

**FORM A**

**Covering letter of the annual audit report filed with the stock exchanges**

1	Name of the Company:	<b>MEDICAPS LIMITED</b>
2	Annual financial statements for the year ended	31.03.2015
3	Type of Audit observation	Un-qualified
4	Frequency of observation	N.A.
5	To be signed by-	
	- Managing Director	Shri Ramesh Chandra Mittal
	- Auditor of the company	CA G.P. Rawka
	- Audit Committee Chairman	Dr. Shamsher Singh
	- Chief Financial Officer	Manish Kumar Jain

For, MEDICAPS LTD.

*Rajat Gupta*

**RAJAT GUPTA**  
**COMPANY SECRETARY &**  
**COMPLIANCE OFFICER**





MEDI-CAPS LIMITED

**32<sup>nd</sup> Annual Report**  
**2014-15**



**BOARD OF DIRECTORS**

- |                               |                                            |
|-------------------------------|--------------------------------------------|
| 1. Shri Ramesh Chandra Mittal | : Chairman & Managing Director             |
| 2. Mrs. Kusum Mittal          | : Whole-time Director                      |
| 3. Shri Alok K.Garg           | : Whole-time Director                      |
| 4. Mrs. Trapti Vikas Gupta    | : Non Executive Director                   |
| 5. Dr. Shamsher Singh         | : Independent Director                     |
| 6. Dr. Shashikant Sharma      | : Independent Director                     |
| 7. Dr. Keshav Singh Verma     | : Independent Director                     |
| 8. Shri Pramod Fatehpuria     | : Independent Director (w.e.f. 29.05.2014) |
| 9. Dr. V.B.Malkar             | : Independent Director (upto 29.05.2014)   |

**AUDIT COMMITTEE**

- |                           |                                  |
|---------------------------|----------------------------------|
| 1. Dr. Shamsher Singh     | : Independent Director- Chairman |
| 2. Dr. Shashikant Sharma  | : Independent Director- Member   |
| 3. Dr. Keshav Singh Verma | : Independent Director- Member   |

**STAKEHOLDERS' RELATIONSHIP COMMITTEE**

- |                          |                                  |
|--------------------------|----------------------------------|
| 1. Dr. Shamsher Singh    | : Independent Director- Chairman |
| 2. Dr. Shashikant Sharma | : Independent Director- Member   |
| 3. Shri Ashok R. Pitliya | : G.M. Finance - Member          |

**NOMINATION AND REMUNERATION COMMITTEE**

- |                           |                                  |
|---------------------------|----------------------------------|
| 1. Dr. Shamsher Singh     | : Independent Director- Chairman |
| 2. Dr. Shashikant Sharma  | : Independent Director- Member   |
| 3. Dr. Keshav Singh Verma | : Independent Director- Member   |

**RISK MANAGEMENT COMMITTEE**

- |                               |            |
|-------------------------------|------------|
| 1. Shri Ramesh Chandra Mittal | : Chairman |
| 2. Shri Alok K.Garg           | : Member   |
| 3. Shri Ashok R. Pitliya      | : Member   |

**CS & HEAD COMPLIANCE**

CS Rajat Gupta

**CHIEF FINANCIAL OFFICER**

Shri Manish Kumar Jain

**AUDITOR**

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

**SECRETARIAL AUDITORS**

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

**INTERNAL AUDITOR**

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

**BANKERS**

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

**REGISTERED OFFICE & PLANT**

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

**HEAD OFFICE:**

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

**SHARE TRANSFER AGENT:**

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

**NAME OF THE STOCK EXCHANGE:**

(Where the Company's Securities Listed)  
BSE Limited  
MPSE (De-recognised by SEBI w.e.f. June, 2015)

**NOTICE**

**Notice** is hereby given that the 32<sup>nd</sup> Annual General Meeting of the members of **MEDI-CAPS LIMITED** will be held on Thursday, September 24, 2015 at 11.00 A.M. at the registered office of the company situated at Mhow-Neemuch Road, Sector-1 Pithampur, District Dhar (M.P.) 454775 to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Standalone and Consolidated Financial Statements containing the Balance Sheet as at 31<sup>st</sup> March, 2015 and the Statement of Profits and Loss and Cash Flow Statements of the Company for the financial year ended March 31, 2015 and the Reports of the Board's and Auditors thereon.
2. To appoint a Director in place of Smt. Kusum Mittal, (DIN: 00035356), who retires by rotation and being eligible offer herself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**RESOLVED THAT** pursuant to section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under and pursuant to the recommendations of the Audit Committee of the Board and resolution passed by the members at the 31<sup>st</sup> Annual General Meeting held on 27<sup>th</sup> day of September, 2014 for the appointment of M/s C.P. Rawka & Co., Chartered Accountants (ICAI Firm Registration No. 000518C) as the Auditors of the Company to hold office till the conclusion of the 34<sup>th</sup> Annual General Meeting of the Company to be held in the year 2017, the appointment of the auditors be and are hereby ratified for the year 2015-16 and the Board of Directors be and are hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2016 as may be determined and recommended by the Audit Committee in consultation with the Auditors.

**SPECIAL BUSINESS:**

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

**“RESOLVED THAT** pursuant to the provisions of section 190, 196, 197, 203 read with the provisions of Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 and other applicable provisions if any of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), and clause 49 of the Listing Agreement, and as recommended by Nomination and Remuneration Committee of the Board the approval of members of the company be and are hereby accorded for the re-appointment of Shri Ramesh Chandra Mittal (DIN: 00035272) as the Chairman & Managing Director, of the Company for a further period of three years w.e.f. 1<sup>st</sup> July, 2016, on the following terms, conditions and remuneration with authority to the Board to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed between the Board and Shri Ramesh Chandra Mittal.

- (a) Salary & other allowances: Rs.3,50,000/- p.m. (upto Rs.42,00,000 p.a.); and
- (b) Contributions: to the Provident Fund, Family Benefit Fund Superannuation Fund as may be admissible under the PF/Income Tax Rules.
- (c) Gratuity: not exceeding half a month salary for each completed year of service, subject to the provisions of the Gratuity Act as may be amended from time to time.
- (d) Earned Privilege Leave: As per the Rules of the Company subject to the condition that the leave accumulated but not availed of will be allowed to be encashed for 15 days salary for every year completed services at the end of the tenure.

**FACILITIES:**

The company shall provide the following facilities to discharge his duties as the Managing Director of the Company;

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

**RESOLVED FURTHER THAT** the remuneration payable to Shri Ramesh Chandra Mittal shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 read with the provisions of Schedule V of the Act from time to time.

**RESOLVED FURTHER THAT** the Board of directors of the Company be and are hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.

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 section 190, 196, 197, 203 read with the provisions of Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 and other applicable provisions if any of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being enforce) and clause 49 of the Listing agreement and as recommended by Nomination and Remuneration Committee of the Board, the approval of the members of the company be and is hereby accorded for the re-appointment and re-designation of Shri Alok K Garg (DIN: 00274321) as the Joint Managing Director, of the Company for a further period of three years w.e.f. 1<sup>st</sup> April, 2016, on the following terms, conditions and remuneration with authority to the Board to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board and Shri Alok K Garg.

- (a) Salary & other allowances: Rs.3,50,000/- p.m. (upto Rs.42,00,000 p.a.); and
- (b) Contributions: to the Provident Fund, Family Benefit Fund Superannuation Fund as may be admissible under the PF/Income Tax Rules.
- (c) Gratuity: not exceeding half a month salary for each completed year of service, subject to the provisions of the Gratuity Act as may be amended from time to time.
- (d) Earned Privilege Leave: As per the Rules of the Company subject to the condition that the leave accumulated but not availed of will be allowed to be encashed for 15 days salary for every year completed services at the end of the tenure.

#### **FACILITIES**

The company shall provide the following facilities to discharge his duties as the Joint Managing Director of the Company;

Use of Car: The Company shall provide a car with driver for the Company's business and if no car is provided, reimbursement of the conveyance shall be as per actual on the basis of claims made by him;

Telephone: Free use of mobile and a telephone and internet connection at his residence provided that personal long distance calls on the telephone shall be billed by the Company to the Joint Managing Director.

**RESOLVED FURTHER THAT** the remuneration payable to Shri Alok K Garg, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 Read with the Schedule V of the Act or such other limits as may be prescribed from time to time.

**RESOLVED FURTHER THAT** the Board of directors of the Company be and are hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.

**By Orders of the Board**

**Date: 12<sup>th</sup> August, 2015**

**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. PROXY FORM 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 Register of members and share transfer books of the Company shall remain close from September, 22<sup>nd</sup> 2015 to September 24<sup>th</sup> 2015 (both days inclusive) for the purpose of the annual general meeting.
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 holding shares in demat form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service [NECS], Electronic Clearing Services [ECS] mandates, nominations, power of attorneys, change in address, change of name, email address, contact numbers, etc. to their Depository Participant [DP]. Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agents to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Ankit Consultancy Private Limited, Registrar and Transfer Agents of the Company.
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 s being sent in the permitted mode.
10. Members may also note that the Annual Report for FY 2014-15 will also available for downloading on Company's website [www.medicaps.com](http://www.medicaps.com)
11. Details under clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/reappointment at the Meeting is annexed to the Notice.
12. Notice of the Meeting of the Company, inter alia, indicating the process and manner of remote-e-voting along with Attendance Slip and Proxy Form is being sent to the members, whose email ids are registered with the Company and Depository Participant(s) for communication purposes 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 Notice of the Meeting is being sent through permitted mode. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communications including Annual Report, Circulars, etc. from the Company electronically.** Members may also note that the Notice of the Meeting and the Annual Report will also be available on the Company's website [www.medicaps.com](http://www.medicaps.com) for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection at any time between 10:00 a.m. to 1:00 p.m. on any working day upto the date of Meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id [investors@medicaps.com](mailto:investors@medicaps.com)
13. 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.
14. 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.
15. Members/proxies/ authorized representatives should bring the duly filed attendance slip enclosed herewith to attend the meeting.
16. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the Members at the AGM.
17. The Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of The Companies Act, 2013 will be available for inspection by the members at the AGM.
18. Members can opt for only one mode of voting i.e. either by e-voting or poll paper. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Poll Paper shall be treated as invalid.
19. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on cut-off date, may cast vote after following the instructions for e-voting as provided in the Notice convening the Meeting, which is available on the website of the Company and CDSL. However, if you are already registered

with CDSL for remote e-voting then you can use your existing User ID and password for casting your vote.

**REQUEST TO THE MEMBERS:**

- Intimate changes, if any, in their registered addresses immediately.
- Quote their ledger folio number in all their correspondence.
- Handover the enclosed attendance slip, duly signed in accordance with their specimen registered with the Company for admission to the meeting place.
- Bring their Annual Report and Attendance Slips with them at the AGM venue.
- Send their Email address to the Share Transfer Agent for prompt communication and update the same with their D.P. to receive softcopy of the Annual Report of the Company.

**20. Voting through electronic means**

1. Voting through electronic means: In compliance with provisions of section 108 of the Act and Rule 20 of The Companies [Management and Administration] Rules, 2014 and clause 35B of the Listing Agreement, the Company is providing e-voting facility as an alternative mode of voting which will enable the members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services [India] Limited [CDSL] to facilitate remote e-voting. The detailed process, instructions and manner are as under.

The instructions for shareholders voting electronically are as under:

- (i) The voting period shall begin on Monday 21st September, 2015 (9:00 A.M. IST) and ends on Wednesday 23rd September, 2015 (5:00 P.M. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday 17th September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting by remote e-voting date would not be entitled to vote by poll at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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

- (ix) After entering these details appropriately, click on **"SUBMIT"** tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach **'Password Creation'** menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the **"Medicaps Limited"** on which you choose to vote.
- (xiii) On the voting page, you will see **"RESOLUTION DESCRIPTION"** and against the same the option **"YES/NO"** for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.



- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**General Instructions:**

- 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 Help section of [www.evotingindia.com](http://www.evotingindia.com).
- II. If you are already registered with CDSL 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 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 17<sup>th</sup> September, 2015.
- V. **CA Neha Jain** has been appointed as the Scrutinizer to scrutinize the voting by Poll and remote e-voting process in a fair and transparent manner.
- VI. The scrutinizer shall after the conclusion of the voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the company and make a Consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- VII. 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 CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited [BSE] where the equity shares of the Company are listed, within two (2) days of passing of the resolutions at the AGM of the Company.
- VIII. For any other queries relating to the shares of the Company, you may contact the Share Transfer Agent i.e., Ankit Consultancy Pvt. Ltd. Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.)-452010, 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**

Name of Directors	Smt. Kusum Mittal (Whole-time director)	Shri R.C. Mittal (Chairman & Mg. Director)	Shri Alok Garg (Joint Managing Director)
<b>DIN</b>	<b>00035356</b>	<b>00035272</b>	<b>00274321</b>
Date of Birth	08/08/1950	16/06/1947	27/04/1969
Date of Appointment	04/05/1991	06/08/1983	01/04/1999
Expertise / Experience in specific functional areas	Having experience in the Real Estate, investments and finance business activities	39 years experience in the manufacturing and business activities of the company	More than 15 years experience in the Company's business and manufacturing activities
Qualification	B. A	B. Pharma	B.A. (Honors), MBA (Marketing), Diploma in Export Documentation & Implementation from IIFT, Delhi
No. & % of Equity Shares held	2700136 (21.65%)	31,66,320 (25.39%)	69,600 (0.56%)
List of outside Company's directorship or Designated Partner in LLPs held	1. Diatonic Developers Pvt. Ltd. 2. Skyline Devcons P.Ltd. 3. North Rajasthan Holdings Pvt. Ltd. 4. Medicaps IT Park P.Ltd. 5. Trapti Investmenrts LLP 6. Medicaps Finance LLP 7. Saffron Realities LLP 8. Taurus Dwellers LLP	1.Medpak India Ltd. 2.Crystal Devcon Pvt. Ltd. 3.Diatonic Developers P.Ltd 4.Skyline Devcon Pvt. Ltd, 5.North Rajasthan Holdings Pvt. Ltd, 6.Medicaps IT Park P. Ltd. 7. Medgel Pvt. Ltd. 8. Medi Caps Finance LLP 9. Trapti Investments LLP 10. Taurus Dwellers LLP 11. Saffron Realities LLP	1. Medpak India Limited 2. Medicaps IT Park P. Ltd. 3. Medgel Pvt. Ltd. 4. Shivalika Realities P. Ltd. 5. Medicaps Finance LLP
Chairman / Member of the Committees of the Board of Directors of the Company	Chairperson of Internal Committee for Sexual Harassment of Women at Work Place	Chairman of Risk Management Committee	Member of Risk Management Committee
Chairman / Member of the Committees of the Board Directors of other Companies in which she is director	-	-	-

**EXPLANATORY STATEMENT IN TERMS OF SECTION 102 OF THE COMPANIES ACT, 2013.**
**Item No. 4:**

At the Annual General Meeting of the Company held on 29th September, 2012, the Members had approved the re-appointment and terms of remuneration of Mr. R.C.Mittal as the Chairman & Managing Director of the Company for a period of three years from 1st July, 2013.

The tenure of Shri R.C.Mittal, being the Chairman & Managing Director over on 30<sup>th</sup> June, 2016, The Nomination and Remuneration Committee of the Board has approved his re-appointment and designated him as the Chairman & Managing Director on the remuneration as contained in the resolution for a further period of three years w.e.f. 1<sup>st</sup> July, 2016.

Shri R.C.Mittal is a founder of the Company and has full technical knowledge and expertise of more than 39 years. Shri R. C. Mittal is overall in charge for other strategic planning of all the business activities and directly looking into the investment activities of surplus funds.

The proposed remuneration is matching with the remuneration payable in the pharmaceutical industry for a person of his caliber however, there is no proper comparable company in the manufacturing line of the Company.

Therefore his re-appointment shall be an asset for the Company. The Board recommends passing necessary resolution as set out in item No. 5 of the Notice as an Ordinary Resolution.

This may also be considered as abstracts for the terms and conditions for appointment of the Chairman & Managing Director. Necessary relevant documents are available at the Registered Office of the Company for inspection during the normal business hours till the conclusion of the Annual General Meeting.

Shri R.C.Mittal, being appointee, may be considered financially interested to the extent of the remuneration as may drawn by him and Mrs. Kusum Mittal, Shri Alok K.Garg and Mrs. Trapti Vikas Gupta being his relatives may be considered interested as otherwise. Except that none of the other Directors, KMPs and their relatives are concerned or interested in the said Resolution.

**Item No. 5:**

At the Annual General Meeting of the Company held on 29th September, 2012, the Members had approved the re-appointment and terms of remuneration of Mr. Alok K Garg as Whole Time Director of the Company for a period of three years from 1st April, 2013.

The tenure of Shri Alok K.Garg, being the whole-time Director will over on 31<sup>st</sup> March, 2016. The Nomination and Remuneration Committee of the Board has approved recommended his re-appointment and designate him as the Joint Managing Director on the remuneration as contained in the resolution for a further period of three years w.e.f. 1<sup>st</sup> April, 2016.

Shri Garg is a young and dynamic professional and having proper exposure to deal with the marketing of the Company's products. Shri Garg is the overall in charge of all the marketing and general administration of the Plant at Pithampur and also supporting to the Chairman in the business activities of the Company. Shri Garg is holding 69,600 Shares consisting 0.56% of the total share capital of the Company.

Therefore his appointment shall be in the interest of the Company. The Board recommends to pass necessary resolution as set out in item No. 4 of the Notice as an Ordinary Resolution.

This may also be considered as abstracts for the terms and conditions for appointment of the Joint Managing Director. Necessary relevant documents are available at the Registered Office of the Company for inspection during the normal business hours till the conclusion of the Annual General Meeting.

Shri Alok K.Garg, being appointee, may be considered financially interested to the extent of the remuneration as may drawn by him and Mrs. Kusum Mittal, Shri R.C.Mittal and Mrs. Trapti Vikas Gupta being his relatives may be considered interested as otherwise. Except that none of the other Directors, KMPs and their relatives are concerned or interested in the said Resolution.

**By Orders of the Board**

**Date: 12<sup>th</sup> August, 2015**

**Place: Pithampur**

**Medicaps Ltd.**

CIN: L24232MP1983PLC002231

Mhow-Neemuch Road,

Sector 1 Pithampur

District Dhar (M.P.)-454775

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

## BOARD'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

To,  
The Members of  
Medicaps Limited

Your Directors is presenting the 32nd Annual Report together with the audited financial statements for the year ended March, 31 2015. The Management Discussion and Analysis has also been incorporated into this report.

### HIGHLIGHTS OF PERFORMANCE

- Consolidated income for the year increased by 3.01% to Rs. 3741.16 Lakhs as compared to Rs. 3631.97 Lakhs in the previous year;
- Consolidated net sales for the year was Rs. 3611.12 Lakhs as compared to Rs. 3748.89 Lakhs in the previous year, a decline of -3.68%;
- Consolidated Profit/Loss before tax for the year was Rs. (126.18) Lakhs as compared to Rs. (70.11) Lakhs in the previous year;
- Consolidated Profit/Loss after tax for the year was Rs. (205.98) Lakhs as compared to Rs. (178.29) Lakhs in 2014 (including tax write back of Rs. 0.48 Lakhs) in the previous year.

### FINANCIAL RESULTS:

(Rs. In Lakhs)

Particulars	Consolidated		Standalone	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Revenue from Operations (Net) and other income	3741.16	3631.97	2856.90	2580.79
<b>Profit Before Tax (PBT)</b>	(126.19)	(70.10)	273.40	122.45
Provision for Tax	79.79	108.19	79.79	108.19
<b>Profit After Tax (PAT)</b>	(205.98)	(178.29)	193.62	14.26
Less: Minority Interest	0	48.62	0	0
<b>Balance brought forward from previous year</b>	4037.18	4215.47	4618.68	4604.42
<b>Surplus carried to the next year's account</b>	3831.20	4037.18	4812.30	4618.68
EPS (Basic and Diluted) on equity share of Rs. 10/- each	(1.65)	(1.04)	1.55	0.11

### DIVIDEND

In view of inadequate profits and due to requirement of the long term financial resources your directors proposes to utilize the profits generated during the year in the business activities and do not recommend any dividend for the year 2014-15 (previous year Nil)

### SHARE CAPITAL

The paid up Share Capital as on 31<sup>st</sup> March, 2015 was Rs. 1246.99 Lacs divided into 124.69 Lacs equity shares of Rs. 10/- each. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on 31<sup>st</sup> March, 2015, none of the promoter/Directors of the Company hold shares or convertible instruments of the Company.

### TRANSFER TO RESERVES

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

### FINANCE

Cash and cash equivalent as at 31<sup>st</sup> March, 2015 was Rs. 89.55 Lakhs. The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

### DEPOSITS

The Company has not accepted deposit from the public falling within the ambit of section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014 and there were no remaining unclaimed deposits as on 31<sup>st</sup> March, 2015. Further that there was no contravention of the provisions of the Chapter V of the Companies Act, 2013 and the Rules made there under.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has made investment, provided loans and security and guarantees pursuant to Section 186 of the Companies Act, 2013:

(Rs. In Lakhs)

Name of the company	Nature of Transactions	Investment made/ Guarantee/Loans Provided	Opening Balance as on 01/04/2014	Transactions made during the year	Closing Balance as on
Medgel Pvt. Ltd.	Wholly Owned Subsidiary	Investment Made	2812.34	1470.00	4282.34
		Guarantee Security provided	1500.00	0.00	1500.00
Medicaps Finance LLP	Non- Current	Investment Made	2.18	0.00	2.18
Endolabs Ltd.	Non- Current	Investment Made	10.70	0.00	10.70
Natural Capsules Ltd.	Non- Current	Investment Made	0.01	-	0.01
Jord Engineers India Ltd.	Non- Current	Investment Made	21.41	-	21.41
Bharti Healthcare Ltd.	Non- Current	Investment Made	0.02	-	0.02
Mutual Funds	Current Investment	Investment Made	0.0	150.00	150.00
Mission Viva Care Limited	Long Term	Loan Given	500.00	-500.00	0.00

In addition to the above, the Company has given advance against salary or otherwise to employees of the Company as per the terms of appointment and the Company's policy on which no interest were charged.

**ECONOMIC SCENARIO AND OUTLOOK**

With India expected to 'turn the corner' on the back of structural reforms, its economy is projected to clock 7 per cent growth in 2015 even as China would see an economic slowdown, says a study.

Presenting predictions by its economists for the New Year, global consultancy PwC said India is expected to resume growing at more than 6 per cent after seeing expansion below this level since 2012. "We think 2015 could be the year that India turns the corner, posting growth of around 7 per cent. In the short term, low oil prices are likely to increase GDP growth, ease the pressures of India's high current account deficit and help bring down inflation," it said. Regarding the country's medium-term economic prospects, PwC said, "We think that the February 2015 budget could see India take a step towards implementing new structural reforms which will boost the economy."

India's economic growth was below 5 per cent in the last two financial years. The Reserve Bank of India (RBI) forecast the economy to grow at 5.5 per cent in 2014-15 (ending this March) and at 6.3 per cent in next financial year 2015-16

**PHARMACEUTICAL INDUSTRY OUTLOOK AND OPPORTUNITIES**

The global pharmaceutical market seems to be showing signs of recovery with several positive factors projected for the next four to five years. Global spending on medicines is expected to reach US\$ 1.3 trillion by 2018, representing a compounded annual growth rate (CAGR) varying between 5-6% on a constant currency basis for the forecast period of 2014-2018. This is slightly higher than the 5.2% growth rate recorded over the past five years.

Higher growth is primarily on account of general economic well being, the effect of aging populations and chronic/lifestyle diseases on the demand side — and the introduction of new specialty medicines and increased accessibility of patients to medical infrastructure and funding, expansion of emerging markets and advances in treatment and allied technologies on the supply side.

On a regional basis, healthcare spending in North America is expected to increase on an average by approximately 5% per year during 2014-2018. This expenditure is expected to be partly driven by expanded consumer access to healthcare through the 2010 Patient Protection and Affordable Care Act; and partly because of the introduction of new medicines as well as the general economic recovery of the area.

**MARKET DEVELOPMENT**

The Indian pharmaceutical market grew at a CAGR of approximately 14% in the past five years and is expected to grow at a CAGR of between 9% and 12% to reach around US\$ 20 billion to US\$ 30 billion by 2018. This is being, and will be, driven by epidemiological factors, increasing affordability, enhanced accessibility and rising acceptability — though partially offset by pricing controls put in place by the National Pharmaceutical Pricing Authority (NPPA) and high levels of competition due to existing market fragmentation.

The government and regulatory authorities continue to focus on:

- (a) reduced taxes and import duties;
- (b) incentives for setting up manufacturing units through special economic zones and other facilities;
- (c) incentives for higher in-house research and development; and
- (d) improving the quality of healthcare infrastructure as well as the availability of medicines through the 'Jan Aushadhi' scheme at affordable prices.

**VOLUME OF MANUFACTURING**

Your company is in the manufacturing of the Hard Gelatin Capsule shell. During the year company has manufactured following quantity.

Particulars	Quantity in Nos (in Lacs)	
	2014-15	2013-14
Finished goods available on the Opening date i.e. 01/04/2014	3719.87	4593.42
Manufactured during the year	33974.19	32952.21
Turnover of the capsule sold	33782.83	33825.76
Finished goods available on the Closing date i.e. 31/03/2015	3911.23	3719.87

**SELLING PRICE**

Due to heavy competition, the Company could not increase the sales price of its product, the selling price for the year was Rs.80.99 per thousand capsules as compared to Rs 80.91 per thousand capsules in the previous year.

**CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

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

**OCCUPATIONAL HEALTH & SAFETY (OH&S)**

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

**HUMAN RESOURCES**

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

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

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

- **Employer of Choice:** Employees are encouraged to express their views and are empowered to work independently. Employees are given the opportunity to learn through various small projects which make them look at initiatives from different perspectives and thus provide them with a platform to become result oriented. This has helped greatly in overall development of the employee and has significantly arrested the attrition rate.
- **Leadership Development:** As a part of leadership development, talented employees have been seconded to the senior leadership team to mentor them and prepare them for the next higher role.

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

**Disclosure Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaint was received during the year under review.

**RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY**

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

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

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

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

**VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has a vigil mechanism named vigil mechanism/whistle blower Policy to deal with instance of fraud and mismanagement, if any. The details of the vigil mechanism Policy is explained in the Corporate Governance Report as well as annexed to the Board Report as “Annexure A” and also posted on the website of the Company at [www.medicaps.com](http://www.medicaps.com).

**SUBSIDIARY COMPANIES AUDITED FINANCIAL STATEMENTS OF THE COMPANY'S SUBSIDIARIES**

As on 31st March, 2014, the Company had Medgel Pvt. Ltd. was its subsidiary company and by acquisition of remaining 27,10 Lakhs shares from other investors, it has become 100% Wholly Owned Subsidiary w.e.f. 28.08.2014. The Particulars of the Subsidiary Company is given as required under section 129(3) of the Act, read with the Companies (Accounts) Rules, 2014 in the **Form AOC-1** as containing part of the Financial Statement annexed as “Annexure B” which is forming part of the Annual Report.

The Company does not have any associate or joint venture company at the beginning or closing or any time during the year 2014-15.

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company, [www.medicaps.com](http://www.medicaps.com). Further, as per fourth proviso of the said section, audited annual accounts of the subsidiary company have also been placed on the website of the Company, [www.medicaps.com](http://www.medicaps.com).

**BOARD OF DIRECTORS & KEY MANAGERIAL PERSONALS & BOARD MEETINGS & PROCEDURES****Independent Directors**

At the Annual General Meeting (AGM) of the Company held on September 27<sup>th</sup> Sept., 2014, the Members had re-appointed Dr. Shamsher Singh, (DIN 00204290) Dr. Shashikant Sharma (DIN 00204610) and Dr. Keshav Singh Verma (01490522) as Independent Directors under the Companies Act, 2013 for a term of 5 years with effect from 1<sup>st</sup> April 2014. Shri Pramod Fatehpuria, (DIN 00972389) was also confirmed by the members at their annual general meeting held on 27.09.2014 as an Independent Director for a term of 5 years with effect from 29<sup>th</sup> May, 2014. Dr. V.B. Malkar, (DIN: 02491684) the Independent Director has resigned from the Board w.e.f. 29.05.2014 due to his pre-

occupation.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. In the Opinion of the Board, all the independent directors fulfill the criteria on independency as prescribed under the Companies Act and the Clause 49 of the Listing Agreement.

**Directors seeking re-appointment at the ensuing annual general meeting**

In accordance with the provisions of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mrs. Kusum Mittal (DIN 00035356) liable to retire by rotation and is eligible for re-appointment.

**Key Managerial Personnel**

The Company is having Company Secretary, Chief Financial Officer and designated them as the Key managerial Personal. Further that Shri Ramesh Chandra Mittal, Shri Alok K. Garg and Mrs. Kusum Mittal executive directors are also functioning as the Key Managerial Personnels as required under section 203 of the Companies Act, 2013.

Tenure of Shri Ramesh Chandra Mittal as the Chairman and Managing Director will be over on 30<sup>th</sup> June, 2016 and Shri Alok K. Garg as Whole-time Director will be over on 31<sup>st</sup> March, 2016. The Nomination & Remuneration Committee and the Board at their meeting held on 12<sup>th</sup> August, 2015 has approved for their re-appointment subject to the approval of members in the ensuing General Meeting for the further period of 3 years w.e.f. 1<sup>st</sup> July, 2016 and 1<sup>st</sup> April, 2016 respectively. Shri Alok K. Garg is being designated as the Joint Managing Director to reward his services to the Company on the terms, conditions and remuneration as set out in the notice of the forthcoming annual general meeting. Your directors recommend to pass suitable resolutions as set out in the notice of the annual general meeting.

**Number of meetings of the Board**

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

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

The Board met **4 (Four)** times in financial year 2014-15 viz, on **29<sup>th</sup> May, 2014; 13<sup>th</sup> August, 2014; 13<sup>th</sup> Nov., 2014 and 12<sup>th</sup> Feb., 2015**. The maximum interval between any two meetings did not exceed 120 days.

**Board independence**

Our definition of 'Independence' of Directors is derived from Clause 49 of the Listing Agreement with Stock Exchanges and Section 149(6) of the Companies Act, 2013. Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of Clause 49 of the Listing Agreement and Section 149(6) of the Companies Act, 2013:-

- a) Dr. Shamsher Singh
- b) Dr. Shashikant Sharma
- c) Dr. Keshav Singh Verma
- d) Mr. Pramod Fatehpuria (from 29.05.2014)
- e) Dr. V.B. Malkar (upto 29.05.2014)

**Company's policy on Directors' appointment and remuneration**

The Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178, is annexed with the Report as "**Annexure C**" and also uploaded on companies website (Link - <http://medicaps.com/cgovernance.html>)

**Annual evaluation by the Board**

The evaluation framework for assessing the performance of directors comprises of the following key areas:

- i. Attendance of Board Meetings and Board Committee Meetings;
- ii. Quality of contribution to Board deliberations;
- iii. Strategic perspectives or inputs regarding future growth of Company and its performance;
- iv. Providing perspectives and feedback going beyond information provided by the management;
- v. Commitment to shareholder and other stakeholder interests;

The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors. A member of the Board do not participate in the discussion of his/her evaluation.



**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a. that in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in Note-1 of the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March, 31<sup>st</sup> 2015 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**COMMITTEES OF THE BOARD**

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

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

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

**RELATED PARTY TRANSACTIONS**

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions if any, are placed before the Audit Committee as also the Board for approval. The transactions entered into are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. The statement is supported by a Certificate from the Managing Director and the CFO. The Company has developed a Related Party Transactions Manual, Standard Operating Procedures for purpose of identification and monitoring of such transactions.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website (Link - <http://medicaps.com/cgovernance.html> ). A disclosure as required under section 134(3)(h) of the Companies Act, 2013 and the Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is not applicable to the Company.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

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

**AUDITORS & THEIR REPORT****Statutory Auditors Appointment**

The Company's Auditors, M/s C.P. Rawka & Co., Chartered Accountants, who were appointed for a term of three years at the Annual General Meeting held on 27<sup>th</sup> Sept., 2014 are eligible for ratification of their appointment. They have confirmed their eligibility under Section 141(3)(g) of the Companies Act, 2013 read with the Clause 41(1)(h) of the listing agreement for ratification for appointment as Auditors of the Company.

Your Board is pleased to inform that there is no such observation made by the Auditors in their report which needs any explanation by the Board.

**Secretarial Audit**

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

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

- (a) *Delay in filing of the certain forms as covered in their report to the RoC after prescribed period with the adequate additional filing fees, this has reported as compliance by reference of payment of additional fees;*

**Management Comment/Explanations:-** The Compliance has been made with additional filing fee as reported by the Secretarial Auditors themselves.

Further the Company was filing Form MGT-10 attach with the Form GNL-2 for change in the 2% or more shares of the Company in respect of promoters and top 10 shareholders of the Company. However, after availability of Form MGT-10 for e-filing, it was 2% of the respective promoters and top 10 shareholders holding and due to that uncertainty, the Company has filed form MGT-10 after some delay with the adequate filing fee.

- (b) *That the Company has not complied with the Clause 41(I)(h) of the Listing Agreement.*

**Management Comment/Explanations:** the Auditor has applied for conducting peer review to the Peer Review Board of ICAI and the same is under consideration with the PRB of the ICAI. Auditor assures that at the time of ratification by the Shareholders at the ensuing Annual General Meeting the Auditor's firm will be holding valid peer reviewed certificate.

- (c) *5 Secured loans which were repaid/set off by modification, etc. long back, but still appearing on the portal of the MCA under the Index of Charges for which corrective measures needs to be taken for deletion/satisfaction of such charges.*

**Management Comment/Explanations:** The company is continuous in follow up with the bank since the charge is satisfied by the company long back and the bank as well as the company is searching for old documents and will proceed further.

**Cost Auditor and their report**

The Company has filed the Cost Audit Report for the year 2013-14 to the Central Government on 26<sup>th</sup> Sept., 2014. Further that the Company has appointed Shri Satish Kumar Gupta, Cost Accountants as the Cost Auditors of the Company for the year 2014-15 and in view of the orders issued by the Cost Audit Branch of the MCA, the Company is not falling under the purview of the requirement for Cost Records and its audit during the year 2014-15 and onward. Therefore, it do not propose to ratify the remuneration of the cost auditors and do not take any action for conducting the cost audit during the year 2014-15.

**Disclosure for frauds against the Company**

In terms of the provisions of section 134(3)(ca) of the Companies Act, 2013, there were no fraud committed against the Company and any person which are reportable under section 141(12) by the Auditors to the Central Government as well as non reportable frauds during the year 2014-15.

**ENHANCING SHAREHOLDERS VALUE**

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

**CORPORATE GOVERNANCE**

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report as “Annexure- E” and the Corporate Governance Report is attached as “Annexure F”.

Certificate from Shri R.C. Mittal, Managing Director and Mr. Manish Kumar Jain, Chief Financial Officer, pursuant to provisions of Clause 49(V) of the Listing Agreement, for the year under review was placed before the Board of Directors of the Company at its meeting held on 12<sup>th</sup> August, 2015. A copy of the certificate on the financial statements for the financial year ended March, 31, 2015 is annexed along with this Report as “Annexure G” and the Certificate of code of conduct by the directors and managerial personnels by the CS and Managing Director is annexed as “Annexure H”.

**CONSOLIDATED FINANCIAL STATEMENTS**

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

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

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

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

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

**EXTRACT OF ANNUAL RETURN**

The extract of the Annual Return in form MGT-9 for the year ended 31<sup>st</sup> March, 2015 is annexed herewith as “**Annexure J**”.

**RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION**

Pursuant to provision of section 197(12) of Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the detail is given in the “**Annexure K**”.

**Particulars of remuneration of employees**

During the year, none of the employees received remuneration in excess of 5 lakhs or more per month or Rs. 60 Lakhs or more per annum. In accordance with the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Therefore there is no information to disclose in terms of the provisions of the Companies Act, 2013.

**INDUSTRIAL RELATIONS**

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

**CODE OF CONDUCT**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in “Zero Tolerance” against bribery, corruption and unethical dealings/behaviors of any form and the Board has laid down the directives to counter such acts.

The code laid down by the Board is known as “code of business conduct” which forms an Appendix to the Code. The Code has been posted on the Company's website (Link:- <http://medicaps.com/cgovernance.html>) The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure.

In view of the SEBI (Prohibition of Insider Trading) Regulation, 2015 the Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires Trading Plan, pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

**ACKNOWLEDGEMENTS**

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

**CAUTIONARY STATEMENT**

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations.

Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

For and on behalf of the Board

**Ramesh Chandra Mittal**  
**Chairman & MD**  
**DIN 00035272**

**Place: Pithampur**  
**Date: 12<sup>th</sup> August, 2015**

## **Whistle Blower/Vigil Mechanism Policy**

### **Preface**

- 1.1 The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior.
- 1.2 This policy is formulated to provide employee an avenue to lodge Complaints, in line with the commitment of Company to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication. To provide necessary safeguards for protection of employees from reprisals or victimization, for whistle-blowing in good faith.
- 1.3 Clause 49 of the Listing Agreement between Company and the Stock Exchanges and Guidelines on Corporate Governance, provides, to establish a mechanism called "Whistle Blower/Vigil Mechanism Policy" for directors and employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct.
- 1.4 The purpose of this policy is to provide a framework to protect employees wishing to raise a concern about serious irregularities within the Company.

### **2. Definitions**

- 2.1 "Medicaps" means Medicaps Limited.
- 2.2 "Audit Committee" means the Audit Committee of the Board constituted by the Board of Directors of Medicaps in accordance with provisions of Section 177(1) of Companies Act, 2013 read with Clause 49 of Listing Agreement entered into by the Company with Stock Exchanges.
- 2.3 "Competent Authority" means the Shri Shashi Kant Sharma, Independent Director of Medicaps Limited and will include any person(s) to whom he may delegate any of his powers as the Competent Authority under this policy from time to time. In case of conflict of interest (WTD being the subject person), Competent Authority means Chairman of the Audit Committee.
- 2.4 "Dedicated Confidential Section" means any Section/Department of the Company which is decided by the Competent Authority from time to time for maintaining the records as per the Whistle Blower/Vigil Mechanism Policy.
- 2.5 "Disciplinary Action" means any action that can be taken on completion of/during the investigation proceedings by the Competent Authority as he/she deems fit considering the gravity of the matter.
- 2.6 "Employees" mean the entire permanent employees which are working in Medicaps Limited.
- 2.7 "Improper Activity" means unethical behavior, actual or suspected fraud, embezzlement etc., violation of the Company's general guidelines on conduct, moral turpitude, unlawful conduct etc. by an employee of Medicaps Limited.
- 2.8 "Investigators" means those persons authorized, appointed, consulted or approached by the Competent Authority in connection with conducting investigation into a protected disclosure.
- 2.9 "Protected Disclosure" means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- 2.10 "Subject" means a person against or in relation to whom a protected disclosure is made or evidence gathered during the course of an investigation.
- 2.11 "Whistle Blower" means an Employee or Director making a Protected Disclosure under this policy.

### **3. Scope**

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

### **4. Interpretation**

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

### **5. Guiding Principles**

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

### **6. Whistle Blower – Role & Protections**

#### **Role:**

- 6.1 The whistle Blower's role is that a reporting party with reliable information.
- 6.2 The Whistle Blower is not required or expected to conduct any investigations on his own.
- 6.3 The Whistle Blower may also be associated with the investigations, if the case so warrants. However, he/she shall not have a right to participate.
- 6.4 Protected Disclosure will be appropriately dealt with by the Competent Authority.
- 6.5 The Whistle Blower shall have a right to be informed of the disposition of his disclosure except for overriding legal or other reasons.

#### **Protections:**

- 6.6 No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blower.

- 6.7 Complete protection will, therefore, be given to Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behavior or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.
- 6.8 If the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.
- 6.9 The identity of the Whistle Blower shall be kept confidential.
- 6.10 Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

#### **7. Procedures – Essential and Handling Procedure Disclosure**

- 7.1 The Protected Disclosure/Complaint should be attached to a letter bearing the identity of the Whistle blower/complaint i.e. his/her Name, Employee Code and Location and should be inserted in an envelope which should be closed/secured/sealed. The envelope thus secured/sealed should be addressed to the Competent Authority and should be super scribed "Protected Disclosure". (If the envelope is not super scribed and closed/sealed/ secured, it will not be possible to provide protection to the whistle blower as specified under this policy).
- 7.2 If the Whistle Blower believes that there is a conflict of interest between the Competent Authority and the Whistle Blower, he/she may send his/her protected disclosure directly to the Chairman of the Audit Committee, Medicaps Limited.
- 7.3 Anonymous or pseudonymous Protected Disclosure shall not be entertained.
- 7.4 Protected Disclosure should either be typed or written in legible hand writing in English, Hindi or Regional language of the place of employment of the Whistle blower, should provide a clear understanding of the improper activity involved or issue/concern raised. The reporting should be factual and not speculative in nature. It must contain as much relevant information as possible to allow for preliminary review and proper assessment.
- 7.5 Investigations into any improper activity which is subject matter of an inquiry or order under the Commission of Inquiry Act, 1952 will not come under the purview of this policy.
- 7.6 The contact details of the Competent Authority for addressing and sending the Protected Disclosure is as follows:  
**Dr. Shashikant Sharma, Independent Director**  
**Competent Authority**  
**Whistle Blower/Vigil Mechanism**  
Medicaps Limited  
Pithampur-454775 Distt. Dhar (M.P.)
- 7.7 The Contact details for addressing a protected disclosures to the Chairman, Audit Committee are as follows:  
**Chairman, Audit Committee,**  
**Whistle Blower/Vigil Mechanism**  
**Medicaps Limited**  
Mhow-Neemuch Road, Sector – I  
Pithampur-454775, Distt. Dhar (M.P.)  
In addition to above, the exact address shall be displayed prominently on the notice Board of all locations.
- 7.8 The Competent Authority shall mark the envelope containing the Protected Disclosure to a dedicated Confidential Section, which shall maintain a record thereof.
- 7.9 The Competent Authority shall weed out frivolous complaints after a preliminary enquiry by the Confidential Section. The Competent Authority based on the recommendations of the Confidential Section and depending upon the merit of the case shall forward the Complaint to the investigator(s) nominated for this purpose without disclosing the identity of the Whistle Blower.

#### **8. Investigations and Role of Investigators**

##### **Investigation:**

- 8.1 Investigation shall be launched if the Competent Authority is satisfied after preliminary review that:
- a) The alleged act constitutes an improper or unethical activity or conduct; and
  - b) The allegation is supported by information and specific enough to be investigated or in cases where the allegation is not supported by specific information; it is felt that the concerned matter deserves investigation.
- 8.2 The decision taken by the Competent Authority to conduct an investigation is by itself not to be construed as an accusation (ilzam) and is to be treated as a neutral fact finding process.
- 8.3 The identity of the subject(s) and the Whistle Blower will be kept confidential.
- 8.4 Subject(s) will normally be informed of the allegations at the commencement of a formal investigation and will be given opportunities for providing their inputs during the investigation.
- 8.5 Subject(s) shall have a duty to co-operate with the Investigator(s) during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- 8.6 Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, threatened or intimidated by the subject(s).
- 8.7 Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- 8.8 The investigation shall be completed normally within 60 days of the date of receipt of the protected disclosure or such extended period as the Competent Authority may permit for reasons to be recorded.

8.9 Subject(s) have a right to be informed of the outcome of the investigation.

**Role of Investigator(s)**

8.10 Investigators(s) are required to conduct a process towards fact finding and analysis. Investigator(s) shall derive their authority from Competent Authority when acting within the course and scope of their investigation. The Investigator(s) shall submit his/their report to the Competent Authority.

8.11 All Investigators shall perform their role in an independent and unbiased manner; Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviors and observance of professional standards.

8.12 All Investigators are authorized to take reasonable steps including reprimand against the Whistle blower in case of repeated frivolous complaints.

**9. Action**

9.1 The competent authority shall take such other remedial action as deemed fit to remedy the improper activity mentioned in the protected disclosure and/or to prevent the re-occurrence of such improper activity.

9.2 If the investigation discloses that no further action on the protected disclosure is warranted, the report shall be filed in the confidential section.

**10. Reporting & Review**

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

**11. Notification**

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

**12. Annual Affirmation**

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

**13. Amendment**

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

**“Annexure B”**

**Form AOC-1**

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**  
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Part “A”: Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs in Lacs)

S. No	Particulars	Details
1	Name of the subsidiary	Medgel Pvt. Ltd.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 <sup>st</sup> March, 2015
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rs.
4	Share capital	Rs. 1075.48
5	Reserves & surplus	Rs. 1705.11
6	Total assets	Rs. 3171.66
7	Total Liabilities	Rs.1292.98
8	Investments	Rs. 0.00
9	Turnover	Rs. 874.80
10	Profit before taxation	(Rs.399.59)
11	Provision for taxation	Rs. 0.00
12	Profit after taxation	(Rs.399.59)
13	Proposed Dividend	Rs.0.00
14	% of shareholding	100%

**Part “B”: Associates and Joint Ventures****Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

S.No	Name of Subsidiary	-
1	<b>Latest audited Balance Sheet Date</b>	-
2	<b>Shares of Associate/Joint Ventures held by the company on the year end</b>	-
	<b>No.</b>	-
	Amount of Investment in Associates/Joint Venture	-
	Extend of Holding %	-
3	<b>Description of how there is significant influence</b>	-
4	<b>Reason why the associate/joint venture is not consolidated</b>	-
5	<b>Networth attributable to Shareholding as per latest audited Balance Sheet</b>	-
6	<b>Profit / Loss for the year</b>	-
	(i) Considered in Consolidation	-
	(ii) Not Considered in Consolidation	-

As per our report of even date,

**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

M.N. 070060

00274321

Place: Indore

Date: 28<sup>th</sup> May, 2015**R.C. Mittal**

Chairman &amp; MD

DIN: 00035272

**Alok K Garg**

Executive Director

DIN:00274321

**Manish Jain**

C.F.O.

**Rajat Gupta**

Company Secretary

ACS 35414

**“Annexure C”****Policy of Payment to Directors****REMUNERATION CRITERIA FOR NON-EXECUTIVE DIRECTORS**

1. As per Company's policy, the Company doesn't pay any commission or remuneration to its non executive directors.
2. The Company pays no sitting fees to Directors for attending each meeting of the Board of directors including committee meetings thereof.
3. The Company reimburses the actual travelling and lodging expenses to the Non Executive Directors for attending the Board, Committee and members meetings from time to time.

**REMUNERATION CRITERIA FOR THE EXECUTIVE DIRECTORS AND KMP:**

1. The Remuneration of the executive directors including the Chairman and Managing Director is determined and approved by the Nomination and Remuneration Committee of the Board, consisting of majority of Independent directors.
2. The Executive directors being appointed for a period of 3/5 years at a time.
3. The Company is not paying any sitting fee as well as do not provide any ESOP, etc to its executive directors.
4. The Company is paying remuneration to its CS and CFO as per the terms of the appointment approved by the Remuneration Committee and they are also entitled for the annual increments based on their performance, evaluated by the Remuneration Committee and Board on annual basis.

**Form MR-3  
Secretarial Audit Report  
For the Financial Year Ended 31<sup>st</sup> March, 2015**

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Medicaps Ltd. (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit Period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period)
- (vi) In respect of other laws specifically applicable to the Company i.e. Pharmacy Act, 1948 and Drugs & Cosmetics Act, 1940 as applicable to Pharma Company. We have relied on information/records produced by the Company during the course of our audit on test-check basis and the reporting is limited to that extent only.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified hence not applicable to the Company during the audit period).
- (ii) The Listing Agreements entered into by the Company with BSE Ltd. and M.P. Stock Exchange.  
During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:
  - (a) *That the Company has filed Form MGT-14 for appointment of CS and CFO delayed by 49 days; Form DIR-12 for appointment of CS and CFO delayed by 49 days; Form MR-1 for appointment of CFO delayed by 19 days; Form DIR-12 for appointment of Shri Pramod Fatehpuria as Additional Director and Resignation of Dr. V.B. Malkar Director delayed by 13 days; Form 23AC & 23ACA XBRL delayed by 61 days and Form MGT-10 (2 Forms) delayed in filing by 33 and 68 days to the RoC after prescribed period with the adequate additional filing fees, this has reported as compliance by reference of payment of additional fees;*
  - (b) *That the Company has not complied with Clause 41(I)(h) of the Listing Agreement.*
  - (c) *5 Secured loans which were repaid/set off by modification, etc. long back, but still appearing on the portal of the MCA under the Index of Charges for which corrective measures needs to be taken for deletion/satisfaction of such charges.*



**We further report that:**

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

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

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

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

**We further report that** the compliance by the Company for the applicable Financial Laws like Direct Taxes, Indirect Taxes and the compliance of the Accounting Standards, quarterly financial results under Clause 41 of the Listing Agreement and the Annual Financial Statements has not been reviewed in this audit report, since the same have been subject to the statutory financial audit by other designated professionals. This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**We further report that** during the audit period of the Company, there were no specific events/ action having a major bearing on the Company's affairs in pursuant of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

**For, ISHAN JAIN & CO.  
COMPANY SECRETARIES**

**CS ISHAN JAIN  
PROPRIETOR  
ACS 29444  
CP 13032  
Place: Indore  
Date: 30th May, 2015**

**'Annexure A'**

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

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

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

**For, ISHAN JAIN & CO.  
COMPANY SECRETARIES**

**CS ISHAN JAIN  
PROPRIETOR  
ACS 29444  
CP 13032  
Place: Indore  
Date: 30th May, 2015**

**“Annexure E”****Certificate by the auditors**

To,  
The Members,  
Medicaps Ltd.

We have examined the compliance of conditions of Corporate Governance by Medicaps Ltd. for the year ended 31<sup>st</sup> March, 2015 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 15 days.

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

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

**Place: Indore**

**Date: 12<sup>th</sup> August, 2015**

**C.P.RAWKA  
PROPRIETOR  
M.NO.070060  
FRN-000518C**

**“Annexure F”****Corporate governance**

The Directors present the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2015

**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Medicaps philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices, most of which were implemented before they were mandatorily prescribed. Integrity, transparency, accountability and compliance with laws which are the columns of good governance are cemented in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level. The Company's Code of Business Conduct, its Fraud Risk Management Policy and its well structured internal control systems which are subjected to regular assessment for its effectiveness, reinforces integrity of Management and fairness in dealing with the Company's stakeholders followed by the Company has enabled your Company to earn the trust and goodwill of its investors, business partners, employees and the communities in which it operates.

Your Company has complied with the requirements of Corporate Governance as laid down under Clause 49 of the Listing Agreement with the BSE.

**GOVERNANCE STRUCTURE**

Medicaps Governance structure broadly comprises the Board of directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

**Board of directors**

The Company's Board plays a pivotal role in ensuring that the Company runs on sound and ethical business practices and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company; ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders.

**Committee of Directors**

With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee. Each of these Committees has been mandated to operate within a given framework.

**Management Structure**

Management Structure for running the business of the Company as a whole is in place with appropriate delegation of powers and responsibilities. This broadly is as under:

**a. Chairman & Managing Director**

The Chairman and Managing Director is responsible for strategic corporate planning of the Company. He gives strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board of directors and its various committees.

**b. Executive Director Plant, Marketing & Finance and Accounts-** Shri Alok Garg, the Whole-time Director is looking into of the Plant is responsible for operation and maintenance of the plant and all other functions relating to the day-to-day management of the plant, including all local issues and compliances as applicable at plant level. He is also looking into the marketing, accounts and finance department and reports to the Chairman & Managing Director.

## BOARD OF DIRECTORS

### Composition of the Board as on March, 31, 2015

Category	No. of Directors
Non Executive & Independent Directors	4
Other Non Executive Directors	1
Executive Director (CEO & Managing Director)	3

Shri Pramod Fatehpuria has appointed as an Additional Director in the category of the Independent Director and Dr. V.B. Malkar, the Independent Director has resigned from the Board w.e.f. 29.05.2014.

The Chairman of the Board of directors is the Executive.

As required under Section 149(3) of the Companies Act, 2013, Mrs. Kusum Mittal and Mrs. Trapti Vikas Gupta, are two women directors are on the Board.

### Directors' Profile

The Board of Directors comprises highly renowned professionals drawn from diverse fields. They bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's decision making process. The brief profile of the

Name of Directors	Mr. R.C. Mittal	Mrs. Kusum Mittal	Mr. Alok K Garg	Mrs. Trapti Vikas Gupta
Date of Birth	16/06/1947	08/08/1950	27/04/1969	30/04/1977
Date of appointment	06/08/1983	04/05/1991	01/04/1999	30/01/2002
DIN No.	00035272	00035356	00274321	00204741
Expertise/ Experience in Specific Functional areas	Having wide experience of 39 years in the field of pharma industry and real estates.	Having experience in the real estate, investment and finance business activities.	Having wide experience in the field of marketing.	Having wide experience in the field of export.
Qualification	B. Pharma	B.A.	B.A. (Honors) M.B.A.	M.B.A Finance & Commerce Graduate
No & % of Equity Shares Held	3166320 (25.39%)	2700136 (21.65%)	69600 (0.56%)	-
List of outside Company's Directorship held	1.Medpak India Ltd., 2.Crystal Devcons Pvt. Ltd. 3.Diatonic Developers Pvt. Ltd., 4.Skyline Devcons Pvt. Ltd., 5.North Rajasthan Holdings Pvt. Ltd., 6.Medicaps IT Park Pvt. Ltd. 7. Medgel Pvt. Ltd. 8. Trapti Investments LLP 9. Medi Caps Finance LLP 10. Saffron Realities LLP 11. Taurus Dwellers LLP	1.Diatonic Developers Pvt. Ltd, 2.Skyline Devcons Pvt. Ltd.Rajasthan 3.North Holdings Pvt. Ltd., 4.Medicaps IT Park Pvt. Ltd., 5. Trapti Investments LLP 6. Medi Caps Finance LLP 7. Saffron Realities LLP 8. Taurus Dwellers LLP	1. Medpak India Limited 2. Medicaps IT Park Pvt. Ltd. 3. Medgel Pvt. Ltd. 4. Shivalika Realities Pvt. Ltd. 5. Medi Caps Finance LLP	1. Janani Industries Pvt. Ltd. 2.Rama Associates Pvt. Ltd.
Chairman/ Member of the Committees of the Board f Directors of the Company	Chairman of Risk Management Committee	Chairperson of Internal Committee for (Sexual Harassment of Women at Workplace	Member of Risk Management Committee	- - -

Name of Directors	Dr. Shashi Kant Sharma	Mr. Pramod Fatepuria	Dr. Shamsher Singh	Dr. Keshav Singh Verma
Date of Birth	05/03/1947	02/11/1961	06/06/1942	01/08/1939
Date of appointment	29/06/1993	29/05/2014	30/04/2002	30/04/2007
DIN No.	00204610	00972389	00204290	01490522
Expertise/ Experience in Specific Functional areas	Having wide experience in the field of marketing	Having wide experience 32 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 42 years experience in the field of Engineering.
Qualification	MBBS (Medicine)	B.com	B.E., M.E. and Ph. D (IIT, Mumbai)	M. Tech, PHD (ME)
No & % of Equity Shares Held	2200 (0.02%)	-	-	-
List of outside Company's Directorship held	Medgel Pvt. Ltd.	Fatehpuria Vidyut Udyog Pvt. Ltd.	-	-
Chairman/ Member of the Committees of the Board of Directors of the Company	Chairman of Audit Committee & Nomination and Remuneration Committee & Stakeholder Committee		Member of Audit Committee & Nomination and Remuneration Committee & Stakeholder Committee	Member of Audit Committee & Nomination and Remuneration Committee

*Dr. V.B. Malkar, Independent Director has resigned on 29<sup>th</sup> May, 2014 during the year 2014-15. And Shri Pramod Fatehpuria has been appointed w.e.f. 29<sup>th</sup> May, 2014.*

#### **Board Training and Induction**

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the compliances required from him under the Companies Act, Clause 49 of the Listing Agreement and other relevant regulations and his affirmation taken with respect to the same.

By way of an introduction to the Company, the Director is presented with a book on the Company which traces its history over 31 years of its existence, relevant Annual Reports, activities pursued by the Company. Further, with a view to familiarize him with the Company's Operations, the Director is also invited to visit the plant manufacturing process, detailed presentations giving an over arching perspective of the pharmaceutical industry organisational set up of the Company, the functioning of various divisions/departments, the Company's market share and the markets in which it operates, governance and internal control processes and other relevant information pertaining to the Company's business. The MD also has a one-to-one discussion with the newly appointed Director. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him to effectively fulfill his role as a Director of the Company.

#### **Other Relevant Details of Directors as on 31.03.2015:**

Name of the Director	Date of Appointment	Category	Number of directorship held in Indian Public Co. including this Co.	Committee Position	
				Member	Chairman
Shri Ramesh Chandra Mittal	06.08.1983	Chairman & MD	2	1	1
Mrs. Kusum Mittal	04.05.1991	Whole-time Director	1	0	1
Shri Alok K.Garg	01.04.1999	Whole-time Director	2	1	0
Mrs. Trapti Vikas Gupta	30.01.2002	Non Ex- Director	1	0	0
Dr. Shamsher Singh	30.04.2002	Independent Director	1	3	3
Dr. Shashikant Sharma	29.06.1993	Independent Director	1	3	0
Dr. Keshav Singh Verma	30.04.2007	Independent Director	1	2	0
Shri Pramod Fatehpuria	29.05.2014	Independent Director	1	0	0

**Board Meetings held during the Year**

Date on which the Board Meetings were held	Total Strength of the Board	No of directors present
29 <sup>th</sup> May, 2014	8	6
13 <sup>th</sup> August, 2014	8	8
13 <sup>th</sup> Nov., 2014	8	7
12 <sup>th</sup> Feb., 2015	8	7

**Attendance of Directors at Board Meetings and Annual General Meeting**

Name of Director	Date of the Board Meetings				Attendance at the AGM held on 27.09.2014
	29.05.2014	13.08.2014	13.11.2014	12.02.2015	
Shri Ramesh Chandra Mittal	Yes	Yes	Yes	Yes	Yes
Mrs. Kusum Mittal	Yes	Yes	Yes	Yes	Yes.
Shri Alok K.Garg	Yes	Yes	Yes	Yes	Yes
Mrs. Trapti Vikas Gupta	No	Yes	No	No	No
Dr. Shamsher Singh	Yes	Yes	Yes	Yes	Yes
Dr. Shashikant Sharma	Yes	Yes	Yes	Yes	Yes
Dr. Keshav Singh Verma	Yes	Yes	Yes	Yes	Yes
Shri Pramod Fatehpuria#	N.A.	Yes	Yes	Yes	No
Dr. V.B. Malkar#	No	N.A.	N.A.	N.A.	N.A.

# Shri Pramod Fatehpuria was appointed and Dr. V.B. Malkar has resigned w.e.f. 29<sup>th</sup> May, 2014 after closure of the business hours.

The Companies Act, 2013 read with the relevant rules made thereunder, now facilitates the participation of a Director in Board/Committee Meetings through video conferencing or other audio visual mode. Accordingly, the option to participate in the Meeting through video conferencing was made available for the Directors except in respect of such Meetings/Items which are not permitted to be transacted through video conferencing.

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly/half yearly unaudited financial statements and the audited annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall operating performance and reviews such other items which require Board's attention. It directs and guides the activities of the Management towards the set goals and seeks accountability. It also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with laws and regulations. The Agenda for the Board Meeting covers items set out as guidelines in Clause 49 of the Listing Agreement to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

**COMMITTEES OF THE BOARD**

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee and Internal Committee for (Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 redressal of complaint at the workplace.

The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

**(A) AUDIT COMMITTEE - MANDATORY COMMITTEE**

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Clause 49 of the Listing Agreement. Some of the important functions performed by the Committee are:

**Financial Reporting and Related Processes**

- Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.
- Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report

thereon/audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgment by the Management, significant adjustments made in the financial statements and /or recommendation, if any, made by the Statutory Auditors in this regard.

- Review the Management Discussion & Analysis of financial and operational performance.
- Discuss with the Statutory Auditors its judgment about the quality and appropriateness of the Company's accounting principles with reference to the Generally Accepted Accounting Principles in India (IGAAP).
- Review the investments made by the Company.

#### **Internal Controls and Governance Processes**

- Review the adequacy and effectiveness of the Company's system and internal controls.
- Review and discuss with the Management the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure.
- To oversee and review the functioning of a vigil mechanism (implemented in the Company as a Fraud Risk Management Policy) and to review the findings of investigation into cases of material nature and the actions taken in respect thereof.

#### **Audit**

- Review the scope of the Statutory Auditors, the annual audit plan and the Internal Audit Plan with a view to ensure adequate coverage.
- Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
- Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and Cost Auditors considering their independence and effectiveness and their replacement and removal.
- Approve such additional services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services.
- To recommend to the Board the remuneration of the Statutory Auditors/Cost Auditors.
- To discuss with the Statutory Auditors/Internal Auditors any significant difficulties encountered during the course of the Audit.
- Review annual Cost Audit Report submitted by the Cost Auditor.

#### **Other Duties**

- To approve the appointment, removal and terms of remuneration of the Chief Internal Auditor and to approve the appointment of the Chief Financial Officer.
  - To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arms length pricing basis and to review and approve such transactions subject to the approval of the Board.
- The composition of the Audit Committee as at 31<sup>st</sup> March, 2015 and details of the Members participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendances at the Audit Committee meeting held			
		29.05.2014	13.08.2014	13.11.2014	12.02.2015
Dr. Shashikant Sharma	ID/Chairman	Yes	Yes	Yes	Yes
Dr. Shamsher Singh	ID/Member	Yes	Yes	Yes	Yes
Dr. Keshav Singh Verma	ID/Member	Yes	Yes	Yes	Yes

All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess knowledge of finance, accounting practices and internal controls.

Mr. Rajat Gupta, Company Secretary & Head Compliance also functions as the Secretary to the Committee.

The representatives of the Statutory Auditors and Internal Auditors, Secretarial Auditors are permanent invitees to the Audit Committee Meetings. The Internal Auditor reports directly to the Audit Committee.

During the year under review, the Audit Committee held a separate meeting with the Statutory Auditors and the Internal Auditor to get their inputs on significant matters relating to their areas of audit.

#### **Self Assessment by the Audit Committee**

The Audit Committee has set in place a process to measure and benchmark its performance each year. The assessment broadly covers composition, structure and committee meetings; overview of the financial reporting process; internal control systems and overview of internal and external audits. The results of the self assessment are presented to the Audit Committee along with the action plan in the areas requiring improvement.

#### **(B) STAKEHOLDERS' RELATIONSHIP COMMITTEE -MANDATORY COMMITTEE**

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Shareholders'/Investors' Grievance Committee" as the "Stakeholders' Relationship Committee".

The terms of reference of the Committee are:

- transfer/transmission of shares issued by the Company from time to time;
- issue of duplicate share certificates for shares reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates;
- issue and allot right shares/bonus shares pursuant to a Rights Issue/Bonus Issue if any made by the Company, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares/debentures/other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Head Compliance/other Officers of the Share Department to attend to matters relating to non receipt of annual reports, notices, non receipt of declared dividend change of address for correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors/stakeholders grievances;
- all other matters incidental or related to shares, debentures and other securities of the Company.

The composition of the **Stakeholders' Relationship Committee** as at 31<sup>st</sup> March, 2015 and details of the Members participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendances at the Stakeholders Relationship Committee meeting held	
		15.10.2014	31.10.2014
Dr. Shashikant Sharma	ID/Chairman	Yes	Yes
Dr. Shamsher Singh	ID/Member	Yes	Yes
Mr. Ashok Pitliya	Member	Yes	Yes

Mr. Rajat Gupta, Company Secretary & Head Compliance also functions as the Secretary to the Committee.

During the year, 11 complaints were received from shareholders, which were timely attended/ resolved. As on 31<sup>st</sup> March, 2015, no investor grievance has remained unattended/ pending for more than thirty days.

#### **(C) NOMINATION AND REMUNERATION COMMITTEE -MANDATORY COMMITTEE**

In compliance with Section 178 of the Companies Act, 2013, the Board has renamed the existing "Compensation Committee" as the "Nomination and Remuneration Committee".

The Committee is governed by a Charter.

The terms of reference of the Committee inter alia, include the following:

- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Dr. Shashikant Sharma, an Independent Director, is the Chairman of the Committee.

The composition of the Nomination and Remuneration Committee as at March, 31, 2015 and the details of Members participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendances at the Nomination and Remuneration Committee meeting held 29.05.2014
Dr. Shashikant Sharma	ID/Chairman	Yes
Dr. Shamsher Singh	ID/Member	Yes
Dr. Keshav Singh Verma	ID/Member	Yes

Mr. Rajat Gupta, Company Secretary & Head Compliance also functions the Secretary to the Committee.

**(D) RISK MANAGEMENT COMMITTEE MANDATORY COMMITTEE**

Business Risk Evaluation and Management is an ongoing process within the Organization.

The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities. The objectives and scope of the Risk Management Committee broadly comprises:

- Oversight of risk management performed by the executive management;
- Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

The composition of the Risk Management Committee as at 31<sup>st</sup> March, 2015 and the details of Members' participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendances at the Risk management Committee meeting held 12.02.2015
Shri Ramesh Chandra Mittal	MD/Chairman	Yes
Shri Alok K Garg	ED/Member	Yes
Shri Ashok Pitliya	GM/Member	Yes

Mr. Rajat Gupta, Company Secretary & Head Compliance also functions as the Compliance Officer and the Secretary to the Committee.

**(E) INTERNAL COMMITTEE FOR (SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

In compliance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the Board has constituted an Internal Committee and Mrs. Kusum Mittal is the chairperson of the Committee and two other female employee have been nominated in the committee to look into the complaints of the women employees relating to the Sexual Harassment of Women at Workplace.

**(F) INDEPENDENT DIRECTORS' MEETING**

During the year under review, the Independent Directors met on 13.11.2014, under the chairmanship of the Lead Independent Director, Dr. Shashikant Sharma inter alia, to discuss:

- Independent Directors and the Board of Directors as a whole;
- Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- Performance of the Chairman & Managing Director Shri Ramesh Chandra Mittal, Whole-time Directors Shri Alok K, Garg and Mrs. Kusum Mittal
- timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting. Mr. Rajat Gupta, Company Secretary also functions as the Secretary for assist to the lead independent director.

**POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors, Managing Director, Whole-time Directors, senior management and Key managerial Persons and their remuneration. This Policy is accordingly derived from the said Charter.

**1. Criteria of selection of Non Executive Directors**

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



**2. Remuneration**

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/Committee meetings as detailed hereunder:

- i A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, But as per Company's policy, the Company doesn't pay any setting fees to Directors for attending each meeting of the Board/ Committee.
- ii. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

**3. CFO & Managing Director - Criteria for selection /appointment**

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

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

**Remuneration for the Managing Director & Whole-time Directors**

- i. At the time of appointment or re-appointment, the Managing Director and Whole-time director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the Managing Director and Whole-time Director within the overall limits prescribed under the Companies Act, 2013.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. The remuneration of the Managing Director and Whole-time director is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits. The variable component comprises performance bonus.
- iv. In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure / consider the following:
  - a. responsibility required to be shouldered by the Managing Director and Whole-time director, the industry benchmarks and the current trends;
  - b. the Company's performance vis-à-vis the annual budget achievement and individual performance.

**Remuneration Policy for the Senior Management Employees**

- I. In determining the remuneration of the Senior Management Employees and Key Managerial Personals, the N&R Committee shall ensure/consider the following:
  - i. the relationship of remuneration and performance;
  - ii. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
  - iii. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
  - iv. the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, and current compensation trends in the market.
- II. The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.

**PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

**TERMS OF APPOINTMENT & REMUNERATION - CEO & MD**

Particulars	Shri R.C. Mittal, Chairman & MD	Mrs. Kusum Mittal, WTD	Shri Alok K.Garg WTD
Period of Appointment	01.07.2013 to 30.06.2016	01.10.2013 to 30.09.2016	01.04.2013 to 31.03.2016
Salary & allowances	(Grade N.A.) Rs. 2,50,000 P.M.	(Grade N.A.) Rs. 1,50,000 P.M.	(Grade N.A.) Rs. 2,50,000 P.M.
Perquisites	Contribution to PF as per Rules	Contribution to PF as per Rules	Contribution to PF as per Rules
Retiral Benefits	Gratuity and Leave encashment as per Rules	Gratuity and Leave encashment as per Rules	Gratuity and Leave encashment as per Rules
Minimum Remuneration	As per provisions of the Schedule XIII of the Companies Act, 1956	As per provisions of the Schedule XIII of the Companies Act, 1956	As per provisions of the Schedule XIII of the Companies Act, 1956
Notice Period and fees	3 months from either side	3 months from either side.	3 months from either side

*Details of remuneration paid to the Directors are given in Form MGT-9*

**SUBSIDIARY COMPANIES**

The Company is having Medgel Pvt. Ltd as its material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year. Accordingly, a policy on material subsidiaries has not been formulated.

The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee and Board Meetings.

Copies of the Minutes of the Audit Committee/Board Meetings of Subsidiary Companies are individually given to all the Directors and are tabled at the subsequent Board Meetings.

**RELATED PARTY TRANSACTIONS**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arm length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The details of the related Party Transactions have also given with this report in the Form AOC-2 (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) for disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013.

The Audit Committee and the Board has approved a policy for related party transactions which has been uploaded on the Company's website.

**DISCLOSURES**
**(a) Strictures and Penalties**

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

**(b) Compliance with Accounting Standards**

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

**(c) Internal Controls**

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances. The Company's business processes have a strong monitoring and reporting process resulting in financial discipline and accountability.

**(d) CEO & MD/CFO Certification**

The MD and the CFO have issued certificate pursuant to the provisions of Clause 49 of the Listing Agreement certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

**CODE OF CONDUCT**

The Board of Directors has approved a Code of Business Conduct which is applicable to the Members of the Board and all employees. The Code has been posted on the Company's website [www.medicaps.com](http://www.medicaps.com). The Code lays down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

**VIGIL MECHANISM/WHISTLE BLOWER POLICY**

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Risk Management Policy (RM) to deal with instances of fraud and mismanagement, if any. The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

**PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. All Board Directors and the designated employees have confirmed compliance with the Code.

**COMMUNICATION WITH THE MEMBERS/ SHAREHOLDERS**

- The unaudited quarterly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within two months from the close of the financial year as per the requirements of the Listing Agreement with the Stock Exchanges. The aforesaid financial results are sent to BSE Limited (BSE) and MPSE where the Company's equity shares are listed, immediately after these are approved by the Board. The results are thereafter given by way of a Press Release to news agencies/ and are published in leading English and Hindi daily newspapers. The audited financial statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting.
- The Company also informs by way of intimation to BSE and MPSE all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members and subsequently issues a Press Release in regard to the same.
- The Annual Report of the Company, the quarterly and the annual results and the press releases of the Company are also placed on the Company's website: [www.medicaps.com](http://www.medicaps.com) and can be downloaded.
- In compliance with Clause 52 of the Listing Agreement, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Ltd. and MPSE are filed electronically on BSE's on-line portal website [www.listing.bseindia.com](http://www.listing.bseindia.com).
- A separate dedicated section under 'Corporate Governance' on the Company's website gives information on unclaimed dividends, quarterly compliance reports/ communications with the Stock Exchanges and other relevant information of interest to the investors /public.

**GENERAL INFORMATION TO SHAREHOLDERS**

Financial Year Ended : March 31, 2015

**Investor Services**

The Company has a Registrar and Share Transfer Agent M/s Ankit Consultancy Pvt. Ltd., which offers all share related services to its Members and Investors.

These services include transfer/transmission/dematerialization of shares, payment of dividends, sub-division/ consolidation / renewal of share certificates and investor grievances.

The Share Transfer Agent is registered with SEBI as Registrar to an Issue/Share Transfer Agent in Category II Share Transfer Agent and the registration code is INR 000000767.

**Address for Correspondence with the Share Transfer Agent of the Company**

Ankit Consultancy Pvt. Ltd.

Plot No. 60, Electronic Complex,

Pardeshipura, Indore (M.P.) 452001,

Phone: 0731-2551745,

Email: [ankit\\_4321@yahoo.com](mailto:ankit_4321@yahoo.com)

For transfer/transmission/ sub-division/demat/ loss of shares/ dividend/general inquiries and investor grievance remaining unattended: [investors@medicaps.com](mailto:investors@medicaps.com)

Members who hold shares in dematerialized form should correspond with the Depository Participant with whom they maintain Demat Account/s, for their queries relating to shareholding, change of address, credit of dividend through NECS. However, queries relating to non-receipt of dividend, non-receipt of annual reports, or on matters relating to the working of the Company should be sent to the Share Transfer Agent of the Company.

Members who hold shares in physical form should address their queries to the Share Transfer Agent of the Company.

Members are requested to ensure that correspondence for change of address, change in bank details, processing of unclaimed dividend, subdivision of shares, renewals/split/consolidation of share certificates, issue of duplicate share certificates should be signed by the first named Member as per the specimen signature registered with the Company. The Share Transfer Agent of the Company may also, with a view to safeguard the interest of its Members and that of the Company, request for additional supporting documents such as certified copies of PAN Cards and other proof of identity and/or address.

Members are requested to indicate their DP ID & Client ID/ Ledger Folio number in their correspondence with the Company and also to provide their Email addresses and telephone numbers/FAX numbers to facilitate prompt response from the Share Transfer Agent of the Company.

**Exclusive E-Mail ID**

The Company has designated an e-mail ID to enable the Members and Investors to correspond with the Company. The e-mail ID is [investors@medicaps.com](mailto:investors@medicaps.com)

**Plant Location**

The location of the Company's Plants are given on the inside cover page of the Annual Report. The details of the Plants along with their addresses and telephone numbers are also available on the Company's website.

**Market Information**
**Listing on Stock Exchanges**

The Company's shares are listed on the following Stock Exchanges and the Listing Fees have been paid to the Exchanges:

Name and Address of the Stock Exchanges	Stock/Scrip Code	ISIN for CDSL/NSDL Demetarlised Shares
Madhya Pradesh Stock Exchange, Indore (De-recognised by SEBI w.e.f. June, 2015)	-	INE442D01010
BSE Ltd., Mumbai	523144	

**Equity Share Price on BSE April, 2014 – March, 2015**

Month	BSE Senxes Closed	Equity Share Price			No. of Shares Traded during the month	Turnover Rs. In Lakhs
		High	Low	Close		
April-2014	22417.80	11.50	9.26	9.50	53994	5.59
May-2014	24217.34	11.73	7.65	11.37	94090	8.59
June-2014	25413.78	12.00	9.53	9.59	102556	11.25
July-2014	25894.97	14.03	9.10	13.01	121414	14.25
August-2014	26638.11	13.85	11.25	11.43	61842	7.88
Sept.-2014	26630.51	18.63	12.00	14.40	278360	44.05
Oct.,-2014	27865.83	15.25	12.00	12.72	65955	8.88
Nove.-2014	28693.99	21.00	12.00	17.13	252950	43.25
Dec.-2014	27499.42	17.70	14.10	15.00	75470	12.10
Jan.-2015	29182.95	18.75	13.95	16.10	149233	24.26
Feb.-2015	29361.50	17.75	13.00	14.90	93448	14.02
March-2015	27957.49	16.00	13.00	14.00	118659	17.13

**SHARE TRANSFER SYSTEM / DIVIDEND AND OTHER RELATED MATTERS**
**i. Share transfers**

Share transfers in physical form are processed and the share certificates are generally returned to the transferees within a period of fifteen days from the date of receipt of transfer provided the transfer documents lodged with the Company are complete in all respects.

**ii. Nomination facility for shareholding**

As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them.

Members holding shares in physical form may obtain nomination form, from the Share Department of the Company or download the same from the MCA's website. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

**iii. Permanent Account Number (PAN)**

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders/legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

**iv. Sub-division of shares**

The Company had not sub-divided any share in the past 5 years.

**v. Dividend**
**a. Unclaimed Dividends**

The Company is required to transfer dividends which have remained unpaid/unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Government. The Company will, in November, 2015 transfer to the said fund, the dividends for the years ended 31<sup>st</sup> March, 2008 which have remained unclaimed / unpaid.

The dates by which the ` amounts will be transferred to IEPF are as under:

Financial Year	Date of Declaration	Rate of Dividend per Share Rs.	Due date for transfer to IEPF
2007-08	29.09.2008	1.50	28.11.2015
2008-09	30.09.2009	1.50	29.11.2016
2009-10	27.09.2010	1.50	26.11.2017
2010-11	28.09.2011	1.50	27.11.2018
2011-12	29.09.2012	1.50	28.11.2019
2012-13	-	-	-
2013-14	-	-	-

Individual reminders are sent each year to those Members by way of note to the notice of the Annual General Meeting to remained unclaimed for a period of seven years from the date they became due for payment, before transferring the monies to the Investor.

Education & Protection Fund (IEPF). The information on unclaimed dividend is also posted on the website of the Company as aforesaid.

**vi. Pending Investors' Grievances**

Any Member/Investor whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary and Head Compliance at the Registered Office with a copy of the earlier correspondence.

**vii. Reconciliation of Share Capital Audit**

As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditors' Certificate in regard to the same is submitted to BSE Limited and the MPSE and is also placed before Stakeholders' Relationship Committee and the Board of Directors.

**Distribution of Shareholding as on March, 31, 2015**

No. of Shares (Slab)	No. of Share holders	%	Share Amount	% to Total
Upto 1000	457	12.19	228900	0.18
1001-2000	415	11.07	770130	0.62
2001-3000	132	3.52	362920	0.29
3001-4000	1078	28.75	4277330	3.43
4001-5000	105	2.80	500160	0.40
5001-10000	714	19.04	5614010	4.50
10001 -20000	459	12.24	7281990	5.84
20001-30000	111	2.96	2822760	2.26
30001-40000	105	2.80	3881970	3.11
40001-50000	31	0.83	1444480	1.16
50001-100000	75	2.00	5386840	4.32
100000 & Above	68	1.81	92128070	73.88
<b>TOTAL</b>	<b>3750</b>	<b>100</b>	<b>124699560</b>	<b>100</b>

The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby Members have an option to dematerialize their shares with either of the depositories.

**Shareholding Pattern as on 31<sup>st</sup> March, 2015**

	No. of Shares held	%
Promoters & directors	6245784	50.09
Banks, Financial Institutions, Insurance Companies & Mutual Funds		
i. Banks	29200	0.23
ii. Financial Institutions	0	0
iii. Insurance Companies	0	0
iv. Mutual Funds/UTI	4800	0.04
Central & State Governments	0	0
Foreign Institutional Investors	0	0
NRIs / Foreign Nationals	300127	2.41
Public and Others	5890045	47.23
<b>TOTAL</b>	<b>12469956</b>	<b>100.00</b>

**Statement showing Shareholding of more than 1% of the Capital as on 31<sup>st</sup> March, 2015**

S.No.	Name of shareholders	No. of Shares held	% of shareholding
1	Vijit Ramavat	302803	2.43
2	Motilal Oswal Financial Service Ltd	299788	2.40
3	Ajit Singh Chawla	270831	2.17
4	Mahendra Giridharilal	199717	1.60
5	Vijay Kumar Agarwal	155144	1.24
6	Babalbhai Manilal Patel	154560	1.24
7	Tapas Gangopadhyay	124776	1.00
	<b>Total</b>	<b>1507619</b>	<b>12.09</b>

**Extraordinary General Meeting (EGM) and resolution through postal ballot**

No Extraordinary General Meeting and no resolution was passed through the postal ballot process held during the year 2014-15.

**DECLARATIONS**

Board Meeting for consideration of Accounts for the financial year ended March 31, 2015	28th May, 2015
Posting of Annual Reports	29th August, 2015
Book Closure Dates	22nd September, 2015 to 24th Sept., 2015 both days inclusive
Last date for receipt of Proxy Forms	22nd Sept. 2015 before 11.00 A.M.
Date, Time & Venue of the 32nd Annual General Meeting	On dated 24th Sept., 2015 at 11.00 A.M, the Registered office of the Company at Mhow-Neemuch Road, Pithampur, Sector, I Pithampur, District Dhar (M.P.) 454775
Dividend Payment Date	N.A.
Probable date of dispatch of warrants	N.A.
Board Meeting for consideration of unaudited quarterly results for the financial year ended 31.03.2016	Within forty five days from the end of the quarter, as stipulated under the Listing Agreement with the Stock Exchanges
Audited results for the current financial year ending March 31, 2016	Within sixty days from the end of the last quarter, as stipulated under the Listing Agreement with the Stock Exchanges

For and on behalf of the Board

**Place: Pithampur**  
**Date: 12<sup>th</sup> August. 2015**

**Ramesh Chandra Mittal**  
**Chairman & MD**  
**DIN 00035272**

**“Annexure G”****MD/CFO CERTIFICATION**

We the undersigned, in our respective capacities as Chief Executive Officer and Managing Director and Chief Financial Officer of Mediacaps Limited (“the Company”) to the best of our knowledge and belief certify that:

- a. We have reviewed financial statements and the cash flow statement for the financial year ended March, 31, 2015 and that to the best of our knowledge and belief, we state that:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - ii. 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.
- b. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We hereby declare that all the members of the Board of Directors and Executive Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- d. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- e. We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
  - i. significant changes, if any, in internal control over financial reporting during the year;
  - ii. significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

**Ramesh Chandra Mittal**  
CEO & MD

**Manish Kumar Jain**  
Chief Financial Officer

Place: Pithampur  
Date: 12<sup>th</sup> August, 2015

**Annexure H”****Certificate on Compliance with Code of Business Conduct and Ethics**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2015.

**For, Mediacaps Limited**

**Ramesh Chandra Mittal**  
**Chairman & MD**  
**DIN 00035272**

Place: Pithampur  
Date: 12<sup>th</sup> August, 2015

**“Annexure I”**
**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

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

**(A) Conservation of energy**

S.No.	Particulars	
(i)	the steps taken or impact on conservation of energy;	Company uses Solar Energy
(ii)	the steps taken by the company for utilising alternate sources of energy;	Solar Energy, and DG sets
(iii)	the capital investment on energy conservation equipments	Nil

**(B) Technology absorption**

(i)	the efforts made towards technology absorption	Regularly modifying the machinery to utilize latest technology
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Saving of Energy, Increase production and quality improvement
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year	NA
	(a) the details of technology imported	NA
	(b) the year of import	NA
	(c) whether the technology been fully absorbed	NA
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NA
(iv)	the expenditure incurred on Research and Development	NA

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

(i)	The Foreign Exchange earned in terms of actual inflows during the year;	152.57 Lacs	155.09 Lacs
(ii)	and the Foreign Exchange outgo during the year in terms of actual outflows.	36.05 Lacs	162.67 Lacs

**“Annexure J”**
**Extract of Annual Return-Form MGT-9**

**As on the financial year ended on 31<sup>st</sup> March, 2015**

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

**I. Registration and Other Details**

CIN	<b>L24232MP1983PLC002231</b>
Registration Date	06/08/1983
Name of the Company	<b>MEDICAPS LIMITED</b>
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details	Mhow Neemuch Road, Sector-1, Pithampur, Dhar (M.P.) 454775 Phone: 07292424242 Email: investors@medicaps.com
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Ankit Consultancy Pvt. Ltd. Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) 452001, 0731-2551745, ankit_4321@yahoo.com



**II. Principal Business Activities of the Company**

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

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Empty Hard Gelatin Capsuls (Manufacture of allopathic pharmaceutical preparations)	96020030	95.78

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

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

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as % of the total Equity)**
**i) Category-wise Shareholding**

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	5938656	-	5938656	47.62	5938656	-	5938656	47.62	0
b) Central Govt.	-	-	-	-	-	-	-	-	0
c) State Govt.(s)	-	-	-	-	-	-	-	-	0
d) Bodies Corporate/LLP	307128		307128	2.46	307128		307128	2.46	0
e) Banks / FI	-	-	-	-	-	-	-	-	0
f) Any Other....	-	-	-	-	-	-	-	-	0
<b>Sub-Total (A)(1):</b>	<b>6245784</b>		<b>6245784</b>	<b>50.09</b>	<b>6245784</b>		<b>6245784</b>	<b>50.09</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	0
b) Other – Individuals	-	-	-	-	-	-	-	-	0
c) Bodies Corporate	-	-	-	-	-	-	-	-	0
d) Banks / FI	-	-	-	-	-	-	-	-	0
e) Any Other...	-	-	-	-	-	-	-	-	0
<b>Sub-Total (A)(2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>
<b>Total Shareholding of Promoters (A) = (A)(1) + (A)(2)</b>	<b>6245784</b>	<b>-</b>	<b>6245784</b>	<b>50.09</b>	<b>6245784</b>	<b>-</b>	<b>6245784</b>	<b>50.09</b>	<b>0</b>

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds / UTI	-	4800	4800	0.04	-	4800	4800	0.04	0
b) Banks / FI	-	29200	29200	0.23	-	29200	29200	0.23	0
c) Central Govt.	-	-	-	-	-	-	-	-	0
d) State Govt.(s)	-	-	-	-	-	-	-	-	0
e) Venture Capital Funds	-	-	-	-	-	-	-	-	0
f) Insurance Companies	-	-	-	-	-	-	-	-	0
g) FIIs	-	-	-	-	-	-	-	-	0
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	0
i) Others (specify)	-	-	-	-	-	-	-	-	0
<b>Sub-Total (B)(1):</b>	-	<b>34000</b>	<b>34000</b>	<b>0.27</b>	-	<b>34000</b>	<b>34000</b>	<b>0.27</b>	<b>0</b>
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate/ LLP</b>									
i) Indian	695815	12800	708615	5.68	589956	12800	602756	4.83	(0.85)
ii) Overseas	-	-	-	-	-	-	-	-	0
<b>b) Individuals</b>									
i) Individual Share holders holding nominal share capital upto Rs.1 lakh	2481382	547552	3028934	24.29	2493993	525052	3019045	24.21	(0.08)
ii) Individual Share holders holding nominal share capital in excess of Rs.1 lakh	2111752	22800	2134552	17.12	2234168	22800	2256968	18.10	1.02
<b>c) Others specify)</b>									
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	-	-	-	-	-	-	-	-	0
ii) Other Foreign Nationals	-	-	-	-	-	-	-	-	0
iii) Foreign Bodies	-	-	-	-	-	-	-	-	0
iv) NRI / OCBs	289410	25680	315090	2.53	274447	25680	300127	2.41	(0.12)
v) Clearing Members /Clearing House	2981	0	2981	0.02	11276	0	11276	0.09	0.07
vi) Trusts	-	-	-	-	-	-	-	-	0
vii) Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	0
viii) Qualified Foreign Investor	-	-	-	-	-	-	-	-	0
<b>Sub-Total (B)(2):</b>	<b>5581340</b>	<b>608832</b>	<b>6190172</b>	<b>49.64</b>	<b>5603840</b>	<b>586332</b>	<b>6190172</b>	<b>49.64</b>	<b>0</b>
<b>Total Public Share holding (B)=(B)(1)+ (B)(2)</b>	<b>5581340</b>	<b>642832</b>	<b>6224172</b>	<b>49.91</b>	<b>5603840</b>	<b>620332</b>	<b>6224172</b>	<b>49.91</b>	<b>0</b>
<b>Grand Total (A+B)</b>	<b>11827124</b>	<b>642832</b>	<b>12469956</b>	<b>100.00</b>	<b>11849624</b>	<b>620332</b>	<b>12469956</b>	<b>100.00</b>	<b>0</b>

**ii) Shareholding of Promoters**

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1. R C MITTAL	3166320	25.40	-	3166320	25.40	-	-
2. KUSUM MITTAL	2700136	21.65	-	2700136	21.65	-	-
3. TRAPTI INVESTMENT PVT LTD	307128	2.46	-	307128	2.46	-	-
4. ALOK K GARG	69600	0.55	-	69600	0.55	-	-
5. Dr. SHASHI KANT SHARMA	2200	0.02	-	2200	0.02	-	-
6. GITIKA AGRAWAL	400	0.00	-	400	0.00	-	-
<b>Total</b>	<b>6245784</b>	<b>50.09</b>	<b>-</b>	<b>6245784</b>	<b>50.09</b>	<b>-</b>	<b>-</b>

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

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	6245784	50.09		
Datewise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	0	0	0	0
At the end of the year			6245784	50.09

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

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year		Changes during the year					Reason
	No. of Shares	% of total shares of the Co.	No. of Shares	% of total shares of the Co.	Date	No. shares before Change	No. shares After Change	Increase	Decrease	
VIJIT RAMAVAT	324396	2.60	302803	2.43	30/01/15	324396	313055	-	11341	Sale
					06/02/15	313055	303745	-	9310	Sale
MOTILAL OSWAL FINANCIAL SERVICES LIMITED	319900	2.57	299788	2.40	19/09/14	319900	299788	-	20112	Sale
AJIT SINGH CHAWLA	270831	2.17	270831	2.17	-	-	-	-	-	-
MAHENDRA GIRDHARILAL	199717	1.60	199717	1.60	-	-	-	-	-	-
VIJAY KUMAR AGARWAL	155144	1.24	155144	1.24	-	-	-	-	-	-
BABALBHAI MANILAL PATEL	132200	1.06	154560	1.24	15/08/14	144163	148215	4052	-	Buy
					20/02/15	148215	151896	3681	-	Buy
TAPAS GANGOPADHYAY	124776	1.00	124776	1.00	-	-	-	-	-	-
DELHI IRON & STEEL CO (P) LTD	105149	0.84	103802	0.83	-	-	-	-	-	-
SHEKHAR R ATHALYE	88832	0.71	88832	0.71	-	-	-	-	-	-
MULTI ACT EQUITY CONSULTANCY P LTD	60,000	0.45	Not in list	-	-	-	-	-	-	-
RAJESHRI TARUNKUMAR SHAH	Not in list	-	74347	0.60	13/03/15	63786	68786	5000	-	Buy
					31/03/15	68786	74347	5561	-	Buy

Note: Details of the change in shareholding for less than 2% has been merged in the above said statement and increase/decreased is only shown for more than 2%. Further that the dates of changes has been taken as per informations made available by the share transfer agent based on the benpost.

**v) Shareholding of Directors and Key Managerial Personnel**

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>Shri Ramesh Chandra Mittal, Chairman &amp; Managing Director</b>				
At the beginning of the year	3166320	25.40		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year			3166320	25.40
<b>Mrs. Kusum Mittal, Whole-time Director</b>				
At the beginning of the year	2700136	21.65		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year			2700136	21.65
<b>Shri Alok K.Garg, Whole-time Director</b>				
At the beginning of the year	69600	0.55		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year			69600	0.55
<b>Dr. Shashikant Sharma Independent Director</b>				
At the beginning of the year	2200	0.02		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year			2200	0.02

There is no shareholding in the Company by Shri Rajat Gupta, Company Secretary and Shri Manish Jain, Chief Financial Officer

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

(Rs. Lakhs)

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

**VI. REMUNERATION OF DIRECTOR AND KMP**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

S.No.	Particular of Remuneration	Mr. R.C. Mittal CMD	Mr. Alok K. Garg, WTD	Mrs. Kusum Mittal, WTD	Total
<b>1</b>	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	30,00,000	30,00,000	18,00,000	78,00,000
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	0	0	0	0
<b>2</b>	Stock Options	0	0	0	0
<b>3</b>	Sweat Equity	0	0	0	0
<b>4</b>	Commission				
	- as % of profit	0	0	0	0
	- others, specify....	0	0	0	0
<b>5</b>	Others, please specify				
	<b>Total</b>	<b>30,00,000</b>	<b>30,00,000</b>	<b>18,00,000</b>	<b>78,00,000</b>
	Ceiling as per the Act (As per Schedule XIII of the CA 1956)	<b>30,00,000</b>	<b>30,00,000</b>	<b>30,00,000</b>	<b>90,00,000</b>

**B. Remuneration to other Directors:**
**1. Independent Directors:** No remuneration was paid to independent directors

S.No.	Particular of Remuneration	Dr.Shamsher Singh	Dr.S.K. Sharma	Dr.Keshav Singh Verma	Shri Pramod Fatehpuria	Total
<b>1</b>	-Fee for attending Board/Committee Meetings	-	-	-	-	
<b>2</b>	-Commission	-	-	-	-	
<b>3</b>	- Others, please specify	-	-	-	-	
	<b>Total B1</b>	-	-	-	-	

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

S.No.	Particular of Remuneration	Mrs.Trapti Vikas Gupta	Total
<b>1</b>	-Fee for attending Board/Committee Meetings	-	-
<b>2</b>	-Commission	-	-
<b>3</b>	- Others, please specify	-	-
	<b>Total B2</b>	<b>0</b>	<b>0</b>
	<b>Total (B1+B2)</b>	<b>0</b>	<b>0</b>
	<b>Total Managerial Remuneration</b>	<b>0</b>	<b>78,00,000</b>
	<b>Overall Ceiling as per the Act</b>	<b>0</b>	<b>90,00,000</b>

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

S.No.	Particular of Remuneration	Mr. Rajat Gupta Company Secretary	Mr. Manish Jain CFO	Total
<b>1</b>	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2,40,000	2,21,400	4,61,400
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	0	0	0
<b>2</b>	Stock Options	0	0	0
<b>3</b>	Sweat Equity	0	0	0
<b>4</b>	Commission			
	- as % of profit	0	0	0
	- others, specify....	0	0	0
<b>5</b>	Others, please specify	0	0	0
	<b>Total C</b>	<b>2,40,000</b>	<b>2,21,400</b>	<b>4,61,400</b>

**VII. PENALTY/PUNISHMENT/COMPOUNDING OF OFFENCES**

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

However, Registrar of Companies has filed a case against the company under section 162(1) of the Companies Act, 1956 for the matter related to annual return and certificate to be annexed thereto in front of the Chief Judicial Magistrate Court, Gwalior which is not material and not affecting the business activities and future operations of the company.

For and on behalf of the Board

Place: Pithampur  
Date: 12<sup>th</sup> August, 2015

**Ramesh Chandra Mittal**  
**Chairman & MD**  
**DIN 00035272**

**Particulars of Employees**

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

**1. Ratio and remuneration of Directors & KMPs**

S. No.	Name	Designation	Remuneration for the year 2014-15 (Rs.)	Remuneration for the year 2013-14 (Rs.)	Increase In Remuneration %	Ratio Between Director or KMP and Median Employee
1	Shri R.C Mittal	CMD	30,00,000	30,00,000	0.00	29.64
2	Smt. Kusum Mittal	WTD	18,00,000	18,00,000	0.00	17.78
3	Shri Alok K. Garg	WTD	30,00,000	24,00,000	25.00	29.64
4	Dr. Shamsher Singh	ID	0	0	0.00	0
5	Dr. S.K.Sharma	ID	0	0	0.00	0
6	Smt. Trapti V. Gupta	NED/Women	0	0	0.00	0
7	Shri Pramod Fatehpuria (W.e.f. 29/05/14)	Independent Director	0	N.A.	N.A.	0
8	Dr. K.S. Verma	ID	0	0	0.00	0
9	Shri Manish Kumar Jain (W.e.f. 1/04/14)	CFO	2,21,400	N.A.	N.A.	2.19
10	CS Rajat Gupta (W.e.f. 01/04/14)	Company Secretary	2,40,000	N.A.	N.A.	2.37

**2. Increase in percentage of Median employees:**

Considering profitability of the Company Management had increased remuneration of median employees for the year was 12.51%.

**3. Number of permanent employees on the Roll.**

During the Financial year the total number of employees on the roll was 215 and maiden employee was taken as employee coming on S.L.No. 107 in reducing order of the salary

**4. Relationship between average increase in remuneration and Company performance:**

Particulars	Financial year 2014-15 (Amt in Crores) (31.03.15)	Financial year 2013-14 (Amt in Crores) (31.03.14)	Change (Increase or Decrease)
Total Employees Remuneration	3.59 Cr.	3.25Cr.	0.34Cr. (Increase 10.46%)
Company Performance			
1. Turnover	27.36Cr.	27.37Cr.	-00.01Cr. (Decrease .04%)
2. Profitability	1.94Cr.	00.14Cr.	1.8Cr. (Increase 1285.71%)

**5. Comparison between remuneration of the Directors & KMP and Company performance:**

Particulars	Financial year 2014-15 (Amt in Crores) (31.03.15)	Financial year 2013-14 (Amt in Crores) (31.03.14)	Change (Increase or Decrease) (Amt in Crores)
Director & KMP Remuneration	00.83 Cr.	00.72Cr.	00.11Cr. (Increase 15.28%)
Company Performance			
1. Turnover	27.36Cr.	27.37Cr.	-00.01Cr. (Decrease .04%)
2. Profitability	1.94Cr.	00.14Cr.	1.8Cr. (Increase 1285.71%)

**6. Variation in Market Capitalization and Price earning ratio:**

Particulars	Financial year 2014-15 (Amt in Crores) (31.03.15)	Financial year 2013-14 (Amt in Crores) (31.03.14)	Change (Increase or Decrease) (Amt in Crores)
Market Capitalization	17.46 Crores (Shares 1,24,69,956 (Price Rs. 14.00)	13.09 Crores (Shares 1,24,69,956 Price 10.50)	4.37 Crores (Increase 33.38%)
*P/E Ratio	9.03 (14/1.55)	95.45 (10.55/.11)	94.54%(86.42/95.45*100)

\*P/E Ratio = Market Value per Share / Earnings per Share (EPS)

**7. Comparison between Share quotation and last public offer**

Price quotation on 31 <sup>st</sup> March, 2015 (31.03.2015)	Last Right issue offer in the year 1995	Change in % (Increase or Decrease)
*Rs. 56.00	Rs. 10.00 (Premium of Rs 116/-)	(-) Rs. 70.00 (Decrease 55.55%)

*\* the Company has made bonus issue in the year 2013 in the proportion of three equity shares of Rs. 10/- for every one equity shares held by the members, therefore the change in the price quotation have been readjusted accordingly as Rs. 56/- per share multiplying by 4 to the market quotation of Rs. 14/- per shares on 31.03.2015.*

**8. Ratio of the remuneration of the highest paid director and employees who are not directors but receive remuneration excess of Highest paid director during the year:**

There was no employee, who was received remuneration more than remuneration of director.

For and on behalf of the Board

Place: Pithampur  
Date: 12<sup>th</sup> August, 2015

**Ramesh Chandra Mittal**  
**Chairman & MD**  
**DIN 00035272**



**INDEPENDENT AUDITORS' REPORT**

**TO**  
**THE MEMBERS OF**  
**MEDI-CAPS LIMITED**  
INDORE, MADHYAPRADESH

**Report on the Financial Statements**

We have audited the accompanying financial statements of **MEDI-CAPS LIMITED** ("the company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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

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 financial control relevant to the Company's preparation of the financial statements that give true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31<sup>st</sup> March 2015, its profit/loss and its cash flows for the year ended on that date.

**Report on other Legal and Regulatory Requirements**

1. Requirements of the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, are not applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
    - i. The Company has some pending litigations but it doesn't affect its financial position.
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

Place: Indore – (M.P.)  
Date: 28/05/2015

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

**Annexure to the Auditors' Report**

**[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of MEDI-CAPS LIMITED on the accounts of the company for the year ended 31st March, 2015]**

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

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets. As explained to us, fixed assets have not been physically verified by the management during the year but there is phased programme of verification adopted by the management which, in our opinion is reasonable having regard to the size of the company and nature of its assets. As per the reports submitted by the Company, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventory:
- (a) As explained to us, the inventories of finished goods, semi-finished goods, stores, spare parts and raw materials were physically verified at regular intervals/(at the end of the year) by the Management. In case of inventories lying with third parties, certificates of stocks holding have been received.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of stocks as compared to book records.
- (iii) In respect of loans, secured or unsecured, granted to the parties covered in register maintained under section 189 of the Companies Act 2013: According to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013; and therefore paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. During the course of our Audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- (v) In our opinion and according to the information and explanation given to us, the company has not received any public deposits during the year.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company. Company has broadly reviewed the cost records maintained by it and report that the directions issued for cost audit.
- (vii) In respect of statutory dues:
- (a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, employees state insurance (ESI), Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Sales Tax, value added tax (VAT), Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities.
- (b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income-tax, Custom Duty, Excise Duty, sales tax, VAT, Cess and other material statutory dues in arrears /were outstanding as at 31 March, 2015 for a period of more than six months from the date they became payable. But there is some disputed matters before the Appellate Authorities, which were pending as at 31 march 2015 are as under:

<b>Nature of the Statue</b>	<b>Nature of the Dues</b>	<b>Total Demand</b>	<b>Total Amt Paid under protest / adjusted</b>	<b>Period to which the amount relates (F.Y.)</b>	<b>Forum where the dispute is pending</b>
Income Tax Act, 1961	Income Tax	79,16,610/-	17,00,000/-	2009-10	ITAT (A)
Income Tax Act, 1961	Income Tax	7,11,380/-	0	2010-11	CIT (A)
Income Tax Act, 1961	Income Tax	6,44,950/-	0	2011-12	CIT (A)
<b>Total</b>		<b>93,83,270/-</b>	<b>17,00,000/-</b>		

- (c) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time by the company.
- (viii) The company does not have the accumulated losses at the end of financial year. The company has not incurred any Cash losses during the financial covered by our Audit and the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (x) According to the information and explanations given to us, the terms and conditions of the guarantee given by the Company, for the Loans taken by others from Banks and Financial Institutions are not prejudicial to the interests of the Company.
- (xi) The Term loans taken by the company have been applied for the purpose for which they were raised.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

Place: Indore – (M.P.)  
Date: 28/05/2015

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

**Balance Sheet as at 31st March, 2015**

		Amount in Rs.	
Particulars	Note	As at 31st Mar 2015	As at 31st Mar 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's Funds</b>			
(a) Share Capital	2	124699560	124699560
(b) Reserves and Surplus	3	518863126	499501714
<b>2 Non-Current Liabilities</b>			
(a) Deferred tax liabilities (Net)	4	3394015	2915121
(b) Other Long term liabilities	5	0	763038
(c) Long term provisions	6	7551020	6636174
<b>3 Current Liabilities</b>			
(a) Trade payables	7	12213639	11727241
(b) Other current liabilities	8	15237983	17267525
(c) Short-term provisions	9	7500000	10000000
<b>Total</b>		<b>689459343</b>	<b>673510372</b>
<b>II. Assets</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	10		
(i) Tangible assets		39647943	40013205
(b) Non-current investments	11	465419619	302731750
(c) Long term loans and advances	12	4107330	54202587
<b>2 Current assets</b>			
(a) Current investments	13	17110447	114809121
(b) Inventories	14	70592347	54397749
(c) Trade receivables	15	66365366	80023354
(d) Cash and cash equivalents	16	8955471	7965543
(e) Short-term loans and advances	17	17260820	19367062
<b>Total</b>		<b>689459343</b>	<b>673510372</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

**C.P. Rawka**  
Proprietor  
Membership No. 070060  
Place : Indore  
Date : 28th May, 2015

**R.C.Mittal**  
Chairman & MD  
DIN:00035272

**Manish Jain**  
C.F.O.

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

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

**CS. Rajat Gupta**  
Company Secretary  
ACS 35414

**Profit and Loss statement for the year ended 31st March, 2015**

			Amount in Rs.	
Particulars		Note	As at 31st Mar 2015	As at 31st Mar 2014
I.	Revenue from operations	18	273630857	273697909
II.	Other Income	19	12059211	(15619247)
III.	<b>Total Revenue (I +II)</b>		<b>285690068</b>	<b>258078662</b>
IV.	Expenses:			
	Cost of materials consumed	20	143653719	124829592
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	(10938044)	(7533645)
	Employee benefit expense	22	49289016	47256655
	Other expenses	23	73148230	77876282
	Depreciation and amortization expense	10	3196841	3404572
	<b>Total Expenses</b>		<b>258349762</b>	<b>245833457</b>
V.	<b>Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>27340306</b>	<b>12245206</b>
VI.	Exceptional Items		0	0
VII.	Profit before extraordinary items and tax (V - VI)		27340306	12245206
VIII.	Extraordinary Items		0	0
IX.	<b>Profit before tax (VII - VIII)</b>		<b>27340306</b>	<b>12245206</b>
X.	Tax expense:			
	(1) Current tax		7500000	10000000
	(2) Earlier year excess provision for tax written back		0	(48005)
	(3) Deferred tax		478894	866939
XI.	<b>Profit/(Loss) for the period (IX - X)</b>		<b>19361412</b>	<b>1426272</b>
XII.	Earning per equity share:	29		
	(1) Basic		1.55	0.11
	(2) Diluted		1.55	0.11

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

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

Place : Indore  
Date : 28th May, 2015

**R.C.Mittal**  
Chairman & MD  
DIN:00035272

**Manish Jain**  
C.F.O.

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

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

**CS. Rajat Gupta**  
Company Secretary  
ACS 35414

**Cash Flow Statement for the year ended March 31, 2015**

	<b>Amount in Rs.</b>	
<b>PARTICULARS</b>	<b>2014-15</b>	<b>2013-14</b>
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax & Extraordinary Items	<b>27340306</b>	<b>12245205</b>
Adjustment For:		
Depreciation	3196841	3404572
Dividend Income	(150)	(2837653)
Operating Profit before Working Capital Change	<b>30536997</b>	<b>12812124</b>
Adjustment for Working Capital		
(Increase)/ Decrease in Sundry Debtors	13657987	(12567922)
(Increase)/ Decrease in Inventories	(16194598)	(13102843)
(Increase)/ Decrease in Loans & Advances	52218168	(174811)
Increase/ (Decrease) in Current Liabilities & Prov.	(3908004)	7281293
<b>Cash Generated from Working Capital</b>	<b>45773554</b>	<b>(18564283)</b>
Cash generated from Operation	76310551	(5752159)
Net Income Tax Paid	7500000	9951995
<b>Net cash Flow from Operating Activity</b>	<b>68810551</b>	<b>(15704154)</b>
<b>B. Cash Flow from Investing Activities</b>		
Sale/(Purchase) of Investments	(64989195)	13983033
Purchase of Fixed Assets	(2955937)	(1935021)
Dividend Received	150	2837653
Adjustment for Dep on sale of Fixed Assets	124358	1279372
<b>Net Cash used in Investing Activities</b>	<b>(67820624)</b>	<b>16165036</b>
<b>C. Cash Flow from Financial Activities</b>	<b>NIL</b>	<b>NIL</b>
<b>Net Cash Used in Financial Activities</b>	<b>NIL</b>	<b>NIL</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>989928</b>	<b>460882</b>
Cash & Cash Equivalents at the		
Beginning of the year	7965543	7504661
Closing of the year	8955471	7965543
<b>Increase in Cash and Cash Equivalents</b>	<b>989928</b>	<b>460882</b>

As per our report of even date, annexed  
**C.P.Rawka & Co.**  
Chartered Accountants  
Firm Reg. No.:-000518C

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

Place : Indore  
Date : 28th May, 2015

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

**R.C.Mittal**  
Chairman & MD  
DIN:00035272

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

**Manish Jain**  
C.F.O.

**CS. Rajat Gupta**  
Company Secretary  
ACS 35414

**NOTE 1 -NOTES FORMING PART OF THE FINANCIAL STATEMENTS**
**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 Pharmaceutical products. 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 in Schedule II to the Companies Act, 2013.

**c) Investments:**

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

**d) Valuation of Inventories :-**

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

**e) Foreign Exchange Transactions :-**

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

**f) Sundry Debtors and Advances :-**

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

**g) Research & Developments :-**

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

**h) Terminal Benefits :-**

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

**i) Taxations:-**

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

**j) Earning Per Share:-**

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

**k) Revenue Recognition**

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

**l) Employee Benefits:**
**Defined Benefit Plan**

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

**Defined Contribution Plans**

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

**Short Term Employee benefits**

Short term benefits are recognized as an 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, 2015**
**Amount in Rs.**

<b>Note : 2 Share Capital</b>	<b>As at 31st Mar 2015</b>	<b>As at 31st Mar 2014</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)	<b>150000000</b>	<b>150000000</b>
<b>Issued Capital</b> 13,021,047 Equity Shares of Rs. 10 each fully paid up (Previous Year 13,021,047 Equity Shares of Rs. 10/- each)	<b>130210470</b>	<b>130210470</b>
<b>Subscribed &amp; Paidup Capital</b> 12,46,99,56 Equity Shares of Rs. 10 each fully paid up (Previous Year 12,46,99,56 Equity Shares of Rs.10/- each)	124699560 <b>124699560</b>	124699560 <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, 2015</b>		<b>As at March 31, 2014</b>	
	<b>Numbers</b>	<b>Value</b>	<b>Numbers</b>	<b>Value</b>
Equity Shares				
At the beginning of the year	12469956	124699560	12469956	124699560
Issued during the year	-	-	-	-
Outstanding at the and the year	12469956	124699560	12469956	124699560

<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>31.03.15</b>	<b>% of Holding</b>	<b>31.03.14</b>	<b>% of Holding</b>
R.C.Mittal	3166320	25.40%	3166320	25.40%
Kusum Mittal	2700136	21.65%	2700136	21.65%

<b>Note : 3 Reserve &amp; Surplus</b>	<b>As at 31.03.15</b>	<b>As at 31.03.14</b>
<b>Capital Reserve</b>		
As per last balance sheet	<b>4421000</b>	<b>4421000</b>
<b>Share Forfeiture A/c</b>		
As per last balance sheet	<b>2755455</b>	<b>2755455</b>
<b>General Reserve</b>		
As per last balance sheet	<b>30456832</b>	<b>30456832</b>
<b>Surplus</b>		
Opening balance	461868427	460442156
Add: Net profit for the current year	19361412	1426271
<b>Closing Balance</b>	<b>481229839</b>	<b>461868427</b>
	<b>518863126</b>	<b>499501714</b>

**Amount in Rs.**

<b>Note : 4 Deferred Tax Liability</b>	<b>As at 31.03.15</b>	<b>As at 31.03.14</b>
On Depreciation (Difference of as per Books & as per Income Tax Act)	3394015	2915121
	<b>3394015</b>	<b>2915121</b>

<b>Note : 5 Other Long Term Liabilities</b>		
Security Deposit	0	763038
	<b>0</b>	<b>763038</b>

<b>Note : 6 Long Term Provisions</b>		
Provision for Gratuity	6966535	6405774
Leave Encashment Payable	584485	230400
	<b>7551020</b>	<b>6636174</b>

<b>Note : 7 Trade Payable</b>		
Sundry Creditors	12213639	11727241
	<b>12213639</b>	<b>11727241</b>

<b>Note : 8 Other Current Liabilities</b>		
Advance Recd from Customers	507622	1336771
Bonus Payable	3652616	4849293
Commission Payable	6578835	6086105
CST & VAT Payable	0	442555
Entry Tax Payable	49557	131440
ESI Payable	0	22297
Outstanding Liabilities	3809782	3269065
Professional Tax	9498	9468
Provident Fund	0	252486
TDS on Consultancy	41522	29284
TDS on Contractor Payment	492	2705
TDS on Rent	0	5500
TDS on Salary	195100	229700
TDS on Sales Commission	392959	600855
	<b>15237983</b>	<b>17267525</b>

<b>Note :9 Short-Term Provisions</b>		
For Taxation	7500000	10000000
	<b>7500000</b>	<b>10000000</b>



**Note-10- Fixed Assets- Tangible Assets up to 31.03.2015**

GROSS BLOCK						DEPRECIATION/AMORTIZATION				NET BLOCK	
S. No.	FIXED ASSETS	As at 01.04.2014	Additions	Deductions	As at 31.03.2015	Up to 31.03.2014	For the qtr ended 31.03.2015	Deletions	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
1	Free Hold Land	1178000	0	0	1178000	0	0	0	0	1178000	1178000
2	Factory Building	23904874	0	0	23904874	15698506	678058	0	16376564	7528310	8206368
3	Office Bulding	19121350	0	0	19121350	1503442	656463	0	2159905	16961445	17617908
4	Plant & Machinery	130063549	3987372	1309934	132740987	130063548	87303	1185576	128965275	3775712	1
5	Furniture & Fixtures	7059692	0	0	7059692	5254663	217671	0	5472334	1587358	1805029
6	Vehicles	17339539	0	0	17339539	7165076	1557345	0	8722421	8617118	10174463
7	Computers	2282109	0	0	2282109	2282108	0	0	2282108	1	1
	TOTAL - A	200949113	3987372	1309934	203626551	161967343	3196841	1185576	163978608	39647943	38981770
8	Capital Work in Progress	1031435	2637064	3668499	0	0	0	0	0	0	1031435
	TOTAL - B	1031435	2637064	3668499	0	0	0	0	0	0	1031435
	GRAND TOTAL	201980548	6624436	4978433	203626551	161967343	3196841	1185576	163978608	39647943	40013205
	PREVIOUS YEAR	202710441	1935021	2664914	201980548	159948313	3404572	1385542	161967343	40013205	42762128

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.

		Amount in Rs.	
<b>Note : 11 Non-Current Investments</b>		<b>As at 31.03.15</b>	<b>As at 31.03.14</b>
<b>a) Investment in properties</b>		<b>10793000</b>	<b>10793000</b>
<b>b) Investment in Equity instruments</b>			
<b>i) Trade Investment (Unquoted)</b>			
<b>In Subsidiary Company</b>			
1,07,54,828 (80,38,828) Equity Share of Rs. 10/- each of Medgel Private Limited		331233980	281233980
<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>332521980</b>	<b>282521980</b>
<b>ii) 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) Investment in Mutual Funds</b>			
SBI Banking And Finance Fund		15000000	0
		<b>15000000</b>	<b>0</b>
<b>d) Other Investment</b>			
LIC Group Gratuity Fund Scheme		7561515	6905648
LIC Leave Encashment Scheme		398973	366971
Investment in Subsidiary Company		97000000	0
		<b>104960488</b>	<b>7272619</b>
		<b>465419619</b>	<b>302731750</b>

<b>Note : 12 Long-Term Loans &amp; Advances</b>		
(Unsecured, considered good unless otherwise stated)		
Security Deposits	4107330	4202587
Mission Viva Care Limited	0	50000000
	<b>4107330</b>	<b>54202587</b>

<b>Note : 13 Current Investment</b>		
<b>Investment in Mutual Funds</b>		
IDBI Ultra Short Term Fund- Growth	0	63197658
Reliance Money Manager Fund- Growth	17110447	51611463
	<b>17110447</b>	<b>114809121</b>

**Amount in Rs.**

<b>Note : 14 Inventories</b>	<b>As at 31.03.15</b>	<b>As at 31.03.14</b>
Raw Materials	13700236	9368715
Finished Goods	46504115	37821397
Stock in process and waste	3125769	870443
Stores and Spares	1698514	1813977
Colour & Chemical	2027590	2298009
Packing Material	2432676	1300668
Printing Material	91082	138245
Lab Chemical & Equipments	71340	124531
Fuel	941025	661763
	<b>70592347</b>	<b>54397749</b>

<b>Note : 15 Trade Receivables</b>	<b>As at 31.03.15</b>	<b>As at 31.03.14</b>
Unsecured , Considered Good as certified by the Management		
Outstanding over six months	0	6592135
Others	66365366	73431219
	<b>66365366</b>	<b>80023354</b>

<b>Note : 16 Cash &amp; Bank balances</b>		
Cash in Hand	178450	130641
Balance with Noted Banks :		
In Current Accounts	4675353	3986983
In Fixed Deposit Accounts	4101668	3847919
	<b>8955471</b>	<b>7965543</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	2236198	4315435
Balances with Government Authorities	2180009	1281997
Advance Tax & TDS (Net of Provisions)	11051673	12482914
Share application money	232000	232000
Prepaid Expenses	881121	779828
Other Loans & Advances	679819	274888
	<b>17260820</b>	<b>19367062</b>

**Amount in Rs.**

<b>Note : 18 Sales</b>		
	<b>As at 31st Mar 2015</b>	<b>As at 31st Mar 2014</b>
Sale of product	302664986	301211611
Less : Excise Duty	29034129	27513702
	<b>273630857</b>	<b>273697909</b>

<b>Note :19 Other Incomes</b>		
Claims Received	830657	59554
Capital gain / (Loss) on Mutual Fund	6110147	(22490176)
Dividend income	150	2837653
Interest Income on FDR	640494	2018853
Cr. Bal No Longer Required W/off	204358	0
Misc. Income	4046084	1446963
Profit on sale of Securities	227321	507906
	<b>12059211</b>	<b>(15619247)</b>

<b>Note : 20 Cost of Materials Consumed</b>		
<b>A) Raw Material Consumed</b>		
Opening Stock	11791255	8269879
Purchases	141114005	122275729
	152905260	130545608
Less : Closing Stock	15799166	11791255
Raw Material Consumed	<b>137106094</b>	<b>118754353</b>
<b>B) Packing Material Consumed</b>		
Opening Stock	1300668	589542
Purchases	7679633	6786366
	8980301	7375908
Less : Closing Stock	2432676	1300668
Packing Material Consumed	<b>6547625</b>	<b>6075240</b>
<b>Grand total of Materials Consumed (A) + (B)</b>	<b>143653719</b>	<b>124829592</b>

<b>Note : 21 Increase/(Decrease) in Stocks</b>		
Closing Stock of :		
Finished Goods	46504115	37821397
Stock in Process	2810369	737152
Waste	315400	133291
<b>Total (A)</b>	<b>49629884</b>	<b>38691840</b>
Opening Stock of :		
Finished Goods	37821397	30529402
Stock in Process	737152	576054
Waste	133291	52739
<b>Total (B)</b>	<b>38691840</b>	<b>31158195</b>
<b>Increase/(Decrease) in Stock (A-B)</b>	<b>10938044</b>	<b>7533645</b>

<b>Note : 22 Employees Remuneration &amp; benefits</b>		
Salary, Wages, Allowances & other Benefits	36624085	34800920
Directors Remuneration	7800000	7200000
Gratuity	877524	1357710
P. F. Contribution	3654361	3318629
Staff Welfare Expenses	333046	579396
	<b>49289016</b>	<b>47256655</b>

<b>Note : 23 Other Expenses</b>	<b>Amount in Rs.</b>	
	<b>As at 31.03.15</b>	<b>As at 31.03.14</b>
Advertisement & Publicity	68968	75852
Audit Fee	262500	200000
Annual Listing Fees	214657	127279
Bank Charges	125431	275446
Bonus Issue Expenses	0	3876
Business Promotion Expenses	2563382	2671827
Charity & Donations	450600	15000
Consultancy Charges	913182	848000
Conveyance Expenses	435425	372180
Entry Tax	1864445	1597894
Electricity & Water	750188	525763
Freight Expenses	5187478	5827487
Factory Power & Fuel	34206093	33821136
Factory Expenses	302745	1051327
Insurance Charges	642510	476574
Import / Export Expenses	0	124910
ISO Certification Charges	65469	30776
Legal Expenses	(12716)	195838
Loss on Sale of Fixed Assets	0	157725
Membership Fee & Subscription	71777	57497
Misc. Expenses	2032426	1890899
Net gain/loss on foreign currency transaction	284	(144461)
Office & General Expenses	96572	179665
Postage, telegram	95256	61123
Printing Material consumed	419385	317450
Printing & Stationary	282738	422639
Rent, Rates & Taxes	377561	1101116
<b>Repairs &amp; Maintenance</b>		
Buildings	20537	1955995
Machinery	6262800	6279786
Electricals	2591410	2794430
A.C.Plant	3587104	1531797
Computer	62465	53805
Other	0	9600
Sales Commission	5558695	7943942
Sales promotion Expenses	329356	600365
Stores & Spares Consumed	1308956	2451763
Telephone & Telex Charges	414018	431771
Tour & Travelling Expenses	1021332	767474
Vehicle Running & Maintenance	575200	770738
	<b>73148230</b>	<b>77876282</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. 67.51 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 deferred tax assets for the year is Rs.4,78,894/- has been recognised in the profit & Loss Account.

<b>Note 26 Payment to Auditors (Ex. Service Tax)</b>	<b>As at 31.03.15</b>	<b>As at 31.03.14</b>
Audit Fees	200000	200000
In other Capacity		
Tax Audit Fee	20000	20000
Other	30000	30000
	<b>250000</b>	<b>250000</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*	34632	33186

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

	<b>2014-15</b>		<b>2013-14</b>	
	<b>Qty. (in Lacs)</b>	<b>Value (Rs. In Lacs)</b>	<b>Qty. (in Lacs)</b>	<b>Value (Rs. In Lacs)</b>
b) Finished Goods (Hard Geletin Capsule-Gross)				
i) Opening Stock	3719.87	386.92	4593.42	311.58
ii) Closing Stock	3911.23	496.30	3719.87	386.92
c) Turnover				
Hard Geletin Capsules (Net)	33782.83	3026.65	33825.76	3012.12
d) Raw Material Consumed				
Geletin	264950 Kgs	1316.36	264855 Kgs	1138.99
e) Value of Imports on C.I.F. Basis				
Raw Material		NIL		128.18
Capital Goods		2.46		2.63
f) Expenditure in Foreign Currency				
Foreign Travel & Others		33.59		31.86

**Note 28 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>Transactions</b>	<b>As at 31.03.15</b>	<b>As at 31.03.14</b>
1	Mr. R.C.Mittal Chairman & Managing Director	Remuneration	3000000	3000000
2	Mr. Alok K. Garg Executive Director	Remuneration	3000000	2400000
3	Mrs. Kusum Mittal Whole time Director	Remuneration	1800000	1800000
4	Mrs. Manisha Garg G.M.- Corporate Affairs	Remuneration	1200000	600000

**Amount in Rs.**

<b>Note 29 Earning Per Share</b>		
Earning per share, the numerator and denominator used to calculate Basic and Diluted Earning per shares:		
	<b>As at 31.03.15</b>	<b>As at 31.03.14</b>
i) Profit after tax used as the numerator	19361411	1426271
ii) Basic / Weighted Average number of Equity Shares used as the denominator	12469956	12469956
iii) Nominal Value of Equity shares	10/-	10/-
iv) Basic & Diluted Earning per Equity Share	1.55	0.11

**Note 30 Employee Benefits**

<b>a. Defined benefits plan</b>		
<b>I Change in obligation during the year</b>		
1 Present value of Defined benefit obligation at beginning of year	6331596	5537614
2 Current Service Cost	331609	844445
3 Past Service Cost		
4 Interest Cost	24368	513265
5 Actuarial (Gains) / Losses		
6 Benefits Paid	75836	563728
7 Present value of Defined benefit obligation at the end of the year	6611737	6331596
<b>II Change in assets during the year ended March 31</b>		
1 Plan assets at the beginning of the year	6905648	6111666
2 Settlements	375726	
3 Expected return on plan assets	24368	513265
4 Contribution by Employer	331609	844445
5 Actual benefits paid	75836	563728
6 Actuarial Gains / (Losses)		
7 Plan assets at the end of the year	7561515	6905648
<b>III Net Assets / (Liability) recognized in the Balance Sheet at March 31,</b>		
1 Present value of Defined enefits Obligation as at March 31.	6611737	6331596
2 Fair value of plan assets as at March 31	7561515	6905648
3 Fund Status (Surplus / (Deficit))	949778	574052
4 Net Assets / (Liabilty) as at end of the year	<b>949778</b>	<b>574052</b>
<b>IV Expenses recognised in the Statement of profit &amp; Loss for the year ended March 31</b>		
1 Current Service Cost	331609	844445
2 Interest Cost	24368	513265
3 Expected return on plan assets		
4 Past service cost		
5 Net Actuarial (Gains) / Losses		
6 Total Expenses	<b>355977</b>	<b>1357710</b>
<b>V The major categories of plan assets as a percentage of total plan</b>	N.A.	N.A.
<b>b.</b> Contribution to provident fund and other funds stated under defined contribution plans is Rs. 36.54 Lacs (Previous year Rs. 33.19 Lacs).		

**Note 31** The company does not have outstanding for more than 30 days as on 31st March 2015 of S.S.I units the respectives parties.

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

**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** and its subsidiaries **Medgel Pvt. Ltd** comprising of the Consolidated Balance Sheet as at **31st March, 2015**, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group. In accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2015, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

**Other Matters**

We have audited the financial statements of the subsidiary Medgel Pvt.Ltd. for the year ended on that, as considered in the consolidated financial statements.

The consolidated financial statements also include the Group's share of net profit/(loss) of Rs. (20597723) for the year ended 31st March, 2015, as considered in the consolidated financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters, financial statements / financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, incorporated in India.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impacts of pending litigations on the consolidated financial position of the Group are as under:

Nature of the Statute	Nature of the Dues	Total Demand	Total Amt Paid under protest / adjusted	Period to which the amount relates (F.Y.)	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	79,16,610/-	17,00,000/-	2009-10	ITAT
Income Tax Act, 1961	Income Tax	7,11,380/-	0	2010-11	CIT (A)
Income Tax Act, 1961	Income Tax	6,44,950/-	0	2011-12	CIT (A)
<b>Total</b>		<b>92,72,940/-</b>	<b>17,00,000/-</b>		

- ii. The Group entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, incorporated in

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

Place: Indore – (M.P.)  
Date: 28/05/2015

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



**Consolidated Balance Sheet as at 31st March, 2015**

		<b>Amount in Rs.</b>	
<b>Particulars</b>	<b>Note</b>	<b>As at 31st Mar 2015</b>	<b>As at 31st Mar 2014</b>
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's Funds</b>			
(a) Share Capital	2	124699560	124699560
(b) Reserves and Surplus	3	689374453	709972177
<b>2 Share application money pending allotment</b>		0	0
<b>3 Minority Interest</b>		0	27160000
<b>4 Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	105095280	88686638
(b) Deferred tax liabilities (Net)	5	3394015	2915121
(c) Other Long term liabilities	6	0	763038
(d) Long term provisions	7	7551020	6636174
<b>5 Current Liabilities</b>			
(a) Trade payables	8	33638879	24074605
(b) Other current liabilities	9	18015112	24541668
(c) Short-term provisions	10	7500000	10000000
<b>Total</b>		<b>989268320</b>	<b>1019448980</b>
<b>II. Assets</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		356813877	370208055
(b) Non-current investments	12	357871339	222343470
(c) Long term loans and advances	13	7219594	57714851
<b>2 Current assets</b>			
(a) Current investments	14	17110447	114809121
(b) Inventories	15	134570447	107802253
(c) Trade receivables	16	86449084	115004747
(d) Cash and cash equivalents	17	9033171	8189496
(e) Short-term loans and advances	18	20200360	23376986
<b>Total</b>		<b>989268320</b>	<b>1019448980</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 : 28th May, 2015

**R.C.Mittal**  
Chairman & MD  
DIN:00035272

**Manish Jain**  
C.F.O.

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

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

**CS. Rajat Gupta**  
Company Secretary  
ACS 35414

**Consolidated Profit and Loss statement for the year ended 31st March, 2015**

			<b>Amount in Rs.</b>	
<b>Particulars</b>		<b>Note</b>	<b>As at 31st Mar 2015</b>	<b>As at 31st Mar 2014</b>
I.	Revenue from operations	19	361110752	374889219
II.	Other Income	20	13005306	(11692094)
III.	<b>Total Revenue (I + II)</b>		<b><u>374116058</u></b>	<b><u>363197125</u></b>
IV.	Expenses:			
	Cost of materials consumed	21	194944904	186781591
	Changes in inventories of finished goods, work-in-progress	22	(10049949)	(19977446)
	Employee benefits expense	23	73370651	65799907
	Finance Cost	24	6071673	10949053
	Other expenses	25	104320341	105920693
	Depreciation and amortization expense	11	18077268	20733854
	<b>Total Expenses</b>		<b><u>386734887</u></b>	<b><u>370207652</u></b>
V.	<b>Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>(12618829)</b>	<b>(7010526)</b>
VI.	Exceptional Items		0	0
VII.	Profit before extraordinary items and tax (V - VI)		(12618829)	(7010526)
VIII.	Extraordinary Items		0	0
IX.	<b>Profit before tax (VII - VIII)</b>		<b><u>(12618829)</u></b>	<b><u>(7010526)</u></b>
X.	Tax expense:			
	(1) Current tax		7500000	10000000
	(2) Excess provision for tax written back		0	48005
	(3) Deferred tax		478894	866939
XI.	Loss after Tax before Minority Interest	(IX-X)	(20597723)	(17829460)
XII.	Less: Minority Interest		0	(4862072)
	<b>XIII Loss for the year (XI - XII)</b>		<b><u>(20597723)</u></b>	<b><u>(12967387)</u></b>
XIV.	Earning per share of face value of Rs.10 each	30		
	(1) Basic		(1.65)	(1.04)
	(2) Diluted		(1.65)	(1.04)

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 : 28th May, 2015

**R.C.Mittal**  
Chairman & MD  
DIN:00035272

**Manish Jain**  
C.F.O.

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

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

**CS. Rajat Gupta**  
Company Secretary  
ACS 35414

**Consolidated Cash Flow Statement for the year ended March 31, 2015**

<b>PARTICULARS</b>	<b>Amount in Rs.</b>	
	<b>2014-15</b>	<b>2013-14</b>
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax & Extraordinary Items	<b>(12618829)</b>	<b>(7010526)</b>
Adjustment For:		
Depreciation	18077268	20733854
Dividend Income	(150)	(2837653)
Operating Profit before Working Capital Change	<b>5458289</b>	<b>10885675</b>
Adjustment for Working Capital		
(Increase)/ Decrease in Sundry Debtors	28555663	(30016799)
(Increase)/ Decrease in Inventories	(26768194)	(23539157)
(Increase)/ Decrease in Loans & Advances	53688552	(1352652)
Increase/(Decrease) in Current Liabilities & Provisions	17081499	38976070
<b>Cash Generated from Working Capital</b>	<b>72557521</b>	<b>(15932538)</b>
Cash generated from Operation	78015810	(5046863)
Income Tax for the year	7500000	9951995
<b>Net cash Flow from Operating Activity</b>	<b>70515810</b>	<b>(14998858)</b>
<b>B. Cash Flow from Investing Activities</b>		
Sale/(Purchase) of Investments	(64989195)	13983033
Purchase of Fixed Assets	(5004416)	(2640071)
Dividend Received	150	2837653
Adjustment for Dep on sale of Fixed Assets	321326	1279372
<b>Net Cash used in Investing Activities</b>	<b>(69672135)</b>	<b>15459987</b>
<b>C. Cash Flow from Financial Activities</b>		
Share Capital Issued	0	26858280
Security premium received	0	67145700
Proceeds from Long Term Borrowings	0	0
Share Application Money	0	(94019000)
<b>Net Cash Used in Financial Activities</b>	<b>0</b>	<b>(15020)</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>843676</b>	<b>446108</b>
Cash & Cash Equivalents at the		
Beginning of the year	8189496	7743388
Closing of the year	9033172	8189496
<b>Increase in Cash and Cash Equivalents</b>	<b>843676</b>	<b>446108</b>

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 : 28th May, 2015

**R.C.Mittal**  
Chairman & MD  
DIN:00035272

**Manish Jain**  
C.F.O.

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

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

**CS. Rajat Gupta**  
Company Secretary  
ACS 35414

**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 13 Sep, 2013 of the Ministry of Corporate Affairs) This Financial Statements have been prepared on accrual basis and the accounting policies adopted are consistent With followed in the previous year.

**Principles of Consolidation:-**

- i) The financial statements of the Company and its subsidiary have been 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 in Schedule II to the Companies Act, 2013.
- c) Investments:-**

The Company has policy to make investments on strategic and long term basis and the 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. right
- 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 Statements**
**Amount in Rs.**

<b>Note : 2 Share Capital</b>	<b>As at 31st Mar 2015</b>	<b>As at 31st Mar 2014</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)	<b>150000000</b>	<b>150000000</b>
<b>Issued Capital</b>		
13,021,047 Equity Shares of Rs. 10 each fully paid up		
(Previous Year 13,021,047 Equity Shares of Rs. 10/- each)	<b>130210470</b>	<b>130210470</b>
<b>Subscribed &amp; Paidup Capital</b>		
12,46,99,56 Equity Shares of Rs. 10 each fully paid up		
(Previous Year 12,46,99,56 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, 2015</b>		<b>As at March 31,2014</b>	
	<b>Numbers</b>	<b>Value</b>	<b>Numbers</b>	<b>Value</b>
Equity Shares				
At the beginning of the year	12469956	124699560	12469956	124699560
Issued during the year	-	-	-	-
Outstanding at the end of the year	12469956	124699560	12469956	124699560

<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>31.03.15</b>	<b>% of Holding</b>	<b>31.03.14</b>	<b>% of Holding</b>
R.C.Mittal	3166320	25.40%	3166320	25.40%
Kusum Mittal	2700136	21.65%	2700136	21.65%

<b>Note : 3 Reserve &amp; Surplus</b>	<b>As at 31.03.15</b>	<b>As at 31.03.14</b>
<b>Capital Reserve</b>		
As per last balance sheet	<b>4421000</b>	<b>4421000</b>
<b>Share Forfeiture A/c</b>		
As per last balance sheet	<b>2755455</b>	<b>2755455</b>
<b>Securities Premium Account</b>		
As at Commencement of the Year	268620700	201475000
Add: Addition during the year	0	67145700
	268620700	268620700
Less: Utilize for Bonus Issue during the year	0	0
Closing Balance	<b>268620700</b>	<b>268620700</b>
<b>General Reserve</b>		
As per last balance sheet	<b>30456832</b>	<b>30456832</b>
<b>Surplus</b>		
Opening balance	403718189	421547649
Add: Net profit for the current year	(20597723)	(17829460)
<b>Closing Balance</b>	<b>383120466</b>	<b>403718189</b>
	<b>689374453</b>	<b>709972177</b>

**Amount in Rs.**

<b>Note : 4 Long Term Borrowings</b>	<b>As at 31.03.15</b>	<b>As at 31.03.14</b>
IDBI Bank C.C. A/c 0382655100000125	7418606	88686638
Medicaps Limited	97000000	0
Mr. Alok K Garg	676674	0
	<b>105095280</b>	<b>88686638</b>

<b>Note : 5 Deferred Tax Liability</b>		
On Depreciation (Difference of as per Books & as per Income Tax Act)	3394015	2915121
	<b>3394015</b>	<b>2915121</b>

<b>Note : 6 Other Long Term Liabilities</b>		
<b>Others</b>		
Security Deposit	0	763038
	<b>0</b>	<b>763038</b>

<b>Note : 7 Long Term Provisions</b>		
Provision for Gratuity	6966535	6405774
Leave Encashment Payable	584485	230400
	<b>7551020</b>	<b>6636174</b>

<b>Note : 8 Trade Payable</b>		
Sundry Creditors	33638879	24074605
	<b>33638879</b>	<b>24074605</b>

<b>Note : 9 Other Current Liabilities</b>		
Advance Recd from Customers	507622	1336771
Bonus Payable	3652616	4849293
Commission Payable	6578835	6086105
CST Payble & VAT Payable	1368	483640
Entry Tax Payable	49557	131440
ESI Payable	39711	60983
Leave Expenses Payable	0	0
Outstanding Liabilities	6284103	10341095
Professional Tax	14738	14716
Provident Fund	124610	276383
TCS on Scrap Sales	287	0
TDS on Consultancy	45522	29284
TDS on Contractor Payment	10911	16924
TDS on Rent	0	27566
TDS on Salary	312273	286613
TDS on Sales Commission	392959	600855
	<b>18015112</b>	<b>24541669</b>

<b>Note :10 Short-Term Provisions</b>		
For Taxation	7500000	10000000
	<b>7500000</b>	<b>10000000</b>

**Note-1.1- Fixed Assets- Tangible Assets up to 31.03.2015**

GROSS BLOCK						DEPRECIATION/AMORTIZATION				NET BLOCK	
S. No	FIXED ASSETS	As at 01.04.2014	Additions	Deductions	As at 31.03.2015	Up to 31.03.2014	For the qtr ended 31.03.2015	Deletions	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
1	Free Hold Land	1178000	0	0	1178000	0	0	0	0	1178000	1178000
2	Factory Building	173837812	0	0	173837812	27810030	5186299	0	32996330	140841482	146027782
3	Office Equipment	548905	7140	0	556045	62708	177708		240416	315629	486197
4	Office Buliding	19121350	0	0	19121350	1503442	656463	0	2159905	16961445	17617908
5	Plant & Machinery	300346255	6028711	1309934	305065032	150104283	4809785	1185576	153728493	151336539	150241972
6	Furniture & Fixtures	54703181	0	0	54703181	12346548	5188194	0	17534742	37168439	42356633
7	Vehicles	17836216	0	356523	17479693	7368415	1579142	159555	8788003	8691690	10467801
8	Computers	3802046	0	0	3802046	3001718	479676	0	3481394	320652	800328
	TOTAL - A	571373765	6035851	1666457	575743159	202197145	18077268	1345131	218929282	356813877	369176620
9	Capital Work in Progress	1031435	2637064	3668499	0	0	0	0	0	0	1031435
	TOTAL - B	1031435	2637064	3668499	0	0	0	0	0	0	1031435
	GRAND TOTAL	572405200	8672915	5334956	575743159	202197145	18077268	1345131	218929282	356813877	370208055
	PREVIOUS YEAR	572430043	2640071	2664914	572405200	182848833	20733854	1385542	202197145	370208055	389581210

**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.

		<b>Amount in Rs.</b>	
<b>Note : 12 Non-Current Investments</b>		<b>As at 31.03.15</b>	<b>As at 31.03.14</b>
a)	<b>Investment in properties</b>	10793000	10793000
b)	<b>Investment in Equity instruments</b>		
i)	<b>Trade Investment (Unquoted)</b>		
	<b>In Subsidiary Company</b>		
	10754828 (80,38,828) Equity Share of Rs. 10/- each of Medgel Private Limited	223685700	200845700
	<b>In Other Company</b>		
	21800 (21800) Equity Shares of Rs.10/-each of Medcaps Fin.Ltd.	218000	218000
	107000 (107000) Equity Shares of Rs. 10/-each of Endolabs Ltd.	1070000	1070000
		<b>224973700</b>	<b>202133700</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>
c)	<b>Investment in Mutual Funds</b>		
	SBI Banking And Finance Fund	15000000	0
		<b>15000000</b>	<b>0</b>
d)	<b>LIC Group Gratuity Fund Scheme</b>	7561515	6905648
	LIC Leave Encashment Scheme	398973	366971
	Invetsment in Subsidiary Company	97000000	0
		<b>104960488</b>	<b>7272619</b>
		<b>357871339</b>	<b>222343470</b>

<b>Note : 13 Long-Term Loans &amp; Advances</b>		
(Unsecured, considered good unless otherwise stated)		
Security Deposits	7219594	7714851
Mission Viva Care Limited	0	50000000
	<b>7219594</b>	<b>57714851</b>

<b>Note : 14 Current Investment</b>		
Investment in Mutual Funds		
IDBI Ultra Short Term Fund- Growth	0	63197658
Reliance Money Manager Fund- Growth	17110447	51611463
	<b>17110447</b>	<b>114809121</b>



<b>Note : 15 Inventories</b>	<b>As at 31.03.15</b>	<b>As at 31.03.14</b>
Raw Materials	42591048	27029368
Finished Goods	78021007	70226384
Stock in process and waste	3125769	870443
Stores and Spares	1698514	1813977
Colour & Chemical	2027590	2298009
Packing Material	6003072	4639532
Printing Material	91082	138245
Lab Chemical & Equipments	71340	124531
Fuel	941025	661763
	<b>134570447</b>	<b>107802253</b>

<b>Note : 16 Trade Receivables</b>		
Unsecured , Considered Good as certified by Management		
Outstanding over six months	19404970	6633310
Others	67044114	108371437
	<b>86449084</b>	<b>115004747</b>

<b>Note : 17 Cash &amp; Bank balances</b>	<b>As at 31.03.15</b>	<b>As at 31.03.14</b>
Cash in Hand	179198	132377
Balance with Noted Banks :		
In Current Accounts	4752305	4014200
In Fixed Deposit Accounts	4101668	4042919
	<b>9033171</b>	<b>8189496</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	4037818	7212529
Balances with Government Authorities	2180009	1281997
Advance Tax & TDS (Net of Provisions)	11051673	12482914
TDS Receivable	84118	56500
Service Tax	221889	221889
Prepaid Expenses	1605064	1358558
Other Loans & Advances	1019789	762599
	<b>20200360</b>	<b>23376986</b>

**Amount in Rs.**

<b>Note : 19 Sales</b>	<b>As at 31st Mar 2015</b>	<b>As at 31st Mar 2014</b>
Sale of product	390144881	402402921
Less : Excise Duty	29034129	27513702
	<b>361110752</b>	<b>374889219</b>

<b>Note :20 Other Incomes</b>		
Claims Received	1009292	59554
Capital gain/ (Loss) on Mutual Fund	6124064	(22490176)
Dividend income	150	2837653
Interest Income	842245	2236014
Misc. Income	4389311	1732347
Net gain on foreign currency transaction and translation	189119	2693809
Profit on sale of Securities	227321	507906
Sundry Cr. Balances no longer required, written back	223804	730799
	<b>13005306</b>	<b>(11692094)</b>

<b>Note : 21 Cost of Materials Consumed</b>		
<b>A) Raw Material Consumed</b>		
Opening Stock	29451908	29807977
Purchases (Net)	196922997	173615299
	226374905	203423276
Less : Closing Stock	44689978	29451908
Raw Material Consumed	<b>181684927</b>	<b>173971368</b>
<b>B) Packing Material Consumed</b>		
Opening Stock	4639532	2058448
Purchases	14623516	15391307
	19263048	17449755
Less : Closing Stock	6003072	4639532
Packing Material Consumed	<b>13259976</b>	<b>12810223</b>
<b>Grand total of Materials Consumed (A) + (B)</b>	<b>194944904</b>	<b>186781591</b>

<b>Note : 22 Increase/(Decrease) in Stocks</b>		
Closing Stock of :		
Finished Goods	78021007	70226384
Stock in Process	2810369	737152
Waste	315400	133291
Total (A)	<b>81146776</b>	<b>71096827</b>
Opening Stock of :		
Finished Goods	70226384	50490588
Stock in Process	737152	576054
Waste	133291	52739
Total (B)	<b>71096827</b>	<b>51119381</b>
Increase/(Decrease) in Stock (A-B)	<b>10049949</b>	<b>19977446</b>

<b>Note : 23 Employees Remuneration &amp; benefits</b>		
Salary, Wages, Allowances & other Benefits	59687787	53273010
Directors Remuneration	7800000	7200000
Gratuity	877524	1357710
P. F. Contribution	3654361	3318629
Staff Welfare Expenses	1350980	650558
	<b>73370651</b>	<b>65799907</b>

<b>Note : 24 Finance Cost</b>	<b>As at 31.03.15</b>	<b>As at 31.03.14</b>
Interest on C.C. Limit	5930076	10762533
Interest on SME Limit	141597	186520
	<b>6071673</b>	<b>10949053</b>

<b>Note : 25 Other Expenses</b>		
Advertisement & Publicity	68968	75852
Audit Fee	279354	218468
Annual Listing Fees	214657	127279
Bank Charges	541077	630054
Bonus Issue Expenses	0	3876
Business Promotion Expenses	2563382	2671827
Charity & Donations	450600	15000
Consultancy Charges	1588134	942550
Conveyance Expenses	631699	488588
Certificate & License Fees	47300	150090
Development Charges to AKVN	264792	264792
Entry Tax	1864445	1597894
Electricity & Water	1074552	814349
Export / Import Expenses	0	124910
Freight Expenses	12908846	11190967
Power & Fuel	46224645	46325513
Factory Expenses	1054293	1887036
Goods Destroy expenses	0	1647882
Insurance Charges	1007234	1019181
ISO Certification Charges	65469	30776
Legal Expenses & R.O.C. Expenses	206641	364558
Loss on Sale of Fixed Assets	121968	157725
Membership Fee & Subscription	71777	57497
Misc. Expenses	3442481	2735255
Net gain/(loss) on foreign currency transaction	284	-144461
Office & General Expenses	97828	179665
Postage, telegram	146174	199019
Printing Material consumed	419385	317450
Printing & Stationary	614275	726717
Preliminary Expenses W/off		0
Rent, Rates & Taxes	676336	1321776
Repairs & Maintenance		
Buildings	971373	2129118
Machinery	8119922	7128914
Electricals	2725430	3081151
A.C.Plant	3587104	1531797
Computer	129660	104905
Other	15226	189413
Sales Commission	5558695	7943942
Sales promotion Expenses	329356	600365
Security Expenses	409237	402529
Stores & Spares Consumed	1308956	2464363
Telephone & Telex Charges	521014	534782
Tour & Travelling Expenses(including Director Travelling of Rs. 8.10 Lacs(Previous year Rs. 11.14 Lacs)	1143589	823348
Utility Expenses	482281	371798
Vehicle Running & Maintenance	2371901	2472183
	<b>104320341</b>	<b>105920691</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.69.66 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 27 Deferred Tax**

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

The deferred tax assets for the year is Rs.478894/- has been recognised in the profit & Loss Account.

**Amount in Rs.**

<b>Note 28 Payment to Auditors (Ex. Service Tax)</b>	<b>As at 31.03.15</b>	<b>As at 31.03.14</b>
Audit Fees	200000	103750
In other Capacity		
Tax Audit Fee	20000	20000
Other	30000	31000
	<b>250000</b>	<b>154750</b>

<b>Note 29 Related Party Disclosure</b>			
Information on Related party transactions as per Accounting Standard 18 on related party disclosure:			
<b>S.N Related Party</b>	<b>Transactions</b>	<b>2014-15</b>	<b>2013-14</b>
1 Mr. R.C.Mittal Chairman & Managing Diretor	Remuneration	3000000	3000000
2 Mr. Alok K. Garg Executive Director	Remuneration	3000000	3000000
3 Mrs. Kusum Mittal Whole time Director	Remuneration	1800000	1800000
4 Mrs. Manisha Garg G.M.- Corporate Affairs	Remuneration	1200000	1200000

<b>Note 30 Earning Per Share</b>		
Earning per share, the numerator and denominator used to calculate Basic and Diluted Earning per		
Profit after tax used as the numerator	(20597723)	(12967387)
ii) Basic / Weighted Average number of Equity Shares used as the denominator	12469956	12469956
iii) Nominal Value of Equity shares	10/-	10/-
iv) Basic & Diluted Earning per Equity Share	(1.65)	(1.04)

**Note 31** The company does not have outstanding for more than 30 days as on 31st March 2015 of S.S.I units the respective parties.

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

		<b>Amount in Rs.</b>	
<b>Note 33 Employee Benefits</b>		<b>As at 31.03.15</b>	<b>As at 31.03.14</b>
<b>Defined benefits plan</b>			
I	Change in obligation during the year		
	1 Present value of Defined benefit obligation at beginning of year	6331596	5537614
	2 Current Service Cost	331609	844445
	3 Past Service Cost		
	4 Interest Cost	24368	513265
	5 Actuarial (Gains) / Losses		
	6 Benefits Paid	75836	563728
	7 Present value of Defined benefit obligation at the end of the year	6611737	6331596
II	Change in assets during the year ended March 31		
	1 Plan assets at the beginning of the year	6905648	6111666
	2 Settlements	375726	
	3 Expected return on plan assets	24368	513265
	4 Contribution by Employer	331609	844445
	5 Actual benefits paid	75836	563728
	6 Actuarial Gains / (Losses)		
	7 Plan assets at the end of the year	7561515	6905648
III	Net Assets / (Liability) recognized in the Balance Sheet at March 31,		
	1 Present value of Defined enefits Obligation as at March 31.	6611737	6331596
	2 Fair value of plan assets as at March 31	7561515	6905648
	3 Fund Status (Surplus / (Deficit))	949778	574052
	4 Net Assets / (Liabilty) as at end of the year	<b>949778</b>	<b>574052</b>
IV	Expenses recognised in the Statement of profit & Loss for the year ended March 31		
	1 Current Service Cost	331609	844445
	2 Interest Cost	24368	513265
	3 Expected return on plan assests		
	4 Past service cost		
	5 Net Actuarial (Gains) / Losses		
	6 Total Expenses	<b>355977</b>	<b>1357710</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. 36.54 Lacs (Previous year Rs. 33.19 Lacs).		

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

**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 : \_\_\_\_\_

as my/our proxy to attend and vote on a poll for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company, to be held on the 24th September, 2015 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	For	Against
1. Consider and adopt Audited Financial Statement, reports of the Board of directors and Auditor.		
2. Re-Appointment of Smt. Kusum Mittal, who is liable to retire by rotation being eligible offer himself for re-appointment.		
3. Appointment of Auditor and fixing their remuneration.		
4. Re-Appointment of Shri Ramesh Chandra Mittal as Chairman & Managing Director of the Company.		
5. Re-Appointment and Re-Designation of Shri Alok K Garg as Joint Managing 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  
32nd 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 32nd Annual General meeting of the company at the Registered Office of the Company 24th September, 2014.

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

(Shareholders/proxy's Signature)

**Note:**

- 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.
- 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.

*If Undelivered please return to :*  
**Medi-Caps Limited**  
Mhow-Nemuch Road, Sector-I,  
Pithampur-454775, Distt.-Dhar (M.P.)  
Email : [investors@medicaps.com](mailto:investors@medicaps.com)  
Website : [www.medicaps.com](http://www.medicaps.com)

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