2013
1	Free Hold Land	1178000	0	0	1178000	0	0	0	0	1178000	1178000
2	Factory Building	173837812	0	0	173837812	22003847	0	5806813	27810030	146027782	151833965
3	Office Equipment	548905	0	0	548905	36635	0	26073	62708	486197	512270
4	Office Building	19121350	0	0	19121350	1191764	0	311678	1503442	17617908	17929586
5	Plant & Machinery	299648355	697900	0	300346255	141117754	0	8986529	150104283	150241972	158530601
6	Furniture & Fixtures	54677131	26050	0	54703181	8884130	0	3462418	12346548	42356633	45793001
7	Vehicles	19651344	849786	2664914	17836216	6886637	1385542	1867320	7368415	10467801	12764707
8	Computers	3767146	34900	0	3802046	2728066	0	273652	3001718	800328	1039080
	<b>TOTAL - A</b>	<b>572430043</b>	<b>1608636</b>	<b>2664914</b>	<b>571373765</b>	<b>182848833</b>	<b>1385542</b>	<b>20733854</b>	<b>202197145</b>	<b>369176620</b>	<b>389581210</b>
9	Capital Work in Progress	0	1031435	0	1031435	0	0	0	0	1031435	0
	<b>TOTAL - B</b>	<b>0</b>	<b>1031435</b>	<b>0</b>	<b>1031435</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1031435</b>	<b>0</b>
	<b>Grand Total (A+B)</b>	<b>572430043</b>	<b>2640071</b>	<b>2664914</b>	<b>572405200</b>	<b>182848833</b>	<b>1385542</b>	<b>20733854</b>	<b>202197145</b>	<b>370208055</b>	<b>389581210</b>
	Previous Year	556279727	16896571	746255	572430043	162252060	573286	21170059	182848833	389581210	394027667

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.
- 3 As Plant & Machinery fully depreciated during the year after charging current year depreciation but nominal value of Rs.1/- kept in books because Plant & Machinery are exist in physical form at the year end.

(Amount in ₹)

<b>Note : 12 Non-Current Investments</b>		<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
<b>Trade Investments</b>			
<b>a)</b>	<b>Investment in properties</b>	10793000	10793000
<b>b)</b>	<b>Investment in Equity instruments</b>		
<b>i)</b>	<b>Trade Investment (Unquoted)</b>		
	<b>In Subsidiary Company</b>		
	80,38,828 (53,53,000) Equity Share of Rs.10/- each of Medgel Private Limited	200845700	133700000
	<b>In Other Company</b>		
	21800(21800) Equity Shares of Rs.10/-each of Medicaps Fin.Ltd.	218000	218000
	107000(107000) Equity Shares of Rs.10/-each of Endolabs Ltd.	1070000	1070000
		<u>202133700</u>	<u><b>134988000</b></u>
<b>ii)</b>	<b>Other Investment (Quoted)</b>		
	100 (100) Equity Shares of Natural Capsules	1000	1000
	43600 (43600) Equity Shares of Jord Engineers India Ltd.	2141139	2141139
	100 (100) Shares of Bharati Healthcare Ltd	2012	2012
		<u><b>2144151</b></u>	<u><b>2144151</b></u>
<b>c)</b>	<b>Investment in Mutual Funds</b>		
	NIL (526195.656) units of Reliance Mutual Fund	0	15000000
	NIL (542351.588) units of DSP Merrill Mutual Fund	0	10000000
	NIL (851253.485) units of TATA Mutual Fund	0	10000000
	NIL (516262.261) units of ICICI Prudential Mutual Fund	0	10000000
	NIL (326594.598) units of Kotak Mutual Fund	0	10000000
		<u><b>0</b></u>	<u><b>55000000</b></u>
<b>d)</b>	<b>Investment in Monthly Income Plan</b>		
	NIL (939178.554) HDFC Monthly Income Plan	0	25000000
	NIL (1410971.427) Reliance Monthly Income Plan	0	35500000
		<u><b>0</b></u>	<u><b>60500000</b></u>
<b>e)</b>	<b>Other Investment</b>		
	LIC Group Gratuity Fund Scheme	6905648	6111666
	LIC Leave Encashment Scheme	366971	137369
		<u><b>7272619</b></u>	<u><b>6249035</b></u>
		<u><b>222343470</b></u>	<u><b>269674186</b></u>

<b>Note : 13 Long-Term Loans &amp; Advances</b>		
(Unsecured, considered good unless otherwise stated)		
Security Deposits	7714851	7715049
Mission Viva Care Limited	50000000	50000000
	<u><b>57714851</b></u>	<u><b>57715049</b></u>

<b>Note : 14 Current Investment</b>		
<b>Investment in Mutual Funds</b>		
NIL (527.925) IDBI Ultra Short Term Fund - Monthly Dividend	0	532407
46858.782 (NIL) IDBI Ultra Short Term Fund - Growth	63197658	0
30103.700 (NIL) Reliance Money Manager Fund - Growth	51611463	0
NIL (13742.691) IDBI Ultra Short Term Fund - Weekly Dividend	0	13783311
	<u><b>114809121</b></u>	<u><b>14315718</b></u>

(Amount in ₹)

<b>Note : 15 Inventories</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
Raw Materials	27029368	28796776
Finished Goods	70226384	50490588
Stock in process and waste	870443	628793
Stores and Spares	1813977	925729
Colour & Chemical	2298009	914650
Packing Material	4639532	2058448
Printing Material	138245	60070
Lab Chemical & Equipments	124531	96551
Fuel	661763	291491
	<b>107802253</b>	<b>84263096</b>

<b>Note : 16 Trade Receivables</b>		
Unsecured, Considered Good as certified by Management		
Outstanding over six months	6633310	6881353
Others	108371437	78106595
	<b>115004747</b>	<b>84987948</b>

<b>Note : 17 Cash &amp; Bank Balances</b>		
Cash in Hand	132377	111340
Balance with Noted Banks :		
In Current Accounts	4014200	3362739
In Fixed Deposit Accounts	4042919	4269309
	<b>8189496</b>	<b>7743388</b>

<b>Note : 18 Short-Term Loans &amp; Advances</b>		
(Unsecured & Considered Good - Advance recoverable in Cash or in kind or for value to be received)		
Advance to Suppliers & Others	7212529	4613510
Balances with Government Authorities	1281997	1229093
Advance Tax & TDS (Net of Provisions)	12482914	13478877
TDS Receivable	56500	38067
Service Tax	221889	314382
Prepaid Expenses	138558	1610684
Other Loans & Advances	762599	94743523
	<b>233769896</b>	<b>116028136</b>

<b>Note : 19 Sales</b>		
Sale of product	402402921	327517595
Less : Excise Duty	27513702	27342641
	<b>374889219</b>	<b>300174954</b>

(Amount in ₹)

<b>Note : 20 Other Income</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
Claims Received	59554	0
Capital gain/ (Loss) on Mutual Fund	(22490176)	(20009453)
Dividend income	2837653	2941265
Interest Income	2226014	1485393
Income Tax Refund	0	2047440
Misc. Income	1732347	301235
Net gain on foreign currency transaction and translation	2693809	558446
Profit on sale of Securities	507906	0
Sundry Cr. Balances no longer required, written back	730799	84239
	<b>(11692094)</b>	<b>(12591435)</b>

<b>Note : 21 Cost of Materials Consumed</b>		
<b>A) Raw Material Consumed</b>		
Opening Stock	29807977	10982036
Purchases (Net)	173615299	145607848
	<u>203423276</u>	<u>156589884</u>
Less : Closing Stock	29451908	29807977
	<u>173971368</u>	<u>126781907</u>
<b>B) Packing Material Consumed</b>		
Opening Stock	2058448	591894
Purchases	15391307	8445884
	<u>17449755</u>	<u>9037778</u>
Less : Closing Stock	4639532	2058448
Packing Material Consumed	<u>12810223</u>	<u>6979330</u>
<b>Grand total of Materials Consumed (A) + (B)</b>	<b>186781591</b>	<b>133761237</b>

<b>Note : 22 Increase / (Decrease) in Stocks</b>		
Closing Stock of:		
Finished Goods	70226384	50490588
Stock in Process	737152	576054
Waste	133291	52739
	<u><b>Total (A)</b></u>	<u><b>51119381</b></u>
Opening Stock of :		
Finished Goods	50490588	16113808
Stock in Process	576054	446910
Waste	52739	45003
	<u><b>Total (B)</b></u>	<u><b>16605721</b></u>
<b>Increase/(Decrease) in Stock (A-B)</b>	<b>19977446</b>	<b>34513660</b>

<b>Note : 23 Employees Remuneration &amp; Benefits</b>		
Salary, Wages, Allowances & other Benefits	53273010	46162539
Directors Remuneration	7200000	7200000
Gratuity	1357710	1114309
P. F. Contribution	3318629	3141187
Staff Welfare Expenses	650558	604031
	<u><b>65799907</b></u>	<u><b>58222066</b></u>

**(Amount in ₹)**

<b>Note :24 Finance Cost</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
Interest on C.C.Limit	10762533	4506379
Interest on SME Limit	186250	0
	<b>10949053</b>	<b>4506379</b>

<b>Note : 25 Other Expenses</b>		
Advertisement & Publicity	75852	181833
Audit Fee	218468	103750
Annual Listing Fees	127279	95288
Bank Charges	630054	554279
Bonus Issue Expenses	3876	1034896
Business Promotion Expenses	2671827	1250806
Charity & Donations	15000	185000
Consultancy Charges	942550	937210
Conveyance Expenses	488588	402569
Certifiacate & License Fees	150090	804734
Development Charges to AKVN	264792	275108
Entry Tax	1597894	1442692
Electricity & Water	814349	841645
Export / Import Expenses	124910	177023
Freight Expenses	11190967	11324794
Power & Fuel	46325513	43556357
Factory Expenses	1887036	1856745
Goods Destroy expenses	1647882	2737240
Insurance Charges	1019181	720285
ISO Certification Charges	30776	15000
Legal Expenses & R.O.C. Expenses	364558	45452
Loss on Sale of Fixed Assets	157725	2969
Membership Fee & Subscription	57497	55572
Misc. Expenses	2735255	1659204
Net gain /loss on foreign currency transaction	(144461)	45779
Office & General Expenses	179665	158801
Postage, telegram	199019	81433
Printing Material consumed	317450	297323
Printing & Stationary	726717	639063
Rent, Rates & Taxes	1321776	782599
<b>Repairs &amp; Maintenance</b>		
Buildings	2129118	407654
Machinery	7128914	7779595
Electricals	3081151	2756732
A.C.Plant	1531797	1293878
Computer	104905	58399
Other	189413	206290
Sales Commission	7943942	9952526
Sales promotion Expenses	600365	1300936
Security Expenses	402529	378310
Stores & Spares Consumed	2464363	6805707
Telephone & Telex Charges	534782	608537
Tour & Travelling Expenses	823348	1092236
Utility Expenses	371798	254474
Vehicle Running & Maintenance	2472183	1887723
	<b>105920693</b>	<b>107048445</b>

**Note 26 Segment Information**

Information on segment reporting as per Accounting standard-17, the entire operation of the company related to one segment as such there is no separate reporting required. Company's earning include Rs. (176.34) Lacs from interest, Dividend and income from Investments, However as per explanation given in AS-17 Segemnt revenue does not include Dividend income, Interest & Income from Investment hence there is no seprate reporting required.

**Note 27 Deffered Tax**

Information on deferred tax has been provided in acordance with AS-22 Accounting for taxation on Income, issued by the Institute of Chartered Accountants of India with effect from 1st April 2001.

The accumulated net deferred tax liability amounting to Rs.12866070/- has been adjusted against the general reserve. Further, the deferred tax assets for the year is Rs.866939/- has been recognised in the Profit & Loss Account.



**(Amount in ₹)**

<b>Note : 28 Payment to Auditors</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
Audit Fees	205390	103750
Tax Audit Fee	20000	20000
Other	31000	31000
<b>* Excluding taxes</b>	<b>256390</b>	<b>154750</b>

**Note 29 Related Party Disclosure**

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

<b>S.No</b>	<b>Related Party</b>	<b>Transaction nature</b>	<b>2013-14</b>	<b>2012-13</b>
1	Mr. R.C.Mittal Chairman & Managing Director	Remuneration	3000000	3000000
2	Mr. Alok K. Garg Executive Director	Remuneration	2400000	2400000
3	Mrs. Kusum Mittal Whole time Director	Remuneration	1800000	1800000
4	Mrs. Manisha Garg G.M.- Corporate Affairs	Remuneration	600000	600000

**Note 30 Earning Per Share**

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

	<b>2013-14</b>	<b>2012-13</b>
i) Profit after tax used as the numerator	(12967387)	(7132243)
ii) Basic / Weighted Average number of Equity Shares used as the denominator	12469956	12469956
iii) Nominal Value of Equity Share	10/-	10/-
iv) Basic & Diluted Earning per Equity Share	<b>(1.04)</b>	<b>(0.57)</b>

**Note 31** Disclosure of information relating to subsidiaries as required by the Central Government under Section 212 (8) of the Companies Act, 1956

**(Amount in Lacs)**

Name of the Subsidiary Company	:	Medgel Pvt.Ltd.
Reporting Currency	:	INR
Exchange Rate as on 31.03.2014	:	1.00
Capital	:	1075.48
Reserves	:	2104.70
Total Assets	:	4263.27
Total Liabilities	:	1083.08
Turnover	:	1011.91
Profit before Tax	:	(192.56)
Profit after Tax	:	(192.56)
Proposed Dividend	:	NIL
Country	:	India

**(Amount in ₹)**

<b>Note : 32 Employee Benefits</b>		<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
<b>a.</b>	<b>Defined benefits plan</b>		
I	Change in obligation during the year		
1	Present value of Defined benefit obligation at beginning of year	5537614	4833719
2	Current Service Cost	844445	642177
3	Past Service Cost		
4	Interest Cost	513265	472132
5	Actuarial (Gains) / Losses		
6	Benefits Paid	563725	410414
7	Present value of Defined benefit obligation at the end of the year	6331596	5537614
II	Change in assets during the year ended March 31		
1	Plan assets at the beginning of the year	6111666	5407771
2	Settlements		
3	Expected return on plan assets	513265	472132
4	Contribution by Employer	844445	642177
5	Actual benefits paid	563728	410414
6	Actuarial Gains / (Losses)		
7	Plan assets at the end of the year	6905648	6111666
III	Net Assets / (Liability) recognized in the Balance Sheet at March 31.		
1	Present value of Defined benefits Obligation as at March 31.	6331596	4833719
2	Fair value of plan assets as at March 31	6905648	5407771
3	Fund Status (Surplus / (Deficit))	574052	574052
4	Net Assets / (Liability) as at end of the year	574052	574052
IV	Expenses recognized in the Statement of profit & Loss for the year ended March 31		
1	Current Service Cost	844445	642177
2	Interest Cost	513265	472132
3	Expected return on plan assets		
4	Past service cost		
5	Net Actuarial (Gains) / Losses		
6	Total Expenses	<b>1357710</b>	<b>1114309</b>
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. 33.19 Lacs (previous year Rs. 31.41 Lacs).		
c.	Company has contribute Rs. 2.27 Lacs to Leave Encashment Scheme of LIC during the year.		

**Note 33** The company does not have outstanding for more than 30 days as on 31st March 2014 of S.S.I Units the respective parties.

**Note 34** The previous years figures have been regrouped/ restated wherever necessary to confirm with the current years classification.

**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 : MEDICAPS LIMITED  
CIN : L24232MP1983PLC002231  
Regd. Office : Mhow- Neemuch Road, Sector-1 Pithampur, Distt. - 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 31<sup>st</sup> Annual General Meeting of the Company, to be held on the 27<sup>th</sup> September, 2014 at the Registered Office at Mhow- Neemuch Road, Sector-1 Pithampur, Distt.- Dhar (M.P.) 454775 at 11.00 A.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions		
1.	Consider and adopt Audited Financial Statement, reports of the Board of directors and Auditor.	
2.	Reappointment of Shri Ramesh Chandra Mittal, who is liable to retire by rotation being eligible offer himself for re-appointment.	
3.	Appointment of Auditor and fixing their remuneration.	
4.	Appointment of Shri Pramod Fatehpuria as a Director and Independent Director of the Company.	
5.	Appointment of Dr. Shashi Kant Sharma as an Independent Director of the Company	
6.	Appointment of Dr. Shamsher Singh as an Independent Director of the Company	
7.	Appointment of Dr. Keshav Singh Verma as an Independent Director of the Company	

Signed this..... day of..... 2014  
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  
31<sup>st</sup> ANNUAL GENERAL MEETING OF MEDICAPS LTD.**

R.F. No. ....  
Mr./Mrs./Miss .....  
(Shareholders' name in block letters)

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 31<sup>st</sup> Annual General meeting of the company at the Registered Office of the Company 27<sup>th</sup> September, 2014.

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

\_\_\_\_\_  
(Shareholders/proxy's Signature)

**Note:**

1. Shareholders / proxy holders are requested to bring the attendance Slips with them when they come to the meeting and hand over them at the entrance after affixing their signatures 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-Neemuch Road, Sector-I,  
PITHAMPUR- 454 775, Distt.-Dhar (M.P.)  
E-mail : [investors@medicaps.com](mailto:investors@medicaps.com)  
Website : [www.medicaps.com](http://www.medicaps.com)




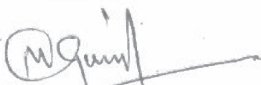
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# FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company:	MEDICAPS LIMITED
2	Annual financial statements for the year ended	31.03.2014
3	Type of Audit observation	Un-qualified
4	Frequency of observation	N.A.
5	To be signed by-	
	Managing Director	 Mr. R.C.Mittal
	Auditor of the company	C.P.Rawka & Co. Chartered Accountants  CA C.P.Rawka Proprietor
	Audit Committee Chairman	 Dr. S.K.Sharma
	Chief Executive Officer	 Mr. Manish Kumar Jain

For, MEDI-CAPS LTD.



RAJAT GUPTA  
COMPANY SECRETARY &  
COMPLIANCE OFFICER

