



MEDI-CAPS LIMITED

26th

Annual Report 2008-09

BOARD OF DIRECTORS

❖ MR. R.C. MITTAL	CHAIRMAN & MANAGING DIRECTOR
❖ MR. ALOK K. GARG	EXECUTIVE DIRECTOR
❖ MRS. TRAPTI GUPTA	DIRECTOR
❖ MRS. KUSUM MITTAL	DIRECTOR
❖ DR. S.K.SHARMA	DIRECTOR
❖ DR. K.S.VERMA	DIRECTOR
❖ DR. SHAMSHER SINGH	DIRECTOR
❖ DR. VISHWANATH B. MALKAR	DIRECTOR
❖ DR. VINAY G. NAYAK	DIRECTOR (upto 12th July, 2009)

AUDITORS

- ❖ RAWKA AGRAWAL & CO.
Chartered Accountants,
312, Chetak Centre,
12/2, RNT Marg, Indore - 452 001 (M.P.)

COMPANY SECRETARY

- ❖ ANURAG DUTT

COMPANY LAW ADVISOR

- ❖ D.K.JAIN & CO.
Company Secretaries
4th Floor, Silver Ark Plaza, Narayan Kothi Square,
20/1, New Palasia, Indore (M.P.)

BANKERS

- | | |
|------------------------|----------------------|
| ❖ IDBI Bank Ltd. | ❖ Indusind Bank Ltd. |
| ❖ State Bank of Indore | ❖ Citibank N.A. |

REGISTRAR AND SHARE TRANSFER AGENT

- ❖ Ankit Consultancy Pvt. Ltd.
Alankar Point, Geeta Bhawan Chouraha,
A.B.Road, Indore (M.P.)

REGISTERED OFFICE & WORKS

- ❖ Mhow-Neemuch Road, Sector-1,
Pithampur-454 775, Distt.-Dhar (M.P.)
E-mail : info@medicaps.com, investors@medicaps.com
Website : www.medicaps.com

OFFICE

- ❖ 201, Pushpratna Paradise,
9/5, New Palasia, Indore-452 001

NOTICE

NOTICE is hereby given that 26th Annual General Meeting of the members of **MEDI-CAPS LIMITED** will be held at the Registered Office of the Company at Mhow -Neemuch Road, Sector-1, Pithampur, District Dhar (M.P.) on Wednesday the **30th day of September, 2009** at 11.00 A.M. to transact the following businesses:

I. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit and Loss Account of the Company for the year ended 31st March, 2009 together with the report of the Director's & Auditor's thereon on that date.
2. To declare dividend on the equity share capital of the Company.
3. To appoint a director in place of Dr. Shashi Kant Sharma, who is liable to retire by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Smt. Kusum Mittal, who is liable to retire by rotation and being eligible, offers her-self for re-appointment.
5. To appoint M/s C.P.Rawka & Co., Chartered Accountants, in place of the existing Auditors M/s Rawka Agrawal & Co., Chartered Accountants as the Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and authorize the Board to fix their remuneration.

BY ORDERS OF THE BOARD

Place: Pithampur

Date: 25th August, 2009

R.C.MITTAL

CHAIRMAN & MANAGING DIRECTOR

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. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Register of Members and Share Transfer Book shall remain closed from 28th September, 2009 to 30th September, 2009 (both days inclusive).
3. **a)** Members are requested to notify immediately any change of address;
 - (i)** to their Depository Participants (DPs) in respect of their electronic share accounts; and
 - (ii)** to the Share Transfer Agent in respect of their physical share folios, if any.**b)** In case the mailing address on this Annual Report is without the PINCODE, members are requested to kindly inform their PINCODE immediately.
4. Non-resident Indian Shareholders are requested to inform Share Transfer Agent immediately:
 - a)** the change in the residential status on return to India for permanent settlement.
 - b)** the particulars of NRE Account with a Bank in India, if not furnished earlier.
5. All documents referred to in the accompanying notice are open for inspection at the Registered office of the Company on all working days, except Saturdays between 11.00 A.M. to 1.00 P.M.
6. Members who are holding shares in identical order of names in more than one folio are requested to send to the Share Transfer Agent of the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
7. Members desires of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
8. The Company is having connectivity from the CDSL & NSDL and equity shares of the Company may be held in the Electronic form with any Depository Participant (DP) with whom the members/investors having their Dmat account. The ISIN No. for the Equity Shares of the Company is **INE442D01010**. In case of any query/difficulty in any matter relating thereto may be addressed to the Share Transfer Agent Ankit Consultancy Pvt.Ltd., Alankar Point, Gita Bhawan Chouraha, A.B. Road, Indore (M.P.).

9. As per the provisions of the Companies Act, 1956, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The Nomination Form-2B as prescribed by the Central Government may be obtained from the Share Transfer Agent or may be down load from the website of the Ministry of Company Affairs.
10. The Members who have not encashed their dividend cheques/DD for the year 2002-03 to 2007-08 may approach to the Company for revalidation thereof.
11. The dividend, if any, declared by the Members for the year 2008-09, will be paid to those members whose names appears in the Register of Members as on 28.09.2009 and to the beneficiaries whose details as may be made available by the CDSL and NSDL in case of holding of shares in the D-mat form on 30.09.2009.
12. Pursuant to the recommendation of SEBI Committee on Corporate Governance for re-appointment of the retiring directors, a statement containing details of the concerned directors is attached hereto.

STATEMENT REGARDING THE DIRECTORS PROPOSED FOR RE-APPOINTMENT

1. **Mrs. Kusum Mittal is a Non Executive Promoter Director**, aged about 59 years, is a director of the Company since 4th May, 1991 and having experience in the investment and finance business activities. Mrs. Kusum Mittal is holding **712704** shares consisting 22.86% of the total paid up share capital of the Company.
2. **Dr. Shashi Kant Sharma**, is an independent Director of the Company since 29th June, 1993 MBBS, MD (Medicine) having experience in the medical line. Dr. Sharma is holding 550 shares consisting 0.02% of the total paid up share capital of the Company

BY ORDERS OF THE BOARD**Place:** Pithampur**Date:** 25th August, 2009**R.C.MITTAL****CHAIRMAN & MANAGING DIRECTOR**

**DIRECTORS' REPORT
AND
MANAGEMENT DISCUSSION AND ANALYSIS**

**To
The Members,
Medi-Caps Limited**

Your Directors are pleased to present their 26th Annual Report on the business and operations of the company together with the Audited Balance Sheet & Profit and Loss Accounts for the year ended 31st March 2009.

1. FINANCIAL RESULTS

	(Rupees in Lakhs)	
	Year ended 31.03.2009	Year ended 31.03.2008
Net Sales/income from operations	2,274.81	2,030.42
Other Income	114.34	1,303.90
Total Income	2,389.15	3,334.32
Operating Profit (PBIDT)	554.32	1,676.61
Less: Depreciation	81.88	82.73
Interest and Financial Charges	0.00	0.01
Profit before Tax	472.44	1,593.87
Less: Previous Year Adjustments	0.00	1.20
Provision for current year income tax	123.00	195.00
Fringe Benefit Tax	2.00	1.75
Income Tax for earlier Years	0.00	4.56
Add: Deferred Tax	10.87	13.92
Net Profit after tax & adjustments	358.31	1,405.28
Add: balance carried from Profit & Loss A/c	3,556.68	2,278.11
Total profit available for appropriation	3,914.99	3,683.39
Less: Transfer to General Reserves	18.00	72.00
Less: Proposed Dividend	46.76	46.76
Less: Corporate Tax on Dividend	7.95	7.95
Surplus Carried to the balance Sheet	3,842.28	3,556.68
EPS in Rs. (Shares of Rs.10/- each)	11.49	45.08

2. DIVIDEND:

Your directors are pleased to inform that Board of directors recommend a dividend @Rs.1.50 (15%) per equity share of Rs.10/- each (Previous Year Rs.1.50 per share), which will be paid to the shareholders subject to the approval of the members at the forthcoming Annual General Meeting.

3. REVIEW OF OPERATIONS:

During the year under review the Company's manufacturing turnover has been increased from Rs. 2030.42 lacs to Rs.2274.81 Lacs and the profits from these activities has also been increased to Rs.358.10 Lacs as compared to previous year Rs.289.97 lacs.

However due to the world wide recession, world wide income from investment activities has been adversely effected and your company could generate income of Rs.114.34 lacs as compared to previous year Rs.1303.89 Lacs, resulting even though good performance on manufacturing front, the results of the Company was not as per expectations and your Company has generated total profit of Rs. 472.44 Lacs as compared to previous year Rs. 1593.87 Lacs.

Your company is in continuous process of modernization of the existing manufacturing facilities to get better output and quality.

Its matter of pleasure that the world economy is turning up to the positive trend and in the coming period, the investments would also give better results.

JOINT VENTURE WITH MISSION VIVACARE LTD. :

Your directors are pleased to report that the Company is invested Rs. 425 Lacs upto 30th June, 2009 in the equity shares or otherwise in Medgel Pvt. Ltd. being a joint venture partner with Mission Vivacare Ltd. for setting up a Plant at SEZ, Pithampur (Distt. DHAR) for manufacturing softgel capsules and the Medgel may commence commercial production in the m/o April 2010.

4. DIRECTORS RESPONSIBILITY STATEMENT :

In accordance with the provisions of section 217 (2AA) of the Companies Act, 1956, your directors state that:

- ❖ In the preparation of accounts, the applicable accounting standards have been followed.
- ❖ Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the company as at the end of March 31, 2009 and the profit of the company for the year ended on that date.
- ❖ Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
- ❖ The annual accounts of the company have been prepared on a going concern basis.

5. CORPORATE GOVERNANCE :

Your Company is committed to good Corporate Governance Practices. Being a value driven organisation, the company's good corporate governance practices and the disclosures are need based, duly complied with the statutory and the regulatory requirements of the Companies Act, 1956, together with all the relevant Clauses of the Listing Agreement and all the others applicable laws. The Company's Corporate Governance Policies and the Practices are also in accordance with the Clause 49 of the Listing Agreement. A report of the Board of directors on the Corporate Governance along with the Auditors Certificate forming part of the Director's Report, being annexed herewith.

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

6.1 Industry structure and developments:

The Indian pharmaceutical industry remained less affected compared to other sectors and, according to ORG-IMS, registered a growth of more than 10 percent. While exports grew by more than 30 per cent due to the depreciating rupee.

The Government continued focus on economic reforms, its commitment to increase its investment in health care a robust service sector and India's demographic profiles are expected to sustain the growth momentum in the pharmaceuticals market.

6.2 SWOT ANALYSIS FOR THE COMPANY :

6.2.1 Strengths :

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

6.2.2 Weaknesses :

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

6.2.3 Opportunities :

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

- ❖ As your Company has made huge investment in the Mutual Funds and other securities, the financial results for the coming year may improve the profitability in view of improved financial conditions of the Country and globally.

6.2.4 Threats:

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

6.3 Outlook:

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

6.4 Marketing and Export:

In domestic market your company had some more well reputed companies.

However, in the export front the Company has to suffer due to the recession in the world wide economy and could get export turnover of Rs. 99.68 Lacs only as compared to previous year Rs. 215.60 Lacs. However, your company is making all the efforts to increase its export turnover in the coming years.

7. DIRECTORS:

The Board consists of executive and non-executive directors including independent directors who have wide and varied experience in different disciplines of corporate functioning.

In view of impending retirement from the directorship of Dr. Shashikant Sharma and Mrs Kusum Mittal are liable to retire by rotation at the forthcoming Annual General Meeting, they being eligible, offers themselves for re-appointment.

Your directors recommend passing appropriate resolutions for the above said purposes as set out in the notice of the Annual General Meeting.

Shri Vinay Gopal Nayak has resigned from the Board w.e.f 12th July, 2009.

8. DEPOSITORY SYSTEMS AND LISTING:

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

The Company has complied with the entire requirement for delisting of shares from the M.P. Stock Exchange. However, a necessary order to that effect is still awaited from the M.P. Stock Exchange. The Company is regular in payment of annual listing fee to the stock exchanges.

9. FINANCE & ACCOUNTS:**9.1 Cash generation:**

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

9.2. Internal Control Systems and its adequacy:

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

9.3 Adequate coverage of risk:

The Company's assets are adequately insured against the loss of fire and other risk, which were considered necessary by the management from time to time.

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

9.4 Segment-wise results:

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

9.5 Subsidiary Company:

Your Company is not having any subsidiary company and is also not a subsidiary of any other company.

9.6 Disclosures:

The Company has made adequate disclosures regarding related party transactions, contingent liabilities, remuneration of directors, and significant accounting policy in the notes to the accounts as an integral part of the Balance Sheet and Profit & Loss Accounts for the year ended 31st March, 2009.

10. ISO: 9001:2000 CERTIFICATION:

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

11. AUDITORS AND THEIR REPORT:

Comments of the Auditors in their report and the notes forming part of the Accounts are self-explanatory and need no comments. M/s Rawka Agrawal & Co., Chartered Accountants, the Statutory Auditors has expressed their unwilling for re-appointment at the forthcoming annual general meeting. The Company has received a notice from a member proposing for appointment of M/s C.P.Rawka & Co., Chartered Accountants in place of M/s Rawka Agrawal & Co. and a certificate to that effect that their appointment, if made, would be in accordance with the provisions of section 224(1) of the Companies Act, 1956 has been received by the Company.

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

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

13. DEPOSITS:

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

14. PERSONNEL:

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

15. ACKNOWLEDGEMENTS:

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

FOR & ON BEHALF OF THE BOARD

Place: PITHAMPUR

Dated: 25th August, 2009

R.C. MITTAL

CHAIRMAN & MANAGING DIRECTOR

Annexure to the Directors' Report

[Information as per the Companies (Disclosure of particular in Report of Board of Directors) Rules, 1988]

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

Information as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of directors) Rules, 1988 is given hereunder.

A. CONSERVATION OF ENERGY:

The Company has taken many steps for the Conservation of Energy.

	Current Year	Previous Year
POWER & FUEL CONSUMPTION		
1 Electricity (Purchased) Units	50,94,216	49,24,056
Total Amount (Rs.)	2,02,44,490	1,96,74,199
Rate per Unit (Rs.)	3.97	4.00
2 Electricity (Generated) units	49,980	48,970
Diesel consumed in Liters	15,530	15,081
Total Amount (Rs.)	5,62,341	4,77,499
Rate per Unit (Rs.)	11.25	9.75
3. Total Units consumed	51,44,196	49,73,026
Units consumed in per lac capsule	137.54	132.75

B. TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT:

Research and Development is in process for followings

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

C. FOREIGN EXCHANGE EARNING AND OUTGO:

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

	Current Year	Previous Year
Earning :	Rs. 90.75 Lacs	Rs. 202.21 Lacs
Outgoing :	Rs. 30.41 Lacs	Rs. 55.25 Lacs

Foreign Exchange earning has declined from Rs.202.21 lacs in the previous year as compared to Rs.90.75 Lacs in Current year.

D. PARTICULARS OF THE EMPLOYEES:

Detail of Remuneration paid/ payable to employees/ Directors in excess of Rs.2,00,000/- Per Month or Rs.24,00,000/- Per Annum during the year are as under:

Name	Position Held	Remuneration	Provident Fund	Total Remuneration
Shri R.C. Mittal	Chairman (Managing Director)	30,00,000/-	3,60,000/-	33,60,000/-

Shri R.C. Mittal is holding 7,44,460 Equity Shares consisting of 23.88% of the total share capital of the company. Shri Mittal was appointed for a period of 3 years w.e.f. 1st April, 2007 and his appointment is on contractual basis

FOR & ON BEHALF OF THE BOARD

Place: PITHAMPUR

Dated: 25th August, 2009

R.C. MITTAL
CHAIRMAN & MANAGING DIRECTOR

REPORT ON CORPORATE GOVERNANCE

Under Clause 49 of the Listing Agreement

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

We have taken various steps including the setting up of sub-committees of the Board to oversee the functions of Executive Management. These sub-committees of the Board, which mainly consists of Non-Executive Directors, meet regularly to discharge their objectives.

2. BOARD OF DIRECTORS AND THEIR MEETINGS :

The Board consists of executive and non-executive directors including independent directors who have wide and varied experience in different disciplines of corporate functioning. Shri R.C.Mittal, the Chairman & Managing Director, supported by Shri Alok K. Garg, Executive Director is overall in charge for the affairs of the Company who exercise his powers and discharge duties under the superintendence and control of the Board of directors of the Company from time to time. The Board is having optimum composition, represented by five independent directors in the Board.

Details of Directors and meetings of the Board attended :

During the financial year 2008-09 the Board of directors met 5 (Five) times on 30th April 2008; 30th July, 2008, 12th August 2008; 31st October, 2008 and 30th January 2009.

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

Directors	Executive/ Non Executive/ Independent	No. of Meeting Attended	No of directorship in other public companies	No. of outside Committee positions held	
				Member	Chairman
Shri Ramesh C.Mittal	Promoter/Executive	5	2	-	-
Shri Alok K. Garg	Promoter/Executive	5	2	-	-
Mrs. Kusum Mittal	Promoter/Non-Executive	4	1	-	-
Mrs. Trapti Gupta	Promoter/Non-Executive	2	-	-	-
Dr. S.K.Sharma	Independent	5	-	-	-
Dr. Shamsheer Singh	Independent	5	-	-	-
Dr. K.S.Verma	Independent	5	-	-	-
Dr. Vishwanath B. Malher	Independent	1	-	-	-
Dr. Vinay G. Nayak*	Independent	1	-	-	-

* Shri Vinay Gopal Nayak has resigned w.e.f 12th July, 2009

3. AUDIT COMMITTEE
(A) Brief description of terms of reference :

- (i) Review with the management the annual/half-yearly/quarterly financial statements before placing before the Board.
- (ii) Hold separate discussion with Head-Internal Audit, Statutory Auditors and among members of the Audit Committee to find out whether the company's financial statements are fairly presented in conformity with the Accounting Standards issued by ICAI.
- (iii) Review the Company's financial and risk management policies and the adequacy of internal control systems.
- (iv) Review the adequacy of accounting records maintained in accordance with the provisions of the Companies Act, 1956.
- (v) Review the performance of Auditors and recommend their appointment and remuneration to the Board, considering their independence and effectiveness.
- (vi) Perform other activities consistent with the Company's Memorandum and Articles, the Companies Act, 1956 and other Governing Laws.
- (vii) Review the accounting policy and notes to the accounts.
- (ix) Review disclosure of related party transactions.

(B) Composition of Committee and number of meetings held :

During the year under review, the Audit Committee of the Board met 4 (Four) times on 30th April 2008, 30th July 2008, 31st Oct., 2008 and 30th Jan., 2009 and deliberates on various matters.

The detail of the members of Committee and No. of Meetings attended by them during the financial year 2008-09 are as under:

S.No.	Name of the members of the Committee	Designation	Position in Committee	No.of meetings attended
1.	Dr.S.K.Sharma	Director	Chairman	4
2.	Dr.Shamsher Singh	Director	Member	4
3.	Dr. K.SVerma	Director	Member	4

The Whole-time Director Shri Alok.K. Garg, in charge of the Finance and Accounts and the statutory auditors of the Company were the permanent invitee for the meetings of the Audit Committee. Shri Anurag Dutt, the Company Secretary acts as the secretary of the Audit Committee.

4. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

(A) Brief description of terms of reference:

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

- (i) Transfer of Shares, transmissions and delay in confirmation in D-mat of shares;
- (ii) Non-receipt of Annual Report, etc;
- (iii) Non-receipt of dividend; and
- (iv) Any other complaints as may be received from the shareholders of the Company.

(B) Composition of Committee:

S.No.	Name	Designation	Position in Committee
1.	Dr. S.K. Sharma	Director	Chairman
2.	Dr. Shamsher Singh	Director	Member
3.	Shri Ashok Pitliya	General Manager (Fin)	Member

5. REMUNERATION COMMITTEE:

(A) Brief description of terms of reference:

The Company has constituted a remuneration committee of independent directors at the Board level to look into the matters relating to the re-appointment and determination of terms, conditions and remuneration of the Managing and Whole-time Director of the Company.

(B) Composition of Committee:

S.No.	Name	Designation	Position in Committee
1.	Dr. S.K. Sharma	Director	Chairman
2.	Dr. Shamsher Singh	Director	Member
3.	Dr.K.SVerma	Director	Member

As no reference was made to the committee, no meeting of the remuneration committee was held during the year under review.

6. INVESTORS GRIEVANCES:

Status of the investors/shareholders complaints

- (i) Number of complaints received during the year : 38
- (ii) Number of complaints solved during the year : 38
- (iii) Number of complaints pending at the end of the year : NIL

The Company has authorised to implement transfer, transmission and D-mat of Shares to the Share Transfer Agent and to resolve the relating problems as professional agency. The Committee meets only on specific nature of complaints not resolved within a period of 21 days from the date of its receipts.

7. GENERAL MEETINGS:

Location and time, where last three AGMs were held:

Financial Year	2005-06	2006-07	2007-08
-Date	29.09.2006	28.09.2007	29.09.2008
-Time	11.00 A.M.	12.30 P.M.	11.00 A.M.
-Venue	Pithampur, Dhar	Pithampur, Dhar	Pithampur, Dhar
-No. of special businesses transacted	2	3	0

No resolution was passed by way of postal ballot during the year under review.

8. DISCLOSURES:

There are no materially significant related party transactions i.e. transactions, material in nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. having potential conflict with the interest of the company at large, except as disclosed else where in the notes of accounts forming part of the annual accounts.

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

9. WHISTLE-BLOWER POLICY:

We have an established a mechanism for employee to report concerns about unethical behavior, actual or suspected fraud, or violation of our code of conduct or ethics policy. The mechanism also provides for adequate safeguard against victimization of employee who avails of the mechanism and also provides for direct access to the chairperson of the audit committee in exceptional cases. We further affirm that during the financial year 2008-09, no employee has denied access to the audit committee.

10. CODE OF CONDUCT:

1. The Company is having code of conduct for prevention of insider trading.
2. The Board shall lay down a code of conduct for all Board members and senior management of the company. The code of conduct has been posted on the notice Board/website of the company and all Board members and senior management personnel have affirmed compliance with the code on an annual basis.

11. MEANS OF COMMUNICATION:

The company has a web site viz. www.medicaps.com. The quarterly and annual financial statements are posted on the website of the stock exchange for information of its shareholders.

Quarterly results of the company are published in leading newspapers such as The Economic Times, Free Press Journal, Choutha Sansar, etc. The results are promptly submitted to the Stock Exchanges, where the equity shares of the company are listed.

12. GENERAL INFORMATION TO SHAREHOLDERS & INVESTORS:

- | | | | |
|--------|--|---|--|
| (i) | Date, Time and Venue of Annual General Meeting | : | 30th September. 2009
at 11.00 A.M. at
the Registered office of the
Company at Mhow-Neemuch Road
Sector-I, Pithampur, Dist. Dhar (M.P.) |
| (ii) | Financial Calendar for 2009-10 | : | April to March |
| | First Quarter Results | : | On 30th July, 2009 |
| | Second Quarter Results | : | On or before 31st Oct., 2009 |
| | Third Quarter Results | : | On or before 31st Jan., 2010 |
| | Last Quarter Results | : | On or before 30th April, 2010 |
| (iii) | Dates of Book Closure | : | From 28.09.2009 to 30.09.2009 |
| (iv) | Date of dispatch of Dividend Warrants | : | On 1st Oct., 2009 onwards |
| (v) | Board meeting for consideration of Annual Accounts | : | 25 th August, 2009 |
| (vi) | Posting of Annual Report | : | On or before 4th Sept., 2009 |
| (vii) | Last date for receipt of Proxy | : | 28 th Sept., 2009 |
| (viii) | No. of Shares holders as on 31 st March, 2009 | : | 4374 |
| (ix) | Listing on Stock Exchanges | : | M.P. Stock Exchange,
The Bombay Stock Exchange Ltd. |
| (x) | Stock Code: | | |
| | The Stock Exchange, Madhya Pradesh | : | N.A. |
| | The Stock Exchange, Mumbai | : | 523144 |
| (xi) | Demat ISIN No. for CDSL and NSDL | : | INE442D01010 |
| (xii) | Performance in comparison to broad based indices | : | BSE Sensex |

- (xiii) Stock Market Data: The shares of the company were traded only at the Bombay Stock Exchange Ltd. Month wise high and low price of the Equity Shares of Rs. 10/- each of the Company during the financial year 2008-09 were as under (Source website of BSE)

Month	Highest (Rs.)	Lowest (Rs.)	No. of Trades	No of shares traded	Total volume (Rs.)
April, 2008	89.90	61.00	3,250	4,05,328	3,33,66,070
May, 2008	77.00	62.50	792	55,101	38,53,670
June, 2008	69.00	54.35	453	40,656	25,12,132
July, 2008	60.00	44.00	637	37,471	19,67,538
August, 2008	58.60	49.00	440	27,155	14,65,266
Sept., 2008	54.85	42.00	669	35,838	17,93,713
October, 2008	47.50	26.30	374	14,481	5,15,801
Nov., 2008	37.00	24.00	176	9,381	2,90,599
Dec., 2008	31.50	23.55	152	15,836	4,58,649
January, 2009	33.00	25.90	100	9,853	2,88,445
Feb., 2009	28.70	22.00	212	29,546	7,32,783
March, 2009	25.80	21.55	226	52,571	11,83,339

- (xiv) Share Transfer System:

Shareholders/Investors' Grievance Committee also approves share transfers and meets at frequent intervals. The Company's Share Transfers Agent, Ankit Consultancy Pvt. Ltd. process these transfers. Share transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. In cases where, shares are transferred after sending notice to the transferors, in compliance of applicable provisions, the period of transfer is reckoned from the date of expiry of the notice.

- (xv) Dematerialization / Rematerialisation:

Based on a SEBI directive, Company's Equity Shares are traded in electronic (demat) form. The details of Shares held by the members as on 31st March, 2009 are as under;

(a) In physical Form	:	14,69,294
(b) In CDSL	:	3,83,361
(c) In NSDL	:	12,64,834

- (xvi) Distribution of Share owning as on 31st March, 2009:

Shareholding of Nominal Value of Rs	No. of Owners	% of Share holders	Share Amount (Rs)	Share Amount (Rs) % to Total
Upto 1000	2,405	54.98	17,95,450	5.76
1001 -2000	789	18.04	14,42,980	4.63
2001 -3000	328	7.50	9,23,400	2.96
3001 -4000	136	3.11	5,23,180	1.68
4001 -5000	249	5.69	12,31,220	3.95
5001 -10000	283	6.47	22,70,340	7.28
10001-20000	97	2.22	14,27,810	4.58
20001-30000	35	0.80	9,02,280	2.89
30001-40000	10	0.23	3,64,150	1.17
40001-50000	8	0.18	3,64,630	1.17
50001-100000	13	0.30	9,22,640	2.96
100001- Above	21	0.48	1,90,06,810	60.97
TOTAL	4,374	100.00	3,11,74,890	100.00

(xvii) Shareholders pattern as on 31st March, 2009:

S.No	Category	No. of Shares Held	holding % of share
A	Promoter Holding		
1	Promoters		
	Indian Promoters	15,45,621	49.58
	Foreign Promoters	-	-
2	Persons Acting in Concert	-	-
	Sub Total	15,45,621	49.58
B	Non Promoters Holding		
3.	Institutional investors		
(a)	Mutual Funds and UTI	1,200	0.04
(b)	Bank, financial Institutions, companies (Central/State Govt./Non- Govt. Institutions)	7,300	0.23
(c)	FIs	-	-
	Sub Total	8,500	0.27
4	Others		
(a)	Private corporate Bodies	1,07,438	3.45
(b)	Indian Public	13,73,940	44.07
(c)	NRI/OCBs	77,478	2.49
(d)	Clearing Members	4,512	0.14
	Sub Total	15,63,368	50.15
	GRAND TOTAL	31,17,489	100.000

- (xviii) Address for Communication : Shareholders should address their correspondence to the Company's Share Transfer Agent, **Ankit Consultancy Pvt. Ltd.** Alankar Point, Gita Bhawan Chouraha, A.B. Road, Indore (M.P.) and may also contact at the registered office of the Company.
- (xix) Name and Designation of the Compliance Officer : Shri Ashok R.Pitliya
General Manager (Finance)
- (xx) Plant Location, Address for correspondence : Mhow Neemuch Road, Sector -1
Dist. Dhar (M.P.) Pithampur- 454775
Email: info@medicaps.com, investors@medicaps.com
Website: www.medicaps.com
Phone: +91-7292-407445, 407446
Fax : +91-7292-407387

FOR & ON BEHALF OF THE BOARD

Place: PITHAMPUR
Dated: 25th August, 2009

R.C. MITTAL
CHAIRMAN & MANAGING DIRECTOR

MANAGEMENT RESPONSIBILITY STATEMENT

The Management of Company accepts responsibility for the integrity and objectivity of these financial statements, as well as, for estimates and judgments relating to matters not concluded by the year-end. The management believes that the financial statements reflect fairly the form and substance of transactions and reasonably presents the company's financial condition, and results of operations. To ensure this, the company has installed a system of internal controls, which is reviewed, evaluated and updated on an ongoing basis. Internal auditors have conducted periodic audits to provide reasonable assurance those company's established policies and procedures have been followed. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls.

These financial statements have been audited by M/s Rawka Agrawal & Co., Chartered Accountants, the Statutory Auditors of the Company.

Place: PITHAMPUR

R.C.Mittal

ASHOKR.PITALIYA

Dated: 25th August, 2009

CHAIRMAN & MANAGING DIRECTOR

GENERAL MANAGER (FINANCE)

CERTIFICATE OF STATUTORY AUDITORS**ON CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES**

To

The Members

Medi-caps Limited

We have examined the compliance of conditions of Corporate Governance procedures as stipulated in Clause 49 of Listing Agreement entered into by the company with the Stock Exchanges, for the financial year beginning 1st April, 2008 and ending on 31st March, 2009.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the company and furnished to us for review and the information and explanations given to us by the company. Based on such review, in our opinion, the Corporate Governance Report of the company, referred to above, reflects on a fair basis the status of compliance by the company with the Clause 49 of the Listing Agreement of the Stock Exchanges, relating to Corporate Governance, for the Financial Year 2008-09 and that no investors grievances is pending for a period exceeding one months against the Company as per the records mentioned by the Share Department/Share Transfer Agent of the Company.

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

For **RAWKA AGRAWAL & Co.**

Chartered Accountants

Place: Indore

SANDEEP GARG

Dated: 25th August, 2009

PARTNER

AUDITORS' REPORT

**To,
THE MEMBERS
MEDI-CAPS LIMITED**

We have audited the attached Balance Sheet of 'MEDI-CAPS LIMITED' as at 31st March, 2009 and also the Profit and Loss Account for the period ended on that date annexed thereto and cash flow statement for the period ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards requires that we plan and perform the audit plan to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used significant estimates made by managements, as well as evaluating the overall financial statements preparation. We believe that our audit procedure provide a reasonable basis for our opinion.

As required by Company (Auditor's Report) Order, 2003, issued by the Departments of Company affairs. In term sub-section (4A) of section 227 of Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
- (iii) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (v) On the basis of written representation received from the directors, as on 31st March 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified from being appointed as a director as on 31st March, 2009 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009, and
 - (b) In the case of the Profit and Loss Account for the period ended on that date ; and
 - (c) In the case of the Cash Flow statements, of the cash flows of the company for the year ended on that date

For **RAWKA AGRAWAL & Co.**
Chartered Accountants

Place: Indore
Dated: 25th August, 2009

SANDEEP GARG
PARTNER

ANNEXURE REFERRED TO IN THE AUDITORS' REPORT ON THE ACCOUNTS OF MEDI-CAPS LIMITED.

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management at the year-end. We are informed that no material discrepancies have been noticed by the management on such verification as compared with the record of fixed assets maintained by the company.
- (c) The Company has not disposed off substantial part of fixed assets during the year.
2. (a) The inventory has been physically verified during the year by the management at reasonable intervals.
- (b) In our opinion, the procedures of the physical verification of inventory followed by the managements were reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to the book of records were not material and have been properly dealt with in the books of accounts.
3. (a) The Company has not taken any loan from any party covered in the Register maintained U/s 301 of the Companies Act, 1956 to whom company has granted inter corporate deposits.
- (b) In respect of the inter-corporate deposits granted to party covered in the register maintained under section 301 of Companies Act,
 - (i) In our opinion, the terms and condition on which loans have been granted to companies, firm or other parties listed in the register maintained under section 301, of the Companies Act, 1956 are not prima facie prejudicial to the interest of the company except interest free granted.
 - (ii) The parties have repaid the principle amounts as stipulated.
4. In our opinion and according to the information and explanations given to us there are adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. Further, in our opinion, there is no continuing failure to correct major weaknesses in internal control.
5. (a) To the best of our knowledge and belief and according the information and explanation given to us, we are of the opinion that the transactions that need to be entered into the maintained under Section 301 of Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of such contract or arrangements and exceeding the value of Rupees five lakhs in respect of any party during the year, which have been made at price, which are not reasonable having regards to the prevailing market price at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public during the year.
7. The company has an Internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed the maintenance of cost records by the company under section 209 (1) (d) of the Companies Act, 1956.
9. (a) The company is regular in depositing undisputed statutory dues including Provident. Fund, Investor Education and Protection fund, Employee's State Insurance, Income Tax, Sales Tax, Custom duty, and Excise duty, Cess and any other statutory dues with the appropriate authorities and there are no outstanding liabilities as on 31st March, 2009 outstanding for a of more than six months from the date they became payable.
- (b) According to the information & explanations given to us, there are no dues of Sales Tax, Income Tax, Wealth Tax, Excise duty, or Cess outstanding on account of any dispute.
10. The company does not have any accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and the immediately Preceding financial year.
11. According to the information & explanations given to us, the company has not defaulted in repayment of dues to a financial Institution, bank or debenture holders.
12. According to the information & explanations given to us, the company has not granted loans & advances on the basis on security by way of pledge of shares, debenture and other securities.
13. The Company is not a chit fund, nidhi or mutual benefit fund/ society. Therefore, the provisions of clause (xiii) of the order are not applicable to the company.

14. In our opinion, the company has maintained proper records of the transactions and contracts of the Investments/ Proceeding of the shares dealt by the company and timely entries have been made there in. The Investment made by the company is in its own name.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial Institutions.
16. According to the information and explanations given to us, the company has not raised any term loans during the year.
17. According to the information and explanations given to us, the funds raised by the Company on the short term basis have, prima facie, not been used during the period for long term Investments and vice-versa.
18. The company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any debenture during the year and hence clause (xix) of the Order is not applicable to the company.
20. The company has not made any public issue during the year.
21. According to the information & explanations given to us, any frauds on or by the Company has not been noticed or reported during the year.

For **RAWKA AGRAWAL & Co.**
Chartered Accountants

Place: Indore

Dated: 25th August, 2009

SANDEEP GARG
PARTNER

BALANCE SHEET AS AT 31st March 2009

SCHEDULE			31st March 09	31st March 08
			Rupees	Rupees
SOURCES OF FUNDS :				
SHARE HOLDERS' FUNDS :				
Share Capital	1	3,39,30,345		3,39,30,345
Reserves and Surplus	2	50,87,10,896		47,88,66,222
			54,26,41,241	51,27,96,567
LOAN FUNDS :				
DEFERRED TAX LIABILITIES			68,52,333	79,39,802
			54,94,93,574	52,07,36,369
APPLICATION OF FUNDS :				
FIXED ASSETS				
	3			
Gross Block		18,20,47,417		16,59,37,069
Less : Depreciation		12,73,07,847		11,86,03,808
Net Block		5,47,39,570		4,73,33,261
			5,47,39,570	4,73,33,261
INVESTMENTS	4		44,67,29,312	37,73,57,529
CURRENT ASSETS, LOANS & ADVANCES :				
Inventories	5	1,76,15,148		2,36,25,417
Sundry debtors	6	5,01,80,441		5,49,78,740
Cash and Bank Balances	7	41,04,031		3,46,32,634
Loans and Advances	8	2,18,25,584		3,51,77,734
		9,37,25,204		14,84,14,525
Less :				
CURRENT LIABILITIES AND PROVISIONS :				
Current Liabilities	9	2,77,29,552		2,72,22,986
Provisions	10	1,79,70,960		2,51,45,960
		4,57,00,512		5,23,68,946
NET CURRENT ASSETS			4,80,24,693	9,60,45,579
			54,94,93,574	52,07,36,369
Significant Accounting Policies and Notes to Accounts	18			

As per our report of even date annexed

For and behalf of the Board

For **RAWKA AGRAWAL & CO.**
Chartered Accountants

SANDEEP GARG
Partner
Indore, 25th August 2009

ANURAG DUTT
Company Secretary

ALOK K. GARG
Executive Director

R.C.MITTAL
Chairman & Managing Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March 2009

		SCHEDULE	31st March 09	31st March 08
		Rupees	Rupees	Rupees
INCOME:				
Sales			22,74,81,389	20,30,41,863
Other Income	11		1,14,34,443	13,03,89,620
Increase (Decrease) in Stock	12		-29,13,793	-38,06,671
			23,60,02,039	32,96,24,812
EXPENDITURE :				
Cost of Goods Consumed	13		5,81,23,878	5,32,47,093
Operating Expenses	14		4,44,46,654	3,69,35,938
Employee Cost	15		3,04,58,002	2,73,49,098
Excise Duty & Education Cess Paid			2,12,45,454	2,23,76,892
Other Expenses	16		2,62,95,845	2,19,99,900
Interest	17		0	848
Loss on Sale of Fixed Assets			0	55,015
Depreciation	3	87,04,039		87,89,468
Less: Transfer from Revaluation Reserve		5,16,256		5,16,256
			81,87,783	82,73,212
			18,87,57,617	17,02,37,996
PROFIT FOR THE YEAR			4,72,44,422	15,93,86,816
Expenses of Previous Year			0	1,19,614
PROFIT BEFORE TAX			4,72,44,422	15,92,67,202
Less : Income Tax for earlier year			0	4,56,376
Income Tax for current Year			1,23,00,000	1,95,00,000
Less : Fringe Benefit Tax			2,00,000	1,75,000
Add : Deferred Tax			10,87,469	13,92,315
PROFIT FOR THE YEAR AFTER TAXATION			3,58,31,891	14,05,28,141
Balance of Profit brought forward			35,56,67,916	22,78,10,736
			39,14,99,807	36,83,38,877
Transfer to General Reserve		18,00,000		72,00,000
Proposed dividend		46,76,234		46,76,234
Tax on proposed dividend		7,94,726		7,94,726
			72,70,960	1,26,70,960
BALANCE OF PROFIT CARRIED TO BAL. SHEET			38,42,28,847	35,56,67,917
Basic and Diluted Earning per Equity Shares (In Rupees)			11.49	45.08
Significant Accounting Policies and Notes to Accounts	18			

As per our report of even date annexed

For and behalf of the Board

 For **RAWKA AGRAWAL & CO.**
 Chartered Accountants

SANDEEP GARG
 Partner
 Indore, 25th August 2009

ANURAG DUTT
 Company Secretary

ALOK K. GARG
 Executive Director

R.C.MITTAL
 Chairman & Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

	2008-09 (Rupees)	2007-08 (Rupees)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax & extraordinary items	4,72,44,422	15,92,67,202
Adjustment for :		
Depreciation	81,87,783	82,73,212
Preliminary expenses written off	0	0
Operating profit before w/c change	5,54,32,205	16,75,40,414
ADJUSTMENT FOR WORKING CAPITAL		
Current assets	2,38,00,217	-1,92,49,356
Current liabilities & provisions	-66,68,434	54,07,300
Cash generated from working capital	1,71,31,783	-1,38,42,056
Cash generated from operations	7,25,63,988	15,36,98,358
Income tax for the year	1,21,39,500	1,88,87,849
Cash flow before extra ord. items	6,04,24,488	13,48,10,509
Income tax for the earlier year	0	4,56,376
Proposed dividend & tax	46,76,234	46,76,234
Dividend tax on proposed dividend	7,94,726	7,94,726
Cash flow after extra ordinary items	5,49,53,528	12,88,83,173
B. CASH FLOW FROM INVESTING ACTIVITIES		
Addition to investments	-6,93,71,783	-10,36,41,797
Purchase of fixed assets	-1,61,10,348	-8,96,472
Capital work in progress	0	0
Adjustment for dep. on sale of fixed assets	0	-13,63,893
Net cash used in investing activities	-8,54,82,131	-10,59,02,162
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Loans borrowed		
Loan repaid	0	-1,09,052
Net cash used in financial activities	0	-1,09,052
NET INCREASE IN CASH AND CASH EQUIVALENTS (A-B+C)	-3,05,28,603	2,28,71,959
Cash & cash equivalents at the		
Beginning of the year	3,46,32,634	1,17,60,675
Closing of the year	41,04,031	3,46,32,634
INCREASE IN CASH AND CASH EQUIVALENTS	-3,05,28,603	2,28,71,959
	0	0

As per our report of even date annexed

For and behalf of the Board

 For **RAWKA AGRAWAL & CO.**
Chartered Accountants

SANDEEP GARG
Partner
Indore, 25th August 2009

ANURAG DUTT
Company Secretary

ALOK K. GARG
Executive Director

R.C.MITTAL
Chairman & Managing Director

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

Rupees	31st March 09 Rupees	31st March 08 Rupees
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED		
40,00,000 Equity Shares of Rs.10/- each (Previous Year 40,00,000 Equity Shares of Rs.10/- each)	4,00,00,000	4,00,00,000
ISSUED CAPITAL		
36,68,580 Equity Shares of Rs. 10/- each (Previous Year 36,68,580 Equity Shares of Rs.10/- each)	3,66,85,800	3,66,85,800
SUBSCRIBED CAPITAL		
31,17,489 Equity Shares of Rs. 10/- each (Previous Year 31,17,489 Equity Shares of Rs.10/- each) fully paid up	3,11,74,890	3,11,74,890
Add: Forefeited Shares amount originally Paid up	27,55,455	27,55,455
	3,39,30,345	3,39,30,345
SCHEDULE 2 : RESERVES & SURPLUS		
1. CAPITAL RESERVE		
As per last Balance Sheet	44,21,000	44,21,000
2. SHARE PREMIUM		
As per last Balance Sheet	3,89,81,502	3,89,81,502
3. REVALUATION RESERVE		
As per last Balance Sheet	12,54,993	
LESS : Transfer to Profit and Loss Account.	<u>5,16,256</u>	
	7,38,737	12,54,993
4. GENERAL RESERVE		
As per last Balance Sheet	7,85,40,810	
add:- Transfer from P & L A/c	<u>18,00,000</u>	
	8,03,40,810	7,85,40,810
5. PROFIT AND LOSS ACCOUNT		
As per Annexed Account	38,42,28,847	35,56,67,917
	50,87,10,896	47,88,66,222

SCHEDULE 3 : FIXED ASSETS

S. NO.	FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT 01.04.2008	ADDITION DURING THE YEAR	SALES DURING THE YEAR	TOTAL AS AT 31.03.2009	UP TO 01.04.2008	FOR THE YEAR	TOTAL ADJ./ DEDUCT.	AS AT 31.03.2009	AS AT 31.03.2008	
1	Free Hold Land	11,78,000	0	0	11,78,000	0	0	0	11,78,000	11,78,000	
2	Factory Building	2,39,04,874	0	0	2,39,04,874	1,09,07,968	7,98,423	0	1,21,98,483	1,29,96,906	
3	Office Building	0	1,49,14,639	0	1,49,14,639	0	1,24,621	0	1,47,90,018	0	
4	Plant & Machinery	12,62,37,287	6,56,706	0	12,68,93,993	9,96,29,975	66,87,463	0	2,05,76,555	2,66,07,312	
5	Furniture & Fixtures	45,92,716	3,91,563	0	49,84,279	30,77,061	3,04,188	0	16,03,030	15,15,655	
6	Vehicles	80,47,292	0	0	80,47,292	30,22,859	7,64,493	0	42,59,940	50,24,433	
7	Computers	19,76,900	1,47,440	0	21,24,340	19,65,945	24,851	0	1,33,544	10,955	
	GRAND TOTAL	16,59,37,069	1,61,10,348	0	18,20,47,417	118,60,3808	87,04,039	0	12,73,07,847	4,73,33,261	
	PREVIOUS YEAR	16,50,40,597	25,93,555	16,97,083	16,59,37,069	11,11,78,233	87,89,468	13,63,893	4,73,33,261	5,38,62,364	

Notes:

- 1 Factory Building includes staff quarters for which separate cost is not ascertainable.
- 2 The Company has revalued Land, Factory Building and Plant & Machinery as on 31st March, 1991 and the difference between Net Block and estimated market price was transferred to Revaluation Reserve Amounting to Rs. 1,15,53,236/-.
- 3 Depreciation on Revalued Assets of Rs.5,16,256/- (Previous Year Rs.5,16,256/-) charged from Revaluation Reserve Account.

	31st March 09	31st March 08
	Rupees	Rupees
SCHEDULE 4: INVESTMENTS (Non Trade-At Cost)		
INVESTMENT IN SHARES		
Quoted		
100 (100) Equity Shares of Natural Capsules	1,000	1,000
43600 (43600) Equity Shares of Jord Engineers India Ltd	21,41,139	21,41,139
107000 (107000) Equity Shares of Endo Labs Limited	10,70,000	10,70,000
100 (100) Shares of Bharti Healthcare Ltd	2,012	2,012
400 (400) Equity Shares of Pfizer Ltd	3,34,422	3,34,422
2000 (7000) Equity Shares of J.P.Associates Ltd	5,07,524	19,19,068
2250 (3500) Equity Shares of Unitech Ltd	5,61,915	11,56,535
NIL (4000) Equity Shares of J.P.Hydro	0	2,51,801
5000 (10000) Equity Shares of Dish TV India Ltd	2,21,768	5,12,901
Nil (1000) Eq.Shares of Dr.Reddy's Lab	0	6,11,533
Nil (4000) Eq.Shares of Praj Industries Ltd	0	2,65,459
Nil (3000) Eq.Shares of Bank of India	0	9,93,693
Nil (1000) Eq.shares of RCVL	0	4,97,950
333 (Nil) Eq.shares of State Bank of India (Market Value Rs.4488543/- Previous Year Rs. 9156501/-)	5,29,470	0
Total (A)	53,69,250	97,57,513
Unquoted		
10,000 (10000) Equity Shares of Ives L.& F. Ltd.	1,00,000	1,00,000
21,800 (21,800) Equity Shares of Medi caps Fin.Ltd.	2,18,000	2,18,000
Total (B)	3,18,000	3,18,000
INVESTMENT IN MUTUAL FUNDS		
4823165.742 (1971192) units of Principal Floating Rate Fund	4,82,77,340	2,13,51,650
1200172.148 (1200172.148) units of HDFC Mutual Fund	2,00,00,000	2,00,00,000
2255802.663 (2255802.663) units of Birla Sunlife Mutual Fund	4,50,00,000	4,50,00,000
527304.967 (527304.967) units of SBI Magnum Mutual Fund	2,00,00,000	2,00,00,000
1719233.62 (1719233.62) units of Reliance Mutual Fund	6,00,00,000	6,00,00,000
442955.70 (442955.70) units of Frankline India Mutual Fund	2,00,00,000	2,00,00,000
733911.460 (733911.460) units of DSP Merrill Mutual Fund	3,00,00,000	3,00,00,000
247302.547 (247302.547) units of HSBC Mutual Fund	1,00,00,000	1,00,00,000
672458.778 (672458.778) units of Sundaram BNP Mutual Fund	1,00,00,000	1,00,00,000
1102948.018 (1102948.018) units of TATA Mutual Fund	3,50,00,000	3,50,00,000
2897353.958 (2897353.958) units of JM Mutual Fund	4,00,00,000	4,00,00,000
516262.261 (516262.261) units of ICICI Prudential Mutual Fund	1,00,00,000	1,00,00,000
591200.864 (591200.864) units of Kotak Mutual Fund	2,00,00,000	2,00,00,000
723118.085 (723118.085) units of JP Morgan India Mutual Fund (Market value Rs.19,23,44,745/- Previous year Rs. 27,32,16,142/-)	1,00,00,000	1,00,00,000
Total (C)	37,82,77,340	35,13,51,650
OTHER INVESTMENTS		
LIC Group Gratuity Fund Scheme	29,02,755	30,89,436
Investment in Immovable Property	3,26,61,966	70,90,930
Investment in Joint Venture (Medgel Private Ltd)	2,72,00,000	57,50,000
Total (D)	6,27,64,721	1,59,30,366
TOTAL INVESTMENT	(A+B+C+D) 44,67,29,312	37,73,57,529

	31st March 09	31st March 08
	Rupees	Rupees
SCHEDULE 5 : INVENTORIES		
(As valued and certified by the management)		
Raw Materials (At cost)	46,70,695	74,07,910
Finished Goods (At Cost or market price whichever is less)	1,06,74,521	1,23,06,774
Stock in process and waste (At cost or market price whichever is less and in case of waste at realisable value)	6,45,755	19,27,295
Stores and Spares (At cost)	6,72,029	7,01,173
Colour & Chemical (At Cost)	3,71,371	4,48,234
Packing Material (At Cost)	2,15,914	3,07,984
Printing Material (At Cost)	33,135	33,135
Lab Chemical & Equipments (At Cost)	11,416	40,614
Fuel (At Cost)	3,20,312	4,52,298
	1,76,15,148	2,36,25,417
SCHEDULE 6 : SUNDRY DEBTORS		
Debts outstanding for a period exceeding six months		
Other Debts	21,056	1,70,196
	5,01,59,385	5,48,08,544
	5,01,80,441	5,49,78,740
SCHEDULE 7 : CASH AND BANK BALANCES		
Cash in Hand	66,034	57,488
Balances with Banks : In current account	40,37,998	3,45,75,146
	41,04,031	3,46,32,634
SCHEDULE 8 : LOANS AND ADVANCES		
(Unsecured considered good unless otherwise stated)		
Advances recoverable in cash or kind or for value to be received	76,60,754	83,14,060
Advances for Capital Goods	0	4,14,641
Advance for Immovable Property	0	57,22,110
Income Tax	1,41,64,830	2,07,26,923
	2,18,25,584	3,51,77,734
SCHEDULE 9 : CURRENT LIABILITIES		
Sundry Creditors for goods and expenses	68,85,188	75,08,501
Other Liabilities	2,08,44,364	1,97,14,485
	2,77,29,552	2,72,22,986
SCHEDULE 10 : PROVISIONS		
Provision for Income Tax	1,23,00,000	1,95,00,000
Provision for Fringe Benefit Tax	2,00,000	1,75,000
Proposed Dividend	46,76,234	46,76,234
Tax on Proposed Dividend	7,94,726	7,94,726
	1,79,70,960	2,51,45,960

	31st March 09	31st March 08
	Rupees	Rupees
SCHEDULE 11 : OTHER INCOME		
Interest Received	8,75,688	6,81,971
Miscellaneous Income	16,410	3,116
Dividend Income	97,17,806	3,88,19,447
Claim Account	1,14,123	1,79,442
Profit on sale of Mutual fund	-35,974	8,90,52,390
Profit on sale of securities	1,87,818	11,50,500
BAD DEBTS RECOVERED	1,943	0
Profit on sale of Property	25,800	0
Prior Period Adjustment	1,56,654	0
DEPB RECEIVED	3,74,175	5,02,754
	1,14,34,443	13,03,89,620
SCHEDULE 12 : INCREASE(DECREASE) IN STOCKS		
Stock as on 31/03/2009		
Finished Goods	1,06,74,521	1,23,06,774
Stock in Process	5,60,830	1715688
Waste	84,925	211607
	1,13,20,276	1,42,34,069
Less : Stock As on 01/04/2008		
Finished Goods	1,23,06,774	1,56,49,036
Stock In Process	17,15,688	2046932
Waste	2,11,607	3,44,772
	1,42,34,069	1,80,40,740
	(-29,13,793)	(-38,06,671)
SCHEDULE 13 : RAW MATERIAL CONSUMED		
Opening Stock	74,07,910	27,52,081
Add : Purchases (Net)	5,53,86,663	5,79,02,922
Less : Closing Stock	46,70,695	74,07,910
	5,81,23,878	5,32,47,093
SCHEDULE 14 : OPERATING EXPENSES		
Colour & Chemical Consumed	27,72,748	29,24,755
Packing Material Consumed	44,54,564	44,01,657
Printing Material Consumed	11,99,979	10,83,416
Lab Chemical & Equipment Consumed	2,61,048	1,47,947
Stores and Spares Consumed	59,08,202	27,40,988
Power and Fuel	2,16,71,562	2,09,25,443
Repairs to Machinery	64,34,355	36,86,357
Repair to Electricals	14,35,287	7,74,035
Water Expenses	3,08,909	2,51,340
	4,44,46,654	3,69,35,938
SCHEDULE 15 : EMPLOYEE COST		
Salaries, Wages and Bonus	2,20,59,469	2,02,12,044
Contribution to Provident Fund	19,42,969	17,02,814
Keyman Policy Premium	6,77,768	6,77,768
Staff Incentives	46,63,465	37,84,862
Staff Welfare Expenses	11,14,331	9,71,610
	3,04,58,002	2,73,49,098

	31st March 09	31st March 08
	Rupees	Rupees
SCHEDULE 16 : OTHER EXPENSES		
Rent	86,400	1,90,080
Repairs to Building	11,62,689	1,19,804
Insurance Expenses	3,47,987	3,68,132
Rates and Taxes	2,18,042	1,03,906
Telephone & Telex Expenses	3,96,572	4,01,092
Donation	36,200	28,200
Bad & Doubtful Debts	0	3,01,582
Sales Commission	1,00,07,983	61,58,901
Freight Expenses	52,24,742	55,08,866
Miscellaneous Expenses	88,15,231	88,19,337
	2,62,95,845	2,19,99,900
SCHEDULE 17 : INTEREST		
To Bank	0	848
	0	848

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET & PROFIT & LOSS ACCOUNT

SCHEDULE 18 : SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES :

a) Basis of preparation of financial statements :

The accompanying statements have been prepared under the historical cost inventions, in accordance with Indian Generally Accepted Accounting Principles and as per the provisions of the Companies Act, 1956.

b) Sales :

Sales include excise duty.

c) Export Benefits :

Export benefits under Exim policy are accounted for on realisation basis.

d) Fixed Assets and Depreciation :

Fixed assets are stated at cost net of cenvat or revalued figures less depreciation provided on straight line basis at the rates specified on Schedule XIV to the Companies Act, 1956 (as amended) and on prorata basis.

e) 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.

f) Valuation of Inventories :

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

g) 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.

h) 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 outstandings are good, bad or doubtful and accordingly same are written off or provided for.

i) 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.

j) 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.

k) Taxation :

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.

B. NOTESTO THE ACCOUNTS

- 1 Depreciation has been charged on Straight Line Method at the SLM rates specified in schedule XIV to the Companies Act, 1956 on prorata basis. Based on the technical opinion obtained by the Company, the Company has provided depreciation on Plant & Machinery at the rates specified for continuous process plant.
- 2 Depreciation Charged for the year in Profit & Loss Account is after deducting amount of Rs. 516256 /- (previous year Rs. 516256),representing the extra depreciation arising on Revaluation of fixed assets, which has been transfer from Revaluation reserve.
- 3 In consonance with Accounting Standard on 'Inventory valuation ' and note on ' Accounting Treatment for Excise duty issued by the Institute of Chartered Accountants of India, the excise duty on finished goods not cleared have been considered for valuation. However, such change has no impact on profit for the year.
- 4 Company has identified old finished goods stock & the same has been valued at reasonable value.

5 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.107.71 lacs of income from Interest, Dividend and 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.

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

Sr. No.	Related Party	Nature of transactions	Amount
1	Shri R.C.Mittal Chairman & Managing Director	Remuneration	33,60,000
2	Shri Alok K. Garg Executive Director	Remuneration	19,12,846
3	Mrs. Kusum Mittal, Director	Rent	86,400

7 Information on deferred tax has been provided in accordance with Accounting Standard 22-Accounting for taxation on Income, issued by the Institute of Chartered Accountants of India with effect from 1st April 2001. The accumulated net deferred tax liability amounting to Rs.12866070/- has been adjusted against the general reserve. Further, the deferred tax assets for the year is Rs.1087469/- has been recognised in the Profit & Loss Account.

8 The company has entered into A Joint venture arrangement with M/s Mission Vivacare for setting up a plant at SEZ, Pithampur (Distt DHAR) for manufacturing of softgel Capsules with the total proposed investment of Rs.25.00 crores and out of which Company have already contributed Rs 272.00 lacs upto current financial year.

9 Other liabilities includes:

- Rs. 763038/ (US \$ 15477) which is received from Star Overseas, Russia as security deposit for special size capsule (size "1" elongated) development and to be adjusted against supply.
- Advance received for export supply from S.B.Company, Dubai Rs.25531/- (U.S.\$ 524.78).

10 Earning per share, the numerator and denominator used to calculate Basic and Diluted Earning per share's:

	2008-2009	2007-2008
i) Profit after tax used as the numerator	3,58,31,891	14,05,28,141
ii) Basic /Weighted Average number of Equity Shares used as the denominator	31,17,489	31,17,489
iii) Nominal Value of Equity shares	10/-	10/-
iv) Basic & Diluted Earning per Equity Share	11.49	45.08

11 The Company does not have outstanding for more than 30 days as on 31st March, 2009 of S.S.I. Units as per status available provided to the company by the respective parties.

12 Payments to Auditors:

Audit Fees	1,00,000	77,000
In other Capacity		
Tax Audit Fee	10,000	7,000
Other	10,000	23,000

13 Estimated amount of contracts remaining to be executed on

Capital Account and not provided for (Net of Advances)	2008-2009	2007-2008
	NIL	NIL

14 Contingent Liabilities:

	NIL	NIL
--	-----	-----

15 Managerial Remuneration under section 198 of the Companies Act,1956

Salary	45,00,000	43,50,000
Contribution to Provident Fund	5,04,000	4,59,000
Other Perquisites and Benefits	2,68,846	2,33,846
	52,72,846	50,42,846

16 As per the industrial policy of the Government of India, the activity of the Company does not require licensing.

17 Additional information pursuant to the provisions of para 3 & 4 of part II of Scheduled VI to the Company Act, 1956 are as follows:

	2008-2009	2007-2008
A. Capacity and Production	Hard Gelatin	Hard Gelatin
Class of Goods Produced	Capsule	Capsule
(Qty. - Nos in Lacs)	Shell I. P.	Shell I. P.
i) Licenced Capacity	NA	NA
ii) Installed Capacity	36,000	35,750
iii) Actual Production*	35,972	35,099
	(Rounded off to nearest Lacs)	

* after deducting 143 lacs (386 lacs Previous Year.) reprocessing.

	2008-2009		2007-08	
	Qty. (Nos. in Lacs)	Value (Rs. In Lacs)	Qty. (Nos. in Lacs)	Value (Rs. In Lacs)
B. Opening & Closing stock of goods produced (Hard Geletin Capsule Shell I.P.)				
i) Opening Stock	4,436.40	123.07	4,570.14	156.49
ii) Closing Stock	4,225.57	106.75	4,436.40	123.07
C. Turnover				
Hard Geletin Capsules Shell I.P.	35,997.44	2,274.81	34,973.76	2,030.42
Raw Material Consumed Gelatin	266250 Kgs	581.24	257175 Kgs	532.47

	2008-2009		2007-2008	
	Value (Rs.in Lacs)	% of total consumption	Value (Rs.in Lacs)	% of total consumption
E. Value of Raw material, Stores and Spare consumed				
a) Raw Material				
i) Imported	Nil	Nil	34.63	6.50
ii) Indigenous	581.24	100.00	497.84	93.50
b) Stores and Spares Parts				
i) Imported	Nil	Nil	Nil	Nil
ii) Indigenous	59.08	100%	27.41	100%
F. Value of Import on C.I.F.Basis	30.18		53.68	
G. Value of Export on FOB Basis	89.48		204.03	
	- Inclusive of amounts contracted for the payments in Rupees (including Exchange Difference)			
H. Expenditure in Foreign Currency				
- Foreign Travel & others	0.23		1.57	

18 Previous Year figures have been regrouped and rearranged wherever necessary.

19 Schedules 1 to 18 form an integral part of the accounts.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
I. REGISTRATION DETAILS

Registration No.	2231	State Code	10
Balance Sheet Date	31.03.2009		

II. CAPITAL RAISED DURING THE YEAR

(Amount in Rs. Thousand)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS

(Amount in Rs. Thousand)

Total Liabilities	5,49,494	Total Assets	5,49,494
SOURCE OF FUNDS			
Paid-up Capital	33,930	Reserves & Surplus	5,08,711
Secured Loans	0	Unsecured Loan & Deferred Tax Liabilities	6,853

APPLICATIONS OF FUNDS

Net Fixed Assets	54,740	Investment	4,46,729
Net Current Assets	48,025	Misc. Expenditure	0
Accumulated Losses	0		

IV. PERFORMANCE OF COMPANY

(Amount in Rs. Thousand)

Turnover including other income	2,38,916	Total Expenditure*	1,91,672
Profit before Tax	47,244	Profit after Tax**	35,832
Earning per Share in Rs.	11.49	Dividend Rate %	15%

* Excluding Earlier year Tax

** After addition of Deferred Tax

V. GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICE OF THE COMPANY

(as per monetary terms)

Item Code No.	96020030	Product Description: Hard Gelatin Capsule Shell IP
---------------	----------	--

As per our report of even date annexed

For and behalf of the Board

 For **RAWKA AGRAWAL & CO.**

Chartered Accountants

SANDEEP GARG

Partner

 Indore, 25th August 2009

ANURAG DUTT

Company Secretary

ALOK K. GARG

Executive Director

R.C.MITTAL

Chairman & Managing Director

MEDI-CAPS LIMITED

Registered Office : Mhow-Neemuch Road, Sector-1, Pithampur-454 775

ATTENDANCE SLIP

PLEASE FILL IN ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF MEETING HALL

Joint shareholders may obtain additional attendance slip on request.

Name and addresses of the Shareholders

.....
.....

No. of Shares held

Client & DP ID/Folio No.

I hereby record my presence at 26th Annual General Meeting of the members of the Company held on 29th September 2009 at 11 AM at the above mentioned Registered Office of the Company.

.....

Signature of the Shareholders or Proxy.

MEDI-CAPS LIMITED

Registered Office : Mhow-Neemuch Road, Sector-1, Pithampur-454 775

PROXY FORM

Client & DP ID / Folio No.

I/We of
 being
 a Member/Member(s) of Medi-Caps Limited hereby appoint
 of or failing him/her
 of as my/our
 proxy in my/us and on my/our behalf at the 26th Annual Meeting of the Company to be held on 29th September 2009 at
 11 AM or at any adjournment thereof.

Signed this day of 2009.

Signed by the said

Affix. Rs. 1/- Revenue Stamp

Signature

Note:

The proxy must be returned so as to reach Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.