



**MEDI-CAPS LIMITED**

**33<sup>rd</sup> Annual Report**  
**2015-2016**

**BOARD OF DIRECTORS**

- |                                |   |
|--------------------------------|---|
| 1. Shri Ramesh Chandra Mittal* | : Chairman & Director                       |
| 2. Mrs. Kusum Mittal           | : Whole-time Director                       |
| 3. Shri Alok K. Garg**         | : Managing Director                         |
| 4. Mrs. Trapti Vikas Gupta     | : Non Executive Director                    |
| 5. Dr. Shamsher Singh          | : Independent Director                      |
| 6. Dr. Keshav Singh Varma      | : Independent Director                      |
| 7. Shri Pramod Fatehpuria      | : Independent Director                      |
| 8. Dr. Shashikant Sharma       | : Independent Director ( upto 12.04.2016)   |
| 9. Shri Mahesh Kumar Patni     | : Independent Director ( w.e.f. 27.05.2016) |

\* Shri R C Mittal has resigned from the office of Managing Director of the company w.e.f 26.07.2016.

\*\* Shri Alok K Garg has been re-designated from Joint Managing Director to Managing Director of the company w.e.f 11.08.2016.

**AUDIT COMMITTEE**

- |                            |                                  |
|----------------------------|----------------------------------|
| 1. Dr. Shamsher Singh      | : Independent Director- Chairman |
| 2. Shri Mahesh Kumar Patni | : Independent Director- Member   |
| 3. Dr. Keshav Singh Varma  | : Independent Director- Member   |

**STAKEHOLDERS' RELATIONSHIP COMMITTEE**

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

**NOMINATION AND REMUNERATION COMMITTEE**

- |                            |                                  |
|----------------------------|----------------------------------|
| 1. Dr. Shamsher Singh      | : Independent Director- Chairman |
| 2. Shri Mahesh Kumar Patni | : Independent Director- Member   |
| 3. Dr. Keshav Singh Varma  | : 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 OFFICER**

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  
Website: www.medicaps.com

**HEAD OFFICE:**

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

**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 33<sup>rd</sup> Annual General Meeting of the members of MEDI-CAPS LIMITED will be held on Thursday, 29<sup>th</sup> September, 2016 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, 2016 and the Statement of Profits and Loss and Cash Flow Statements of the Company for the financial year ended 31<sup>st</sup> March, 2016 and the Reports of the Board's and Auditors thereon.
2. To appoint a Director in place of Mrs. Trapti Vikas Gupta (DIN: 00204741), 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 2016-17 and the Board of Directors be and are hereby authorized to fix the remuneration payable to them for the financial year ending 31<sup>st</sup> March, 2017 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 Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the said Act and Companies (Appointment and Qualification of Directors) Rules, 2014, and Regulation 30 Part A of SEBI LODR Regulations, 2015 as may be amended from time to time, Mr. Mahesh Kumar Patni (DIN- 07444248), who was holding position of the Independent Directors and in respect of whom the company has received a notice in writing as required under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the director of the Company and who has also submitted a declaration confirming that he meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years up to 31<sup>st</sup> May, 2021 and he will not be liable to retire by rotation."

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

**"RESOLVED THAT** consent of the members of the Company be and is hereby accorded to change the designation of Mr. Alok K Garg (DIN:00274321) from Whole Time Director designated as Joint Managing Director to Managing Director of the company, from 11<sup>th</sup> August, 2016 till the remaining tenure ending on 31<sup>st</sup> March, 2019, on the following terms, conditions and remuneration with authority to the Board to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board and 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 Managing Director of the Company;

- (i) 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;
- (ii) Telephone: Free use of mobile and a telephone and internet connect 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.

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

**“RESOLVED THAT** pursuant to the provisions of 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 SEBI (LODR) Regulations, 2015 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 of Mrs. Kusum Mittal (DIN: 00035356) as the Whole- Time Director of the Company for a further period of three years w.e.f. 1<sup>st</sup> October, 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 Mrs. Kusum Mittal.

- (a) Salary & other allowances: Rs.1,50,000/- p.m. (upto Rs.30,00,000 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 herduties as the Joint Managing Director of the Company;

- (i) 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 her;
- (ii) Telephone: Free use of mobile and a telephone and internet connect at her 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 Mrs. Kusum 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 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.

**Date: 11<sup>th</sup> August, 2016**  
**Place: Pithampur**  
**Medicaps Ltd.**  
**CIN: L24232MP1983PLC002231**  
**Mhow-Neemuch Road,**  
**Sector 1, Pithampur**  
**District Dhar (M.P.)-454775**

**By Orders of the Board**

**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 be closed from 23<sup>rd</sup> September, 2016 to 29<sup>th</sup> September, 2016 (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 are being sent in the permitted mode.
10. Members may also note that the Annual Report for FY 2015-16 will also be available for downloading on Company's website [www.medicaps.com](http://www.medicaps.com)
11. Details under Regulation 30(2) of SEBI (LODR) Regulations, 2015 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 up to 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 Regulation 44 of SEBI (LODR) Regulations, 2015, 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 the 26<sup>th</sup> September, 2016 (9:00 A.M. IST) and ends on Wednesday 28<sup>th</sup> September, 2016(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 22<sup>nd</sup> September, 2016 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	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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)	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. <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>

NOTE: Please keep the sequence number in safe custody for future e-voting

- (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 "MEDICAPS.PDF" 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). Contact Details: Deputy Manager, CDSL 17th Floor, PJ Towers, Dalal Street, Fort, Mumbai-400 001. Email: [wenceslausf@cdslindia.com](mailto:wenceslausf@cdslindia.com), Tel: 022-22723333/8588

**General Instructions:**

- 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).
- 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.
- 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).
- 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 22nd September, 2016.
- CS Arvind Meena has been appointed as the Scrutinizer to scrutinize the voting by Poll and remote e-voting process in a fair and transparent manner.
- 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.
- 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.
- 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, Pardesipura, Indore (M.P.)-452010, Email id- [ankit\\_4321@yahoo.com](mailto:ankit_4321@yahoo.com)

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

**Item No. 4:**

The Board of directors of the Company comprises eight directors out of which four are Non-Executive Independent Directors of the Company. As per the provisions of section 161 and 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Board of directors at their meeting held on 27th May, 2016 has appointed Shri Mahesh Kumar Patni (DIN- 07444248) as an additional director under the category of Independent Director to hold the office of the director till the date of this annual general meeting. He holds a degree of B.Sc, MBBS, DTC, MCAI (Delhi). Shri Mahesh Kumar Patni does not hold any Shares in the company. He has held various posts in department of Health & Family Welfare, Govt. of M.P. He also has a head teaching experience in Department of Community, Medicines in MGM Medical College.

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

Shri Mahesh Kumar Patni (DIN-07444248), being appointee, may be considered financially interested to the extent of the sitting fees received by him. 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 24th September, 2015, the Members had approved the re-appointment and re-designation and terms of remuneration of Mr. Alok K Garg as Joint Managing Director of the Company for a period of three years from 1st April, 2016.

However, due to the resignation of Mr. R C Mittal from the office of Managing Director of the company, the Nomination & Remuneration Committee of the Board has recommended Re-designation of Mr. Alok K Garg from the post of Joint-Managing Director to the Managing Director of the Company w.e.f 11th August, 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. 5 of the Notice as an Ordinary Resolution. This may also be considered as abstracts for the terms and conditions for appointment of the 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.

**Item No. 6:**

At the Annual General Meeting of the Company held on 28th September, 2013, the Members had approved the re-appointment and terms of remuneration of Mrs. Kusum Mittal as Whole Time Director of the Company for a period of three years from 1st October, 2013.

The tenure of Mrs. Kusum Mittal, being the whole-time Director will over on 30th September, 2016. The Nomination and Remuneration Committee of the Board has approved and recommended his re-appointment as the Whole- Time Director on the remuneration as contained in the resolution for a further period of three years w.e.f. 1st October, 2016.

Mrs. Kusum Mittal is the core promoter of the Company and is continuing in the Board w.e.f 4th May, 1991. She is having experience in the real estate, investment & finance business activities. Mrs. Kusum Mittal is holding 27, 00,136 Shares consisting 21.65% of the total share capital of the Company.

Therefore her appointment shall be in the interest of the Company. The Board recommends to pass necessary resolution as set out in item No. 6 of the Notice as an Ordinary Resolution.

This may also be considered as abstracts for the terms and conditions for appointment of Whole- Time 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.

Mrs. Kusum Mittal, being appointee, may be considered financially interested to the extent of the remuneration as may drawn by her and Shri. Alok K Garg, Shri R.C.Mittal and Mrs. Trapti Vikas Gupta being her 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.

**Date: 11<sup>th</sup> August, 2016**

**Place: Pithampur**

**Medicaps Ltd.**

**CIN: L24232MP1983PLC002231**

**Mhow-Neemuch Road,**

**Sector 1, Pithampur**

**District Dhar (M.P.)-454775**

**By Orders of the Board**

**RAJAT GUPTA**

**COMPANY SECRETARY**

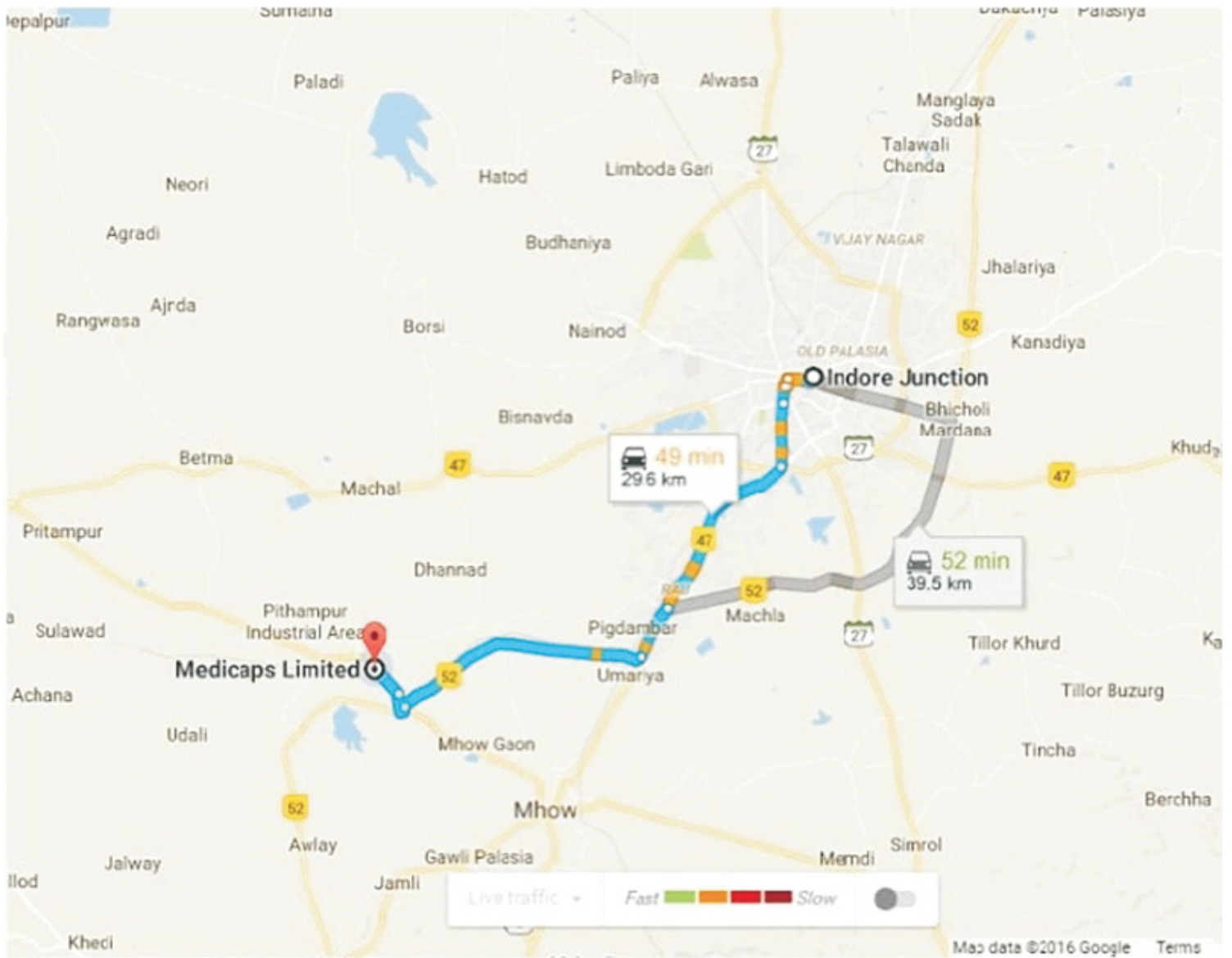
**ACS 35414**



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

Name of Directors	Smt. Trapti Vikas Gupta (Women Director)	Mr. Mahesh Kumar Patni (Independent Director)	Shri Alok K Garg (Managing Director)	Smt. Kusum Mittal (Whole-time director)
DIN	00204741	07444248	00274321	00035356
Date of Birth	30/04/1977	10/09/1950	27/04/1969	08/08/1950
Date of Appointment	30/01/2002	27/05/2016	01/04/1999	04/05/1991
Expertise / Experience in specific functional areas	Having wide experience in the field of export.	<ul style="list-style-type: none"> <li>Hold various post in department of Health &amp; Family Welfare, Govt. of M.P.</li> <li>Hold post of District T.B Officer, C.M &amp; H.O, Dy. Director, Joint Director in Indore &amp; different Districts.</li> <li>Head teaching experience in Department of Community, Medicines in MGM Medical College</li> </ul>	More than 15 years experience in the Company's business and manufacturing activities	Having experience in the Real Estate, investments and finance business activities
Qualification	M.B.A Finance & Commerce Graduate	B.Sc, MBBS, DTCD, MCAI(Delhi)	B.A. (Honors), MBA (Marketing), Diploma in Export Documentation & Implementation from IIFT, Delhi	B. A
No. & % of Equity Shares held	-	-	69,600 (0.56%)	2700136(21.65%)
List of outside Company's directorship or Designated Partner in LLPs held	1. Janani Industries Private Limited 2. Medicaps Finance LLP	-	1. Medpak India Ltd. 2. Geet Dwellers Pvt.Ltd. (Formerly known as Medicaps IT Park Pvt. Ltd.) 3. Medgel Pvt. Ltd. 4. Medicaps Finance LLP	1. Diatonic Developers Pvt. Ltd. 2. North Rajasthan Holdings Pvt. Ltd. 3. Geet Dwellers Pvt. Ltd.(Formerly Known as Medicaps IT Park Pvt.Ltd.) 4. Trapti Investments LLP 5. Medicaps Finance LLP 6. Saffron Realities LLP 7. Taurus Dwellers LLP
Chairman / Member of the Committees of the Board of Directors of the Company	-	-	Member of Risk Management Committee	-
Chairman / Member of the Committees of the Board Directors of other Companies in which He/she is director	-	-	-	-

### ROAD MAP



## BOARD'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

To,  
The Members of  
Medi-Caps Limited

Your Directors are presenting the 33<sup>rd</sup> Annual Report together with the Standalone and Consolidated Audited Financial Statements for the year ended 31<sup>st</sup> March, 2016. The Management Discussion and Analysis has also been incorporated into this report.

### HIGHLIGHTS OF PERFORMANCE

- Consolidated income for the year increased by 16.68% to Rs. 4365.21 Lakhs as compared to Rs. 3741.16 Lakhs in the previous year;
- Consolidated net sales for the year was Rs. 4297.15 Lakhs as compared to Rs. 3611.11 Lakhs in the previous year, an increase of 19.00%;
- Consolidated Profit/Loss before tax for the year was Rs. 142.36 Lakhs as compared to Rs. (126.19) Lakhs in the previous year;
- Consolidated Profit/Loss after tax for the year was Rs. 86.38 Lakhs as compared to Rs. (205.98) Lakhs in previous year.

### FINANCIAL RESULTS:

(Rs. In Lakhs)

Particulars	Consolidated		Standalone	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Revenue from Operations (Net) and other income	4365.21	3741.16	2549.57	2856.90
<b>Profit Before Tax (PBT)</b>	142.36	(126.19)	174.26	273.41
Provision for Tax	55.98	79.79	55.98	79.79
<b>Profit After Tax (PAT)</b>	86.38	(205.98)	118.28	193.62
Less: Minority Interest	0	0	0	0
<b>Balance brought forward from previous year</b>	3831.20	4037.18	4812.30	4618.68
<b>Surplus carried to the next year's account</b>	3917.58	3831.20	4930.58	4812.30
EPS (Basic and Diluted) on equity share of Rs. 10/- each	0.69	(1.65)	0.95	1.55

### 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 2015-16 (previous year Nil)

### SHARE CAPITAL

The paid up Share Capital as on 31st March, 2016 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 31st March, 2016, 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 31st March, 2016 was Rs. 103.02 Lakhs. The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

### DEPOSITS

The Company has not accepted deposit from the public falling within the ambit of section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014 and there were no remaining unclaimed deposits as on 31st March, 2016. Further that there was no contravention of the provisions of the Chapter V of the Companies Act, 2013 and the Rules made there under.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has made investment, provided loans and security and given guarantees pursuant to Section 186 of the Companies Act, 2013: (Rs. in Lacs)

Name of the company	Nature of Transactions	Investment made/ Guarantee/Loans Provided	Opening Balance as on 01/04/2015	Transactions made during the year	Closing Balance as on 31/03/2016
Medgel Pvt. Ltd.	Wholly Owned Subsidiary	Investment Made	3312.34	-	3312.34
		Guarantee Security provided	1500.00	-1300.00	200.00
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 & Others	Non-Current	Investment Made	1199.60	25.76	1225.36
Mutual Funds	Current	Investment Made	171.10	105.00	276.10

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**

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

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

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

**PHARMACEUTICAL INDUSTRY OUTLOOK AND OPPORTUNITIES**

The Union Cabinet has given its nod for the amendment of the existing Foreign Direct Investment (FDI) policy in the pharmaceutical sector in order to allow FDI up to 100 per cent under the automatic route for manufacturing of medical devices subject to certain conditions.

The drugs and pharmaceuticals sector attracted cumulative FDI inflows worth US\$ 13.85 billion between April 2000 and March 2016, according to data released by the Department of Industrial Policy and Promotion (DIPP).

**Government Initiatives:**

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

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

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

**MARKET DEVELOPMENT**

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

The Indian pharmaceuticals market increased at a CAGR of 17.46 per cent in 2015 from USD6 billion in 2005 and is expected to expand at a CAGR of 15.92 per cent to USD55 billion by 2020. India has also maintained its lead over China in pharmaceutical exports with a year-on-year growth of 7.55 per cent to US\$ 12.54 billion in 2015, according to data from the Ministry of Commerce and Industry.

Overall drug approvals given by the US Food and Drug Administration (USFDA) to Indian companies have nearly doubled to 201 in FY 2015-16 from 109 in FY 2014-15 an increase of 84 per cent as per analysis by USFDA.

**VOLUME OF MANUFACTURING**

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

Particulars	Quantity in Nos. (in Lacs)	
	2015-16	2014-15
Opening Finished goods available	3911.23	3719.87
Manufactured during the year	30863.87	34631.52
Capsules sold during the year	30163.96	33782.83
Capsules removed for Remelting	129.11	657.33
Closing Finished goods available	4482.03	3911.23

**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.82.37 per thousand capsules as compared to Rs 80.99 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.

**INTERNAL FINANCIAL CONTROL & ITS EFFECTIVENESS**

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

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

**VIGIL MECHANISM/WHISTLE BLOWER POLICY**

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

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

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 2015-16.

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**

Dr. Shashi Kant Sharma (DIN: 00204610) the Independent Director has resigned from the Board w.e.f. 12th April, 2016 due to his pre- occupation. Shri Mahesh Kumar Patni (DIN: 07444248) has been appointed as an additional director under the category of Independent Director w.e.f 27th May, 2016.

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 SEBI (LODR), Regulations 2015 ("SEBI Listing Regulations"). In the Opinion of the Board, all the Independent Directors fulfill the criteria of Independency as prescribed under the Companies Act and SEBI (LODR), Regulations 2015 ("SEBI Listing Regulations")

**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. Trapti Vikas Gupta (DIN: 00204741) 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.

Further, at the 32nd Annual General Meeting (AGM) of the Company held on September 24th, 2015, had re-appointed Shri Ramesh Chandra Mittal as Chairman and Managing Director and Shri Alok K Garg has been re-appointed and re-designated as Joint Managing Director for a further period of three years w.e.f 1st July, 2016 and 1st April, 2016 respectively.

The tenure of Smt. Kusum Mittal is about to expire on 30.09.2016 and your board on the recommendation made by the Nomination and Remuneration Committee has decided to re-appoint her as the Whole Time Director for a further period of 3 years starting from 01/10/2016 to 30/09/2019 subject to approval of members in the ensuing Annual General Meeting as set out in the notice of the forthcoming 33rd Annual General Meeting. Your directors recommend to pass suitable resolutions as set out in the notice of the Annual General Meeting.

Further, Shri Ramesh Chandra Mittal has resigned from the office of Managing Director w.e.f 26th July, 2016 but will continue as Chairman and Promoter Non-Executive Director on the Board and Shri Alok K Garg is being re-designated as the Managing Director w.e.f. 11th August, 2016 subject to the approval of members as set out in the notice of the forthcoming 33rd 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 are circulated at least a week prior to the date of the meeting. The Agenda for the Board and Committee meetings include detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

The **Board met 4 (Four) times** in financial year 2015-16 viz, on **28th May, 2015; 12th August, 2015; 9th November, 2015 and 11th February, 2016**. The maximum interval between any two meetings did not exceed 120 days.

**Board Independence**

Our definition of 'Independence' of Directors or Regulation is derived from Clause 49 of the Listing Agreement and Regulation 16 of SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. The Company is having total 8 directors in the Board out of them the following 4 directors are independent directors;

- a) Dr. Shamsher Singh
- b) Dr. Keshav Singh Varma
- c) Mr. Pramod Fatehpuria
- d) Dr. Shashikant Sharma (upto 12.04.2016)
- e) Mr. Mahesh Kumar Patni (From 27.05.2016)

**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://www.medicaps.com/cgovernance.html](http://www.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 31st March, 2016, 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, 31st 2016 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**

All Related Party Transactions that were entered into during the Financial Year were on Arm's Length Basis and were in the Ordinary Course of business. 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 were approved by the Audit Committee and the Board. The transactions entered into by the company are audited. 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](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 27th Sept., 2014 are eligible for ratification of their appointment. They have confirmed their eligibility under Section 141(3) (g) of the Companies Act, 2013.

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) *The Company has not complied with the Clause 41(l) (h) of the Listing Agreement issued by the BSE Ltd. and Regulation 33(1) (d) of SEBI (LODR) Regulations, 2015.*  
**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.
- (b) *There are 3 (Three) Charges which were satisfied long back but no evidence for the satisfaction were produced before us and reflecting in the Index of Charges at the portal of MCA whereas 2 (Two) charges which were satisfied but still appearing on the portal of the MCA in the Index of Charges.*  
**Management Comment/Explanations:** One charge of IDBI amounting Rs. 115 Lacs has been closed in the MCA Portal and the other one of AKVN amounting Rs. 90 lacs is under process. For the other three charges, the company is in continuous follow up with the bank since the charge is satisfied by the company long back and the bank as well as the company is searching for old documents and will proceed further.
- (c) *Shri R.C. Mittal has been appointed as Chairman and MD both at the same time however, there is no provision available in the Articles of Association as per section 203 of the Companies Act, 2013. However, Shri Alok K Garg has chaired for one meeting.*  
**Management Comment/Explanations:** Shri R.C Mittal has resigned from the office of the Managing Director w.e.f. 26th July, 2016 and he will be continuing in the Board as Chairman and Promoter Non-Executive Director of the Company.
- (d) *The company has entered into for various transactions/contracts with M/s Medgel Pvt. Ltd. wholly owned subsidiary of the company but the same is not shown in the Annual Report for the year 2014-15 under Statement of Related Party Transactions.*  
**Management Comment/Explanations:** The same is observed and on investigation it was found that this was missed due to printing error. However, this time we have taken special care for showing all the Related Party Transactions properly in the Annual Report.

**Cost Auditor and their report**

In view of the orders issued by the Cost Audit Branch of the MCA, the Company is not falling under the purview of the requirement for Cost Records and its audit during the year 2015-16.

**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 2015-16.

**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**

Pursuant to SEBI (LODR) Regulations, 2015, a separate chapter titled 'Corporate Governance' has been attached as "Annexure - E" in this Annual Report, along with the reports on Management Discussion and Analysis and General Shareholder Information.

All Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year 2015-16. A declaration to this effect signed by the Managing Director (CEO) of the Company is contained in this Annual Report.

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

Shri Alok K Garg, Managing Director and Shri Manish Jain, Chief Financial Officer have certified that the financial statements and other matters as required under regulation 17(8), read with Part B of Schedule II of the SEBI Listing Regulations, 2015 are duly complied with. A copy of the certificate on the financial statements for the financial year ended March, 31, 2016 is annexed along with this Report as "Annexure - G".

**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 - H".

**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 31st March, 2016 is annexed herewith as "Annexure - I".

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

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

During the year, none of the employees received remuneration in excess of Rs. One Crore Two Lakhs or more per annum. In accordance with the provisions of Section 197 of the Companies Act, 2013 read with 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**

Regulation 17(5) of the SEBI Listing Regulations, 2015 requires listed companies to lay down a Code of Conduct for its directors and senior management, incorporating duties of directors as laid down in the Companies Act, 2013. The Company has adopted a revised Code of Conduct for all Directors and Senior Management of the Company and the same has been hosted on the website of the company [Link:-http://medicaps.com/cgovernance.html](http://medicaps.com/cgovernance.html)

All Directors and Senior Management personnel have affirmed compliance with the new Code for 2015-16. A declaration to this effect signed by the Managing Director is given in this Annual Report. A certificate to that effect for the proper compliances given by the Managing Director is annexed as the "Annexure - K" with this Report.

**PREVENTION OF INSIDER TRADING**

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

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

**SECRETARIAL STANDARDS OF ICSI**

The Secretarial Standards as specified by the Institute of Company Secretaries of India for Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) came into effect from 1st July 2015. The Company is in compliance with the same.

**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.

**For and on behalf of the Board**

**Ramesh Chandra Mittal**  
**Chairman**  
**DIN 00035272**

**Place: Pithampur**  
**Date: 11<sup>th</sup> August, 2016**



## Whistle Blower/Vigil Mechanism Policy

## Annexure 'A'

**Preface**

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

**2. Definitions**

- 2.1 "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 Shamsheer Singh, 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.
- 2.12 "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 an 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. Shamsheer Singh, Independent Director**

**Competent Authority**

**Whistle Blower/Vigil Mechanism**

**Medicaps Limited**

**Pithampur- 454775 Distt. Dhar (M.P.)**

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

**Chairman, Audit Committee,**

**Whistle Blower/Vigil Mechanism**

**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-I**

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

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

**Part “A”: Subsidiaries**

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

S. No.	Name of Subsidiary	Medgel Private Limited
1	The date since when Subsidiary was acquired	01.04.2011
2	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	Same as of Holding Company
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR
4	Share capital	10,75,48,280
5	Reserves & surplus	16,73,21,412
6	Total assets	42,47,40,320
7	Total Liabilities	42,47,40,320
8	Investments	0
9	Turnover	17,93,35,954
10	Profit/(Loss) before taxation	(31,89,914)
11	Provision for taxation	0
12	Profit after taxation	(31,89,914)
13	Proposed Dividend	0
14	% of shareholding	100%

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

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

**Part “B”: Associates and Joint Ventures**

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

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

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

As per our report of even date,

**C.P. Rawka & Co.**

Chartered Accountants  
Firm Reg. No.:-000518C

**C.P. Rawka**  
Proprietor  
M.N. 070060  
Place: Indore  
Date: 11<sup>th</sup> August, 2016

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

**Manish Jain**  
C.F.O

**For and on behalf of the board,  
For Medi - Caps Ltd**

**Alok K Garg**  
Managing Director  
DIN: 00274321

**Rajat Gupta**  
Company Secretary  
ACS35414

"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.

"Annexure D"

**Form MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016**

[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**

Dear Sir/s,

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

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016, according to the provisions of:

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

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in Annexure I. Further, the Company is having business of manufacturing, distribution and selling of Hard Shell of Gelatin Capsules.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013 (w.e.f. 1st July, 2015); and

(ii) The Listing Agreements entered into by the Company with BSE Ltd. and the SEBI (LODR) Regulations, 2015 as may be applicable.

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) *The Company has not complied with the Clause 41(I) (h) of the Listing Agreement issued by the BSE Ltd. and Regulation 33(1) (d) of SEBI (LODR) Regulations, 2015.*
- (b) *There are 3 (Three) Charges which were satisfied long back but no evidence for the satisfaction were produced before us and reflecting in the Index of Charges at the portal of MCA whereas 2 (Two) charges which were satisfied but still appearing on the portal of the MCA in the Index of Charges.*
- (c) *Shri R.C. Mittal has been appointed as Chairman and MD both at the same time however, there is no provision available in the Articles of Association as per section 203 of the Companies Act, 2013. However, Shri Alok K Garg has chaired for one meeting.*
- (d) *The company has entered into for various transactions/contracts with M/s Medgel Pvt. Ltd. wholly owned subsidiary of the company but the same is not shown in the Annual Report for the year 2014-15 under Statement of Related Party Transactions.*

**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. There were no changes in the composition of the Board of directors during the period under review.

Adequate notice is given to all directors, however, in some cases adequate acknowledgment receipt thereof was not produced before us for verification for the Board/Committee Meetings. Detailed Agenda were sent at least seven days in advance, along with the respective notices and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

Based on the records and process explained to us for compliances under the provisions of other specific acts applicable to the Company, we further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** the compliance by the Company for the applicable Financial Laws like Direct Taxes, Indirect Taxes and the compliance of the Accounting Standards, Disclosure of quarterly financial results under Clause 41 of the Listing Agreement and/or Regulation 33 of the SEBI (LODR) Regulations, 2015 and the annual financial statements along with notes attached therewith, and the Cost Record has not been reviewed, since the same have been subject to the statutory auditor or by other designated professionals. Therefore, we do not offer any comment. This report is to be read with our letter of even date which is annexed as **Annexure II** and forms an integral part of this report.

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

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

**CS ISHAN JAIN  
PROPRIETOR  
ACS 29444  
CP 13032  
Place: Indore  
Date: 25<sup>th</sup> July, 2016**

**Annexure - I to the Secretarial Audit Report  
List of specific/other laws generally applicable to the Company**

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

## Annexure - II to the Secretarial Audit Report

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 placed before us for 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, which provides a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial and cost records and Books of Accounts, financial results disclosed and applicability of the various direct and indirect taxation on the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc. and relied on the same.
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: 25th July, 2016**

"Annexure E"

## Corporate Governance Report

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

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Medi-Caps Limited ('Medicaps') is committed to the adoption of best governance practices. The company's vision document spells out a direction for the policies and procedures which ensure long term sustainability. Value creation for stakeholders is thus a continuous endeavor at Medicaps.

On the same lines the Company has always followed fair business and corporate practices while dealing with the shareholders, employees, customers, creditors, lenders and the society at large. In harmony with this philosophy, the Company relentlessly strives for excellence by benchmarking itself with esteemed companies with good corporate governance. Your company is compliant with all the provisions of SEBI (LODR) Regulations, 2015 as applicable to the Company.

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

The details of compliance are as follows:

#### 1. The Governance Structure:

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

- (i) **The Board of Directors** - The primary role of the Board is to protect the interest and enhance value for all the stakeholders. It conducts overall strategic supervision and control by setting the goals & targets, policies, governance standards, reporting mechanism & accountability and decision making process to be followed.
- (ii) **Committees of Directors** - such as Audit Committee, Nomination & Remuneration Committee and Risk Management Committee etc. are focused on financial reporting, audit & internal controls, compliance issues, appointment and remuneration of Directors and Senior Management Employees and the risk management framework.
- (iii) **Executive Management** - The entire business including the support services are managed with clearly demarcated responsibilities and authorities at different levels.

- (a) **Executive Committee** - The Executive Committee is headed by the Managing Director. The CFO and the Heads of Manufacturing, Marketing and HR are its other members. Heads of Technical and Procurement are the permanent invitees. This committee is a brain storming committee where all important business issues are discussed and decisions are taken. This Committee reviews and monitors monthly performances, addresses challenges faced by the business, draws strategies and policies and keep the Board informed about important developments having bearing on the operational and financial performance of the Company. The Committee members report to the Managing Director.
- (b) **Managing Director** - The Managing Director is responsible for achieving the Company's vision and mission, business strategies, project execution, mergers and acquisition, significant policy decisions and all the critical issues having significant business & financial implications. He is also responsible for the overall performance and growth of the Company and ensures implementation of the decisions of the Board of Directors and its various Committees. He reports to the Board of Directors.

**2. BOARD OF DIRECTORS**

**A. Composition of Board**

The Board of directors of the company consists of an optimum combination of executive, non-executive and independent directors, to ensure the independent functioning of the Board. The composition of the Board also complies with the provisions of the Companies Act, 2013 and the Listing Regulations. As at the end of corporate financial year 2015-16, the total Board consists of Eight (8) directors, out of which five (5) are non-executive directors and out of the five (5) non-executive directors four (4) are Independent Directors.

The composition of the Board of directors and the number of Board Committee in which they are chairman/ member as on 31.03.2016 are as under:

Name	Category	No. of Directorship in other Companies	No. of Committee position held in Companies	
			Chairman	Member
Shri Ramesh Chandra Mittal	Promoter & Managing Director	6	1	1
Shri Alok K. Garg	Promoter & Whole- Time Director	3	0	1
Smt. Kusum Mittal	Promoter & Whole- Time Director	3	1	0
Smt. Trapti Vikas Gupta	Non-Executive Director	1	0	0
Dr. Shamsher Singh	Independent & NED	0	3	0
Dr. Shashikant Sharma	Independent & NED	0	0	3
Dr. Keshav Singh Varma	Independent & NED	0	0	2
Shri Pramod Fatehpuria	Independent & NED	2	0	0

**B. Selection and Appointment of Director:**

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

As required under Regulation 46(2) (b) of the Listing Regulations, the Company has issued formal letters of appointment to the Independent Directors. The terms & conditions of appointment of their appointment are posted on the Company's website and can be accessed at [www.medicaps.com](http://www.medicaps.com)

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

The names and categories of the Directors on the Board, their record of attendance at Board Meetings held during the year and at the last Annual General Meeting, as also the number of Directorship and membership of Committees held by them in other public limited companies as on 31<sup>st</sup> March, 2016 are:

Name of Director	No. of Board Meetings held during the year	No. of Board Meetings Attended	Attendance at the last AGM held on 24 <sup>th</sup> September, 2015
Shri Ramesh Chandra Mittal	4	4	YES
Shri Alok K. Garg	4	4	YES
Smt. Kusum Mittal	4	4	YES
Smt. TraptiVikas Gupta	4	3	NO
Dr. Shamsher Singh	4	4	YES
Dr. Shashikant Sharma	4	4	YES
Dr. Keshav Singh Varma	4	4	YES
Shri Pramod Fatehpuria	4	4	NO



**D. Separate Meeting of Independent Directors:**

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on **09<sup>th</sup> November, 2015** to review the performance of Non-Independent Directors (including the Chairman) and the entire Board. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its' Committees which is necessary to effectively and reasonably perform and discharge their duties.

**E. Agenda:**

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated separately or placed at the meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board Committees and Subsidiaries for the information of the Board. Additional agenda items in the form of "Other Business" are included with the permission of the Chairman. Agenda papers are circulated seven days prior to the Board Meeting. In addition, for any business exigencies, the resolutions are passed by circulation and later placed at the subsequent Board/Committee Meeting for ratification / approval.

**F. Invitees & Proceedings:**

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

**G. Post Meeting Action:**

Post meetings, all important decisions taken at the meeting are communicated to the concerned officials and departments. Action Taken Report is prepared and reviewed periodically by the Managing Director and Company Secretary for the action taken / pending to be taken.

**H. Support and Role of Company Secretary:**

The Company Secretary is responsible for convening the Board and Committee meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the meetings. He acts as interface between the Board and the Management and provides required assistance and assurance to the Board and the Management on compliance and governance aspects.

**I. Induction and Familiarization Program for Directors:**

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

**J. Board Evaluation:**

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

**K. Code of Conduct:**

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

All the Board members and senior management personnel have confirmed compliance with the code.

**L. Prevention of Insider Trading Code:**

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. The Company has appointed CS Rajat Gupta, Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. During the year under review there has been due compliance with the said code.

**M. Disclosure of Relationship between Directors inter-se:**

Name	Relationship	Name of other Directors in inter-se relationship
Shri Alok. K. Garg	Son-in- law	Shri Ramesh Chandra Mittal and Smt. Kusum Mittal
Smt. Kusum Mittal	Wife	Shri Ramesh Chandra Mittal
	Mother in law	Shri Alok K. Garg
	Mother	Smt. Trapti Vikas Gupta
Smt. Trapti Vikas Gupta	Daughter	Shri Ramesh Chandra Mittal and Mrs. Kusum Mittal

**N. No. of Shares held by Non-Executive Director**

	<i>No. of Shares Held</i>
Dr. Shamsher Singh	0
*Dr. Shashikant Sharma	2200
Dr. Keshav Singh Varma	0
Shri Pramod Fatehpuria	0
Smt. TraptiVikas Gupta	0
# Shri Mahesh Kumar Patni	0

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

# Shri Mahesh Kumar Patni has been appointed in the Board under the category of Independent Director w.e.f. 27th May, 2016.

**O. Web Link:** <http://www.medicaps.com /cgovernance.html>

**3. AUDIT COMMITTEE**

**(A) Terms of reference**

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

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

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

- (i) Develop an annual plan for Committee
  - (ii) review of financial reporting processes,
  - (iii) review of risk management, internal control and governance processes,
  - (iv) discussions on quarterly, half yearly and annual financial statements and the auditor's report,
  - (v) interaction with statutory, internal and cost auditors to ascertain their independence and effectiveness of audit process,
  - (vi) recommendation for appointment, remuneration and terms of appointment of auditors and
  - (vii) Risk management framework concerning the critical operations of the Company.
- In addition to the above, the Audit Committee also reviews the following:
- (i) Matter included in the Director's Responsibility Statement.
  - (ii) Changes, if any, in the accounting policies.
  - (iii) Major accounting estimates and significant adjustments in financial statement.
  - (iv) Compliance with listing and other legal requirements concerning financial statements.
  - (v) Subject to review by the Board of Directors, review on quarterly basis, Related Party Transactions entered into by the Company pursuant to each omnibus or specific approval given.
  - (vi) Qualification in draft audit report.
  - (vii) Scrutiny of inter-corporate loans & investments.
  - (viii) Management's Discussions and Analysis of Company's operations.
  - (ix) Valuation of undertakings or assets of the company, wherever it is necessary.
  - (x) Periodical Internal Audit Reports and the report of Ethical View Reporting Committee (Fraud Risk Management Committee).
  - (xi) Findings of any special investigations carried out either by the Internal Auditors or by the external investigating agencies.
  - (xii) Letters of Statutory Auditors to management on internal control weakness, if any.
  - (xiii) Major non routine transactions recorded in the financial statements involving exercise of judgement by the management.
  - (xiv) Recommend to the Board, the appointment, re-appointment and, if required the replacement or removal of the statutory auditors and cost auditors, Secretarial Auditors, considering their independence and effectiveness, and recommend the audit fees.
  - (xv) Recommend to the Board, the appointment and remuneration of the CFO and Internal Auditors.

**(B) Constitution and Composition**

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

The Audit Committee of the Company as on 31st March, 2016 comprises of the following Directors of the Company.

<b>Name of the Director</b>	<b>Designation</b>
Dr. Shamsher Singh	Chairman
Dr. Shashikant Sharma	Member
Dr. Keshav Singh Varma	Member

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

**(C) Meeting and attendance during the year**

Four (4) meetings were held during the financial year 2015-16 on 28<sup>th</sup> May 2015, 12<sup>th</sup> August 2015, 09<sup>th</sup> November 2015 and 11<sup>th</sup> February 2016. The attendance of each member of the committee is as under:

Name of the Director	No. of Meeting attended
Dr. Shamsher Singh	4
Dr. Shashikant Sharma	4
Dr. Keshav Singh Varma	4

CS Rajat Gupta act as the Secretary to the Committee. Dr. Shamsher Singh, Chairman of the Audit Committee was present at the last Annual General Meeting to answer the shareholder's queries.

**D. Invitees / Participants:**

1. The M.D. & CFO are the permanent invitees to all Audit Committee meetings.
2. Head of Internal Audit department attends all the Audit Committee Meetings as far as possible and briefs the Committee on all the points covered in the Internal Audit Report as well as the other issues that come up during discussions.
3. The representatives of the Statutory Auditors have attended all the Audit Committee meetings held during the year.
4. The representatives of the Secretarial Auditors have attended 1(one) Audit Committee Meeting when the Secretarial Audit Report were discussed.

**E. Private Meetings:**

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

**4. NOMINATION & REMUNERATION COMMITTEE**

**(A) Terms of reference**

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

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

**(B) Composition**

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed & reconstituted the existing "Remuneration Committee" as the "Nomination & Remuneration Committee". The Remuneration Committee of the Company as on 31st March, 2016 comprises of the following Directors of the Company.

Name of the Director	Designation
Dr. Shamsher Singh	Chairman
Dr. Shashikant Sharma	Member
Dr. Keshav Singh Varma	Member

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

**(C) Meeting and attendance during the year**

One (1) meeting was held during the financial year 2015-16 on 12<sup>th</sup> August 2015. The attendance of each member of the committee is as under:

Name of the Director	No. of Meeting attended
Dr. Shamsher Singh	1
Dr. Shashikant Sharma	1
Dr. Keshav Singh Varma	1

**(D) Performance Evaluation for Independent Directors:**

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

**(E) Remuneration Policy**

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 is not entitled to receive any sitting fees for meeting of the Board or Committee of the Board attended by him;
- 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. 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.

**4. 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.

**5. 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.

**5. REMUNERATION OF DIRECTORS**

**A) Pecuniary relationship of transaction of Non- Executive director: NIL**

**B) Non- executive director's payment criteria:** The Non- executive directors of the company are only given Sitting fees as decided by Board for attending the Board meeting and audit committee during the financial year 2015-16.

**C) Remuneration to Managing Director and Executive Director**

The terms of remuneration of Executive Directors has already been fixed by the Board of directors and was approved by the shareholders at ensuing Annual General Meeting. During the financial year 2015-16, the particulars of remuneration paid to Whole-time Director is as under: -

Name of the Director	Salary (Rs.)	Perquisites	Commission	Stock option Details	Period of Contract
Shri Ramesh Chandra Mittal	30,00,000	-	-	-	01.07.13 to 30.06.2016
Shri Alok K. Garg	30,00,000	-	-	-	01.04.13 to 31.03.2016
Smt. Kusum Mittal	18,00,000	-	-	-	01.10.13 to 30.09.2016

**D) Remuneration/Sitting fees to Other Non-Executive Directors**

The details of sitting fee paid to each of the other non-executive/Independent Directors during the year 2015-16 ended on 31<sup>st</sup> March, 2016 are given below

Name	Sitting Fees	Other Payment	Total
Dr. Shamsheer Singh	-	-	-
Dr. Shashikant Sharma	-	-	-
Dr. Keshav Singh Varma	-	-	-
Shri Pramod Fatehpuria	-	-	-

**6. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

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

A) In compliance with the provisions of Section 178 of the Companies Act, 2013 and regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 the Listing Agreement, the Board has renamed and reconstituted the existing "Investors' Grievance Committee" as the "Stakeholders' Relationship Committee" consists of the members as stated below. During the year ended on 31<sup>st</sup> March, 2016 there was no requirement to hold committee meeting.

Name of the Director/Member	Designation	No. of Meetings Attended
Dr. Shamsheer Singh	Chairman	-
Dr. Shashikant Sharma	Member	-
Shri Ashok R. Pitliya	Member	-

B) **Compliance Officer of the Company:** CS Rajat Gupta, Company Secretary is designated as the Compliance Officer.

**C) Share holder Complaint Status during the financial year 2015-16:**

No. of Shareholder Complaint received	No. of Complaint resolved	No. of Complaint Pending.
11	11	-

**7. CSR COMMITTEE:**

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

**8. RISK MANAGEMENT COMMITTEE:**

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

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

During the year ended on 31<sup>st</sup> March, 2016 this Committee has no meetings. The Committee is required to lay down the procedures to review the risk assessment and minimization procedures and the Board is responsible for framing, implementing and monitoring the risk management plan of the Company.

The Terms of Reference of the Committee are:-

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

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

**9. DISCLOSURES**

1. There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or Subsidiaries that had potential conflict with the Company's interest. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the Annual Report. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at <http://www.medicaps.com>

2. There were no non-compliance by the Company and no penalty imposed by the stock exchange of the SEBI or any statutory authority on any matter related to capital market during the last three year.
3. The Company has formed and hosted the Vigil Mechanism Policy on the website of the Company, and the Company confirm that no personnel were denied to access to the audit committee.
4. The Company has complied with all the mandatory requirements under the SEBI (LODR) Regulations, 2015 as applicable.
5. The Company has hosted all the required policy on the website of the company.
6. The Company has given the weblink of the related party transaction in the annual report.
7. Since the Company is not dealing in commodity hedging, therefore, it is not having any risk associated thereto.
8. The Company is not having any security to credit in the d-mat suspense account or unclaimed suspense account u/s 124(5) and (6) of the Companies Act, 2013.

**10. MD / CFO CERTIFICATION**

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

**11. DISCRETIONARY REQUIREMENTS UNDER REGULATION 27 OF LISTING REGULATION**

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

1. Non-Executive Chairman's Office: Chairman's office is separate from that of the Managing Director & CEO However, the same is now maintained by the Chairman himself.
2. Shareholders' Rights: As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
3. Modified Opinion in Auditors Report: The Company's financial statement for the year 2015-16 does not contain any modified audit opinion.
4. Separate posts of Chairman and CEO: The Board appoints Chairman for each of the Board Meeting and generally Managing Director being appointed for the said position.
5. Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

**12. INFORMATION ON GENERAL BODY MEETINGS**

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

Year	Location	Date	Time	Special Resolutions	Special resolution through postal Ballot
2014-2015	Mhow-Neemuch Road, Sector I, Pithampur, District Dhar	24 <sup>th</sup> Sept., 2015	11.00 A.M.	Nil	No
2013-2014	Mhow-Neemuch Road, Sector I, Pithampur, District Dhar	27 <sup>th</sup> Sept., 2014	11.00 A.M.	One Special resolution	N.A.
2012-2013	Mhow-Neemuch Road, Sector I, Pithampur, District Dhar	28 <sup>th</sup> Sept., 2013	11.00 A.M	Two Special resolutions	N.A.

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

**A) MEANS OF COMMUNICATION**

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

Quarterly Results	Newspaper Publication	Displayed in Website
30.06.2015	Choutha Sansaar & Free Press, Indore	<a href="http://www.medicaps.com">www.medicaps.com</a>
30.09.2015	Choutha Sansaar & Free Press, Indore	<a href="http://www.medicaps.com">www.medicaps.com</a>
31.12.2015	Choutha Sansaar & Free Press, Indore	<a href="http://www.medicaps.com">www.medicaps.com</a>
31.03.2016	Choutha Sansaar & Free Press, Indore	<a href="http://www.medicaps.com">www.medicaps.com</a>

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

**13. GENERAL SHAREHOLDER INFORMATION**

**a) Annual General Meeting**

The 33rd Annual General Meeting of the Company will be held on Thursday, 29th September, 2016 at 11.00 A.M. at the registered office of the company situated at "Mhow-Neemuch Road, Sector I, Pithampur, District Dhar-454775

**b) Financial Year: 2016-17 (from 1st April-2016 to 31st March, 2017)**

First quarterly results	: June, 2016 - Before 14th August, 2016
Second quarterly/ half yearly results	: Sept., 2016 - Before 14th Nov., 2016
Third quarterly results	: Dec., 2016 - Before 14th Feb., 2017
Annual results for the year ending on	: March, 2017 - Before 30th May, 2017
Annual General Meeting for the year ending on 31st March, 2017:	Before 30th Sept., 2017

**c) Book Closure/Record date:**

The Register of Members and the Share Transfer Books of the Company shall remain closed from 23rd September, 2016 to 29th September, 2016 (both days inclusive) for the Annual General Meeting.

**d) Interim Dividend and Record Date:**

The Board of directors of the Company has not declared dividend during the financial year 2015-16

**e) Dividend History**

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

**f) Listing on Stock Exchange**

The Company's shares are traded on BSE.

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

**g) Stock Code/ Details of Scrip**

BSE	: 523144
NSDL & CDSL-ISIN	: INE442D01010
ISIN NO	: INE442D01010

**h) Market Price Data (Rs.)**

The monthly high and low quotations of shares of the Company traded at the Stock Exchange, Mumbai during the financial year 2015-16 are given below:

Month	High (Rs.)	Low (Rs.)
April, 2015	17.80	13.64
May, 2015	17.40	14.00
June, 2015	15.00	13.02
July, 2015	20.50	13.00
August, 2015	29.20	17.15
September, 2015	21.90	14.65
October, 2015	20.95	17.00
November, 2015	25.25	17.50
December, 2015	38.45	17.55
January, 2016	36.90	23.60
February, 2016	26.20	17.15
March, 2016	22.90	18.60

**14. SHARE TRANSFER AGENT**
**Ankit Consultancy Pvt. Limited**

Plot No. 60, Electronic Complex, Pardeshipura, Indore- 452 010 (M.P), Tel: 0731-2551745, 0731-2251746

Fax: 0731-4065798, E-mail: ankit\_4321@yahoo.com

**a) Share Transfer System**

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

**b) Distribution of Shareholding as on 31st March, 2016**

No. of Shares	No. of Shareholders	% of Shareholders	Share Amount	% of Total
1 - 1000	700	15.78	408610	0.33
1001 - 2000	530	11.95	986940	0.79
2001 - 3000	221	4.98	613590	0.49
3001 - 4000	1047	23.60	4146170	3.32
4001 - 5000	239	5.39	1163690	0.93
5001 - 10000	791	17.83	6375080	5.11
10001- 20000	488	11.00	7718490	6.19
20001- 30000	118	2.66	3040380	2.44
30001- 40000	100	2.25	3704250	2.97
40001- 50000	48	1.08	2254690	1.81
50001- 100000	87	1.96	6252830	5.01
100000 Above	67	1.51	88034840	70.60
<b>TOTAL</b>	<b>4436</b>	<b>100</b>	<b>124699560</b>	<b>100</b>

**c) DEMATERIALISATION OF SHARES & LIQUIDITY**

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

**d) Details of Demat Shares as on 31<sup>st</sup> March 2016**

	<b>No. of Shareholders/Beneficial Owners</b>	<b>No. of Shares</b>	<b>% of Capital</b>
NSDL	2211	9928186	79.62
CDSL	1354	1932878	15.50
<b>Sub-Total</b>	<b>3565</b>	<b>11861064</b>	<b>95.12</b>
Shares in physical form	871	608892	4.88
<b>Grand Total</b>	<b>4436</b>	<b>12469956</b>	<b>100</b>

**e) Reconciliation of Share Capital Audit:**

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

**f) Outstanding Convertible Instruments**

There are no outstanding warrants or any convertible instruments.

**15. PLANT LOCATIONS OF THE COMPANY**

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

**a) Address for communication**

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

**Ankit Consultancy Pvt. Limited,**

**Plot No. 60, Electronic Complex, Pardeshipura, Indore- 452 010 (M.P) Tel: 0731-2551745, 0731-2251746, Fax: 0731-4065798,**

**E-mail: ankit\_4321@yahoo.com**

**16. DISCLOSURES**

**a) Disclosure regarding materially significant related party transactions:**

None of the transaction with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No. 23 of Notes on Accounts, forming part of the Annual report.

All related party transactions are negotiated on arms length basis and are intended to further the interest of the company.

**b. Disclosure of non-compliance by the Company:**

There has been no instance of non-compliance on any matter related to the capital markets, during the last two years

**c) Web links**

Particular	Web links
<b>Material Event Policy</b>	<a href="http://www.medicaps.com">www.medicaps.com</a>
<b>Related Party Transaction policy</b>	<a href="http://www.medicaps.com/investor.html">http://www.medicaps.com/investor.html</a>

"Annexure F"

**Corporate Governance Certificate by the Auditors**

To,  
The Members,

We have examined the compliance of conditions of Corporate Governance by Medi-Caps Ltd. for the year ended 31st March, 2016 as stipulated in Clauses 49 of the Listing Agreement / Regulation 27 of SEBI (LODR) Regulations, 2015.

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

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

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

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

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

Place: Pithampur  
Date: 11th August, 2016

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



To,  
The Board of Directors  
Medi-Caps Limited

- (A) We have reviewed the Financial Statements, Cash Flow Statements, Books of Accounts, detailed trial balance and grouping thereof for the Financial Year 2015-16 and that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 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.
  - no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- (B) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (C) We have indicated to the auditors and the Audit committee:
- significant changes in internal control over financial reporting during the Financial Year 2015-16
  - significant changes in accounting policies during the period and that the same have been disclosed in the notes of the financial statements; and
  - instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Pithampur  
Date: 11th August, 2016

Alok K. Garg  
Managing Director

Manish Kumar Jain  
Chief Financial Officer

"Annexure H"

**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;	143.39 Lacs	152.57 Lacs
(ii)	and the Foreign Exchange outgo during the year in terms of actual outflows.	11.95 Lacs	36.05 Lacs

"Annexure I"

**Extract of Annual Return-Form MGT-9  
As on the financial year ended on 31<sup>st</sup> March, 2016**

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

**I. Registration and Other Details**

CIN	L24232MP1983PLC002231
Registration Date	06/08/1983
Name of the Company	MEDICAPS LIMITED
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details	Mhow Neemuch Road, Sector-1, Pithampur, Dhar (M.P.) 454775, Phone: 07292-424242 Email: <a href="mailto:investors@medicaps.com">investors@medicaps.com</a>
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, <a href="mailto:ankit_4321@yahoo.com">ankit_4321@yahoo.com</a>

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

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

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Empty Hard Gelatin Capsules (Manufacture of allopathic pharmaceutical preparations)	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	5944804	-	5944804	47.67	0.05
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate/LLP	307128		307128	2.47	307128		307128	2.47	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1):</b>	<b>6245784</b>		<b>6245784</b>	<b>50.09</b>	<b>6251932</b>		<b>6251932</b>	<b>50.14</b>	<b>0.05</b>
<b>(2) Foreign</b>									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2):</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>6251932</b>	<b>-</b>	<b>6251932</b>	<b>50.14</b>	<b>0.05</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds / UTI	-	4800	4800	0.04	-	1200	1200	0.01	(0.03)
b) Banks / FI	-	29200	29200	0.23	-	32800	32800	0.26	0.03
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-

f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<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>(2) Non-Institutions</b>									
<b>a) Bodies Corporate/LLP</b>									
i) Indian	589956	12800	602756	4.83	336666	12600	349266	2.80	<b>(2.03)</b>
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual Share holders holding nominal share capital upto Rs.1 lakh/2 lakh	2493993	525052	3019045	24.21	3266529	536612	3803141	30.50	<b>6.29</b>
ii) Individual Share holders holding nominal share capital in excess of Rs.1 lakh/Rs.2lakh	2234168	22800	2256968	18.10	1878009	0	1878009	15.06	<b>(3.04)</b>
<b>c) Others specify)</b>									
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	-	-	-	-	-	-	-	-	<b>0</b>
ii) Other Foreign Nationals	-	-	-	-	-	-	-	-	<b>0</b>
iii) Foreign Bodies	-	-	-	-	-	-	-	-	<b>0</b>
iv) NRI / OCBs	274447	25680	300127	2.41	122849	25680	148529	1.19	<b>(1.22)</b>
v) Clearing Members /Clearing House	11276	0	11276	0.09	5079	0	5079	0.04	<b>(0.05)</b>
vi) Trusts	-	-	-	-	-	-	-	-	-
vii) Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-
viii) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(2):</b>	<b>5603840</b>	<b>586332</b>	<b>6190172</b>	<b>49.64</b>	<b>5621732</b>	<b>562292</b>	<b>6190172</b>	<b>49.59</b>	<b>(0.05)</b>
<b>Total Public Share holding</b>	<b>5603840</b>	<b>620332</b>	<b>6224172</b>	<b>49.91</b>	<b>5621732</b>	<b>596292</b>	<b>6224172</b>	<b>49.86</b>	<b>(0.05)</b>

(B)=(B)(1)+ (B)(2)									
Grand Total (A+B)	11849624	620332	12469956	100.00	11873664	596292	12469956	100.00	0

ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
R C Mittal	3166320	25.40	-	3166320	25.40	-	-
Kusum Mittal	2700136	21.65	-	2700136	21.65	-	-
Trapti Investment Pvt. Ltd	307128	2.46	-	307128	2.46	-	-
Alok K Garg	69600	0.55	-	69600	0.55	-	-
Dr. Shashi Kant Sharma	2200	0.02	-	-	-	-	(0.02)
Gitika Agrawal	400	0.00	-	400	0.00	-	-
Manisha Garg	-	-	-	100	0.00	-	0.00
Anantram Daudayal Mittal	-	-	-	6172	0.05	-	0.05
Nirmala Anantram Mittal	-	-	-	2076	0.02	-	0.02
<b>Total</b>	<b>6245784</b>	<b>50.09</b>	<b>-</b>	<b>6251932</b>	<b>50.14</b>	<b>-</b>	<b>0.05</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): - Due to SEBI (LODR) Regulations, 2015	6148	0.05	6251932	50.14
<b>At the end of the year</b>			<b>6251932</b>	<b>50.14</b>

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	302803	2.43	207000	1.66	14/08/15	300303	270000	-	30303	
					16/10/15	269266	262168	-	7098	Disposed
					31/12/15	259088	230850	-	28238	Disposed
					08/01/16	230850	207000	-	23850	Disposed

Motilal Oswal Financial Services Limited	299788	2.40	Not in the List	-	18/12/15	290783	281783	-	9000	Disposed
					25/12/15	281783	256383	-	25400	Disposed
					31/12/15	256383	211383	-	45000	Disposed
					22/01/16	208840	195309	-	13531	Disposed
					05/02/16	195309	189159	-	6150	Disposed
					12/02/16	189159	56188	-	132971	Disposed
					19/02/16	56188	52038	-	4150	Disposed
Ajit Singh Chawla	270831	2.17	Not in the List	-	08/05/15	266826	254125	-	12701	Disposed
					15/05/15	254125	184990	-	69135	Disposed
					29/05/15	182341	154725	-	27616	Disposed
					05/06/15	154725	123913	-	30812	Disposed
					12/06/15	123913	116979	-	6934	Disposed
					26/06/15	108971	83270	-	25701	Disposed
					03/07/15	83270	71675	-	11595	Disposed
					10/07/15	71675	66491	-	5184	Disposed
Mahendra Girdharilal	199717	1.60	199717	1.60	-	-	-	-	-	-
Vijay Kumar Agarwal	155144	1.24	Not in the List	-	25/09/15	155144	143644	-	11500	Disposed
					30/09/15	143644	119125	-	24519	Disposed
					16/10/15	119125	109102	-	10023	Disposed
					23/10/15	109102	94944	-	14158	Disposed
					30/10/15	94944	9492	-	85452	Disposed
Babalbhai Manilal Patel	154560	1.24	108060	0.87	14/08/15	158560	150010	-	8550	Disposed

					11/09/15	148010	145010	-	3000	Disposed
					23/10/15	146010	154010	8000	-	Acquired
					20/11/15	151010	146891	-	4119	Disposed
					11/12/15	145010	138010	-	7000	Disposed
					08/01/16	137010	134060	-	2950	Disposed
					15/01/16	134060	117060	-	17000	Disposed
					22/01/16	117060	113060	-	4000	Disposed
					31/03/16	113060	108060	-	5000	Disposed
Tapas Gangopadhyay	124776	1.00	Not in the List	-	07/08/15	124776	-	-	124776	Disposed
Delhi Iron & Steel Co (P) Ltd	103802	0.83	Not in the List	-	01/05/15	103802	42402	-	61400	Disposed
Shekhar R Athalye	88832	0.71	85832	0.69	27/11/15	88832	91032	2200	-	Acquired
					18/12/15	91032	88832	-	2200	Disposed
					15/01/16	88832	85832	-	3000	Disposed
RajeshriTarun kumar Shah	74347	0.60	148517	1.19	17/04/15	74347	83866	9519	-	Acquired
					24/04/15	83866	86874	3008	-	Acquired
					01/05/15	86874	98628	11754	-	Acquired
					08/05/15	98628	103628	5000	-	Acquired
					15/05/15	103628	110768	7140	-	Acquired
					29/05/15	111768	123006	11238	-	Acquired
					05/06/15	123006	146621	23615	-	Acquired
					12/06/15	146621	151621	5000	-	Acquired
					19/06/15	151621	156621	5000	-	Acquired
					03/07/15	157217	161217	4000	-	Acquired
					07/08/15	161217	121689	-	39528	Disposed
					16/10/15	121620	114620	-	7000	Disposed
					15/01/16	114620	149228	34608	-	Acquired
					22/01/16	149228	159627	10399	-	Acquired
29/01/16	159627	149967	-	9660	Disposed					
05/02/16	149967	144967	-	5000	Disposed					

					12/02/16	144967	149967	5000	-	Acquired
Rama Sen	Not in the List	-	52800	0.42	-	-	-	-	-	-
Sangeetha S	Not in the List	-	214450	1.72	01/05/15	57714	72214	14500	-	Acquired
					08/05/15	72214	87470	15256	-	Acquired
					15/05/15	87470	105772	18302	-	Acquired
					22/05/15	105772	140470	34698	-	Acquired
					05/06/15	140470	143890	3420	-	Acquired
					31/07/15	149560	154960	5400	-	Acquired
					07/08/15	154960	166960	12000	-	Acquired
					16/10/15	167560	172890	5330	-	Acquired
					30/10/15	172890	183990	11100	-	Acquired
					06/11/15	183990	190690	6700	-	Acquired
19/02/15	205550	211390	5840	-	Acquired					
Subramanian p	Not in the List	-	234790	1.88	14/08/15	51335	72140	20805	-	Acquired
					21/08/15	72140	120890	48750	-	Acquired
					28/08/15	120890	127190	6300	-	Acquired
					04/09/15	127190	134176	6986	-	Acquired
					11/09/15	134176	147055	12879	-	Acquired
					18/09/15	147055	157105	10050	-	Acquired
					25/09/15	157105	162292	5187	-	Acquired
					09/10/15	162292	180183	17891	-	Acquired
					20/11/15	184390	188260	3870	-	Acquired
					29/01/16	193238	198238	5000	-	Acquired
					12/02/16	198238	207790	9552	-	Acquired
					19/02/16	207790	219041	11251	-	Acquired
26/02/16	219041	225790	6749	-	Acquired					
Rakhee Agrawal	Not in the List	-	90000	0.72	16/10/15	57121	62728	5607	-	Acquired
					23/10/15	62728	65000	2272	-	Acquired
					30/10/15	65000	75000	10000	-	Acquired
					11/12/15	75000	80000	5000	-	Acquired

					18/12/15	80000	85000	5000	-	Acquired
					25/12/15	85000	61824	-	23176	Disposed
					31/12/15	61824	40000	-	21824	Disposed
					15/01/16	40000	60000	20000	-	Acquired
					22/01/16	60000	70000	10000	-	Acquired
					12/02/16	70000	80000	10000	-	Acquired
					19/02/16	80000	90000	10000	-	Acquired
Amrit Steels Private Limited	Not in the List	-	Not in the List	-	07/08/15	-	55000	55000	-	Acquired
					14/08/15	55000	80000	25000	-	Acquired
					30/09/15	80000	59500	-	20500	Disposed
					20/11/15	58500	25570	-	32930	Disposed
Sandeep Talwar	Not in the List	-	Not in the List	-	07/08/15	68241	43639	-	24602	Disposed
Shri Parasram Holdings Pvt. Ltd	Not in the List	-	75956	0.61	04/12/15	52316	57255	4939	-	Acquired
					11/12/15	57255	63855	6600	-	Acquired
					18/12/15	63855	60095	-	3760	Disposed
					25/12/15	60095	62075	1980	-	Acquired
					15/01/16	62831	74831	12000	-	Acquired
					12/02/16	74881	77281	2400	-	Acquired
Angel Broking Private Limited.	Not in the List	-	Not in the List	-	31/12/15	22178	63418	41240	-	Acquired
					08/01/16	63418	59213	-	4205	Disposed
					15/01/16	59213	53310	-	5903	Disposed

Note: Details of the change in shareholding for less than 2% has been merged in the above said statement and increase/decrease is only shown for more than 2%. Further that the dates of changes has been taken as per information 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):	-	-	-	-
<b>* Resigned from the post of Independent Director w.e.f 12.04.2016.</b>				
At the end of the year			2200	0.02
<b>Dr. Shamsheer Singh, Independent Director</b>				
At the beginning of the year	-	-		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year			-	-
<b>Dr. Keshav Singh Varma, Independent Director</b>				
At the beginning of the year	-	-		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year			-	-

<b>Mr. Pramod Fatehpuria, Independent Director</b>				
At the beginning of the year	-	-	-	-
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year	-	-	-	-
<b>Smt. Trapti Vikas Gupta, Non-Executive Director</b>				
At the beginning of the year	-	-	-	-
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year	-	-	-	-
<b>CS Rajat Gupta, Company Secretary</b>				
At the beginning of the year	-	-	-	-
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year	-	-	-	-
<b>Shri Manish Jain, CFO</b>				
At the beginning of the year	-	-	-	-
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year	-	-	-	-

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. In 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

3	Sweat Equity	0	0	0	0
4	Commission				
	- as % of profit	0	0	0	0
	- Others, specify...	0	0	0	0
5	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 Varma	Shri Pramod Fatehpuria	Total
1	-Fee for attending Board/Committee Meetings	-	-	-	-	
2	-Commission	-	-	-	-	
3	- Others, please specify	-	-	-	-	
	<b>Total B.1</b>	-	-	-	-	

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

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

S.No.	Particular of Remuneration	Mrs. Trapti Vikas Gupta	Total
1	-Fee for attending Board/Committee Meetings	-	-
2	-Commission	-	-
3	- Others, please specify	-	-
	<b>Total B.2</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
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2,52,000	2,40,000	4,92,000
	(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
2	Stock Options	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit	0	0	0
	- others, specify...	0	0	0
5	Others, please specify	0	0	0
	<b>Total C</b>	<b>2,52,000</b>	<b>2,40,000</b>	<b>4,92,000</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 and till date no orders has been issued by the Chief Judicial Magistrate on the company.

For and on behalf of the Board

Place: Pithampur  
Date: 11<sup>th</sup> August 2016

Ramesh Chandra Mittal  
Chairman  
DIN 00035272

“Annexure J”

**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 2015-16 (Rs.)	Remuneration for the year 2014-15 (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	0.00
2	Smt. Kusum Mittal	WTD	18,00,000	18,00,000	0.00	0.00
3	Shri Alok K. Garg	WTD	30,00,000	30,00,000	0.00	0.00
4	Dr. Shamsheer Singh	ID	0	0	0.00	0.00
5	Dr. S.K.Sharma	ID	0	0	0.00	0.00
6	Smt. Trapti Vikas Gupta	NED/Women Director	0	0	0.00	0.00
7	Shri Pramod Fatehpuria (W.e.f. 29/05/14)	Independent Director	0	N.A.	N.A.	N.A.
8	Dr. K.S. Varma	ID	0	0	0.00	0.00
9	Shri Manish Kumar Jain (W.e.f. 1/04/15)	CFO	2,40,000	2,21,400	8.40	1.07
10	CS RajatGupta (W.e.f. 01/04/15)	Company Secretary	2,52,000	2,40,000	5.00	0.64

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

The remuneration of median employee was Rs. 7,550 during the year 2015-16 as compared to Rs. 7,000 in the previous year, increased by 7.86 % considering profitability of the Company.

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

During the Financial year the total number of employees on the roll was 210

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

Price quotation on 31 <sup>st</sup> March,2016	Last Right issue offer in the year 1995	Change in % (Increase or Decrease)
81.80	Rs. 10.00 (Premium of Rs 116/-)	(-) Rs. 44.20 (Decrease 35.08%)

\* 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. 81.80 per share multiplying by 4 to the market quotation of Rs. 20.45 per shares on 31.03.2016.

5. Particulars of the top 10 employees in respect of the remuneration drawn during the year 2015-16 are as under.

S. No.	Name of Employee	Designation of the employee	Remuneration received (Rs.)	Nature of employment whether contractual or other-wise	Qualifications and experience of the employee	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the company	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	Remarks
1	Shri Ramesh Chandra Mittal	Managing Director	30,00,000		B.Pharma and having 39 Years of experience in the manufacturing and business activities of the company	06.08.83	68 Years 9 Months	N.A	1. Husband of Mrs. Kusum Mittal 2. Father-in-law of Mr. Alok K Garg	
2	Shri Alok K Garg	Whole-Time Director	30,00,000		B.A. (Honors), MBA (Marketing), Diploma in Export Documentation & Implementation from IIFT, Delhi  More than 15 years experience in the Company's business and manufacturing activities	11.06.96	46 Years 11 Months	N.A	Son- in law of Mr. R. C Mittal & Mrs. Kusum Mittal	
3	Mrs. Kusum Mittal	Whole-Time Director	18,00,000		B. A  Having experience in the Real Estate, investments and finance business activities	01.11.10	65 Years 7 Months	N.A	1. Wife of Shri R C Mittal 2. Mother-in-law of Mr. Alok K Garg	

4	Mrs. Manisha Garg	G.M Corporate Affairs	12,00,000		Diploma in Marketing	01.07.12	44 Years 4 Months	N.A	1. Wife of Mr. Alok K Garg  2. Daughter of Shri. R C Mittal and Mrs. Kusum Mittal
5	Mr. Rajendra Kumar Sharma	Vice-President	9,60,000		P.hd in Management & Administration, MBA & LLB	06.02.87	54 Years 10 Months	N.A	
6	Mr. Ashish Moitra	Sr. Marketing Manager	8,11,800		MBA Marketing	06.06.08	36 Years 7 Months	N.A	
7	Mr. Ashok R. Pitliya	General Manager-Finance	7,50,600		M.Com, M.A	01.07.85	54 Years	N.A	
8	Mr. Anurag Dutt	Sr. Account Officer	4,99,200		M.Com, MBA	01.01.02	34 Years 9 Months	Aurobindo Medical College	
9	Mr. Hemchand Jain	Q. A Manager	4,11,600		B.E Mechanical	22.09.08	55 Years 9 Months	N.A	
10	Mr. Mukesh Sharma	Electrical Manager	3,60,000		Diploma in Electricals	01.12.03	44 Years 5 Months	N.A	

**For and on behalf of the Board**

**Place: Pithampur**  
**Date: 11<sup>th</sup> August 2016**

**Ramesh Chandra Mittal**  
**Chairman**  
**DIN 00035272**

**“Annexure K”**

**Certificate on Compliance with Code of Conducts**

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Business Conduct and Ethics, The Company has formulated the code of conduct for the Board members and senior executives under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011 and the SEBI (Prohibition of Insider Trading) Regulations, 1992/2015.

**Place: Pithampur**  
**Date: 11<sup>th</sup> August 2016**

**Ramesh Chandra Mittal**  
**Chairman**  
**DIN 00035272**

**INDEPENDENT AUDITOR'S REPORT**

**TO  
THE MEMBERS OF  
MEDI-CAPS LIMITED**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **MEDI-CAPS LTD.** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order under section 143 (11) of the Act. We conducted our audit of the standalone financial statements 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 the 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 a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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 standalone financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the pending litigations in point no. (vii) (c) of CARO 2016. However same doesn't affect its financial position as on date.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

**2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give "**Annexure B**"**

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

**C.P. RAWKA  
Proprietor  
Membership No.:070060  
FRN: 000518C**

**Place: INDORE  
Date: 27/05/16**

**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in Paragraph 1(f) under 'Report on other legal and regulatory Requirements' of the report of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of MEDI-CAPS LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**C.P. RAWKA**  
Proprietor  
Membership No.: 070060  
FRN: 000518C

Place: INDORE  
Date: 27/05/16



**ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT**

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

1. In respect of its Fixed Assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed and other relevant records evidencing title provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
2. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees, as applicable. The Company has not granted any security in terms of Section 185 and 186 of the Companies Act, 2013.
5. According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
6. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. According to the information and explanations given to us, in respect of statutory dues:
  - a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, incometax, sales tax, service tax, customs duty, excise duty, value added tax, cess and any other material statutory dues with the appropriate authorities.
  - b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
  - c) Details of dues of income-tax, sales tax, service tax, customs duty, excise duty and value added tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of the Statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved	Amount Unpaid
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	Assessment Year 2010-11	62,00,000	Fully Paid
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax	Assessment Year 2011-12	7,11,380	7,11,380
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax	Assessment Year 2012-13	6,44,950	6,44,950
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax	Assessment Year 2013-14	18,01,360	18,01,360

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, government and dues to Banks.
9. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer or further public offer.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. The Company is not a Nidhi Company and hence reporting under clause of the CARO 2016 Order is not applicable.
13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
14. During the year the Company has not made any preferential allotment or private placement of shares and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**C.P. RAWKA**  
**Proprietor**  
**Membership No.:070060**  
**FRN: 000518C**

**Place: INDORE**  
**Date: 27/05/16**

**Balance Sheet as at 31st March, 2016**
**Amount in Rs.**

Particulars	Note	Amount in Rs.	
		As at 31st Mar 2016	As at 31st Mar 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholder's Funds</b>			
(a) Share Capital	2	124699560	124699560
(b) Reserves and Surplus	3	530690894	518863126
<b>2. Non-Current Liabilities</b>			
(a) Deferred tax liabilities (Net)	4	3636303	3394015
(b) Long term provisions	5	8486458	7551020
<b>3. Current Liabilities</b>			
(a) Trade payables	6	18683278	12213639
(b) Other current liabilities	7	18376392	15237983
(c) Short-term provisions	8	5500000	7500000
<b>Total</b>		<b>710072885</b>	<b>689459343</b>
<b>II. Assets</b>			
<b>1. Non-current assets</b>			
(a) Fixed assets	9		
(i) Tangible assets		36355137	39647943
(b) Non-current investments	10	467995277	465419619
(c) Long term loans and advances	11	4560130	4107330
<b>2. Current assets</b>			
(a) Current investments	12	27610447	17110447
(b) Inventories	13	77402074	70592347
(c) Trade receivables	14	66146687	66365366
(d) Cash and cash equivalents	15	10301951	8955471
(e) Short-term loans and advances	16	19701182	17260820
<b>Total</b>		<b>710072885</b>	<b>689459343</b>

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

Note on Accounts as Note '1 to 31'

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 : 27th May, 2016

**R.C.Mittal**

Chairman & Managing Director

DIN:00035272

**Manish Jain**

C.F.O.

For and on behalf of the board ,

**For MEDI-CAPS LTD.**

**Alok K. Garg**

Joint Managing Director

DIN:00274321

**CS Rajat Gupta**

Company Secretary

ACS 35414

**Profit and Loss statement for the year ended 31st March, 2016**

Amount in Rs.

Particulars	Note	As at 31st Mar 2016	As at 31st Mar 2015
I. Revenue from operations	17	250378727	273630857
II. Other Income	18	4578163	12059211
III. <b>Total Revenue (I + II)</b>		<b>254956890</b>	<b>285690068</b>
IV. Expenses:			
Cost of materials consumed	19	124053906	143653719
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	(10364957)	(10938044)
Employee benefit expense	21	52488733	49289016
Other expenses	22	68053995	73148230
Depreciation and amortization expense	10	3299248	3196841
<b>Total Expenses</b>		<b>237530924</b>	<b>258349762</b>
V. <b>Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>17425966</b>	<b>27340306</b>
VI. Exceptional Items		0	0
VII <b>Profit before extraordinary items and tax (V - VI)</b>		<b>17425966</b>	<b>27340306</b>
VIII Extraordinary Items		0	0
<b>IX. Profit before tax (VII - VIII)</b>		<b>17425966</b>	<b>27340306</b>
X. Tax expense:			
(1) Current tax		5500000	7500000
(2) Earlier year excess provision for tax written back		(144091)	0
(3) Deferred tax		242288	478894
<b>XI. Profit/(Loss) for the period (IX - X)</b>		<b>11827769</b>	<b>19361412</b>
XII. Earning per equity share:	28		
(1) Basic		0.95	1.55
(2) Diluted		0.95	1.55

The Notes referred to above are integral part of Balance Sheet.  
Note on Accounts as Note '1 to 31'

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 : 27th May, 2016

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

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

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

**Alok K. Garg**  
Joint Managing Director  
DIN:00274321

**CS Rajat Gupta**  
Company Secretary  
ACS 35414

**Cash Flow Statement for the year ended March 31, 2016**

Amount in Rs.

Particulars	As at 31st Mar 2016	As at 31st Mar 2015
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax & Extraordinary Items	17425966	27340306
Adjustment For:		
Depreciation	3299248	3196841
Dividend Income	(300)	(150)
Operating Profit before Working Capital Change	<u>20724914</u>	<u>30536997</u>
Ajustment for Working Capital		
(Increase)/ Decrease in Sundry Debtors	218679	13657987
(Increase)/ Decrease in Inventories	(6809727)	(16194598)
(Increase)/ Decrease in Loans & Advances	(2893162)	52218168
Increase/ (Decrease) in Current Liabilities & Prov.	8543486	(3908004)
<b>Cash Generated from Working Capital</b>	<b>(940726)</b>	<b>45773554</b>
Cash generated from Operation	19784188	76310551
Net Income Tax Paid	5355909	7500000
<b>Net cash Flow from Operating Activity</b>	<b><u>14428279</u></b>	<b><u>68810551</u></b>
<b>B. Cash Flow from Investing Activities</b>		
Sale/(Purchase) of Investments	(13075657)	(64989195)
Purchase of Fixed Assets	(6442)	(2955937)
Dividend Received	300	150
Adjustment for Dep on sale of Fixed Assets	0	124358
<b>Net Cash used in Investing Activities</b>	<b><u>(13081799)</u></b>	<b><u>(67820624)</u></b>
<b>C. Cash Flow from Financial Activities</b>		
	NIL	NIL
<b>Net Cash Used in Financial Activities</b>	<b><u>NIL</u></b>	<b><u>NIL</u></b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>1346480</b>	<b>989928</b>
Cash & Cash Equivalents at the		
Beginning of the year	8955471	7965543
Closing of the year	10301951	8955471
<b>Increase in Cash and Cash Equivalents</b>	<b>1346480</b>	<b>989928</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 : 27th May, 2016

**R.C.Mittal**

Chairman & Managing Director

DIN:00035272

**Manish Jain**

C.F.O.

For and on behalf of the board ,

**For MEDI-CAPS LTD.**

**Alok K. Garg**

Joint Managing Director

DIN:00274321

**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 conventions, 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, 2016

Amount in Rs.

Note : 2 Share Capital	As at 31st Mar 2016	As at 31st Mar 2015
<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)	<u>150000000</u>	<u>150000000</u>
<b>Subscribed &amp; Paid Up Capital</b> 1,24,69,956 Equity Shares of Rs. 10 each fully paid up (Previous Year 1,24,69,956 Equity Shares of Rs.10/- each)	<u>124699560</u> <u>124699560</u>	<u>124699560</u> <u>124699560</u>

Reconciliation of the equity shares outstanding at the beginning and at the end of the year				
	As at March 31, 2016		As at March 31, 2015	
	Numbers	Value	Numbers	Value
Equity Shares				
At the beginning of the year	12469956	124699560	12469956	124699560
Issued during the year	-	-	-	-
Outstanding at the end of the year	12469956	124699560	12469956	124699560

Details of Shareholders holding more than 5 percent shares in the company				
Name of Shareholders	No. of Shares as at			
	31.03.16	% of Holding	31.03.15	% of Holding
R.C.Mittal	3166320	25.40%	3166320	25.40%
Kusum Mittal	2700136	21.65%	2700136	21.65%

Note : 3 Reserve & Surplus		
<b>Capital Reserve</b> As per last balance sheet	<u>4421000</u>	<u>4421000</u>
<b>Share Forfeiture A/c</b> As per last balance sheet	<u>2755455</u>	<u>2755455</u>
<b>General Reserve</b> As per last balance sheet	<u>30456832</u>	<u>30456832</u>
<b>Surplus</b> Opening balance	481229839	461868427
Add: Net profit for the current year	11827768	19361412
<b>Closing Balance</b>	<u>493057607</u> <u>530690894</u>	<u>481229839</u> <u>518863126</u>

Note : 4 Deferred Tax Liability		
On Depreciation (Difference of as per Books & as per Income Tax Act)	<u>3636303</u>	<u>3394015</u>
	<u>3636303</u>	<u>3394015</u>

Note : 5 Long Term Provisions		
Provision for Gratuity	7923659	6966535
Leave Encashment Payable	<u>562799</u>	<u>584485</u>
	<u>8486458</u>	<u>7551020</u>

Note : 6 Trade Payable		
Sundry Creditors	<u>18683278</u>	<u>12213639</u>
	<u>18683278</u>	<u>12213639</u>

Amount in Rs.

Note : 7 Other Current Liabilities	As at 31st Mar 2016	As at 31st Mar 2015
Advance Recd from Customers	1589100	507622
Bonus Payable	3917996	3652616
Commission Payable	7600070	6578835
CST & VAT Payble	492405	0
Entry Tax Payable	0	49557
ESI Payable	23678	0
Outstanding Liabilities	3761602	3809782
Professional Tax	8473	9498
Provident Fund	298378	0
TDS on Consultancy	64008	41522
TDS on Contractor Payment	11216	492
TDS on Salary	222730	195100
TDS on Sales Commission	386736	392959
	<b>18376392</b>	<b>15237983</b>

Note :8 Short-Term Provisions		
For Taxation	5500000	7500000
	<b>5500000</b>	<b>7500000</b>

Note : 10 Non-Current Investments		
a) Investment in properties	10793000	10793000
b) Investment in Equity instruments		
i) Trade Investment (Unquoted)		
In Subsidiary Company		
1,07,54,828 (1,07,54,828) Equity Share of Rs. 10/- each of Medgel Private Limited	331233980	331233980
In Other Company		
21,800 (21800) Equity Shares of Rs.10/-each of Medicaps Fin.Ltd.	218000	218000
1,07,000 (1,07,000) Equity Shares of Rs. 10/- each of Endolabs Ltd.	1070000	1070000
	<b>332521980</b>	<b>332521980</b>
ii) Other Investment (Quoted)		
100 (100) Equity Shares of Natural Capsules	1000	1000
43,600 (43,600) 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) Investment in Mutual Funds & Others	122536145	119960488
	<b>467995277</b>	<b>465419619</b>

Note : 11 Long-Term Loans & Advances		
(Unsecured, considered good unless otherwise stated)		
Security Deposits	4560130	4107330
	<b>4560130</b>	<b>4107330</b>

Note : 12 Current Investment		
Investment in Mutual Funds		
IDBI Ultra Short Term Fund- Growth	9000000	0
Reliance Money Manager Fund- Growth	18610447	17110447
	<b>27610447</b>	<b>17110447</b>

**Note-09- Fixed Assets- Tangible Assets up to 31.03.2016**

S. No.	FIXED ASSETS	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK		Useful Life
		As at 01.04.2015	Additions	Deductions	As at 31.03.2016	Up to 31.03.2015	For the Year ended 31.03.2016	Deletions	Up to 31.03.2016	As at 31.03.2016	As at 31.03.2015	
1	Free Hold Land	1178000	0	0	1178000	0	0	0	0	1178000	1178000	30 Years
2	Factory Building	23904874	0	0	23904874	16376564	678060	0	17054624	6850250	7528310	30 Years
3	Office Building	19121350	0	0	19121350	2159905	656464	0	2816369	16304981	16961445	30 Years
4	Plant & Machinery	132740987	6442	0	132747429	128965275	189708	0	129154983	3592446	3776122	20 Years
5	Furniture & Fixtures	7059692	0	0	7059692	5472334	217672	0	5690006	1369686	1587358	10 Years
6	Vehicles	17339539	0	0	17339539	8722421	1557344	0	10279765	7059774	8617118	8 Years
7	Computers	2282109	0	0	2282109	2282108	0	0	2282108	1	1	3 Years
	<b>TOTAL</b>	<b>203626551</b>	<b>6442</b>	<b>0</b>	<b>203632993</b>	<b>163978608</b>	<b>3299248</b>	<b>0</b>	<b>167277856</b>	<b>36355137</b>	<b>39648353</b>	
	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.

Note : 13 Inventories	As at 31st Mar 2016	As at 31st Mar 2015
Raw Materials	8420305	13700236
Finished Goods	56341441	46504115
Stock in process and waste	3653400	3125769
Stores and Spares	1521630	1698514
Colour & Chemical	2225325	2027590
Packing Material	3576762	2432676
Printing Material	80495	91082
Lab Chemical & Equipments	64445	71340
Fuel	541520	941025
EHG Capsules (Traded Goods)	976750	0
	<b>77402074</b>	<b>70592347</b>

Note : 14 Trade Receivables		
Unsecured , Considered Good as certified by the Management		
Outstanding over six months	8977402	0
Others	57169285	66365366
	<b>66146687</b>	<b>66365366</b>

Note : 15 Cash & Bank balances		
Cash in Hand	202940	178450
Balance with Noted Banks :		
In Current Accounts	5525416	4675353
In Fixed Deposit Accounts	4573595	4101668
	<b>10301951</b>	<b>8955471</b>

Note : 16 Short-term Loans & Advances		
(Unsecured & Considered Good - Advance recoverable in Cash or in kind or for value to be received)		
Advance to Suppliers & Others	464839	2236198
Balances with Government Authorities	1736077	2180009
Advance Tax & TDS (Net of Provisions)	16169075	11051673
Prepaid Expenses	744417	881121
Other Loans & Advances	586774	911819
	<b>19701182</b>	<b>17260820</b>

<b>Note : 17 Sales</b>	<b>As at 31st Mar 2016</b>	<b>As at 31st Mar 2015</b>
Sale of product	277274912	302664986
Less : Excise Duty	26896185	29034129
	<b>250378727</b>	<b>273630857</b>

<b>Note :18 Other Incomes</b>		
Claims Received	95884	830657
Capital gain / (Loss) on Mutual Fund	0	6110147
Dividend income	300	150
Interest Income	1659733	640494
Cr. Bal No Longer Required W/off	34063	204358
Misc. Income	2788183	4046084
Profit on sale of Securities	0	227321
	<b>4578163</b>	<b>12059211</b>

<b>Note : 19 Cost of Materials Consumed</b>		
<b>A) Raw Material Consumed</b>		
Opening Stock	15799166	11791255
Purchases	112341786	141114005
	128140952	152905260
Less : Closing Stock	10710075	15799166
Raw Material Consumed	<b>117430877</b>	<b>137106094</b>
<b>B) Packing Material Consumed</b>		
Opening Stock	2432676	1300668
Purchases	7767115	7679633
	10199791	8980301
Less : Closing Stock	3576762	2432676
Packing Material Consumed	<b>6623029</b>	<b>6547625</b>
<b>Grand total of Materials Consumed (A) + (B)</b>	<b>124053906</b>	<b>143653719</b>

<b>Note : 20 Increase/(Decrease) in Stocks</b>		
Closing Stock of :		
Finished Goods	56341441	46504115
Stock in Process	3281309	2810369
Waste	372091	315400
<b>Total (A)</b>	<b>59994841</b>	<b>49629884</b>
Opening Stock of :		
Finished Goods	46504115	37821397
Stock in Process	2810369	737152
Waste	315400	133291
<b>Total (B)</b>	<b>49629884</b>	<b>38691840</b>
<b>Increase/(Decrease) in Stock (A-B)</b>	<b>10364957</b>	<b>10938044</b>

<b>Note : 21 Employees Remuneration &amp; benefits</b>		
Salary, Wages, Allowances & other Benefits	39004634	36624085
Directors Remuneration	7800000	7800000
Gratuity	1498214	877524
P. F. Contribution	3849029	3654361
Staff Welfare Expenses	336856	333046
	<b>52488733</b>	<b>49289016</b>

Amount in Rs.

Note : 22 Other Expenses	As at 31st Mar 2016	As at 31st Mar 2015
Advertisement & Publicity	82891	68968
Audit Fee	322500	262500
Annual Listing Fees	290000	214657
Bank Charges	129347	125431
Business Promotion Expenses	664476	2563382
Charity & Donations	216500	450600
Consultancy Charges	999952	913182
Conveyance Expenses	481346	435425
Entry Tax	1444080	1864445
Electricity & Water	791205	750188
Freight Expenses	5587496	5187478
Factory Power & Fuel	32625000	34206093
Factory Expenses	1264644	302745
Insurance Charges	794670	642510
Import / Export Expenses	82968	0
ISO Certification Charges	54086	65469
Legal Expenses	356538	(12716)
Membership Fee & Subscription	61866	71777
Misc. Expenses	750462	2032710
Office & General Expenses	124807	96572
Postage, telegram	82654	95256
Printing Material consumed	474251	419385
Printing & Stationary	440527	282738
Rent, Rates & Taxes	314116	377561
<b>Repairs &amp; Maintenance</b>		
Buildings	21200	20537
Machinery	7403932	6262800
Electricals	2805506	2591410
A.C.Plant	856356	3587104
Computer	125020	62465
Other	8989	0
Sales Commission	4060221	5558695
Sales promotion Expenses	1219368	329356
Swatch Bharat Cess	19370	0
Stores & Spares Consumed	1050039	1308956
Telephone & Telex Charges	468392	414018
Tour & Travelling Expenses	991783	1021332
Vehicle Running & Maintenance	587437	575200
	<u>68053995</u>	<u>73148230</u>

**Note 23 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. 16.60 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 24 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.2,42,288/- has been recognised in the profit & Loss Account.

<b>Note 25 Payment to Auditors (Ex. Service Tax)</b>	<b>As at 31st Mar 2016</b>	<b>As at 31st Mar 2015</b>
Audit Fees	250000	200000
In other Capacity		
Tax Audit Fee	20000	20000
Other	30000	30000
	<b>300000</b>	<b>250000</b>

<b>Note 26 Additional Information</b>		
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*	30864	34632
*Rounded off to nearest Lacs and after deduction quantities removed as such.		

	<b>2015-16</b>		<b>2014-15</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	3911.23	496.30	3719.87	386.92
ii) Closing Stock	4482.03	599.95	3911.23	496.30
c) Turnover				
Hard Geletin Capsules (Net)	30163.96	2772.75	33782.83	3026.65
d) Raw Material Consumed				
Geletin	238610 Kgs	1129.45	264950 Kgs	1316.36
e) Value of Imports on C.I.F. Basis				
Raw Material		NIL		NIL
Capital Goods		62.74		2.46
f) Expenditure in Foreign Currency				
Foreign Travel & Others		11.95		33.59

<b>Note 27 Related Party Disclosure</b>				
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 31.03.16</b>	<b>As at 31.03.15</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
5	Medgel Pvt. Ltd. Subsidiary Company (on arm length basis in the ordinary course of business)	Purchase Sale	4106250 4021000	0 1689100

Amount in Rs.

Note 28 Earning Per Share		As at 31st Mar 2016	As at 31st Mar 2015
Earning per share, the numerator and denominator used to calculate Basic and Diluted Earning per shares:			
i)	Profit after tax used as the numerator	11827769	19361412
ii)	Basic / Weighted Average number of Equity Shares used as the denominator	12469956	12469956
iii)	Nominal Value of Equity shares	10/-	10/-
iv)	Basic & Diluted Earning per Equity Share	0.95	1.55
<b>Note 29 Employee Benefits</b>			
<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	6611737	6331596
2	Current Service Cost	2044129	331609
3	Past Service Cost	0	0
4	Interest Cost	707199	24368
5	Actuarial (Gains) / Losses	0	0
6	Benefits Paid	465254	75836
7	Present value of Defined benefit obligation at the end of the year	8897811	6611737
<b>II Change in assets during the year ended March 31</b>			
1	Plan assets at the beginning of the year	7561515	6905648
2	Settlements	0	375726
3	Expected return on plan assets	707199	24368
4	Contribution by Employer	2044129	331609
5	Actual benefits paid	465254	75836
6	Actuarial Gains / (Losses)	(103019)	0
7	Plan assets at the end of the year	9744570	7561515
<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.	8897811	6611737
2	Fair value of plan assets as at March 31	9744570	7561515
3	Fund Status (Surplus / (Deficit))	846759	949778
4	Net Assets / (Liabilty) as at end of the year	<b>846759</b>	<b>949778</b>
<b>IV Expenses recognised in the Statement of Profit &amp; Loss for the year ended March 31</b>			
1	Current Service Cost	2044129	331609
2	Interest Cost		
3	Expected return on plan assests	707199	24368
4	Past service cost		
5	Net Actuarial (Gains) / Losses		
6	Total Expenses	<b>2751328</b>	<b>355977</b>
<b>V The major categories of plan assets as a percentage of total plan</b>			
		N.A.	N.A.
b. Contribution to provident fund and other funds stated under defined contribution plans is Rs. 38.49 Lacs (Previous year Rs. 36.54 Lacs).			

**Note 30** The company does not have outstanding for more than 30 days as on 31st March 2016 of S.S.I units the respective parties.

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

**INDEPENDENT AUDITORS' REPORT**

**TO  
THE MEMBERS OF  
MEDI-CAPS LTD.**

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of MEDI-CAPS LTD. (hereinafter referred to as "the Holding Company") and its subsidiary MEDGEL PVT. LTD. (the Holding Company and its subsidiary Company together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

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

**Auditor's Responsibility**

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

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

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2016, and their consolidated Profit/Loss and their consolidated cash flows for the year ended on that date.

**Other Matters**

We have audited the financial statements of its subsidiary, whose financial statements reflect Total Assets of Rs. 42,47,40,320/- as at March 31, 2016, Total Revenues of Rs. 18,15,63,824/- and Net Cash Flows amounting to Rs. 25,70,661/- for the year ended on that date, as considered in the consolidated financial statements. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to work done.

**Report on Other Legal and Regulatory Requirements:**

1. 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.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of the subsidiary company incorporated in India, to the extent reported by the statutory auditors of such company, none of the directors of the Group companies, is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such control, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company and its subsidiary company incorporated in India, internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the pending litigations below. However same doesn't affect its financial position as on date.

Name of the Statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved	Amount Unpaid
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	Assessment Year 2010-11	62,00,000	Fully Paid
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax	Assessment Year 2011-12	7,11,380	7,11,380
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax	Assessment Year 2012-13	6,44,950	6,44,950
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax	Assessment Year 2013-14	18,01,360	18,01,360

ii. The Group, 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 company, incorporated in India.

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

**C.P. RAWKA  
Proprietor**

**Membership No.: 070060  
FRN: 000518C**

**Place: INDORE  
Date: 27/05/16**

**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in Paragraph 1(f) under 'Report on other legal and regulatory Requirements' of the report of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In Conjunction with our audit of the Consolidated Financial Statements of "the Group" as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of **MEDI-CAPS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary **MEDGEL PVT. LTD.** as on March 31, 2016 which are incorporated in India, as of that date

**Management's Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Holding Company and its subsidiary company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by "the Group" as adopted by each company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its Subsidiary Company, which are Companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

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

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

Place: **INDORE**  
Date: **27/05/16**

**C.P. RAWKA**  
**Proprietor**  
**Membership No.: 070060**  
**FRN: 000518C**

**Consolidated Balance Sheet as at 31st March, 2016**

Amount in Rs.

Particulars	Note	As at 31st Mar 2016	As at 31st Mar 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholder's Funds</b>			
(a) Share Capital	2	124699560	124699560
(b) Reserves and Surplus	3	698012307	689374453
<b>2. Non-Current Liabilities</b>			
(a) Long term borrowings	4	805831	8095280
(b) Deferred tax liabilities (Net)	5	3636303	3394015
(C) Long term provisions	6	8486458	7551020
<b>3. Current Liabilities</b>			
(a) Trade payables	7	59282951	33638879
(b) Other current liabilities	8	29841516	18015112
(c) Short-term provisions	9	5500000	7500000
<b>Total</b>		<b>930264926</b>	<b>892268320</b>
<b>II. Assets</b>			
<b>1. Non-current assets</b>			
(a) Fixed assets	10	564055256	580499577
(b) Non-current investments	11	39761297	37185639
(c) Long term loans and advances	12	9680167	7219594
<b>2. Current assets</b>			
(a) Current investments	13	27610447	17110447
(b) Inventories	14	149668995	134570447
(c) Trade receivables	15	97087341	86449084
(d) Cash and cash equivalents	16	12950315	9033171
(e) Short-term loans and advances	17	29451109	20200360
<b>Total</b>		<b>930264926</b>	<b>892268320</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 : 27th May, 2016

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

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

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

**Alok K. Garg**  
Joint Managing Director  
DIN:00274321

**CS Rajat Gupta**  
Company Secretary  
ACS 35414



**Consolidated Profit and Loss statement for the year ended 31st March, 2016**

Amount in Rs.

Particulars	Note	As at 31st Mar 2016	As at 31st Mar 2015
I. Revenue from operations	18	429714681	361110752
II. Other Income	19	6806033	13005306
III. <b>Total Revenue (I +II)</b>		<b>436520714</b>	<b>374116058</b>
IV. Expenses:			
Cost of materials consumed	20	230865470	194944904
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	(18375678)	(10049949)
Employee benefit expense	22	80807682	73370651
Finance Cost	23	269415	6071673
Other expenses	24	110674964	104320341
Depreciation and amortization expense	10	18042810	18077268
<b>Total Expenses</b>		<b>422284662</b>	<b>386734887</b>
<b>V. Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>14236051</b>	<b>(12618829)</b>
VI. Exceptional Items		0	0
VII. Profit before extraordinary items and tax (V - VI)		14236051	(12618829)
VIII. Extraordinary Items		0	0
<b>IX. Profit before tax (VII - VIII)</b>		<b>14236051</b>	<b>(12618829)</b>
X. Tax expense:			
(1) Current tax		5500000	7500000
(2) Earlier year excess provision for tax written back		(144091)	0
(3) Deferred tax		242288	478894
<b>XI. Profit/(Loss) for the period (IX - X)</b>		<b>8637854</b>	<b>(20597723)</b>
XII. Earning per equity share:	29		
(1) Basic		0.69	(1.65)
(2) Diluted		0.69	(1.65)

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 : 27th May, 2016

**R.C.Mittal**

Chairman & Managing Director

DIN:00035272

**Manish Jain**

C.F.O.

For and on behalf of the board ,

**For MEDI-CAPS LTD.**

**Alok K. Garg**

Joint Managing Director

DIN:00274321

**CS Rajat Gupta**

Company Secretary

ACS 35414

**Consolidated Cash Flow Statement for the year ended March 31, 2016**

Amount in Rs.

Particulars	As at 31st Mar 2016	As at 31st Mar 2015
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax & Extraordinary Items	14236051	(12618829)
Adjustment For:		
Depreciation	18042810	18077268
Dividend Income	(300)	(150)
Operating Profit before Working Capital Change	<u>32278561</u>	<u>5458289</u>
Ajustment for Working Capital		
(Increase)/ Decrease in Sundry Debtors	(10638257)	28555663
(Increase)/ Decrease in Inventories	(15098548)	(26768194)
(Increase)/ Decrease in Loans & Advances	(11711322)	53688552
Increase/(Decrease) in Current Liabilities & Provisions	36405910	17081499
<b>Cash Generated from Working Capital</b>	<u>(1042217)</u>	<u>72557521</u>
Cash generated from Operation	31236344	78015810
Income Tax for the year	5355909	7500000
<b>Net cash Flow from Operating Activity</b>	<u>25880435</u>	<u>70515810</u>
<b>B. Cash Flow from Investing Activities</b>		
Sale/(Purchase) of Investments	(13075657)	(64989195)
Purchase of Fixed Assets	(1598488)	(5004416)
Dividend Received	300	150
Adjustment for Dep on sale of Fixed Assets	0	321326
<b>Net Cash used in Investing Activities</b>	<u>(14673845)</u>	<u>(69672135)</u>
<b>C. Cash Flow from Financial Activities</b>		
Proceeds from Long Term Borrowings	(7289449)	0
<b>Net Cash Used in Financial Activities</b>	<u>(7289449)</u>	<u>0</u>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<u>3917141</u>	<u>843676</u>
Cash & Cash Equivalents at the		
Beginning of the year	9033172	8189496
Closing of the year	12950313	9033172
<b>Increase in Cash and Cash Equivalents</b>	<u>3917141</u>	<u>843676</u>

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 : 27th May, 2016

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

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

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

**Alok K. Garg**  
Joint Managing 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 its subsidiary have been consolidated using uniform accounting policies for like transaction and other events in similar circumstances.

**b) Fixed Assets and Depreciation :-**

Fixed assets are stated at cost net of cost 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.

**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.

**m) Intangible Assets**

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

Notes on Financial Statement for the year ended 31st March, 2016

Amount in Rs.

Note : 2 Share Capital	As at 31st Mar 2016	As at 31st Mar 2015
<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)	<u>150000000</u>	<u>150000000</u>
<b>Subscribed &amp; Paidup Capital</b> 1,24,69,956 Equity Shares of Rs. 10 each fully paid up (Previous Year 1,24,69,956 Equity Shares of Rs.10/- each)	<u>124699560</u> <u>124699560</u>	<u>124699560</u> <u>124699560</u>

Reconciliation of the equity shares outstanding at the beginning and at the end of the year				
Equity Shares	As at March 31, 2016		As at March 31, 2015	
	Numbers	Value	Numbers	Value
At the beginning of the year	12469956	124699560	12469956	124699560
Issued during the year	-	-	-	-
Outstanding at the end of the year	12469956	124699560	12469956	124699560

Details of Shareholders holding more than 5 percent shares in the company					
Name of Shareholders	No. of Shares as at				
	31.03.16 % of Holding		31.03.15 % of Holding		
R.C.Mittal	31,66,320	25.40%	31,66,320	25.40%	
Kusum Mittal	27,00,136	21.65%	27,00,136	21.65%	

Note : 3 Reserve & Surplus		
<b>Capital Reserve</b>		
As per last balance sheet	4421000	4421000
<b>Share Forfeiture A/c</b>		
As per last balance sheet	2755455	2755455
<b>Securities Premium Account</b>		
As per last balance sheet	268620700	268620700
<b>General Reserve</b>		
As per last balance sheet	30456832	30456832
<b>Surplus</b>		
Opening balance	383120466	403718189
Add: Net profit for the current year	8637854	(20597723)
<b>Closing Balance</b>	<u>391758320</u> <u>698012307</u>	<u>383120466</u> <u>689374453</u>

Note : 4 Long Term Borrowings		
IDBI Bank C.C. A/c 0382655100000125	0	7418606
Other Borrowings	<u>805831</u>	<u>676674</u>
	<b>805831</b>	<b>8095280</b>

Note : 5 Deferred Tax Liability		
On Depreciation (Difference of as per Books & as per Income Tax Act)	<u>3636303</u>	<u>3394015</u>
	<b>3636303</b>	<b>3394015</b>

Amount in Rs.

<b>Note : 6 Long Term Provisions</b>	<b>As at 31st Mar 2016</b>	<b>As at 31st Mar 2015</b>
Provision for Gratuity	7923659	6966535
Leave Encashment Payable	562799	584485
	<b>8486458</b>	<b>7551020</b>

<b>Note : 7 Trade Payable</b>		
Sundry Creditors	59282951	33638879
	<b>59282951</b>	<b>33638879</b>

<b>Note : 8 Other Current Liabilities</b>		
Advance Recd from Customers	10667929	507622
Bonus Payable	3917996	3652616
Commission Payable	7600070	6578835
CST & VAT Payble	496372	1368
Entry Tax Payable	0	49557
ESI Payable	69729	39711
Outstanding Liabilities	3761602	4952372
Professional Tax	20043	14738
Provident Fund	471356	124610
TCS on Scrap Sales	413	287
Unpaid Salary & Wages (Provision)	1998237	1331731
TDS on Consultancy	64008	45522
TDS on Contractor Payment	37254	10911
TDS on Salary	349771	312273
TDS on Sales Commission	386736	392959
	<b>29841516</b>	<b>18015112</b>

<b>Note :9 Short-Term Provisions</b>		
For Taxation	5500000	7500000
	<b>5500000</b>	<b>7500000</b>

<b>Note : 11 Non-Current Investments</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 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>1288000</b>	<b>1288000</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 Funds & Others	25536145	22960488
	<b>39761297</b>	<b>37185639</b>

**Note-10- Fixed Assets-(A) Tangible Assets up to 31.03.2016**

		GROSS BLOCK					DEPRECIATION/AMORTIZATION					NET BLOCK	
S. No.	FIXED ASSETS	As at 01.04.2015	Additions	Deductions	As at 31.03.2016	Up to 31.03.2015	For the year ended 31.03.2016	Deletions	Up to 31.03.2016	As at 31.03.2016	As at 31.03.2015		
1	Free Hold Land	1178000	0	0	1178000	0	0	0	0	1178000	1178000		
2	Factory Building	173837812	24375	0	173862187	32996330	5186301	0	38182631	135679556	140841482		
3	Office Equipment	556045	0	0	556045	240416	177708	0	418124	137921	315629		
4	Office Building	19121350	0	0	19121350	2159905	656464	0	2816369	16304981	16961445		
5	Plant & Machinery	305065032	33742	0	305098774	153728492	4913803	0	158642295	146456479	151336540		
6	Furniture & Fixtures	54703181	0	0	54703181	17534742	5188195	0	22722937	31980244	37168439		
7	Vehicles	17479693	1540371	0	19020064	8788003	1599688	0	10387691	8632373	8691690		
8	Computers	3802046	0	0	3802046	3481394	320651	0	3802045	1	320652		
	<b>TOTAL - A</b>	<b>575743159</b>	<b>1598488</b>	<b>0</b>	<b>577341647</b>	<b>218929282</b>	<b>18042810</b>	<b>0</b>	<b>236972091</b>	<b>340369556</b>	<b>356813877</b>		
	Intangible Assets												
	<b>Goodwill - B</b>	<b>223685700</b>	<b>0</b>	<b>0</b>	<b>223685700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>223685700</b>	<b>223685700</b>		
	<b>G. TOTAL (A+B)</b>	<b>799428859</b>	<b>1598488</b>	<b>0</b>	<b>801027347</b>	<b>218929282</b>	<b>18042810</b>	<b>0</b>	<b>236972091</b>	<b>564055256</b>	<b>580499577</b>		
	PREVIOUS YEAR	773250900	31512915	5334956	799428859	202197145	18077268	1345131	218929282	580499577	571053755		

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

Amount in Rs.

<b>Note : 12 Long-Term Loans &amp; Advances</b>	<b>As at 31st Mar 2016</b>	<b>As at 31st Mar 2015</b>
(Unsecured, considered good unless otherwise stated)		
Security Deposits	9680167	7219594
	<b>9680167</b>	<b>7219594</b>

<b>Note : 13 Current Investment</b>		
<b>Investment in Mutual Funds</b>		
IDBI Ultra Short Term Fund- Growth	9000000	0
Reliance Money Manager Fund- Growth	18610447	17110447
	<b>27610447</b>	<b>17110447</b>

<b>Note : 14 Inventories</b>		
Raw Materials	36790863	42591048
Finished Goods	95869054	78021007
Stock in process and waste	3653400	3125769
Stores and Spares	1521630	1698514
Colour & Chemical	2225325	2027590
Packing Material	7945512	6003072
Printing Material	80495	91082
Lab Chemical & Equipments	64445	71340
Fuel	541520	941025
EHG Capsules (Traded Goods)	976750	0
	<b>149668995</b>	<b>134570447</b>

<b>Note : 15 Trade Receivables</b>		
Unsecured , Considered Good as certified by the Management		
Outstanding over six months	8977402	19404970
Others	88109939	67044114
	<b>97087341</b>	<b>86449084</b>

<b>Note : 16 Cash &amp; Bank balances</b>		
Cash in Hand	203404	179198
Balance with Noted Banks :		
In Current Accounts	6608514	4752305
IDBI Bank C.C. A/c 0382655100000125	1564801	0
In Fixed Deposit Accounts	4573595	4101668
	<b>12950315</b>	<b>9033171</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	9057859	4037818
Balances with Government Authorities	2053503	2486016
Advance Tax & TDS (Net of Provisions)	16169075	11051673
Prepaid Expenses	1475928	1605064
Other Loans & Advances	694744	1019789
	<b>29451109</b>	<b>20200360</b>

Amount in Rs.

<b>Note : 18 Sales</b>	<b>As at 31st Mar 2016</b>	<b>As at 31st Mar 2015</b>
Sale of product	456610866	390144881
Less : Excise Duty	26896185	29034129
	<b>429714681</b>	<b>361110752</b>

<b>Note :19 Other Incomes</b>		
Claims Received	95884	1009292
Capital gain / (Loss) on Mutual Fund	7261	6124064
Dividend income	300	150
Interest Income on FDR	1865031	842245
Cr. Bal No Longer Required W/off	34063	223804
Foreign Exchange Fluctuation	336281	189119
Misc. Income	4467213	4389311
Profit on sale of Securities	0	227321
	<b>6806033</b>	<b>13005306</b>

<b>Note : 20 Cost of Materials Consumed</b>		
<b>A) Raw Material Consumed</b>		
Opening Stock	44689978	29451908
Purchases	217543616	196922997
	<b>262233594</b>	<b>226374905</b>
Less : Closing Stock	39080633	44689978
<b>Raw Material Consumed</b>	<b>223152961</b>	<b>181684927</b>
<b>B) Packing Material Consumed</b>		
Opening Stock	6003072	4639532
Purchases	9654949	14623516
	15658021	19263048
Less : Closing Stock	7945512	6003072
<b>Packing Material Consumed</b>	<b>7712509</b>	<b>13259976</b>
<b>Grand total of Materials Consumed (A) + (B)</b>	<b>230865470</b>	<b>194944904</b>

<b>Note : 21 Increase/(Decrease) in Stocks</b>		
Closing Stock of :		
Finished Goods	95869054	78021007
Stock in Process	3281309	2810369
Waste	372091	315400
<b>Total (A)</b>	<b>99522454</b>	<b>81146776</b>
Opening Stock of :		
Finished Goods	78021007	70226384
Stock in Process	2810369	737152
Waste	315400	133291
<b>Total (B)</b>	<b>81146776</b>	<b>71096827</b>
<b>Increase/(Decrease) in Stock (A-B)</b>	<b>18375678</b>	<b>10049949</b>

<b>Note : 22 Employees Remuneration &amp; benefits</b>		
Salary, Wages, Allowances & other Benefits	67151300	59687787
Directors Remuneration	7800000	7800000
Gratuity	1498214	877524
P. F. Contribution	3849029	3654361
Staff Welfare Expenses	509139	1350980
	<b>80807682</b>	<b>73370651</b>



Amount in Rs.

<b>Note : 23 Finance Cost</b>	<b>As at 31st Mar 2016</b>	<b>As at 31st Mar 2015</b>
Interest on C.C. Limit	269415	5930076
Interest on S.M.E. A/c	0	141597
	<b>269415</b>	<b>6071673</b>

<b>Note : 24 Other Expenses</b>		
Advertisement & Publicity	82891	68968
Audit Fee	349350	279354
Annual Listing Fees	290000	214657
Bank Charges	336663	541077
Business Promotion Expenses	664476	2563382
Certificate & Standard Exp.	489539	47300
Charity & Donations	216500	450600
Consultancy Charges	1461094	1588134
Conveyance Expenses	681095	631699
Development Charges to AKVN	66198	264792
Entry Tax	1444080	1864445
Electricity & Water	1550467	1074552
Freight Expenses	22152597	12908846
Factory Power & Fuel	48678587	46224645
Factory Expenses	1864860	1054293
Insurance Charges	945647	1007234
Import / Export Expenses	82968	0
ISO Certification Charges	54086	65469
Legal Expenses	405862	206641
Loss on Sale of Fixed Assets	0	121968
Membership Fee & Subscription	61866	71777
Misc. Expenses	1752307	3442765
Office & General Expenses	124807	97828
Postage, telegram	332692	146174
Printing Material consumed	474251	419385
Printing & Stationary	871719	614275
Rent, Rates & Taxes	369281	676336
<b>Repairs &amp; Maintenance</b>		
Buildings	43200	971373
Machinery	7512134	8119922
Electricals	2812506	2725430
A.C.Plant	856356	3587104
Computer	228570	129660
Other	382447	15226
Sales Commission	4060221	5558695
Sales promotion Expenses	1219368	329356
Security Charges	363094	409237
Swatch Bharat Cess	19370	0
Stores & Spares Consumed	1050039	1308956
Telephone & Telex Charges	591990	521014
Tour & Travelling Expenses	994473	1143589
Utility Expenses	1948993	482281
Vehicle Running & Maintenance	2788321	2371901
	<b>110674964</b>	<b>104320341</b>

**Note 25 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. 16.60 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 26 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.2,42,288/- has been recognised in the profit & Loss Account.

**Amount in Rs.**

<b>Note 27 Payment to Auditors (Ex. Service Tax)</b>	<b>As at 31st Mar 2016</b>	<b>As at 31st Mar 2015</b>
Audit Fees	250000	200000
In other Capacity		
Tax Audit Fee	20000	20000
Other	30000	30000
	<b>300000</b>	<b>250000</b>

**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>2015-16</b>	<b>2014-15</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
5	Medgel Pvt. Ltd. Subsidiary Company (on arm length basis in the ordinary course of business)	Purchase Sale	4106250 4021000	0 1689100
6	Akshit Garg CFO	Remuneration	200000	0

**Note 29 Earning Per Share**

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

i)	Profit after tax used as the numerator	8637854	(20597723)
ii)	Basic/Weighted Average number of Equity Shares used as the denominator	12469956	12469956
iii)	Nominal Value of Equity shares	10/-	10/-
iv)	Basic & Diluted Earning per Equity Share	0.69	(1.65)

Amount in Rs.

Note 30 Employee Benefits		As at 31st Mar 2016	As at 31st Mar 2015
<b>a.</b>	<b>Defined benefits plan</b>		
I	Change in obligation during the year		
1	Present value of Defined benefit obligation at beginning of year	6611737	6331596
2	Current Service Cost	2044129	331609
3	Past Service Cost	0	0
4	Interest Cost	707199	24368
5	Actuarial (Gains) / Losses	0	0
6	Benefits Paid	465254	75836
7	Present value of Defined benefit obligation at the end of the year	8897811	6611737
II	Change in assets during the year ended March 31		
1	Plan assets at the beginning of the year	7561515	6905648
2	Settlements	0	375726
3	Expected return on plan assets	707199	24368
4	Contribution by Employer	2044129	331609
5	Actual benefits paid	465254	75836
6	Actuarial Gains / (Losses)	(103019)	0
7	Plan assets at the end of the year	9744570	7561515
III	Net Assets / (Liability) recognized in the Balance Sheet at March 31,		
1	Present value of Defined benefits Obligation as at March 31.	8897811	6611737
2	Fair value of plan assets as at March 31	9744570	7561515
3	Fund Status (Surplus / (Deficit))	846759	949778
4	Net Assets / (Liability) as at end of the year	<b>846759</b>	<b>949778</b>
IV	Expenses recognized in the Statement of profit & Loss for the year ended March 31		
1	Current Service Cost	2044129	331609
2	Interest Cost		
3	Expected return on plan assets	707199	24368
4	Past service cost		
5	Net Actuarial (Gains) / Losses		
6	Total Expenses	<b>2751328</b>	<b>355977</b>
V	The major categories of plan assets as a percentage of total plan	N.A.	N.A.
		N.A.	N.A.

**Note 31** The company does not have outstanding for more than 30 days as on 31st March 2016 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 classification.

**PROXY FORM  
FORM MGT- 11**

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

Name : MEDICAPS LIMITED  
 CIN : L24232MP1983PLC002231  
 Regd. Office : Mhow- Neemuch Road, Sector-1 Pithampur, Distt. - Dhar (M.P.) 454775  
 Name of the member (s) :  
 Registered address :  
 E-mail Id :  
 Folio No/ Client Id :  
 DP ID :

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

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

as my/our proxy to attend and vote on a poll for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on the 29th September, 2016 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. Trapti Vikas Gupta, who is liable to retire by rotation being eligible offer herself for re-appointment.		
3.	Appointment of Auditor and fixing their remuneration.		
4.	Appointment of Shri Mahesh Kumar Patni as a Director under the category of Independent Director of the Company		
5.	Change in Designation of Shri Alok K Garg from Jt. Managing Director to Managing Director.		
6.	Re-Appointment of Smt. Kusum Mittal as Whole Time Director for further period of three years.		

Signed this..... day of..... 2016

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  
33rd 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 33rd Annual General meeting of the company at the Registered Office of the Company 29th September, 2016. (If signed by proxy, his name should be written in block letters)

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

Note:1. Shareholders / proxy holders are requested to bring the attendance Slips with them when they come to the meeting and hand over them at the entrance after affixing their signatures on them.

2. If it is intended to appoint a proxy, the form of proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the Meeting.

**BOOK-POST**

*If Undelivered please return to*  
**Medi-Caps Limited**  
Mhow-Nemuch Road, Sector-I,  
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