

# 35<sup>th</sup> ANNUAL REPORT 2017-18



**MEDI-CAPS LIMITED**



## CHAIRMAN'S MESSAGE



Dear Stakeholders,

It is my honour and privilege to interact with you as the Chairman of the Board at Medi-caps Limited and its wholly owned Subsidiary Medgel Private Limited.

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

The Subsidiary company of our Company has been developed and now we are in the process of re-developing and innovating Medi-caps to retain its Crown Jewel. Thus to meet the international regulatory standards of Pharma Industry, we are gearing up to revive flagship of Medi-caps Limited by modernization and innovation of its Manufacturing facilities. Our team feel engaged and empowered to always do better and push our shared ambition to greater heights. Our transformation journey continues to build from what we have been achieving. *We Are Future Ready!*

We want to thank our customers, partners and shareholders for their continued trust. And we want to thank our employees for their commitment, energy and irrepressible drive to always improve our capability, as One Medi-caps team. Finally, I thank you for your continued trust, confidence and support.

With warm regards  
Ramesh Chandra Mittal  
Chairman

## MANAGING DIRECTOR'S DESK,



Dear Shareholders,

It gives me immense pleasure to address you as we celebrate 35<sup>th</sup> Annual Day of Medi-caps Limited. We have successfully completed the full year by providing valuable services not only in India but worldwide. Your Company along with its Subsidiary is a quality and customer oriented company with a global vision and reach. Our Company continuously strives to offer its customers excellent products along with technical advice through our professional services that makes our product tailor made for our customers.

Despite of the fact that the revenue of the Holding company has lowered as more focus has been placed on Subsidiary Company named Medgel Private Limited. This year was a year of solid growth for Medgel as Exports have been increased by 28.38%. We have been growing through an amazing transformation over the past years and it is not easy to assess the transformation impact from one single year's result, but when looking back, it can be comprehended that appreciative growth has been achieved through consistency and collective strength of our employees and management.

Medgel has been awarded with many international accreditation like USFDA, Intertek GMP, OHSAS 18001:2007, NSF, UL, NAFDAC etc. Through Medgel we are offering unique in-line Drying Technology, well equipped QC laboratory and high speed production capacity with an annual capacity of production of 2.5 Billion Capsules. We offer a comprehensive range in soft gel dosage on OTC, Nutraceutical, Food & Dietary Supplements. Erstwhile we supply our wide range of products to 1st World Countries which primarily includes US Market and presently we supply our products to African Market, Latin America, Philippines and various other regulated and semi-regulated markets.

I therefore, seek continued patronage of our valued customers, cooperation of our employees and thank our well-wishers who have contributed to the growth of the organization.

With Warm Regards  
Alok K Garg  
Managing Director

## COMPANY INFORMATION

### **BOARD OF DIRECTORS**

Mr. Ramesh Chandra Mittal	Chairman & Non Executive Director
Mr. Alok K Garg	Managing Director
Mrs. Kusum Mittal	Whole Time Director
Mrs. Manisha Garg	Whole Time Director
Dr. Shamsher Singh	Independent Director
Mr. Mahesh Kumar Patni	Independent Director
Mr. Pramod Fatehpuria	Independent Director
Mr. Ashok Omprakash Agrawal	Independent Director

### **AUDIT COMMITTEE**

Dr. Shamsher Singh	Chairman and Independent Director
Mr. Mahesh Kumar Patni	Member and Independent Director
Mr. Pramod Fatehpuria	Member and Independent Director

### **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

Dr. Shamsher Singh	Chairman and Independent Director
Mr. Mahesh Kumar Patni	Member and Independent Director
Mr. Ashok R. Pitliya	Member and G.M. Finance

### **NOMINATION AND REMUNERATION COMMITTEE**

Dr. Shamsher Singh	Chairman and Independent Director
Mr. Mahesh Kumar Patni	Member and Independent Director
Mr. Pramod Fatehpuria	Member and Independent Director

### **RISK MANAGEMENT COMMITTEE**

Mr. Ramesh Chandra Mittal	Chairman
Mr. Alok K. Garg	Member and Managing Director
Mr. Ashok R. Pitliya	Member and G.M. Finance

### **CS & COMPLIANCE OFFICER**

CS Ayushi Silot (w.e.f. 21/03/18)  
CS Nupur Lodwal (Resigned w.e.f. 20/03/18)

### **CHIEF FINANCIAL OFFICER**

Mr. Manish Kumar Jain

### **AUDITORS**

#### **M/s RAWKA & ASSOCIATES**

Chartered Accountant  
412, Arcade Silver 56, 1, New Palasia  
Indore (M.P.) 452001

#### **INTERNAL AUDITOR**

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

### **SECRETARIAL AUDITOR**

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

### **BANKERS**

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

### **REGISTERED OFFICE & PLANT**

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

### **CORPORATE OFFICE**

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

### **SHARE TRANSFER AGENT**

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

### **NAME OF THE STOCK EXCHANGE**

*(Where the Company's Securities Listed)*  
BSE Limited

**NOTICE**

**Notice** is hereby given that the 35<sup>th</sup> Annual General Meeting of the members of **MEDI-CAPS LIMITED** will be held on **Tuesday, the 25<sup>th</sup> September, 2018 at 11.00 A.M.** at the registered office of the company situated at Mhow - Neemuch Road, Sector-1, Pithampur, District Dhar (M.P.) 454775 to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive consider, approve and adopt the Standalone and Consolidated Audited Financial Statements containing the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit & Loss and Cash Flow for the financial year ended 31<sup>st</sup> March, 2018 with the report of Board and Auditors thereon;
2. To appoint a Director in place of Mr. Alok K. Garg (DIN: 00274321), who retires by rotation and being eligible offer himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to provisions of section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and read with companies (Audit and Auditors) Rules, 2014 as amended from time to time, made thereunder and pursuant to the resolution passed by the members at the 34<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> day of September, 2017 for the appointment of M/s Rawka & Associates, Chartered Accountants (ICAI Firm Registration No. 021606C) as the Auditors of the Company to hold office till the conclusion of the 39<sup>th</sup> Annual General Meeting of the Company to be held in the year 2022 be and is hereby ratified their re-appointment for the year 2018-19 and the approval of the members be and is hereby accorded to dispense off the requirement of ratification of the auditors upto their remaining term of appointment as per the amendment made in Section 139 of the Companies Act, 2013 on such remuneration as may be fixed by the Board.”

**SPECIAL BUSINESS:**

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as **Ordinary Resolution** for the Re-appointment of Mr. Alok K Garg, (DIN: 00274321) as a Managing Director of the Company for a period of 3 years:

“**RESOLVED THAT** pursuant to the provisions of section 190, 196, 197, 203 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 and the Articles of Association of the company 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 upon the recommendation of the Nomination and Remuneration Committee and approval granted by the Board of Directors, consent of the Members of the company be and is hereby accorded for re-appointment of Mr. Alok K Garg (DIN: 00274321) as the Managing Director, of the Company for a period of three years w.e.f. 01<sup>st</sup> April, 2019 up to 31<sup>st</sup> March, 2022 on the following terms, conditions and remuneration:

- a. **Salary:** Rs. 3,50,000/- per month (Rs. 42.00 Lakhs p.a.)
- b. **Allowances/perquisites:** as per followings subject to the maximum of 12,00,000/- p.a.
  1. Re-imbursment of medical expenses of the Managing Director and his family, the total cost of which to the Company on actual basis.
  2. Leave travel assistance: Expenses incurred for self and family in accordance with the Rules of the Company.
  3. Club Fees: subject to a maximum of two clubs, this will not include admission and life membership.
  4. Personal accident insurance premium not exceeding Rs. 25,000/- p.a.

NOTE: For the purpose of perquisites stated above, "Family" means the spouse, the dependent children and dependent parents of the appointee.

**Other Benefits:**

- i. **Employers Contribution:** as per policy of the Company.
- ii. **Gratuity:** As per policy of the company, subject to a maximum ceiling as may be prescribed under the Payment of Gratuity Act from time to time.
- iii. **Leave encashment:** upto 15 days salary for every one year completed service as per the policy of the Company.
- iv. **Directors Obligation Insurance Premium:** Actual Premium as may be determined by the Insurance Company.

Provided that the above said perquisites shall not be counted for the purpose of calculation of the remuneration payable to the Managing Director.

**Other Facilities:**

1. Car: The Company shall provide car with driver for the Company's business and if no car is provided reimbursement of the conveyance shall be made as per actual on the basis of claims submitted by him.
2. Telephone, Cell and free internet use: at his residence, provided that the personal long distance calls on the telephone shall be billed by the Company to the Managing Director.

**FURTHER RESOLVED THAT** in the event of there being loss or inadequacy of profit for any financial year, the remuneration payable to Mr. Alok K. Garg shall not be in excess with the limit prescribed in the Schedule V of the Companies Act, 2013 as may be applicable from time to time during his tenure.

**FURTHER RESOLVED THAT** there shall be clear relation of the Company with Mr. Alok K. Garg as “the Employer-Employee” and each party may terminate the above said appointment with the six months’ notice in writing or salary in lieu thereof.

**RESOLVED FURTHER THAT** Mr. Alok K. Garg, Managing Director, shall also be entitled for the reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/ amenities and other privileges, as may from time to time, be available to other Senior Executives of the Company.

**RESOLVED FURTHER THAT** the Board of directors be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, may consider necessary, expedient or desirable and to vary, modify the terms and conditions and to settle any question, or doubt that may arise in relation thereto and the Board shall have absolute powers to decide breakup of the remuneration within the above said maximum permissible limit, in

order to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company.”

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as **Special Resolution** for the re-appointment of Dr. Shamsher Singh (DIN: 00204290) as an Independent Director of the Company:
 

“**RESOLVED THAT** pursuant to the provisions of sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (LODR) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Dr. Shamsher Singh (DIN-00204290), who was appointed as an Independent Director for a 1<sup>st</sup> term of 5 years ending on 31<sup>st</sup> March, 2019 and being eligible, and has submitted a declaration for his independence and upon recommendation of the Nomination and Remuneration Committee and the Board of directors, Dr. Shamsher Singh, who is also having age of more than 75 years be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, w.e.f. 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024.”
6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as **Special Resolution** for re-appointment of Mr. Pramod Fatehpuria (DIN: 00972389) as an Independent Director of the Company:
 

“**RESOLVED THAT** pursuant to the provisions of sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (LODR) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Pramod Fatehpuria (DIN: 00972389), who was appointed as an Independent Director upto the 1<sup>st</sup> term of 5 years ending on 28<sup>th</sup> May, 2019 and being eligible, and has submitted a declaration for his independence and upon recommendation of the Nomination and Remuneration Committee and the Board of directors, Mr. Pramod Fatehpuria (DIN: 00972389), be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, w.e.f. 29<sup>th</sup> May, 2019 to 28<sup>th</sup> May, 2024.”
7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as **Special Resolution** for authority to the Board to Provide loans to companies/ body corporate under section 185 of the Companies Act, 2013:
 

“**RESOLVED THAT** pursuant to provisions of section 185, 186 read with section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 (including any amendment, modification or re-enactment thereof) the approval of Members of the Company, be and is hereby accorded for authority to the Board of directors and/or committee thereof for providing any advance(s), loan(s), any loan represented by book debts, and/or to give guarantee or to provide any security on the assets of the Company in connection with loan taken by the companies/bodies corporate in which any director of the company is directly or indirectly concerned and/or interested from time to time subject to the maximum amount of Loans/Advances and or guarantee and securities not exceeding Rs. 1000.00 Lakhs (Rs. Ten Crores) at any point of time.”

**By Orders of the Board**

Date: 25<sup>th</sup> July, 2018  
Place: Pithampur

**Ayushi Silot**  
**Company Secretary**  
**ACS - 54352**

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/IES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A BLANK FORM OF PROXY IS ATTACHED HERewith AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AND SIGNED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF 35<sup>TH</sup> ANNUAL GENERAL MEETING.
2. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 IN NUMBERS AND HOLDING IN AGGREGATING NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING 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, which sets out details relating to special business at the meeting is annexed and forms part of the Notice.
4. The Company’s Register of members and share transfer books shall remain closed from Wednesday, 19<sup>th</sup> of September, 2018 to Tuesday, 25<sup>th</sup> of September, 2018 (both days inclusive) for the purpose of the Annual General Meeting and the records of the beneficiaries of the CDSL and NSDL on the date 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 Boards.

7. Members seeking any information are requested to write to the Company by email at [investors@medicaps.com](mailto:investors@medicaps.com) at least 7 days before the date of the AGM to enable the management to reply appropriately at the AGM.
8. Members are requested to notify immediately the correct address for any change in their address and also intimate their active E-Mail ID to their respective Depository Participants (DPs) and in respect of shares held in the company in physical form to the Registrar and Share Transfer Agent An kit Consultancy Pvt. Ltd., Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) having email Id [ankit\\_4321@yahoo.com](mailto:ankit_4321@yahoo.com), [rtaindore@gmail.com](mailto:rtaindore@gmail.com) to receive the soft copy of the annual report and all other communication and notice of the meetings etc., of the Company.
9. Electronic copy of the Annual report 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 is being sent in the permitted mode.
10. Members may also note that the Annual Report for FY 2017-18 will be hosted on Company's website [www.medicaps.com](http://www.medicaps.com)
11. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting needs to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.
12. Relevant documents referred in the accompanying Notice are open for inspection by the members of the Company on all working days, except Saturday, between 11:00 A.M and 1:00 P.M up to the date of the Meeting.
13. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and 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.
14. Pursuant to the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), the Company is in process to transfer the equity shares in respect of which dividend has not been claimed encashed for 7 or more consecutive years to the Investor Education and Protection Fund (IEPF) of the Central Government. The Company has sent letters to the Shareholders whose dividend has not been claimed encashed for 7 or more consecutive years. The details of such Shareholders are posted on the website of the Company at <https://www.medicaps.com>. Please note that the shares transferred to the IEPF can be claimed from the IEPF Authority as per the procedure prescribed under the Rules.
15. As per SEBI Circular dated 20<sup>th</sup> April, 2018 the shareholders having shares of the company in the physical form is required to provide details of the Income Tax Permanent Account No. and Bank Account Details to the Share Transfer Agent of the Company. The Company has sent First letters to all the shareholders by the Registered Post and further two letters will also be sent by the Ordinary Post for requiring the aforesaid details. It may please be noted very carefully by the shareholders who are unable to provide required details to the Share Transfer Agent, or informed that the shares available in their name as per records to the share transfer agent does not belong to them on or before 17<sup>th</sup> October, 2018 (i.e. 180 days from the date of circular) shall be subject to enhanced due diligence by the Company.
16. As per Amendment made w.e.f. 8<sup>th</sup> June, 2018 in the Regulation 40 of the SEBI (LODR) Regulations, 2015 the shares shall be transferable only in the Demat Form w.e.f. 5<sup>th</sup> December, 2018. Therefore, as per requirement of the Rule, the Share Transfer Agent of the Company has sent letters to the members holding shares in the physical form advising to get the shares in the Demat form at the earliest. The members are requested to please take necessary action for dematerialization of shares as earliest but before 5<sup>th</sup> December, 2018 to avoid hardship in transfer of shares thereafter.
17. Due dates for transfer of unclaimed/unpaid dividends and the amount remained unclaimed which may be transferred if continuing remain unpaid and or the balance amount if claimed by the shareholders for transfer thereafter the same to IEPF are as under:

<b>F.Y. Ended</b>	<b>Declaration Date</b>	<b>Due Date</b>	<b>Amount remains unpaid /unclaimed as at</b>
			<b>31.03.2018</b>
31 <sup>st</sup> March, 2011	28 <sup>th</sup> Sept., 2011	4 <sup>th</sup> Nov., 2018	3,14,711.00
31 <sup>st</sup> March, 2012	29 <sup>th</sup> Sept., 2012	5 <sup>th</sup> Nov., 2019	1,94,212.00

18. **Voting through electronic means**  
In compliance with the provisions of section 108 of the Companies Act, 2013 and the Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of SEBI (LODR) Regulation, 2015 the Company is pleased to provide its members the facility to exercise their right to vote at the 35<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

The Company shall provide facility for voting through polling paper which shall be available at the meeting and members attending the meeting who have not already casted their vote by remote e-voting shall be able to exercise their right to vote at the meeting.

The Members who have casted their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

**The cut-off date for the purpose of voting (including remote e-voting) is Tuesday, the 18<sup>th</sup> September, 2018**

The remote e-voting facility will be available during the following period after which the portal shall forthwith be blocked and shall not be available:-

**Commencement of remote e-voting 9.00 am (IST) on Saturday 22<sup>nd</sup> September, 2018.**

**End of remote e-voting 5.00 pm (IST) on Monday, 24<sup>th</sup> September, 2018.**

Once the vote on a resolution is casted by the member, the member shall not be allowed to change it subsequently.

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

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

How to Log-in to NSDL e-Voting website?

- a. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

- b. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
- c. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can login at <https://eservices.nSDL.com/> with your existing IDEAS login. Once you login to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

d. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- e. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.
- f. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nSDL.com](http://www.evoting.nSDL.com) .
  - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nSDL.com](http://www.evoting.nSDL.com)
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nSDL.co.in](mailto:evoting@nSDL.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- g. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- h. Now, you will have to click on “Login” button.
- i. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of Medi-Caps Limited.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csarvindmeena@gmail.com](mailto:csarvindmeena@gmail.com) with a copy marked to [evoting@nSDL.co.in](mailto:evoting@nSDL.co.in).
- 2 It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nSDL.com](http://www.evoting.nSDL.com) to reset the password.

- 3 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 download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IV. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 18<sup>th</sup> September, 2018.
- V. CS Arvind Kumar Meena, Practicing Company Secretary (ACS No.:41713, CP:15510) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VI. The scrutinizer shall after the conclusion of voting at the 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, not later than three days of conclusion of the meeting a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- VII. The results of e-voting, and poll, if any, shall be aggregated and declared on or after the AGM of the Company by the Chairman or by any other person duly authorized in this regard. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.medicaps.com](http://www.medicaps.com) and on the website of NSDL within three days of passing of the resolutions at the AGM of the Company and communicated to the BSE Ltd. within 48 hours as per SEBI (LODR) Regulation, 2015.
- VIII. For any other queries relating to the shares of the Company, you may contact the Share Transfer Agent Ankit Consultancy Pvt. Ltd. at the address; Plot No. 60, Electronic Complex, Pardeshipura Indore (M.P.) 452010, Tel-0731-4281333/0731-4065797/99 Fax-0731-4065798 Email id: [ankit\\_4321@yahoo.com](mailto:ankit_4321@yahoo.com)
19. Details of the directors seeking re-appointment as per Item No. 2, 4, 5 and 6 of the notice at the ensuing Annual General Meeting as per Regulation 36(3) of SEBI (LODR) Regulation, 2015 are as under:

**DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT IN THE ENSUING ANNUAL GENERAL MEETING**

Name of Directors	Mr. Alok K Garg	Dr. Shamsher Singh	Mr. Pramod Fatehpuria
DIN	00274321	00204290	00972389
Designation	Managing Director	Independent Director	Independent Director
Date of Birth	27/04/1969	06/06/1942	02/11/1961
Date of Appointment (previous)	01/04/2016 as the (Managing Director)	30/04/2002 (Independent Director)	29/05/2014 (Independent Director)
Expertise/Experience in specific functional areas	More than 18 Years Experience in the company's business and manufacturing activities	Having wide experience in the field of Computer Science and Engineering and hold post of the Director of GIITS and Medicals Engineering College and is on the Board of the Company since more than 16 years and providing outside perspective to the company and providing valuable guidance.	37 years of experience in the field of marketing and manufacturing of power and distribution of transfer and initiated green energy since 2006. He is on the Board for more than 4 years and providing his guidance in improved corporate credibility and governance standards and has vital role in risk management.
Qualification	BBA. (Honors), MBA (Marketing), Diploma in Export Documentation & Implementation from IIFT, Delhi	BE (Electrical), ME (Power System), Ph.D. (CS), IIT Bombay	Bachelor of Commerce graduate and has done 2 years of academic Law course
No. & % of Equity Shares held	69,600 (0.56%)	-	-
List of outside Company's directorship held.	1) Medgel Pvt. Ltd. 2) Medpak India Ltd.	NIL	1)Medgel Private Ltd. 2)Fatehpuria Vidyut Udyog Pvt. Ltd.
Chairman/Member of the Committees of the Board of Directors of the Company	Member of Risk Management Committee	Chairman of Audit Committee, Nomination and Remuneration Committee And Stakeholders Relationship Committee	Member of Audit Committee and Nomination and Remuneration Committee
Chairman/Member of the Committees of the Board, Directors of other Companies in which he is director	NIL	NIL	NIL



Disclosures of relationships between directors inter-se.	1. Mr. Ramesh Chandra Mittal (Chairman & Non-Executive Director)-Father in Law 2. Mrs. Manisha Garg (Whole Time Director)-Wife. 3. Kusum Mittal (Whole Time Director) Mother in law	NIL	NIL
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**BRIEF RESUME**

**1. Mr. Alok K Garg:**

He has experience of more than 18 years in the various areas of the company in the Pharma and Real Estate Sector. He is BBA. (Honors), MBA (Marketing), Diploma in Export Documentation & Implementation from IIFT, Delhi and associated with the Company since more than 15 years. He is energetic, focused and has organized personality and having vast experience of Business and Administration. Globalization and International trading continues to increase by his effort and under his supervision. Also his far and wide network has brought many opportunities to the company to accelerate grow manifolds.

**2. Dr. Shamsher Singh**

Dr. Shamsher Singh has served as a Director in Medi-caps Limited since 2002, received his Ph.D. degree from Indian Institute of Technology (IIT), Bombay. He carried out his research work on Efficient Join Algorithms for large number of relations encountered in the areas of Database Management Systems (DBMS) and Artificial Intelligence (AI). Dr Singh was working as Professor and Head of the Department of Computer Science and Engineering at Jai Narain Vyas University (J.N.V.), Jodhpur. He was also the Director of JNV University Computer Center. He was on deputation to Basrah University, Basrah (Iraq) for about five years under Foreign Assignment Scheme of Government of India. At Basrah University, he established a Modem Computer Center and developed several application software for users, who work in Arabic. He is involved in several decision making bodies and selection committees appointed by the State and the Central Government including that of the Universities. His experience and leadership has accelerated the growth of Medi-caps Limited.

**3. Mr. Pramod Fatehpuria**

Mr Pramod Fatehpuria has been an Independent Director in Company since 2014. He is a Bachelor of Commerce graduate and has done 2 years of academic Law course. He represents a unique blend of scientific knowledge and business acumen. He has experience of over three decades in the manufacturing line. Thinking out of the box, challenging assumptions and innovation are some of the key principles that shape his strategic thought process.

**EXPLANATORY STATEMENT IN TERMS OF SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESS:**

**ITEM NO. 4:-**

Mr Alok K. Garg was re-appointed at the 32<sup>nd</sup> Annual General Meeting held on 24<sup>th</sup> September, 2015 as the Joint Managing Director for a period of 3 years w.e.f. 1<sup>st</sup> April, 2016 and was further designated as the Managing Director w.e.f. 11<sup>th</sup> August, 2016.

Mr Alok K. Garg is eligible for re-appointment for period of three years after seeking approval of the members by passing ordinary resolution pursuant to the proviso of section 196 (3) (a) of the Companies Act, 2013.

The detailed profile of the Mr Alok K. Garg as required under the provisions of Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and other applicable provisions have been given in this notice.

The Nomination and Remuneration Committee and the Board at their meeting held on 25<sup>th</sup> July, 2018 considered that the Company needs to re-appoint Mr. Alok K. Garg as a Managing Director for a further period of three years w.e.f. 1<sup>st</sup> April, 2019 on the terms and conditions and remuneration as set out in the Item No. 4 of the notice and recommend to pass necessary ordinary resolution at the Meeting.

Mr. Alok K. Garg, is financially interested in the resolution to the extent of the remuneration as may be paid to him. Further, that Mr. Ramesh Chandra Mittal (Non Executive Chairman), Mrs. Kusum Mittal (Whole-time Director) and Mrs. Manisha Garg (Whole-time Director) being his relatives may be deemed as concerned or interested otherwise in the resolutions. Except that none of the other directors or Key Managerial Personnel (KMP) or their relatives are concerned or interested in the Resolution.

Mr Alok K. Garg is a promoter and also holds 69,600 equity shares of Rs. 10/- each consisting of 0.56% of the total paid up capital of the Company.

Your directors submit the following Information pursuant to Section II of Part II of Schedule V to the Companies Act, 2013 for consideration of the members:

**I. General Information:**

(1)	Nature of industry	The Company is engaged in the manufacturing Hard gelatin Capsule Shell
(2)	Date or expected date of commencement of commercial production	N.A., already existing in business
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A., already existing in business
(4)	Financial performance based on given indicators	The Company has achieved turnover of Rs. 2350.70 Lakhs for the year ended 31 <sup>st</sup> March, 2018 and earned profits before

		Tax Rs. 76.37 Lakhs on standalone basis.
(5)	Foreign investments or collaborations, if any.	The company is not having direct Foreign investment and there is no foreign collaboration.

**II. Information about the appointee:**

S. No.	Name of Appointee	Alok K. Garg
(1)	Background details	He has experience of more than 18 years in the Pharma and Real Estate Sector. He is BBA. (Honors), MBA (Marketing), Diploma in Export Documentation & Implementation from IIFT, Delhi. He is energetic, focused and has organized personality and having vast experience of Business and Administration. Globalization and International trading continues to increase by his effort and under his supervision. Also his far and wide network has brought many opportunities to the company to accelerate growth manifolds.
(2)	Past remuneration	The total Remuneration for the year period 2017-18 was Rs.30,00,000 (Thirty Lakhs).
(3)	Recognition or awards	N.A.
(4)	Job profile and his suitability	Mr. Alok K. Garg, Managing Director is having ultimate control over the affairs of the Company's subject to superintendence and control of the Board of directors.
(5)	Remuneration proposed	Rs. 42.00 Lakh+ perks as may be admissible.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration proposed is comparable with remuneration for equivalent position in a unit of comparable size and complexity.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Son in law of Mr. Ramesh Chandra Mittal (Non-Executive Chairman) and Mrs. Kusum Mittal (Whole-time Director) and husband of Mrs. Manisha Garg (Whole-time Director)

**III. Other information:**

(1)	Reasons of loss or inadequate profits	There is no loss however, there may be inadequate profits due to lack of demand and low margin due to stiff competition resulting the profits may be inadequate in a particular period.
(2)	Steps taken or proposed to be taken for improvement	The Company is continuing efforts to introduce higher value products and broaden its operating base.
(3)	Expected increase in productivity and profits in measurable terms	The Company expect to increase its turnover and profits by about 8-10% every year.

**ITEM NO. 5 & 6:**

Dr. Shamsher Singh (DIN: 00204290) and Mr. Pramod Fatehpuria (DIN: 00972389) were appointed as Independent Directors of the Company and they are eligible to hold office as Independent Directors up to 31<sup>st</sup> March 2019 and 28<sup>th</sup> May, 2019 respectively ("first term of 5 years").

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Dr. Shamsher Singh and Mr. Pramod Fatehpuria as an Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Dr. Shamsher Singh and Mr. Pramod Fatehpuria would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors.

Accordingly, it is proposed to re-appoint Dr. Shamsher Singh and Mr. Pramod Fatehpuria as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company.

Dr. Shamsher Singh and Mr. Pramod Fatehpuria are not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given their consent to act as a Director. The Company has also received declaration from them that they meet the criteria of independence as prescribed both under section 149(6) of the Act and under the SEBI (LODR) Regulations, 2015. In the opinion of the Board, they fulfil the conditions for appointment as an Independent Director as specified in the Companies Act, 2013 and the SEBI (LODR) Regulation, 2015.

Further, Dr. Shamsher Singh has attained the age of 76 years, therefore, his re-appointment can be made by way of special resolution only.

Copy of draft letter of appointment of Dr. Shamsher Singh and Mr. Pramod Fatehpuria setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

The aforesaid director's may be deemed to be interested in the resolution to the extent of the fee for attending the meetings as may be payable and their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Your directors recommend to pass resolutions as set out in the Item No. 5 and 6 by way of special resolution.

**Item No. 7**

As per section 185 of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 which is effective from 7<sup>th</sup> May, 2018 which empowers the Board of Directors of the company to give advances, loans including any loan represented by book debts or give any guarantee or provide any security in connection with any loan taken by any company and/or body corporate in whom any or all the director(s) of the company are considered as directly/indirectly concerned or interested subject to the approval of members by way of Special Resolution.

Therefore, in view of the requirements of other companies or the body corporates in which one/or more directors may be concerned or interested, may be required to provide its financial support by way of providing short term or long term loans, advances and/or to provide guarantee or security on the assets of the Company on behalf of such companies/body corporate to such other bank/financial institution which provides loans and advances whether fund based or non-fund based credit facilities as the case may be from time to time in view of the business requirements of such companies to support them.

The Board considered that it may needs to provide the advances, loans or to provide guarantee or security on their behalf as under

Sr. No.	Name of the Company /Body Corporate in which directors are interested.	Maximum amount up to which loan/ guarantee/ security may be provided by the company.
1.	Medgel Private Limited	Overall Up to 1000.00 Lakhs
2.	Medpak India Limited	
3.	Kusum Devcon (Indore) Private Limited	
4.	Geet Dwellers Private Limited	
5.	North Rajasthan Holdings Private Limited	
6.	Crystal Devcon Private Limited	
7.	Medi-Caps Finance LLP	
8.	Trapti Investments LLP	
9.	Taurus Dwellers LLP	
10.	Saffron Realities LLP	

However, before providing aforesaid loans, advances or guarantee and securities the Board shall ensure that:-

- 1) The said loan will be used by entities in their normal course of business.
- 2) Compliance under section 186 and 188 of the Companies Act, 2013;
- 3) The related entity will check their limit as prescribed under section 180 of the Companies Act, 2013 if applicable

The concerning directors as the case may be deemed to be concerned or interested financial to the extent of the loans, advances, guarantee or securities furnished by the Company. The Board of directors recommends the aforesaid Special Resolution set out at Item No 7 of the Notice for approval by the shareholders.

**By Orders of the Board**

**Date:** 25<sup>th</sup> July, 2018  
**Place:** Pithampur

**Ayushi Silot**  
**Company Secretary**  
**ACS 54352**

**ROAD MAP**



**BOARD'S REPORT**

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

Your Directors have pleasure in presenting their 35<sup>th</sup> Annual Report of Medi-Caps Limited together with the Standalone and Consolidated Audited Financial Statements for the year ended 31<sup>st</sup> March, 2018. The Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

**FINANCIAL RESULTS**

The following table shows the operational results of the company for the financial year 2017-18 as compared to that of previous year  
(Rs. In Lakhs)

Particulars	Standalone		Consolidated	
	31.03.2018	31.03.2017*	31.03.2018	31.03.2017*
<b>Total Revenue</b>	<b>2350.70</b>	<b>2642.18</b>	<b>5122.79</b>	<b>4859.61</b>
Total Expenditure before Interest and Depreciation	2240.46	2454.49	4808.11	4505.02
<b>Profit before Interest, Depreciation &amp; Tax (EBIDTA)</b>	<b>110.24</b>	<b>187.68</b>	<b>314.68</b>	<b>354.35</b>
Less: Interest	0.00	0.00	0.66	1.34
Less: Depreciation	33.87	36.64	179.30	180.89
<b>Profit before Tax</b>	<b>76.37</b>	<b>151.04</b>	<b>134.77</b>	<b>172.12</b>
Less:(a) Current Tax	18.00	33.00	18.00	33.00
(b) Tax adjustments related to previous year	0.00	0.00	0.00	0.00
(c) Deferred Tax	2.02	2.33	2.02	2.33
<b>Net Profit for the Year</b>	<b>56.35</b>	<b>115.71</b>	<b>114.75</b>	<b>136.79</b>
Add: Other Comprehensive Income	0.00	0.00	0.00	0.00
<b>Total Comprehensive Income</b>	<b>56.35</b>	<b>115.71</b>	<b>114.75</b>	<b>136.79</b>
Add: Surplus brought forward from previous year	5046.28	4930.57	4054.37	3917.58
<b>Total Surplus</b>	<b>5102.63</b>	<b>5046.28</b>	<b>4169.12</b>	<b>4054.37</b>
<b>Surplus carried to the Balance Sheet</b>	<b>5102.63</b>	<b>5046.28</b>	<b>4169.12</b>	<b>4054.37</b>
Paid up Equity Share Capital	1246.99	1246.99	1246.99	1246.99
<b>EPS (Equity Shares of Rs. 10/- each) Basic &amp; Diluted (in Rs.)</b>	<b>0.45</b>	<b>0.93</b>	<b>0.92</b>	<b>1.10</b>

\* The Company has first time adopted Ind AS w.e.f. 1<sup>st</sup> April, 2017; accordingly the figures for the previous year ended 31<sup>st</sup> March, 2017 have been re-arranged/re-grouped to make them comparable with the current year 2017-18 in accordance with Ind AS, as prescribed under section 133 of the Companies Act, 2013.

**STATE OF COMPANY'S AFFAIRS & REVIEW OF OPERATIONS**

- On a consolidated basis, the revenue from operations and other income for the FY 2017-18 is 5122.79 Lakhs which is higher by 5.41% over the previous year (4859.61 Lakhs in the previous FY 2016-17).
- On Standalone basis, the revenue from operations and other income for the FY 2017-18 at 2350.70 Lakhs is declined by 11.03% over the previous FY (2642.18 Lakhs in the previous FY 2016-17).
- Consolidated PAT for the year is 114.75 Lakhs, declined by 16.11% over the PAT of 136.79 Lakhs in the previous FY 2016-17.
- Standalone PAT for the year is 56.35 representing a decrease of 51.30% as compared to the previous FY (115.71 Lakhs in FY 2016-17)

**CHANGE IN THE NATURE OF BUSINESS**

The Company engaged in the business activities of manufacturing of Empty Hard Gelatine Capsules, Halal gelatine Capsules, liquid fills capsules and various ranges of empty capsules. There is no change in the business of your company during the financial year.

**TRANSFER OF THE AMOUNT OF UNPAID DIVIDEND AND SHARES TO INVESTOR EDUCATION & PROTECTION FUNDS (IEPF)**

Pursuant to the provisions of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") all unpaid or unclaimed dividend are required to be transferred by the company to the IEPF established by the Government of India, after the completion of 7 (seven) years. Further, according to the rules, the shares on which dividend has not been paid or claimed by the shareholders for 7 (seven) consecutive years or more also required to be transferred to the Demat account of the IEPF Authority. Accordingly, the company has transferred the unclaimed and unpaid dividends of Rs. 3,56,719/- for the year 2009-10 and has also transferred 4,81,640 equity shares of Rs. 10/- each for the F.Y. 2008-09 on which the dividend was remained unpaid/unclaim for a continuous period of 7 years to the IEPF Authority as per the requirement of the IEPF rules. The company is in process to transferring the shares for the year 2009-10 to the IEPF as per the requirement of the Act. The details related to dividend remains unpaid-unclaimed in the Company has been given in the Corporate Governance Report attached with the Annual Report of the Company and also hosted at the website of the Company.

**DIVIDEND**

In view of the 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 2017-18 (previous year Nil)

**SHARE CAPITAL**

The paid-up Share Capital as on 31<sup>st</sup> March, 2018 was Rs. 1246.99 lakhs divided into 124.69 lakhs equity shares of Rs. 10/- each. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

**TRANSFER TO RESERVES**

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

**FINANCE (CASH AND CASH EQUIVALENT)**

Cash and cash equivalent as at 31<sup>st</sup> March, 2018 was Rs. 204.35 Lakhs (Previous Year Rs.197.19 Lakhs). The Company continues to focus on judicious management of its working capital, receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

**DEPOSITS**

The Company has not accepted any deposit from the public falling within the ambit of section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014 and there were no remaining unclaimed deposits as on 31<sup>st</sup> March, 2018. 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**

Your company has not given any loan or advances to any other Body Corporate. However, your company has made investment and given guarantees pursuant to Section 186 of the Companies Act, 2013:

*(Rs. in Lakhs)*

Name of the company	Nature of Transactions	Investment made/ Guarantee/Loans Provided	Opening Balance as on 01/04/2017	Transactions made during the year	Closing Balance as on 31/03/2018
Medgel Pvt. Ltd.	Wholly Owned Subsidiary	Investment Made	4282.35	-	4282.35
		Guarantee Security provided	200.00	-	200.00
*Medicaps Finance LLP	Non- Current	Investment Made	2.18	2.18	0.00
Natural Capsules Ltd.	Non- Current	Investment Made	0.01	-	0.01
Mutual Funds& SIP	Current	Investment Made	505.12	26.56	531.68

*\* During the year, the company has disposed off the investment made in Medicaps Finance LLP.*

The above stated investment and guarantees are within the limit as specified under section 186 of the Companies Act, 2013 and the company is not required to take any further approval of its members as required under the Act.

In addition to the above, the Company has given advance against salary or otherwise to its employees as per the Company’s policy on which no interest was charged.

**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. Hence, the obligations under section 135 of the Companies Act, 2013 are not applicable to the Company.

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

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

Category	No. of complaints pending at the beginning of F.Y. 2017-18	No. of complaints filed during the F.Y. 2017-18	No. of complaints pending as at the end of F.Y. 2017-18
Sexual Harassment	Nil	Nil	Nil

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

**STATEMENT FOR RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY**

The Company is engaged in the business of manufacturing of Hard Gelatin Capsule Shell and is associated with the normal business risk as well as the imbalance of demand-supply of products in the Domestic and in International Market. Further, pharmaceutical industry has always been under intense scrutiny by various regulatory authorities, both Indian and international. This trend continues resulting in regulatory standards being upgraded all the time. Further, it is more than two years since the new pricing regulation was enacted in the Indian market. 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.

**PROVISION OF VOTING BY ELECTRONIC MEANS:**

Your Company is providing E-voting facility as required under section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015. The details regarding e-voting facility is being given with the notice of the Meeting.

**ADEQUACY OF INTERNAL FINANCIAL CONTROL & ITS EFFECTIVENESS.**

The Board of Directors has devised systems, policies and procedures/frameworks, which are currently operational within the Company for ensuring the orderly and efficient conduct of its business, which includes adherence to Company’s policies, safeguarding assets of the Company, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. In line with best practices, the Audit Committee and the Board reviews these internal control systems to ensure they remain effective and are achieving their intended purpose. Where weaknesses, if any, are identified as a result of the reviews, new procedures are put in place to strengthen controls. These controls are in turn reviewed at regular intervals.

Nothing has come to the attention of the Directors to indicate that any material breakdown in the function of these controls, procedures or systems occurred during the year under review. There have been no significant changes in the Company's internal financial controls during the year that have materially affected or are reasonably likely to materially affect its internal financial controls. There are inherent limitations to the effectiveness of any system of disclosure, controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures.

**VIGIL MECHANISM/WHISTLE BLOWER POLICY**

Your company has a Vigil Mechanism in place which also includes a whistle blower policy in terms of the listing regulation for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports etc. The Vigil Mechanism/Whistle Blower Policy of the Company can be accessed on the Company's website at the [www.medicaps.com](http://www.medicaps.com) and the same is being attached with this Report as "Annexure-A".

All the employees have the right/option to report their concern/grievance to the Chairman of the Audit Committee. During the year under review no protected disclosure from any Whistle Blower was received by the designated officer under the Vigil Mechanism.

**SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES OF THE COMPANY**

The Company is having one Wholly Owned Subsidiary i.e. Medgel Pvt. Ltd. In the beginning or closing and during the year. Further, the Company does not have any associate or joint venture company at the beginning or closing or any time during the year 2017-18.

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

**CONSOLIDATED FINANCIAL STATEMENTS**

Since your company is having 1 (One) subsidiary company and as per the requirement of Ind (AS) and the Companies Act, 2013 the Consolidated Financial Statements is also prepared. Further for disclosures as required is given in the Form AOC-1 attached in the Board report as "Annexure B" as per the requirement of the Companies Act, 2013.

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). The Consolidated Financial Statement of the Company is annexed as containing part of the Annual report.

**BOARD OF DIRECTORS, KMPs & THEIR BOARD MEETINGS.**

**a) Constitution of the Board**

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

**b) Board Independence**

Our definition of 'Independence' of Directors or Regulation is derived from Regulation 16 of SEBI (LODR) Regulations, 2015 and section 149(6) of the Companies Act, 2013. The Company is having following 4 (Four) independent directors;

1. Dr. Shamsheer Singh.
2. Mr. Pramod Fatehpuria.
3. Mr. Mahesh Kumar Patni.
4. Mr. Ashok Omprakash Agrawal.

As per provisions of the Companies Act, 2013, Independent Directors were appointed for a term of 5 (five) consecutive years. During the year there is no change in the Constitution of the Board of your Company except the change in Company Secretary & Compliance Officer of the Company.

**c) Declaration by independent Directors**

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")

**d) Independent Directors seeking re-appointment at the ensuing Annual General Meeting:**

Pursuant to the provision of section 149(10) of the Companies Act, 2013 the first term of five consecutive years on the Board hold by Dr. Shamsheer Singh (DIN: 00204290) and Mr. Pramod Fatehpuria (DIN: 00972389) as Independent Directors will be completed on 31<sup>st</sup> March, 2019 and 28<sup>th</sup> May, 2019 respectively.

Further, they are eligible for re-appointment by passing of special resolution for second term of 5 (five) consecutive years. Therefore, the Board in their meeting held on 25<sup>th</sup> July, 2018 upon the recommendation of the Nomination and Remuneration Committee has recommended their re-appointment for a second term of 5 (five) consecutive years for Dr. Shamsheer Singh w.e.f 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024 and Mr. Pramod Fatehpuria w.e.f. 29<sup>th</sup> May, 2019 to 28<sup>th</sup> May, 2024 subject to approval of Shareholders.

Further, that Dr. Shamsheer Singh (DIN: 00204290) has already attained the age of 75 years, on 6<sup>th</sup> June, 2017, therefore, the Company has proposed to pass special resolution as included in the Item No. 5 of the Notice.

Your Board of directors recommends to pass necessary resolutions to that effect as set out in the notice of the Annual General Meeting.

**e) Directors liable to retire by rotation seeking re-appointment:**

Mr. Alok K. Garg (DIN:00274321), Managing Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your directors recommend to pass necessary resolution as proposed in the Item No. 2 of the Notice.

**f) Executive Directors seeking re-appointment at the ensuing Annual General Meeting:**

The tenure of Mr. Alok K. Garg as a Managing Director will be completed on 31<sup>st</sup> March, 2019, therefore, the Board upon the recommendation of the Nomination and Remuneration Committee has re-appointed him for a further period of 3 years

w.e.f. 1<sup>st</sup> April, 2019 up to 31<sup>st</sup> March, 2022. Your Board recommends to pass ordinary resolution as per the proviso of section 196(3) of the Companies Act, 2013 to that effect as set out in the notice of the Annual General Meeting.

A brief resume and other details of all the above Directors seeking appointment/ re-appointment are provided in the Notice of AGM.

**g) Change in Director**

During the year, Mr. Ashok Omprakash Agrawal was appointed as Additional Director in the category of Independent Director w.e.f. 25<sup>th</sup> July, 2017 and holds office for a term of 5 (Five) consecutive years up to 24<sup>th</sup> July, 2022 which was confirmed by the members in the 34<sup>th</sup> Annual General Meeting of the Company held on 28<sup>th</sup> September, 2017.

**h) Key Managerial Personnel**

Mr. Alok K. Garg, Managing Director, Mrs. Kusum Mittal and Mrs. Manisha Garg, Whole-time Directors, Mr. Manish Kumar Jain, Chief Financial Officer and Ms. Ayushi Silot, Company Secretary and Compliance Officer, have been categorized as the Key Managerial Personnel within the meaning of section 203 of the Companies Act, 2013.

There is no change in the Key Managerial Personnel during the year 2017-18 except the following: -

- 1) CS Nupur Lodwal has resigned from the post of Company Secretary and Compliance Officer w.e.f. 20<sup>th</sup> day of March, 2018 and CS Ayushi Silot, was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 21<sup>st</sup> March, 2018 and designated as the Key Managerial Personnel.

**i) Number of meetings of the board**

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

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

During the year 2017-18 (5) Five Board Meetings were held on 30<sup>th</sup> May, 2017, 25<sup>th</sup> July, 2017, 13<sup>th</sup> November, 2017, 09<sup>th</sup> February, 2018 and 20<sup>th</sup> March, 2018.

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

**COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Board has on the recommendation of the nomination and remuneration committee framed a nomination, remuneration and evaluation policy which lays down the criteria for identifying the persons who are qualified to be appointed as directors and, or senior management personnel of the company, along with the criteria for determination of remuneration of directors, KMP's and other employees and their evaluation and includes other matters, as prescribed under the provisions of section 178 of Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations 2015. Policy of the Company has been given at the website of the Company at [www.medicaps.com](http://www.medicaps.com). The details of the same are also covered in Corporate Governance Report forming part of this annual report.)

**a) Formal Annual Board Evaluation and Familiarization Programme.**

The Company has devised a Policy for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which include criteria for performance evaluation of Non-executive Directors and Executive Directors. The evaluation process inter alia considers attendance of Directors at Board and committee meetings, acquaintance with business, communicating inter se board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy.

The Board carried out an annual performance evaluation of the Board, Committees, Individual Directors and the Chairman. The Chairman of the respective Committees shared the report on evaluation with the respective Committee members. The performance of each Committee was evaluated by the Board, based on report on evaluation received from respective Committees.

The report on performance evaluation of the Individual Directors was reviewed by the Chairman of the Board and feedback was given to Directors.

The details of programme for familiarization of Independent Directors of the Company is available on your Company's website ([www.medicaps.com](http://www.medicaps.com))

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a. that in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2018, 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, 31<sup>st</sup> March 2018 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws and that systems were in place and were adequate and operating effectively.

**COMMITTEES OF THE BOARD**

In accordance with the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 and other purposes the Board has the following Four (4) committees:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Stakeholders' Relationship Committee
- (d) Risk Management Committee (Voluntarily constituted)

Apart from the aforesaid committees under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 the Company has also constituted Internal Complaints Committee (ICC) under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. A detailed note on the Board and its committees is provided under the Corporate Governance Report section in this report.

**RELATED PARTY TRANSACTIONS**

All Related Party Transactions (RPT) that entered into during the Financial Year 2017-18 were on Arm's Length Basis and were in the Ordinary Course of business. No materially significant RPT made by the Company with Promoters, Directors, Key Managerial Personnel or their relatives or Subsidiary or any other Group concerns which may have a potential conflict with the interest of the Company at large.

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

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

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

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

**AUDITORS, THEIR REPORT AND COMMENTS BY THE MANAGEMENT:**

**A. Statutory Auditors**

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

The Auditors, M/s. Rawka & Associates, Chartered Accountants, (F. R. No. 021606C) who were appointed for a term of five years at the Annual General Meeting of the Company held on 28<sup>th</sup> September, 2017 shall hold the office till the conclusion of 39<sup>th</sup> Annual General Meeting of the Company to be held in the year 2022 subject to the ratification of their appointment at every AGM. However, the approval of the members be and is required at the ensuing Annual General Meeting to dispense off the requirement of ratification of the auditors up to their remaining term of appointment as per the amendment made in section 139 of the Companies Act, 2013 on such remuneration as may be fixed by the Board.

The Auditors Report and the Notes on financial statement for the year 2017-18 referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's report is also self explanatory and does not contain any qualification, reservation or adverse remark.

**B. 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 to undertake the Secretarial Audit of the Company. The Secretarial Auditors in their report for the year 2017-18 has confirmed the compliances by the Company as covered in their report.

The Report of the Secretarial Auditor for the year 2017-18 is annexed herewith as "Annexure C".

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

Secretarial Auditor Observations	Management comments
There are 3 (Three) Charges which were satisfied long back but no evidence for the satisfaction were produced before us and these charges are reflecting in the Index of Charges at the portal of MCA, whereas 1 (One) charge were satisfied and the required Form were filed and registered by the Registrar, but still appearing on the portal of the MCA in the Index of Charges which needs correction in the index of charges.	One charge of IDBI Bank Ltd and other one of AKVN has also satisfied but it stills appearing on MCA, we are in process of rectifying the same, For other 3 charges, the company is in continuous follow up with the bank, since the charge is satisfied by the company long back and the company and the bank is in searching of old documents and will proceed further for removing the charge from MCA Portal.
The intimation for issuance of duplicate share certificate within 2 days from the date of issue i.e. 08.12.2017 was not given.	Due to certain technical issues Share Transfer Agent has not informed the Company and this type of error will not be repeated.

**C. Cost Auditor and their report**

Pursuant to section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, amended time to time, the provision regarding Cost Audit under this act was not applicable to Company during the year 2017-18.

**DISCLOSURE FOR FRAUDS AGAINST THE COMPANY**

There were no instances for other than reportable fraud to the Central Government covered under section 134(3)(ca) of the Companies Act, 2013. Further that, the auditors have not found any fraud as required to be reported by them under section 143(12) to the Central Government during the year 2017-18.

**CORPORATE GOVERNANCE**

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

All Board members and senior management personnel have affirmed compliance with the Code of Conduct for the year 2017-18. A declaration to this effect signed by the Chairman 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- D*”.

Mr. Alok K. Garg, Managing Director and Mr. Manish Kumar Jain, Chief Financial Officer have certified that the financial statements and other matters as required under regulation 17(8), read with Part B of Schedule II of the SEBI Listing Regulations, 2015 are duly complied with. A copy of the certificate on the financial statements for the financial year ended 31<sup>st</sup> March, 2018 is annexed along with this Report as “*Annexure E*”.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

#### **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-F*”.

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

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

#### **EXTRACT OF ANNUAL RETURN**

The extract of the Annual Return in form MGT-9 for the year ended 31<sup>st</sup> March, 2018 is annexed herewith as “*Annexure G*”.

#### **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 H*”.

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

#### **CODE OF CONDUCT**

Regulation 17(5) of the SEBI 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 Code of Conduct for all Directors and Senior Management of the Company and the same has been hosted on the website of the company ([www.medicaps.com](http://www.medicaps.com))

All Directors and Senior Management personnel have affirmed compliance with the new Code for 2017-18. A declaration to this effect signed by the Chairman is given in this Annual Report. A certificate to that effect for the proper compliances given by the Chairman is annexed as the “*Annexure I*” with this Report.

#### **PREVENTION OF INSIDER TRADING**

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

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

#### **APPLICABILITY OF THE IND-AS**

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

#### **ACKNOWLEDGEMENTS**

Your Board of Directors wishes to place on records its sincere appreciation and acknowledge the dedication & contribution made by the employees of the Company at all levels. 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**

**PLACE: PITHAMPUR  
DATE: 25<sup>TH</sup> JULY, 2018**

**RAMESH CHANDRA MITTAL  
CHAIRMAN  
DIN 00035272  
“Annexure A”**

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

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

## **3. Scope**

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

## **4. Interpretation**

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

## **5. Guiding Principles**

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

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

### **Role:**

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

### **Protections:**

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

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

- 7.1 The Protected Disclosure/Complaint should be attached to a letter bearing the identity of the Whistle blower/complaint i.e. his/her Name, Employee Code and Location and should be inserted in an envelope which should be closed/secured/sealed. The envelope thus secured/sealed should be addressed to the Competent Authority and should be superscribed “Protected Disclosure”. (If the envelope is not super scribed and closed/sealed/ secured, it will not be possible to provide protection to the whistle blower as specified under this policy).
- 7.2 If the Whistle Blower believes that there is a conflict of interest between the Competent Authority and the Whistle Blower, he/she may send his/her protected disclosure directly to the Chairman of the Audit Committee, Medi-caps Limited.
- 7.3 Anonymous or pseudonymous Protected Disclosure shall not be entertained.
- 7.4 Protected Disclosure should either be typed or written in legible hand writing in English, Hindi or Regional language of the place of employment of the Whistle blower, should provide a clear understanding of the improper activity involved or issue/concern raised. The reporting should be factual and not speculative in nature. It must contain as much relevant information as possible to allow for preliminary review and proper assessment.
- 7.5 Investigations into any improper activity which is subject matter of an inquiry or order under the Commission of Inquiry Act, 1952 will not come under the purview of this policy.
- 7.6 The contact details of the Competent Authority for addressing and sending the Protected Disclosure is as follows:  
**Dr. Shamsher Singh, Independent Director**  
**Competent Authority**  
**Whistle Blower/Vigil Mechanism**  
**Medi-caps Limited**  
**Mhow-Neemuch Road, Sector – I**  
**Pithampur-454775 Distt. Dhar (M.P.)**

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

**Audit Committee,**  
**Whistle Blower/Vigil Mechanism**  
**Medi-caps 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.

**FOR AND ON BEHALF OF THE BOARD**

**PLACE: PITHAMPUR  
DATE: 25<sup>TH</sup> JULY, 2018**

**RAMESH CHANDRA MITTAL  
CHAIRMAN  
DIN: 00035272  
"Annexure B"**

**Form AOC-I**

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

**Statement containing salient features of the financial statement of  
Subsidiaries /Associate Companies/Joint Ventures**

**Part "A": Subsidiaries**

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

S. No.	Name of Subsidiary	Medgel Private Limited
1	The date since when Subsidiary was acquired	01.04.2011
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as of Holding Company
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR
4	Paid up Share capital	14,68,19,530
5	Reserves & surplus	23,29,98,465
6	Total assets	43,76,95,537
7	Total Liabilities	43,76,95,537
8	Investments	4,19,92,257
9	Turnover	27,32,17,371
10	Profit/(Loss) before taxation	58,40,003
11	Provision for taxation	0
12	Profit after taxation	58,40,003
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. N.	Name of Associate/Joint Ventures	N.A.
1	Latest Audited Balance Sheet Date	
2	Date on which the Associate or Joint Venture was associated or acquired	
3	Shares of Associate or Joint Ventures held by the Company on the year end	
	Number	
	Amount of Investment in Associates/ Joint Venture	
	Extend of Holding in %	
4	Description of how there is significant influence	
5	Reason why the Associate/ Joint Venture is not consolidated	
6	Net worth attributable to Shareholding as per latest audited Balance Sheet	
7	Profit / Loss for the year	
	(i) Considered in Consolidation	-
	(ii) Not Considered in Consolidation	

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

As per our report of even date,

**M/s Rawka & Associates**  
Chartered Accountants  
Firm Reg. No.- 021606C

**Venus Rawka**  
Partner  
M.N.429040

Place: Indore  
Date: 28/07/2018

**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

**Ayushi Silot**  
Company Secretary  
M.N:A54352

**“Annexure C”**
**Form MR-3- SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2018**

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

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

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

Based on our verification of the Company’s Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the **Financial Year ended 31<sup>st</sup> March, 2018** (1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2018, according to the provisions of:

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

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

Further, the Company is having business of manufacturing, distribution and selling of Hard Shell of 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; and
  - (ii) The SEBI (LODR) Regulations, 2015
- During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- (a) *There are 3 (Three) Charges which were satisfied long back but no evidence for the satisfaction were produced before us and these charges are reflecting in the Index of Charges at the portal of MCA, whereas 1 (One) charge were satisfied and the required Form were filed and registered by the Registrar, but still appearing on the portal of the MCA in the Index of Charges which needs correction in the index of charges.*
- (b) *The intimation for issuance of duplicate share certificate within 2 days from the date of issue i.e. 08.12.2017 was not given.*

**We further report that**

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

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

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

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

**We further report that** the compliance for the applicable Financial Laws like Direct Taxes, Indirect Taxes and the

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

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

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

**CS ISHAN JAIN**  
**PROPRIETOR**  
**ACS: 29444**  
**CP: 13032**  
**Place: Indore**  
**Date: 23rd July, 2018**

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

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

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

**CS ISHAN JAIN**  
**PROPRIETOR**  
**ACS: 29444; CP: 13032**  
**Place: Indore; Date: 23<sup>rd</sup> July, 2018**

**Annexure - II to the Secretarial Audit Report**

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of treatment of various tax liabilities and payment thereof, compliance of the applicable accounting standards, financial records and Books of Accounts of the company as the same is subject to the statutory audit being performed by the independent auditors.
4. Wherever required, we have obtained the Management representation and also relied about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, guidelines, standards etc., are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. We do not take any responsibility for any person if taking any commercial, financial or investment decision based on our secretarial audit report as aforesaid and they needs to take independent advise or decision as per their own satisfaction.

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

**CS ISHAN JAIN**  
**PROPRIETOR**  
**ACS: 29444; CP: 13032**  
**Place: Indore; Date: 23<sup>rd</sup> July, 2018**

“Annexure D”

**Auditors Certificate on Corporate Governance**

*{Requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015}*

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

1. This certificate is issued in accordance with the terms of our engagement.
2. We, **Rawka & Associates**, Chartered Accountants, the Statutory Auditors of Medi-Caps Limited (“the Company”), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31<sup>st</sup> March 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (LODR) Regulations, 2015 (the Listing Regulations).

**Management’s Responsibility**

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

**Auditor’s Responsibility**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31<sup>st</sup> March, 2018.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**FOR, M/S RAWKA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 021606C**

**Place:** Pithampur  
**Date:** 25<sup>th</sup> July, 2018

**VENUS RAWKA  
PARTNER  
M.N. 429040**

“Annexure E”

**MD / CFO CERTIFICATION**

To,  
The Board of Directors  
**Medi-Caps Limited**

- (A) We have reviewed the Financial Statements, Cash Flow Statements, Books of Accounts, detailed trial balance and grouping thereof for the Financial Year 2017-18 and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
  - c) no transactions entered by the Company during the year which are fraudulent, illegal or violate the Company’s code of conduct.
- (B) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (C) We have indicated to the auditors and the Audit committee:
  - a) significant changes in internal control over financial reporting during the Financial Year 2017-18
  - b) significant changes in accounting policies during the period and that the same have been disclosed in the notes of the financial statements; and
  - c) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company’s internal control system over financial reporting.

**Place:** Pithampur  
**Date:** 25<sup>th</sup> July, 2018

**For, Medi-caps Limited**

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

**Manish Kumar Jain  
Chief Financial Officer**

**“Annexure F”**
**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 DG sets
(ii)	the steps taken by the company for utilising alternate sources of energy;	DG sets
(iii)	the capital investment on energy conservation equipments	Nil

**(B) Technology absorption**

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

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

S. No.	Particulars	2017-18	2016-17
(i)	The Foreign Exchange earned in terms of actual inflows during the year;	99.67 Lakhs	109.08 Lakhs
(ii)	and the Foreign Exchange outgo during the year in terms of actual outflows.	192.60 Lakhs	303.15 Lakhs

**“Annexure G”**
**EXTRACT OF ANNUAL RETURN-FORM MGT-9 AS ON THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup>MARCH, 2018**
*[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*
**I. REGISTRATION AND OTHER DETAILS**

CIN	<b>L24232MP1983PLC002231</b>
Registration Date	06/08/1983
Name of the Company	<b>MEDI-CAPS LIMITED</b>
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details	Mhow-Neemuch Road, Sector-1, Pithampur, Dhar (M.P.) 454775, Phone: 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)	24232	100

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

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



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

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	5944804	-	5944804	47.68	5944804	-	5944804	47.68	0.00
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate/LLP	307128	-	307128	2.46	307128	-	307128	2.46	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1):</b>	<b>6251932</b>	<b>-</b>	<b>6251932</b>	<b>50.14</b>	<b>6251932</b>	<b>-</b>	<b>6251932</b>	<b>50.14</b>	<b>0.00</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>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoters (A) = (A)(1) + (A)(2)</b>	<b>6251932</b>	<b>-</b>	<b>6251932</b>	<b>50.14</b>	<b>6251932</b>	<b>-</b>	<b>6251932</b>	<b>50.14</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds / UTI	-	1200	1200	0.01	-	900	900	0.01	0.00
b) Banks / FI	-	32800	32800	0.25	-	31900	31900	0.25	0.00
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):</b>	<b>-</b>	<b>34000</b>	<b>34000</b>	<b>0.26</b>	<b>-</b>	<b>32800</b>	<b>32800</b>	<b>0.26</b>	<b>0.00</b>
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate/LLP</b>									
i) Indian	367384	12600	379984	3.05	435619	9900	445519	3.57	0.52
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual Share holders holding nominal share capital upto Rs. 1 lakh	2627857	505612	3133469	25.13	2570038	452052	3022090	24.23	-0.90
ii) Individual Share holders holding nominal share capital in excess of Rs.1 lakh	2505906	22800	2528706	20.28	2579092	22800	2601892	20.87	0.59

<b>c) Others specify)</b>									
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
ii) Other Foreign Nationals	-	-	-	-	-	-	-	-	-
iii) Foreign Bodies	-	-	-	-	-	-	-	-	-
iv) NRI / OCBs	107420	25680	133100	1.07	88812	25580	114392	0.92	<b>-0.15</b>
v) Clearing Members /Clearing House	8765	0	8765	0.07	1331	-	1331	0.01	<b>-0.06</b>
vi) Trusts	-	-	-	-	-	-	-	-	-
vii) Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-
viii) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(2):</b>	<b>5617332</b>	<b>566692</b>	<b>6184024</b>	<b>49.59</b>	<b>5674892</b>	<b>510332</b>	<b>6185224</b>	<b>49.60</b>	<b>0.01</b>
<b>Total Public Share holding (B)=(B)(1)+(B)(2)</b>	<b>5617332</b>	<b>600692</b>	<b>6218024</b>	<b>49.86</b>	<b>5674892</b>	<b>543132</b>	<b>6218024</b>	<b>49.86</b>	<b>0.00</b>
<b>Grand Total (A+B)</b>	<b>11869264</b>	<b>600692</b>	<b>12469956</b>	<b>100.00</b>	<b>11926824</b>	<b>543132</b>	<b>12469956</b>	<b>100.00</b>	<b>0</b>

**ii) Shareholding of Promoters**

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
Ramesh Chandra Mittal	3166320	25.39	-	3166320	25.39	-	-
Kusum Mittal	2700136	21.66	-	2700136	21.66	-	-
Trapti Investment Pvt.Ltd.	307128	2.46	-	307128	2.46	-	-
Alok K Garg	69600	0.56	-	69600	0.56	-	-
Gitika Agrawal	400	0.00	-	400	0.00	-	-
Manisha Garg	100	0.00	-	100	0.00	-	-
Anantram Daudayal Mittal	6172	0.05	-	6172	0.05	-	-
Nirmala Anantram Mittal	2076	0.02	-	2076	0.02	-	-
<b>Total</b>	<b>6251932</b>	<b>50.14</b>	<b>-</b>	<b>6251932</b>	<b>50.14</b>	<b>-</b>	<b>-</b>

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

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

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

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year		Changes during the year					Reason
	No. of Shares	% of total shares of the Co.	No. of Shares	% of total shares of the	Date	No. shares before Change	No. shares After Change	Increase	Decrease	

				Co.						
Subramanian P.	605050	4.85	612790	4.91	07/04/17	605050	605590	540	-	Acquired
					21/04/17	605590	607570	1980	-	Acquired
					12/05/17	607570	609570	2000	-	Acquired
					08/09/17	609570	610270	1000	-	Acquired
					30/09/17	610270	611368	1098	-	Acquired
					10/11/17	611368	612790	1422	-	Acquired
Vijit Ramavat	207000	1.66	207000	1.66	-	-	-	-	-	-
Mahendra Girdharilal	103420	0.83	Not in Top 10 List	-	28/04/17	103420	99447	-	3973	Disposed
					30/12/17	99447	60328	-	39119	Disposed (Removed from Top 10 List)
Rajeshri Tarunkumar Shah	108517	0.87	Not in Top 10 List	-	12/05/17	108517	98933	-	9584	Disposed
					26/05/17	98933	87397	-	11536	Disposed
					15/09/17	87397	71587	-	15810	Disposed
					20/10/17	71587	61587	-	10000	Disposed
					19/01/18	61587	57952	-	3635	Disposed
					26/01/18	57952	51363	-	6589	Disposed (Removed from Top 10 List)
Babalbhai Manilal Patel	79660	0.64	104286	0.84	21/04/17	79660	79160	-	500	Disposed
					16/06/17	79160	77160	-	2000	Disposed
					30/06/17	77160	75160	-	2000	Disposed
					07/07/17	75160	73160	-	2000	Disposed
					14/07/17	73160	71160	-	2000	Disposed
					21/07/17	71160	70160	-	1000	Disposed
					04/08/17	70160	64160	-	6000	Disposed
					11/08/17	64160	63160	-	1000	Disposed
					25/08/17	63160	63000	-	160	Disposed
					08/09/17	63000	61000	-	2000	Disposed
					20/10/17	61000	58000	-	3000	Disposed
					22/12/17	58000	87810	29810	-	Acquired
					30/12/17	87810	93520	5710	-	Acquired
					05/01/18	9352	100000	6480	-	Acquired
					12/01/18	100000	103000	3000	-	Acquired
					19/01/18	103000	104786	1789	-	Acquired
					26/01/18	104786	105086	300	-	Acquired
					16/02/18	105086	105286	200	-	Acquired
					02/03/18	105286	103286	-	2000	Disposed
23/03/18	103286	104286	1000	-	Acquired					
Shekhar R Athalye	85832	0.69	57225	0.46	21/04/17	85832	57925	-	27907	Disposed
					28/04/17	57925	57225	-	700	Disposed
Shri Parasram Holdings Pvt. Ltd.	101801	0.82	103200	0.83	14/04/17	101801	98301	-	3500	Disposed
					21/04/17	98301	99301	1000	-	Acquired
					28/04/17	99301	91401	-	7900	Disposed
					05/05/17	91401	92401	1000	-	Acquired
					12/05/17	92401	91501	-	900	Disposed
					19/05/17	91501	91801	300	-	Acquired
					26/05/17	91801	92001	200	-	Acquired
					02/06/17	92001	94086	2085	-	Acquired
					06/09/17	94086	95456	1370	-	Acquired
					16/06/17	95456	93840	-	1616	Disposed
					30/06/17	93840	95840	2000	-	Acquired
					14/07/17	95840	93840	-	2000	Disposed
					21/07/17	93840	426	-	93414	Disposed (Removed from Top 10 List)
					20/10/17	2000	95439	93439	-	Acquired (Re-entry in Top 10)
					24/11/17	95436	96000	564	-	Acquired
19/01/18	96000	96646	646	-	Acquired					
02/02/18	96646	96746	100	-	Acquired					
09/02/18	96746	98200	1454	-	Acquired					

					02/03/18	98200	98201	1	-	Acquired
					09/03/18	98201	97201	-	1000	Disposed
					16/03/18	97201	97112	-	89	Disposed
					23/03/18	97112	99837	2725	-	Acquired
					31/03/18	99837	103200	3363	-	Acquired
Amit Chander	83450	0.67	83450	0.67	-	-	-	-	-	-
Vijit Assets Management Pvt. Ltd.	113700	0.91	166463	1.33	10/11/17	113700	118200	4500	-	Acquired
					01/12/17	118200	127200	9000	-	Acquired
					08/12/17	127200	136200	9000	-	Acquired
					15/01/18	136200	158700	22500	-	Acquired
					26/01/18	158700	195385	36685	-	Acquired
					16/02/18	195385	185363	-	10022	Disposed
					02/03/18	185363	166463	-	18900	Disposed
Dipak Kanayalal Shah	132000	1.06	146000	1.17	23/06/17	132000	134000	2000	-	Acquired
					07/07/17	134000	137780	3780	-	Acquired
					14/07/17	137780	138000	220	-	Acquired
					18/08/17	138000	139000	1000	-	Acquired
					06/10/17	138000	141000	3000	-	Acquired
					31/03/18	141000	146000	5000	-	Acquired
Deepak Maheshwari	Not in List	-	79844	0.64	21/04/17	46850	66694	19844	-	Acquired and new in list
					01/12/17	66694	67694	1000	-	Acquired
					22/12/17	67694	68494	800	-	Acquired
					12/01/18	68494	70241	1747	-	Acquired
					19/01/18	70241	73044	2803	-	Acquired
					09/02/18	73044	78507	5463	-	Acquired
					16/02/18	78507	79844	1337	-	Acquired
Sangeetha S	Not in List	-	96370	0.77	27/10/17	57362	61000	3638	-	Acquired and new in list
					03/11/17	61000	72790	11790	-	Acquired
					24/11/17	72790	78090	5300	-	Acquired
					01/12/17	78090	88990	10900	-	Acquired
					08/12/17	88990	92590	3600	-	Acquired
					15/12/17	92590	93670	3780	-	Acquired

Note: The above changes are based on report received from Registrar and transfer agent weekly.

**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>Mr. Ramesh Chandra Mittal, Chairman &amp; Director</b>				
At the beginning of the year	3166320	25.39		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year			3166320	25.39
<b>Mrs. Kusum Mittal, (Whole-time Director)</b>				
At the beginning of the year	2700136	21.66		
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	21.66
<b>Mr. Alok K.Garg, (Managing Director)</b>				
At the beginning of the year	69600	0.56		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year			69600	0.56
<b>Mrs. Manisha Garg (Whole Time Director)</b>				
At the beginning of the year	100	0		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-

allotment/transfer/bonus/sweat equity etc): <b>* Appointed at the Board meeting as additional Director w.e.f. 11.11.2016.</b>				
At the end of the year			100	0
<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>Mr. Ashok Omprakash Agrawal,(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): <b>* Appointed as an additional Director w.e.f 25.07.2017 and Independent Director w.e.f. 28.09.2017</b>	-	-	-	-
At the end of the year		-	-	
<b>Mr. Mahesh Kumar Patni, (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>CS Nupur Lodwal, (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): <b>* Resigned from the Post of Company Secretary w.e.f. 20.03.2018</b>	-	-	-	-
At the end of the year		-	-	
<b>CS Ayushi Silot, (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): <b>* Appointed as a Company Secretary w.e.f. 21.03.2018</b>	-	-	-	-
At the end of the year		-	-	
<b>Mr. 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. INDEBTNESS**
**Indebtness of the Company including interest outstanding/ accrued but not due for payment**

(Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<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	17.46	-	-	17.46
Reduction	-	-	-	-
<b>Net Change</b>	<b>17.46</b>	-	-	<b>17.46</b>
<b>Indebtedness at the end of the financial year</b>	-	-	-	-
i) Principal Amount	17.46	-	-	17.46
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>17.46</b>	-	-	<b>17.46</b>

**VI. REMUNERATION OF DIRECTOR AND KMP**

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

S. N.	Particular of Remuneration	Mr. Alok K. Garg (Managing Director)	Mrs. Kusum Mittal (Whole Time Director)	Mrs. Manisha Garg (Whole Time Director)
<b>1</b>	Gross Salary	<b>30,00,000.00</b>	<b>18,00,000.00</b>	<b>12,00,000.00</b>
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961			
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961			
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961			
<b>2</b>	Stock Options	0	0	0
<b>3</b>	Sweat Equity	0	0	0
<b>4</b>	Commission	0	0	0
	- as % of profit	0	0	0
	- Others, specify....	0	0	0
<b>5</b>	Others, please specify	0	0	0
	<b>Total</b>	<b>30,00,000.00</b>	<b>18,00,000.00</b>	<b>12,00,000.00</b>
	Ceiling as per the Act (As per Schedule V of the Companies Act, 2013)	84,00,000	84,00,000	84,00,000

**B. Remuneration to other Directors:**

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

S.N.	Particular of Remuneration	Dr. Shamsher Singh	Mr. Mahesh Kumar Patni	Mr. Pramod Fatehpuria	Mr. Ashok Omprakash Agrawal*	Total
<b>1</b>	-Fee for attending Board/Committee Meetings	-	-	-		
<b>2</b>	-Commission	-	-	-		
<b>3</b>	- Others, please specify	-	-	-		
	<b>Total B.1</b>	-	-	-		

\*Mr. Ashok Omprakash Agrawal has appointed as an Additional Director w.e.f 25.07.2017 and Independent Director at 28.09.2017

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

S.N.	Particular of Remuneration	Mr. Ramesh Chandra Mittal	Total
<b>1</b>	-Fee for attending Board/Committee Meetings	-	-
<b>2</b>	-Commission	-	-
<b>3</b>	- 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>0</b>
	<b>Overall Ceiling as per the Act</b>	<b>0</b>	<b>0</b>

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

S.N.	Particular of Remuneration	*Ms. Nupur Lodwal (CS)	*Ms. Ayushi Silot (CS)	Mr. Manish Jain (CFO)	Total
<b>1</b>	Gross Salary	2,38,667.00	6000.00	2,63,450.00	<b>508117.00</b>
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961				
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	0	0	0	0
<b>2</b>	Stock Options	0	0	0	0
<b>3</b>	Sweat Equity	0	0	0	0
<b>4</b>	Commission	0	0	0	0
	- as % of profit	0	0	0	0

	- Others, specify....	0	0	0	0
5	Others, please specify	0	0	0	0
	<b>Total C</b>	<b>2,38,667.00</b>	<b>6000.00</b>	<b>2,63,450.00</b>	<b>508117.00</b>

\* CS Nupur Lodwal has resigned from the post of Company Secretary w.e.f. 20<sup>th</sup> March, 2018 and CS Ayushi Silot is appointed w.e.f. 21<sup>st</sup> March, 2018 and remuneration stated above is calculated accordingly.

**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	-	-	-	-	-

For and on behalf of the Board

Place: Pithampur  
Date: 25.07.2018

Ramesh Chandra Mittal  
Chairman  
DIN 00035272

“Annexure H”

**Particulars of Employees**

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

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

S. No	Name	Designation	Remuneration For the year 2017-18	Remuneration for the year 2016-17	Increase In Remuneration %	Ratio Between Director or KMP and Median Employee
1.	Mr. Ramesh Chandra Mittal	NED	0	10,00,000	0	N.A.
2.	Mrs. Kusum Mittal	WTD	18,00,000	18,00,000	0	11.37
3.	Mr. Alok K. Garg	MD	30,00,000	30,00,000	0	18.96
4.	Dr. Shamsher Singh	Independent Director	0	0	0	N.A.
5.	Mr. Mahesh Kumar Patni	Independent Director	0	0	0	N.A.
6.	Ashok Omprakash Agrawal	Independent Director	0	0	0	N.A.
7.	Mr. Pramod Fatehpuria	Independent Director	0	0	0	N.A.
8.	Mrs. Manisha Garg	WTD	12,00,000	12,00,000	0	7.58
9.	Mr. Manish Kumar Jain	CFO	2,63,450	2,59,200	1.63%	1.66
10.	CS Nupur Lodwal (W.e.f. 01/04/2017-20.03.2018)	Company Secretary	2,38,667	1,00,000	0	1.50
11.	CS Ayushi Silot (w.e.f. 21.03.2018 to 31.03.2018)	Company Secretary	6000.00	-	-	1.38

CS Ayushi Silot is appointed w.e.f. 21<sup>st</sup> March, 2018. Hence, the remuneration is not comparable.

**B. The percentage increase in the Median remuneration of employees in the financial year:** The remuneration of median employee was Rs. 13181.84 p.m. (158182 p.a.) during the year 2017-18 as compared to Rs. 10078.5 p.m. (120936 p.a.) in the previous year, increased by 30.79% considering profitability of the Company.

**C. The number of permanent employees on the Roll of the Company as on 31<sup>st</sup> March, 2018: 202.**

**D. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Based on Remuneration Policy of the Company, salary of the employees was increased at 5%- 7% this is based on Remuneration Policy of the Company that rewards people based on their contribution to the success of the company and also ensures that external market competitiveness and internal relativities are taken care of.

**E. Affirmation that the remuneration is as per the Remuneration Policy of the Company:**

The Company affirms that remuneration is as per the remuneration policy of the Company:

**F. Name of the top 10 employees in terms of remuneration drawn in the financial year 2017-18:**

A statement of top-10 employees in terms of remuneration drawn as per rule 5(2) read with rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended is as follows

S. N.	Name of Employee	Designation of the employee	Remuneration received	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the company	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	Remarks
1	Mr. Alok K. Garg	Managing Director	Rs.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	11.06.1996	49Years	N.A	1. Son- in law of Mr. R. C Mittal & Mrs. Kusum Mittal  2. Husband of Mrs. Manisha Garg.	
2	Mrs. Kusum Mittal	Whole-Time Director	Rs. 18,00,000/-		B. A  Having experience in the Real Estate, investments and finance business activities	01.11.2010	67 Years	N.A	1. Wife of Shri R C Mittal  2. Mother-in-law of Mr. Alok K Garg  3. Mother of Mrs. Manisha Garg.	
3	Mrs. Manisha Garg	Whole Time Director	Rs. 12,00,000/-		Diploma in Marketing	11.11.2016	46 Years	N.A	1. Wife of Mr. Alok K Garg  2. Daughter of Mr. R C Mittal and Mrs. Kusum Mittal	
4	Dr . R.K. Sharma	Vice-President	Rs. 12,00,000/-		M.B.A, LL.B , Ph.D,  31 Years	06.02.1987	56 Years	N.A	-	
5	Mr. Ashok R. Pitliya	General Manager-Finance	Rs.9,00,720/-		M.Com, M.A  33 Years	01.07.1985	56 Years	N.A	-	



6	Dr. Ashish Moitra	Sr. Marketing Manager	Rs. 8,55,000/-		Ph.D (Economics) MBA (Mktg) MBA(Int. Business),SCM(IIT Delhi)  8 + 10 years	06.06.2008	39 Years	N.A	-	
7	Mr. Anurag Dutt	Sr. Account Officer	Rs. 6,04,032/-		M.Com, MBA 15 Years	01.01.2002	46 Years	Aurobindo Medical College	-	
8	Mr. Ravindra Gaur	Purchase Manager	Rs. 4,40,220/-		M.Com, MA, MBA, P.hd (Pursuing) 19 years	12.02.1999	53 Years	TATA Motors	-	
9	Mr. Mukesh Sharma	Electrical Manager	Rs. 4,24,800/-		Diploma in Electrical Engineering 14 Years	01.12.2003	47 Years	N.A	-	
10	Mrs. Archana Thakur	QC Manager	3,84,000/-		MSC ( Organic Chemistry ) 21 yrs + 6 months	18.01.2018	50 years	Forte caps Healthcare Limited	-	

**For and on behalf of the Board**

**Place:** Pithampur  
**Date:** 25<sup>th</sup> July 2018

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

***“Annexure I”***

**Certificate on Compliance with Code of Conducts**

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

**Place:** Pithampur  
**Date:** 25<sup>th</sup> July, 2018

**For and behalf of Board**

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

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**1. OVERVIEW OF INDUSTRY**

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

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

**2. MARKET SIZE AND DEVELOPMENT**

The global pharmaceutical market is now estimated to be over US \$ 1.2 trillion and is expected to grow at a CAGR of about 4 to 5%. Though the pharmaceutical industry is developing at a rapid pace, the pharmaceutical manufacturing companies are confronted with enormous challenges such as cost and pricing, new medicines and therapy dosages, changing regulatory landscape and growing digitization. The market for pharmaceuticals is growing persistently and this industry is expected to be US\$ 1.5 trillions in size by 2020. The growth in the pharmaceuticals market is led by 1% plus annual global increase in the population, increasing life expectancy leading to growth in the proportion of people aged above 65 years to about 27% of world population as well as increasing urbanization and growing middle income population making drugs available and affordable for more people. Other potential growth drivers include improved economic activity in key geographies. Thanks to advances in science and technology, the research based pharmaceutical industry is entering an exciting new era in medicine development. The research methods are evolving and the innovative pharmaceutical industry aims to turn fundamental research into innovative treatments that are widely available and accessible to patients.

**3. INVESTMENTS**

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

**4. OPPORTUNITIES AND THREATS**

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

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

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

**5. ECONOMIC SCENARIO AND OUTLOOK**

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

The Indian pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of value. Branded generics dominate the pharmaceuticals market, constituting nearly 70 to 80 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.

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 incentivize bulk drug manufacturers, including both state-run and private companies, to encourage 'Make in India' programme and reduce dependence on imports of Active Pharmaceutical Ingredients (API), nearly 85 per cent of which come from China.

The Department of Pharmaceuticals has planned to launch a venture capital fund of Rs 1,000 crore (US\$ 148 million) to support start-ups in the research and development in the pharmaceutical and biotech industry.

**6. VOLUME OF MANUFACTURING**

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

Particulars	Quantity in Nos. (in Lakhs)
-------------	-----------------------------

	2017-18	2016-17
Opening Finished goods available	4235.16	4482.03
Manufactured during the year	27184.66	28129.85
Capsules sold during the year	28953.12	28339.18
Capsules removed for Remelted	248.64	37.54
Closing Finished goods available	4235.16	4235.16

**7. SELLING PRICE**

Selling price for the year was Rs. 76.50 per thousand capsules as compared to Rs.78.98 per thousand capsules in the previous year.

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

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

**9. HUMAN RESOURCES**

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

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

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

**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.

**10. ENHANCING SHAREHOLDERS VALUE**

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

**11. INDUSTRIAL RELATIONS**

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

**12. RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM**

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

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

**13. FINANCIAL PERFORMANCE AND OPERATIONAL PERFORMANCE**

**Total operating Revenues**

The total income is Rs.2350.70 Lakhs in compare to last year revenue of Rs.2642.18 Lakhs and total consolidated income is grew by 263.18 Lakhs in compare to last year revenue is Rs. 5122.80 Lakhs.

**Profits and margins**

The EBIDTA (Earnings before Interest, Depreciation, Taxation and Amortization) Rs. 110.24 Lakhs from Rs. 187.68 last year. The EBIDTA margin is reduced by 41.26% .Net profit during the year is Rs. **56.35** lakhs from Rs. 115.71 Lakhs last year. Earnings per share are 0.45.

**Net worth**

The net worth of the Company for the year end 31<sup>st</sup> March 2018 is Rs. 6691.66 in compare with the net worth of year end of March 2017 is Rs. 6637.48, up by 0.8%.

The reserves and surplus for the year ended 31<sup>st</sup> March, 2018 is Rs 5444.66 in compare with the reserves and surplus as on 31<sup>st</sup> March, 2017 is Rs 5390.49 up by 1.00%

**Debt**

The Company has obtained Auto loan of Rs 17.46 Lakhs in the year 2017-18 on 3<sup>rd</sup> March, 2018.

**Fixed Assets and Capital Expenditure**

Fixed assets of the company having gross block at 31<sup>st</sup> March, 2018 of Rs. 2132.59 Lakhs. In compare to gross block of last year was Rs. 2092.90 having depreciation on gross block for the financial year end 31<sup>st</sup> March, 2018 is Rs.1739.18 Lakhs in compare to last year was Rs. 1705.31.

During the year company spend Rs. 39.68 Lakhs as capital expenditure.

**Corporate Governance Report**

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

**Forming Part of the Board's Report**

Corporate governance is about commitment towards maximizing stakeholder value on a sustainable basis. Good corporate governance is a key driver of sustainable corporate growth and creating long-term value for stakeholders. The Companies Act, 2013 aims to bring governance standards at par with those in developed nations through several key provisions such as composition and functions of Board of Directors, Code of Conduct for independent directors, performance evaluation of directors, class action suits, auditor rotation and independence, and so on. The new Act emphasizes self regulation, greater disclosure and strict measures for investor protection. Your company is committed to adopt the best practices in corporate governance and disclosure. It is our constant endeavour to adhere to the highest standard of integrity and to safeguard the interest of all our stakeholders.

**1. Company's philosophy on code of Governance.**

The company's vision document spells out a direction for the policies and procedures which ensure long term sustainability. Value creation for stakeholders is thus a continuous endeavour at Medi-caps. Our governance philosophy rests on five basic tenets:

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

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

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

**2. The Governance Structure:-**

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

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

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

**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.

**3. Board of Directors**

**A. Composition of Board**

The Board of directors of the company consists of an optimum combination of Executive, Non-Executive, Independent and Woman Directors, to ensure the independent functioning of the Board. The composition of the Board also complies with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. As at the end of corporate financial year 2017-18, the total Board consists of Eight (8) directors, out of which One (1) is non-executive, 2 (Two) Women and 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 31.03.2018 are as under:

Name	Category	No. of Directorship in other Companies	No. of Committee position held in Companies	
			Chairman	Member
Mr. Ramesh Chandra Mittal	Promoter & Non Executive Director, Chairman of the Board	6	1	1

Mr. Alok K. Garg	Promoter & Managing Director	3	0	1
Mrs. Kusum Mittal	Promoter, Women & Whole- Time Director	1	0	0
Mrs. Manisha Garg	Promoter, Women & Whole- Time Director	2	0	0
Dr. Shamsher Singh	Independent & NED	0	3	0
Mr. Pramod Fatehpuria	Independent & NED	2	0	2
Mr. Mahesh Kumar Patni	Independent & NED	1	0	3
Mr. Ashok Omprakash Agrawal	Independent & NED	1	0	0

# Mr Ashok Omprakash Agrawal has been appointed w.e.f. 25<sup>th</sup> July, 2017 as an additional Director and further appointed as an Independent Director for a term of 5 Years w.e.f 25<sup>th</sup> July, 2017.

#### B. Selection and Appointment of Directors:

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 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 and Appointment Letter 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 of the Directors on the Board, Date of Board Meetings, and their record of attendance at Board Meetings held during the year and at the last Annual General Meeting, as on 31<sup>st</sup> March, 2018 are:

There were 5 (Five) Board meetings were held during the financial year on 30<sup>th</sup> day of May 2017, 25<sup>th</sup> day of July, 2017, 13<sup>th</sup> Day of November, 2017, 09<sup>th</sup> day of February, 2018 and 20<sup>th</sup> day of March, 2018.

The gap between two Board meetings were not exceeding than 120 days according to provisions laid down in Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and Secretarial Standards.

Name of Director	No. of Board Meetings entitled to attend during the year	No. of Board Meetings Attended	Attendance at the last AGM held on 28 <sup>th</sup> September, 2017
Mr. Ramesh Chandra Mittal	5	4	No
Mr. Alok K. Garg	5	4	Yes
Mrs. Kusum Mittal	5	4	No
Mrs. Manisha Garg	5	4	No
Dr. Shamsher Singh	5	5	No
Mr. Pramod Fatehpuria	5	5	No
Mr. Mahesh Kumar Patni	5	5	Yes
Mr. Ashok Omprakash Agrawal#	3	3	No

# Mr Ashok Omprakash Agrawal has appointed w.e.f. 25<sup>th</sup> July, 2017 as an additional Director and further appointed as an Independent Director for a term of 5 Years w.e.f 25<sup>th</sup> July, 2017.

#### D. Disclosure of Relationship between Directors inter-se:

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

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

	No. of Shares Held
Mr. Ramesh Chandra Mittal	3166320
Dr. Shamsher Singh	0
Mr. Ashok Omprakash Agrawal	0
Mr. Pramod Fatehpuria	0
Mr. Mahesh Kumar Patni	0

#### F. Induction and Familiarization Program for Directors:

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through an induction and familiarization program including the presentation and interactive session with the Managing Director, Executive Committee Members and other Functional Heads on the Company's manufacturing, marketing, finance and other important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director.

On the matters of specialized nature, the Company engages outside experts/consultants for presentation and discussion with the Board members. The details of familiarization program can be accessed from the website: [www.medicaps.com](http://www.medicaps.com).

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

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on **13<sup>th</sup> November, 2017** 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.

**H. Notice and Agenda:**

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

**I. Invitees & Proceedings:**

Apart from the Board members, 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.

**J. 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 for the action taken / pending to be taken.

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

She acts as interface between the Board and the Management and provides required assistance and assurance to the Board and the Management on compliance and governance aspects.

**L. Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulation, 2015 the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

**M. Code of Conduct:**

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

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

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

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. 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 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.

**O. Providing voting by Electronic Means.**

Your Company is providing E-voting facility under Regulation 44 of SEBI (LODR) Regulation, 2015 and Companies Act, 2013. The details regarding e-voting facility is being given with the notice of the Meeting.

**P. Strictures and Penalties**

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

**Q. Compliance with IND-AS**

In the preparation of the financial statements, the Company has followed the IND-AS as notified w.e.f. 1<sup>st</sup> April, 2017. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

**R. Vigil Mechanism/Whistle Blower Policy**

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

As part of our corporate governance practices, the company has adopted the Whistleblower policy that covers our directors and employees. The policy is provided pursuant to SEBI (LODR) Regulation, 2015 on our website and also annexed with the Board Report.

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

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

**T. Disclosures with respect to demat suspense account/ Unclaimed Suspense Account:**

There is no equity shares lying in the demat suspense account/ Unclaimed Suspense Account.

**U. Confirmation that in the opinion in of the Board, the Independent Director fulfill the condition specified in this regulation and are independent of the Management:**

All Independent Directors has given disclosure as required under the Companies Act, 2013 and Listing Regulations that they are independent of the management and the Management do hereby confirm there independency.

**V. Detailed Reason for resignation of Independent Director who resigns before the expiry of his tenure along with the confirmation by such director that there are no other material reason other than those provided:**

There is no resignation of any independent Director during the Financial Year.

**4. 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 (LODR) 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 (LODR) Regulation, 2015 and section 149 of the Companies Act, 2013. as regards composition of the Audit Committee. The Audit Committee of the Company as on 31<sup>st</sup> March, 2018 comprises of the following Directors of the Company.

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

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

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

Four (4) meetings were held during the financial year 2017-18 on 30<sup>th</sup> May 2017, 25<sup>th</sup> July, 2017, 13<sup>th</sup> November, 2017 and 9<sup>th</sup> February 2018. The attendance of each member of the committee is as under:

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

CS acts as the Secretary to the Committee. Chairman and Members of the Audit Committee were 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.

**(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 Managing Director and the management representatives.

**5. NOMINATION & REMUNERATION COMMITTEE**

**(A) Terms of reference**

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

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

**(B) Composition**

In compliance with the provisions of section 178 of the Companies Act, 2013 and Listing Regulation. The Nomination and Remuneration Committee of the Company as on 31<sup>st</sup> March, 2018 comprises of the following Directors of the Company.

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

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

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

Two (2) meetings were held during the financial year 2017-18 on 25<sup>th</sup> July, 2017 and 20<sup>th</sup> March, 2018. The attendance of each member of the committee is as under:

Name of the Director	No. of Meeting held during the year	No. of Meeting attended
Dr. Shamsher Singh	2	2
Mr. Mahesh Kumar Patni	2	2
Mr. Pramod Fatehpuria	2	2

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

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

**(E) Remuneration Policy and Policy on selection of Directors.**

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

**(F) Remuneration of Directors**

- a. Pecuniary relationship or transaction of the non-executive director:- NIL
- b. Criteria of making payment to non-executive directors:-Remuneration policy of Directors states terms & condition criteria for making payment to directors, the said policy is part of the annual report further this policy has hosted on website of your Company The said policies can be accessed from the website: [www.medicaps.com](http://www.medicaps.com) and part of the Annual report.
- c. Details of Remuneration for the year ended 31<sup>st</sup> March, 2018

**Non-Executive Directors**

Name	Commission	Sitting Fees
Mr. Ramesh Chandra Mittal	-	-
Dr. Shamsher Singh	-	-
Mr. Mahesh Kumar Patni	-	-
Mr. Pramod Fatehpuria	-	-
Mr. Ashok Omprakash Agrawal	-	-

**Managing Director and Whole-Time Director**

Name	Salary	Benefits, Perquisites and allowances	Commission	ESPS	Period of Contract
Mr. Alok K. Garg	30,00,000	0	0	0	01/04/16 to 31/03/19
Mrs. Kusum Mittal	18,00,000	0	0	0	01/10/16 to 30/09/19
Mrs. Manisha Garg	12,00,000	0	0	0	11/11/16 to 10/11/19



**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 (LODR) Regulation, 2015, 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, 2018 there was 1 (one) meeting (26/10/2017) required to hold.

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

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

C) **Share holder Complaint Status during the financial year 2017-18:**

No. of Shareholder Complaint received	No. of Complaint resolved	No. of Complaint Pending.
7	7	-

**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 Mr. Ramesh Chandra Mittal and consists of the members as stated below.

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

During the year ended on 31<sup>st</sup> March, 2018 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:-

- To review the framework of BRM process;
- To risk identification and assessment;
- 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. INFORMATION ON GENERAL BODY MEETINGS**

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

Year	Date of AGM	Time of AGM	Venue	Special Resolution	Postal Ballot
2014-15	24/09/2015	11.00 A.M.	At the Registered Office	Nil	Nil
2015-16	29/09/2016	11.00 A.M.	At the Registered Office	Nil	Nil
2016-17	28/09/2017	11.00A.M.	At the Registered Office	1	Nil

**10. 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
30.06.2017	Choutha Sansaar & Free Press, Indore	<a href="http://www.medicaps.com">www.medicaps.com</a>
30.09.2017	Choutha Sansaar & Free Press, Indore	<a href="http://www.medicaps.com">www.medicaps.com</a>
31.12.2017	Choutha Sansaar & Free Press, Indore	<a href="http://www.medicaps.com">www.medicaps.com</a>
31.03.2018	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.

**11. GENERAL SHAREHOLDER INFORMATION.**

Date, Time and Venue of Annual General Meeting	Tuesday, 25 <sup>th</sup> September, 2018 at 11.00 A.M. at the registered office of the company situated at "Mhow-Neemuch Road, Sector I, Pithampur, Distt. Dhar-454775"
E-voting period	From 22.09.2018 on 9:00 A.M. [IST] To 24.09.2018 on 5:00 P.M [IST]
Financial Calendar Results for the quarter ending 30 <sup>th</sup> June, 2018 for the quarter ending 30 <sup>th</sup> Sept, 2018 for the quarter ending 31 <sup>st</sup> Dec., 2018 for the quarter ending 31 <sup>st</sup> March, 2019	(Tentative) On or Before 14 <sup>th</sup> August, 2018 On or Before 14 <sup>th</sup> November, 2018 On or Before 14 <sup>th</sup> Feb., 2019 On or Before 30 <sup>th</sup> May, 2019
Board Meeting for consideration of Annual Accounts for the financial year 2017-18	28.05.2018
Book Closure	19 <sup>th</sup> Sept., 2018 to 25 <sup>th</sup> Sept., 2018 (both days inclusive)
Cutoff date for E-voting	18 <sup>th</sup> September, 2018
Posting/ mailing of Annual Report	1 <sup>st</sup> September, 2018

Last date for receipt of Proxy	23 <sup>rd</sup> September, 2018 at 10:59 AM
Listing on Stock Exchange	The equity shares of the company are listed at BSE Ltd. and the listing fees has been paid for 2018-2019
Registered Office and Plant Location	Mhow-Neemuch Road, Sector I, Pithampur, Distt. Dhar-454775
Compliance Officer and Company Secretary	CS Ayushi Silot
Registrars and Share Transfer Agents	Ankit Consultancy Pvt. Ltd., Plot No.60, Electronic Complex, Pardeshipura, Indore (M.P.) 452010 Tel: 0731- 2551745/46, Fax: 0731- 4065798 Email: <a href="mailto:ankit_4321@yahoo.com">ankit_4321@yahoo.com</a>
Scrutinizer for E-voting	CS Arvind Kumar Meena, Practicing Company Secretary
Scrip Code	523144
ISIN NO	INE442D01010
The financial year covered by this Annual Report	April 1, 2017 to March 31, 2018
Share Transfer System	Transfers are registered and returned by the Registrars & Share Transfer Agents within a period of 15 days from the date of receipt of the documents, provided the same are in order
Commodity price risk or foreign exchange risk and hedging activity	Usual policy is to sell its products at prevailing market prices, and not to enter into price hedging arrangements.
Corporate Office for correspondence	201, Pushpratana Paradise, 9/5, New Palasia, Indore (M.P.) 452001

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

The monthly high and low quotations of shares of the Company traded at the BSE Ltd., during the financial year 2017-18 are given below:

Month	Open	High	Low	Close	No. of Shares	No. of Trades	Total Turnover
Apr 17	27.20	34.55	26.60	30.00	6,37,969	2,035	2,01,11,146
May 17	30.50	33.90	25.30	26.10	3,29,303	1,272	99,77,503
Jun 17	25.50	28.95	23.30	24.90	1,66,258	963	43,44,750
Jul 17	24.00	28.30	23.45	24.25	1,27,181	712	32,44,041
Aug 17	23.00	26.20	20.25	22.60	1,14,209	658	26,23,279
Sep 17	23.75	25.50	20.50	21.85	1,45,371	822	34,06,139
Oct 17	21.85	28.25	21.00	25.70	4,26,275	1,592	1,11,75,091
Nov 17	25.40	31.00	23.95	28.40	4,27,376	1,820	1,18,01,478
Dec 17	29.00	33.10	26.25	29.95	3,74,307	1,350	1,09,01,750
Jan 18	30.50	38.00	28.00	28.50	5,67,723	2,144	1,83,24,438
Feb 18	27.90	29.90	24.50	25.45	1,67,853	688	44,51,002
Mar 18	24.90	26.40	20.20	23.05	1,09,748	474	25,46,477

**c) Distribution of Shareholding as on 31<sup>st</sup> March, 2018**

No. of Shares	No. of Shareholders	% of Shareholders	Share Amount	% of Total
Up to 1000	754	18.70	410170	0.32%
1001-2000	495	11.86	894360	0.71%
2001-3000	381	9.13	109748	0.88%
3001-4000	718	17.21	283645	2.27%
4001-5000	268	6.42	131028	1.05%
5001-10000	728	17.45	5822140	4.66%
1001-20000	446	10.69	705541	5.65%
20001-30000	110	2.64	2816050	2.25%
30001-40000	72	1.73	2637150	2.11%
40001-50000	43	1.03	2045880	1.64%
50001-100000	80	1.92	5716680	4.58%
100000-Above	78	1.87	92057510	73.82%
<b>TOTAL</b>	<b>4173</b>	<b>100</b>	<b>124699560</b>	<b>100</b>

**d) DEMATERIALISATION OF SHARES & LIQUIDITY**

The shares of the Company are under compulsory demat segment and are listed on BSE Ltd. The Company's shares are available for trading in the depository of both NSDL & CDSL.

**e) Details of Demat Shares as on 31<sup>st</sup> March 2018**

	No. of Shareholders/Beneficial Owners	No. of Shares	% of Capital
NSDL	1946	9777553	78.40
CDSL	1377	2149271	17.24
<b>Sub-Total</b>	<b>3323</b>	<b>11926824</b>	<b>95.64</b>
Shares in physical form	850	543132	4.36
<b>Grand Total</b>	<b>4173</b>	<b>12469956</b>	<b>100.00%</b>

**f) 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.

**g) Outstanding Convertible Instruments**

There are no outstanding warrants or any convertible instruments.

**12. TRANSFER OF UNCLAIMED/ UNPAID AMOUNTS TO THE INVESTORS EDUCATION AND PROTECTION FUND (“IEPF”).**

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

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

Financial Year	Date of Declaration	Rate of Dividend per Share Rs.	Due date for transfer to IEPF	Amount of unpaid dividend
2010-11	28/09/2011	1.50	04/11/2018	3,14,711
2011-12	29/09/2012	1.50	04/11/2019	1,94,212

**13. OTHER DISCLOSURES**

- 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.
- There were no non-compliance by the Company and no penalty, strictures imposed by the stock exchange of the SEBI or any statutory authority on any matter related to capital market during the last three year.
- The Company has formed and hosted the Vigil Mechanism/whistle blower Policy on the website of the Company, and the Company confirm that no personnel were denied to access to the audit committee.
- The Company has complied with all the mandatory requirements under the SEBI (LODR) Regulations, 2015 as applicable.
- The Company has hosted all the required policy on the website of the company including policy for determining (material) subsidiaries and for related party transactions.
- The Company has given the web link of the related party transaction in the annual report.
- Since the Company is not dealing in commodity hedging, therefore, it is not having any risk associated thereto.
- Suitable disclosure as required by the IND-AS 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>
- 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.

**14. DISCRETIONARY REQUIREMENTS UNDER SEBI (LODR) REGULATION 27**

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

- Non-Executive Chairman’s Office: Chairman’s office is separate from that of the Managing Director & CEO.
- 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.
- Modified Opinion in Auditors Report: The Company’s financial statement for the year 2017-18 does not contain any modified audit opinion.
- Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

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

**15. MD / CFO CERTIFICATION**

The Managing Director and Chief Financial Officer have provided 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

**For and on behalf of the Board**

**Place:** Pithampur  
**Date:** 25<sup>th</sup> July 2018

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

**INDEPENDENT AUDITORS' REPORT**

To,  
The Members,  
**MEDI-CAPS LIMITED**

**Report on the Ind AS Standalone Financial Statements**

We have audited the accompanying Ind AS Standalone Financial Statements of **MEDI-CAPS LIMITED** ('the Company'), which comprise the balance sheet as at 31<sup>st</sup> March 2018, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year ended 31<sup>st</sup> March 2018, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Ind AS 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 Ind AS Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the India Accounting Standards (Ind AS) prescribed specified under Section 133 of the Act, read with the companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 Ind AS Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS 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 issued under section 143(11) of the Act.

We conducted our audit of Ind AS 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 Ind AS Standalone Financial Statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Standalone Financial Statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 31<sup>st</sup> March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the '**Annexure A**' statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss Including other comprehensive income, the Cash Flow Statement, and statement of change in equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Ind AS Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

- e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 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 B**”.
- 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 does not have any pending litigations in its financial position.
  - II. The Company did not have any long term contracts including derivatives contract for which there were any material foreseeable losses.
  - III. The company has transferred required amount to the Investor Education and Protection Fund as per the provisions of Investor Education and Protection Fund authority (accounting audit transfer and refund) Rules 2017.

**Place:** Indore

**Date:** 28.05.2018

**For: Rawka & Associates**

Chartered Accountants

Firm Reg. No: 021606C

**Venus Rawka**

Partner

M. No.: 429040

### **Annexure ‘A’ to Independent Auditors’ Report**

(Referred to Para 1 under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of Medicaps Ltd. for the year ended 31<sup>st</sup> March, 2018)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As explained to us the fixed assets have been physically verified by the management of the Company in accordance with phased programme of verification, which in our opinion is reasonable, considering the size and nature of its business. No material discrepancies were noticed during such verification.
  - (c) According to information and explanation given to us including registered title deeds, we report that, the title deed comprising all the immovable properties of land and buildings which are freehold, are held in the name of company as at the balance sheet date. In respect of immovable property of land that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreement are in the name of the company, where the company is the lessee in the agreement.
- (ii) According to the information and explanations given to us, physical verification of the inventories has been conducted by the management at reasonable interval. The Company has maintained proper records of inventory, there was no material discrepancies noticed on physical verification of the inventories as compared to the book.
- (iii) According to the information and explanations given to us, 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 Act. Therefore, the provision clause 3 (iii) (a) to (C) of the Companies (Auditors’ Report) Order, 2016 are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantee as applicable. The company has guaranteed Rs. 2.00 Crore for the Loan taken by Medgel Private Limited (wholly owned subsidiary) from IDBI Bank Ltd.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed there under to the extent notified.
- (vi) According to the information and explanations given to us, the Company is not covered under Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Act, hence this clause is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee’s State Insurance, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues with the appropriate authorities.
  - (b) According to the records of the Company, there are no dues outstanding of income tax / Sales Tax/ wealth tax / service tax / custom duty / excise duty / VAT / cess etc. on account of any dispute except the following:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved	Amount Unpaid
Income Tax Act, 1961	Income Tax	ITAT	A.Y. 2013-14	Rs. 1801360/-	Rs. 26110/-
Income Tax Act, 1961	Income Tax	CIT(A)	A.Y. 2014-15	Rs. 2123210/-	Rs. 1223210/-
Income Tax Act, 1961	Income Tax	CIT(A)	A.Y. 2015-16	Rs. 1745580/-	Rs. 270830/-

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans to banks. The Company has availed secured auto car loan from Axis Bank and complied with all the applicable provision of Companies act, 2013.
- (ix) In our opinion and according to the information and explanations given to us, the company has not raised moneys by way of any public offer including debt instruments however the company has availed Term Loans during the year and has complied with the provisions of clause 3 (ix) of the Order.
- (x) On the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS Financial Statements as required by the applicable Indian accounting standards.
- (xiv) In our opinion and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

**Place:** Indore  
**Date:** 28.05.2018

**For: Rawka & Associates**  
Chartered Accountant  
Firm Reg. No: 021606C

**Venus Rawka**  
Partner  
M. No.: 429040

#### **Annexure 'B' to Independent Auditors' Report**

(Referred to Para 2(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of **Medi-caps Ltd.** for the year ended 31<sup>st</sup> March, 2018)

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

We have audited the internal financial controls over financial reporting of **MEDI-CAPS LIMITED** ("the Company") as of 31<sup>st</sup> March, 2018 in conjunction with our audit of the Ind AS 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies,

the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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.

**Place:** Indore

**Date:** 28.05.2018

**For: Rawka & Associates**

Chartered Accountant

Firm Reg. No: 021606C

**Venus Rawka**

Partner

M. No.: 429040

<b>MEDI-CAPS LTD.</b>				
<b>Balance Sheet as at 31st March, 2018</b>				
Particulars	Note	Amount in Rs.		
		As at 31st Mar 2018	As at 31st Mar 2017	As at 01st Apr 2016
<b>I. Assets</b>				
<b>(1) Non-Current Assets</b>				
(a) Property, Plant and Equipment	2	39340494	38759135	36355137
(b) Financial Assets				
i. Investments	3	457184961	453157626	467995276
(c) Other non-current assets	4	4425827	4094327	4560130
<b>(2) Current assets</b>				
(a) Inventories	5	57618443	76033914	77402074
(b) Financial Assets				
i. Investments	6	51668920	50511938	27610447
ii. Trade receivables	7	69407113	60562910	66146687
iii. Cash and cash equivalents	8	20435028	19719228	10301951
(c) Other current assets	9	18110958	17249900	19701182
<b>Total</b>		<b>718191743</b>	<b>720088979</b>	<b>710072885</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity Share Capital	10	124699560	124699560	124699560
(b) Other Equity	11	544466035	539048589	530690894
<b>LIABILITIES</b>				
<b>(1) Non-Current Liabilities</b>				
(a) Provisions	12	11953965	10513682	8486458
(b) Deferred tax liabilities (Net)	13	4071329	3869566	3636303
<b>(2) Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	14	1746000	0	0
(ii) Trade payables	15	14748225	22449786	18683278
(b) Other current liabilities	16	14706629	16207796	18376392
(c) Current Tax Liabilities (Net)	17	1800000	3300000	5500000
<b>Total</b>		<b>718191743</b>	<b>720088979</b>	<b>710072885</b>

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

Note on Accounts as Note '1 to 35'

As per our report of even date,

**Rawka & Associates**

Chartered Accountants

Firm Reg. No.:021606C

**Venus Rawka**

Partner

Membership No. 429040

Place : Indore

Date: 28th May, 2018

**R.C.Mittal**  
Chairman & Director  
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

**CS.Ayushi Silot**  
Company Secretary  
ACS-54352



<b>MEDI-CAPS LTD.</b>			
<b>Profit and Loss statement for the year ended 31st March, 2018</b>			
<b>Amount in Rs.</b>			
Particulars	Note	As at 31st Mar 2018	As at 31st Mar 2017
I. Revenue from operations	18	228340978	252888869
II. Other Income	19	6729899	11328890
III. <b>Total Revenue (I +II)</b>		<b>235070877</b>	<b>264217759</b>
IV. Expenses:			
Cost of materials consumed	20	87909843	101584155
Purchase of stock in trade		1040531	976750
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	12804214	2317139
Taxes on sale of goods		4806145	25317908
Employee benefit expense	22	50516418	50894444
Other expenses	23	66969421	64359481
Depreciation and amortization expense	2	3387097	3663772
<b>Total Expenses</b>		<b>227433668</b>	<b>249113649</b>
V. <b>Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>7637209</b>	<b>15104109</b>
VI. Exceptional Items		0	0
VII. Profit before extraordinary items and tax (V - VI)		7637209	15104109
VIII. Extraordinary Items		0	0
IX. <b>Profit before tax (VII - VIII)</b>		<b>7637209</b>	<b>15104109</b>
X. <b>Tax expense:</b>			
(1) Current tax		1800000	3300000
(2) Earlier year excess provision for tax written back		0	0
(3) Deferred tax		201763	233263
XI. <b>Profit for the year from continuing operations (IX - X)</b>		<b>5635446</b>	<b>11570846</b>
XII. <b>Other Comprehensive Income</b>		<b>0</b>	<b>0</b>
XIII. <b>Total Comprehensive Income for the Year</b>		<b>5635446</b>	<b>11570846</b>
XIV. Earning per equity share:	30		
(1) Basic		0.45	0.93
(2) Diluted		0.45	0.93

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

Note on Accounts as Note '1 to 35'

As per our report of even date,

**For : Rawka & Associates**

Chartered Accountants

Firm Reg. No.:-021606C

**Venus Rawka**

Partner

Membership No. 429040

Place : Indore

Date: 28th May, 2018

For and on behalf of the board,

**For MEDI-CAPS LTD.**

**R.C.Mittal**

Chairman & Director

DIN:00035272

**Alok K. Garg**

Managing Director

DIN:00274321

**Manish Jain**

C.F.O.

**CS. Ayushi Silot**

Company Secretary

ACS-54352

<b>MEDI CAPS LIMITED</b>		
<b>Cash Flow Statement for the year ended March 31, 2018</b>		
<b>Amount in Rs.</b>		
<b>PARTICULARS</b>	<b>31st March 2018</b>	<b>31st March 2017</b>
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax & Extraordinary Items	<b>7637209</b>	<b>15104109</b>
Adjustment For:		
Depreciation	3387097	3663772
Dividend Income	(200)	(300)
Operating Profit before Working Capital Change	<b>11024306</b>	<b>18768181</b>
Adjustment for Working Capital		
(Increase)/ Decrease in Sundry Debtors	(8844203)	5583777
(Increase)/ Decrease in Inventories	18415471	1368160
(Increase)/ Decrease in Loans & Advances	(1192558)	2917085
Increase/ (Decrease) in Current Liabilities & Prov.	(9044445)	1643136
<b>Cash Generated from Working Capital</b>	<b>(665734)</b>	<b>11512158</b>
Cash generated from Operation	10358572	30279739
Net Income Tax Paid	1800000	3300000
<b>Net cash Flow from Operating Activity</b>	<b>8558572</b>	<b>26979739</b>
<b>B. Cash Flow from Investing Activities</b>		
Sale/(Purchase) of Investments	(5620316)	(11494992)
Purchase of Fixed Assets	(3968456)	(6400000)
Dividend Received	200	300
Adjustment for Dep on sale of Fixed Assets	0	332230
<b>Net Cash used in Investing Activities</b>	<b>(9588572)</b>	<b>(17562462)</b>
<b>C. Cash Flow from Financial Activities</b>		
Increase in Short term Bank Borrowings	1746000	0
<b>Net Cash Used in Financial Activities</b>	<b>1746000</b>	<b>0</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>715800</b>	<b>9417277</b>
Cash & Cash Equivalents at the		
Beginning of the year	19719228	10301951
Closing of the year	20435028	19719228
<b>Increase in Cash and Cash Equivalents</b>	<b>715800</b>	<b>9417277</b>
As per our report of even date annexed		For and on behalf of Board
<b>For : Rawka &amp; Associates</b>		<b>Medi-Caps Ltd.</b>
<b>Chartered Accountants</b>		
Firm Reg. No.:-021606C		
<b>Venus Rawka</b>	<b>R.C.Mittal</b>	<b>Alok K. Garg</b>
Partner	Chairman & Director	Managing Director
Membership No. 429040	DIN:00035272	DIN: 00274321
Date: 28th May, 2018		
Place: Indore	<b>Manish Jain</b>	<b>CS Ayushi Silot</b>
	C.F.O.	Company Secretary
		ACS-54352

**NOTE -1- BASIC ACCOUNTING POLICIES**
**1. Corporate Information:**

Medi-Caps Limited ('the Company') is a Public Limited Company was incorporated in India under Companies Act 1956 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 registered office of the Company is located at Mhow - Neemuch Road, Sector- 1, Pithampur, Dhar [MP]- 454775. The financial statements were authorised for issue in accordance with a resolution of the directors on 28 May 2018.

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

**2. Basis of preparation:**
**(i) Compliance with Ind AS**

These financial statements have been prepared to comply in all material aspects with the Indian Accounting Standards (hereinafter referred to as the ('Ind AS')) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The financial statements for the year ended 31st March, 2018 are the first financials with comparatives, that are prepared under Ind AS, for all previous periods including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with the accounting standards notified under companies (Accounting Standard) Rule, 2006 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous AS') used for its statutory reporting requirement in India.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the date of transition to Ind AS.

**(ii) Historical Cost Convention**

The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting, Indian Accounting Standards prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, except where otherwise stated, the accounting principles have been consistently applied.

**3. Rounding of amounts:**

All amounts disclosed in the financial statement and notes have been rounded off to the nearest Rupees; except where otherwise indicated.

**4. Current versus non-current classification:**

The company presents its assets and liabilities in the balance sheet on current/non-current classification. An Asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is Current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other Liabilities are classified as non-current.

Deferred tax liabilities are classified under non-current Liabilities.

**5. Use of Estimates and Assumptions:**

The preparation of financial statements in accordance with Ind AS requires subjective and complex judgments to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses at the date of these financial statements.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

- Fair value of Financial Assets and Financial liabilities,
- The useful lives of, or expected pattern of consumption of the future economic benefits bodied in, depreciable assets,
- Valuation of Inventories and Inventory obsolescence,
- Provisions and Bad Debts.

**6. Revenue Recognition:**
**Sale of Goods**

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the buyer, usually on delivery of the goods and when all the following conditions are satisfied:

The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

The amount of revenue can be measured reliably;

It is probable that the economic benefits associated with the transaction will flow to the Company; and

The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns and allowance, trade discounts and volume rebates and does not include Value added tax (VAT), Central Sales tax (CST) and any other taxes.

**7. Property, Plant and Equipment:**

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises of its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management. The purchase price or construction cost is the aggregate amount, paid and the fair value of any other consideration given to acquire the asset.

When significant parts of plants and equipments are required to be replaced at intervals, the Company depreciates them separately based on their specific useful life. All other repair and maintenance costs are recognised in Statement of Profit or Loss as and when incurred.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted prospectively

Depreciation on Property, Plant & Equipment is provided on straight line method. In accordance with requirements prescribed under Schedule II of the Companies Act, 2013, Company has assessed the estimated useful lives of its property, plant and equipment and has adopted the useful lives and residual value as prescribed in Schedule II. The estimated useful life of assets are as follows:

ASSETS	USEFUL LIFE OF ASSET
Factory Building	30 years
Office Building	30 years
Plant & Machinery	20 years
Furniture & Fixtures	10 years
Vehicles	8 years

**8. Inventories:**

Inventories are valued at Lower of cost or net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

**Raw materials**

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

**Finished goods and work-in-progress**

Cost includes direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**9. Trade Receivable:**

Trade receivables are recognized at fair value, the outstanding balances of sundry debtors, advances etc. are verified by the management periodically and on the basis of such verification management determines whether the said outstanding balance are good, bad or doubtful and accordingly same are written off or provided for.

Receivables that are expected in one year or less, are classified as current assets, if not they are presented as non-current assets.

**10. Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash in hand and Balances with Banks.

**11. Investments:**

The investments are valued at cost and are therefore not reported as per relevant Ind-AS 113. The Investments are treated as such because investments primarily contain Short – Term Liquid funds & cash Funds. These are subject to various market fluctuations. If valued at Fair value, the investments shall not give true and fair view to the stakeholders of the company and would result in unnecessary inclination of Net Profit by way of unrealised profits through Other Comprehensive Income.

**12. Cash and cash equivalents:**

Cash and cash equivalent in the balance sheet comprise of cash in hand and at banks. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and bank balances, as defined above.

**13. Share Capital:**

Ordinary shares are classified as equity.

During the year there is no change in the subscribed share capital as is issued by the company.

**14. Earnings per Share:**

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is adjusted for after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the number of shares that are outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**15. Provisions:**

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**16. Deferred Tax:**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

**17. Borrowings:**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in statement of profit or loss over the period of the borrowings.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**18. Borrowings Cost:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

The Company ceases capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

**19. Trade payables:**

These amounts represent liabilities for goods that have been acquired in the ordinary course of business from suppliers. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

**20. Current Tax:**

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

Where current tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**21. Employee Benefits:**

**(a) Gratuity:**

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust maintained with Life Insurance Corporation of India (LIC). The liability with respect to Gratuity is made as per the method stipulated in the payment of gratuity Act, 1972.

**(b) Provident Fund:**

Provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the employees salary (currently 12% of employees' salary). The contributions, are made to the provident fund as specified under the Employees Provident Fund & Miscellaneous provisions Act, 1952.

**MEDI-CAPS LTD.**  
Notes on Financial Statement for the year ended 31st March, 2018

S. No		GROSS BLOCK		DEPRECIATION/AMORTIZATION			NET BLOCK		Amount in Rs.				
		As at 01.04.2017	Additions	Deductions	As at 31.03.2018	Up to 31.03.2017	For the year ended 31.03.2018	Deletions		Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017	
1	Free Hold Land	1178000	0	0	1178000	0	0	0	0	1178000	1178000		
2	Factory Building	23904874	0	0	23904874	17563169	678060	0	18241229	5663645	6341705		30 Years
3	Office Buliding	19121350	0	0	19121350	3308717	656464	0	3965181	15156169	15812633		30 Years
4	Plant & Machinery	132747429	536003	0	133283432	129297264	216508	0	129513772	37696660	3450165		20 Years
5	Furniture & Fixtures	7059692	0	0	7059692	5853260	217672	0	6070932	988760	1206432		10 Years
6	Vehicles	22997539	3432453	0	26429992	12227340	1618393	0	13845733	12584259	10770200		8 Years
7	Computers	2282109	0	0	2282109	2282108	0	0	2282108	1	1		3 Years
	<b>TOTAL</b>	<b>209290993</b>	<b>3968456</b>	<b>0</b>	<b>213259449</b>	<b>170531858</b>	<b>3387097</b>	<b>0</b>	<b>173918955</b>	<b>39340494</b>	<b>38759135</b>		
	<b>PREVIOUS YEAR</b>	<b>203626551</b>	<b>6400000</b>	<b>742000</b>	<b>209290993</b>	<b>167277856</b>	<b>3663772</b>	<b>409770</b>	<b>170531858</b>	<b>38759135</b>	<b>36355137</b>		

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.

**MEDI-CAPS LTD.**  
**Notes on Financial Statement for the year ended 31st March, 2018**

		Amount in Rs.		
<b>Note : 03 Non-Current Investments</b>		<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
<b>a)</b>	<b>Investment in properties</b>	<b>10793000</b>	<b>10793000</b>	<b>10793000</b>
<b>b)</b>	<b>Investment in Equity instruments</b>			
<b>i)</b>	<b>Trade Investment (Unquoted)</b>			
	<b>In Subsidiary Company</b>			
	1,46,81,953 (1,46,81,953) Equity Share of Rs. 10/- each of Medgel Private Limited	428234968	428234968	331233980
	<b>In Other Company</b>			
	0 (21800) Equity Shares of Rs.10/- each of Medicaps Finance Ltd.	0	218000	218000
	0 (0) Equity Shares of Rs. 10/- each of Endolabs Ltd.	0	0	1070000
		<b>428234968</b>	<b>428452968</b>	<b>332521980</b>
<b>ii)</b>	<b>Other Investment (Quoted)</b>			
	100 (100) Equity Shares of Natural Capsules	1000	1000	1000
	0 (0) Equity Shares of Jord Engineers India Ltd.	0	0	2141139
	0 (0) Shares of Bharati Healthcare Ltd	0	0	2012
		<b>1000</b>	<b>1000</b>	<b>2144151</b>
<b>c)</b>	<b>Other Investments</b>			
	LIC Group Gratuity Fund Scheme	14751753	12459020	9744570
	LIC Leave Encashment Scheme	1904239	1451638	791575
	SBI Banking And Finance Fund	0	0	15000000
	Other Investment	0	0	97000000
	SIP - IDFC Equity Fund	500000	0	0
	SIP - Reliance Top 200 Equity Fund	1000000	0	0
		<b>18155993</b>	<b>13910658</b>	<b>122536145</b>
		<b>457184961</b>	<b>453157626</b>	<b>467995276</b>

<b>Note : 4 Other Non Current Assets</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
(Unsecured, considered good unless otherwise stated) Security Deposits	4425827	4094327	4560130
	<b>4425827</b>	<b>4094327</b>	<b>4560130</b>

<b>Note : 05 Inventories</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
Raw Materials	3191775	10177963	8420305
Finished Goods	36581003	51900727	56341441
Stock in process and waste	8292485	5776975	3653400
Stores and Spares	1973842	1281380	1521630
Colour & Chemical	2557406	2490250	2225325
Packing Material	4299083	3578470	3576762
Printing Material	153428	107264	80495
Lab Chemical & Equipments	117950	56725	64445
Fuel	451470	664160	541520
EHG Capsules (Traded Goods)	0	0	976750
	<b>57618443</b>	<b>76033914</b>	<b>77402074</b>

<b>Note : 06 Current Investment</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
<b>Investment in Mutual Funds</b>			
Birla Mutual Fund	2156981	1000000	0
IDBI Ultra Short Term Fund- Growth	24149905	24149905	9000000
Reliance Money Manager Fund- Growth	25362033	25362033	18610447
	<b>51668920</b>	<b>50511938</b>	<b>27610447</b>

<b>Note : 07 Trade Receivables</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
Unsecured , Considered Good as certified by the Management	8977402	8977402	8977402
Outstanding over six months	60429711	51585508	57169285
Others			
	<b>69407113</b>	<b>60562910</b>	<b>66146687</b>

<b>Note : 08 Cash &amp; Bank Balances</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
Cash in Hand	189861	48879	202940
Balance with Noted Banks :			
In Current Accounts	5003790	6292280	5525416
In Fixed Deposit Accounts	15241377	13378069	4573595
	<b>20435028</b>	<b>19719228</b>	<b>10301951</b>

<b>Note : 09 Other Current Assets</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
(Unsecured & Considered Good - Advance recoverable in Cash or in kind or for value to be received)			
Advance to Suppliers & Others	321236	398837	464839
Balances with Government Authorities	196	1641011	1736077
Advance Tax & TDS (Net of Provisions)	16796279	14260549	16169075
Prepaid Expenses	783497	737553	744417
Other Loans & Advances	209750	211950	586774
	<b>18110958</b>	<b>17249900</b>	<b>19701182</b>

<b>Note : 10 Share Capital</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
<b>Authorised Share Capital :</b>			
1,50,00,000 Equity Shares of Rs. 10/- each (Previous Year 1,50,00,000 Equity Shares of Rs. 10/- each)	<b>150000000</b>	<b>150000000</b>	<b>150000000</b>
1,24,69,956 Equity Shares of Rs. 10 each fully paid up (Previous Year 1,24,69,956 Equity Shares of Rs.10/- each)	124699560	124699560	124699560
	<b>124699560</b>	<b>124699560</b>	<b>124699560</b>

<b>Reconciliation of the equity shares outstanding at the beginning and at the end of the year</b>			
	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
Equity Shares	<b>Eq. Shares</b>	<b>Eq. Shares</b>	<b>Eq. Shares</b>
At the beginning of the year	12469956	12469956	12469956
Issued during the year	-	-	-
Outstanding at the and the year	12469956	12469956	12469956

#### **Rights, Preferences and Restrictions attached to Equity Shares**

The Company has one class of Equity Share having a par value of Rs.10 per share. Each Shareholder is entitled to one vote per Equity Share. The shareholders are entitled to dividend declared on proportionate basis. On Liquidation of the company, the equity shareholders are eligible to receive remaining assets of the company in proportion to their shareholding after distribution of all preferential amounts.

#### **Details of Shareholders holding more than 5 percent shares in the company**

<b>Name of Shareholders</b>	<b>No. of Shares as at</b>					
	<b>31.03.18</b>	<b>% of Holding</b>	<b>31.03.17</b>	<b>% of Holding</b>	<b>31.03.16</b>	<b>% of Holding</b>
R.C.Mittal	3,166,320	25.40%	3,166,320	25.40%	3,166,320	25.40%
Kusum Mittal	2,700,136	21.65%	2,700,136	21.65%	2,700,136	21.65%



<b>Note : 11 Other Equity</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
<b>Capital Reserve</b>			
Opening Balance	1207849	4421000	4421000
Less: Adjustment for Investment in Share Written Off	218000	3213151	0
	<b>989849</b>	<b>1207849</b>	<b>4421000</b>
<b>Share Forfeiture A/c</b>			
As per last balance sheet	<b>2755455</b>	<b>2755455</b>	2755455
<b>General Reserve</b>			
As per last balance sheet	<b>30456832</b>	<b>30456832</b>	<b>30456832</b>
<b>Surplus</b>			
Opening balance	504628453	493057607	481229839
Add: Net profit for the current year	5635446	11570846	11827768
<b>Closing Balance</b>	<b>510263899</b>	<b>504628453</b>	<b>493057607</b>
	<b>544466035</b>	<b>539048589</b>	<b>530690894</b>

<b>Note : 12 Long Term Provisions</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
Provision for Gratuity	11408279	9950883	7923659
Leave Encashment Payable	545686	562799	562799
	<b>11953965</b>	<b>10513682</b>	<b>8486458</b>

<b>Note : 13 Deferred Tax Liability</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
On Depreciation (Difference as per Books & as per I.T. Act)	4071329	3869566	3636303
	<b>4071329</b>	<b>3869566</b>	<b>3636303</b>

Amount in Rs.

<b>Note : 14 Borrowings</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
Axis Bank Car Loan Account	1746000	0	0
	<b>1746000</b>	<b>0</b>	<b>0</b>

<b>Note : 15 Trade Payable</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
Sundry Creditors	14748225	22449786	18683278
	<b>14748225</b>	<b>22449786</b>	<b>18683278</b>

<b>Note : 16 Other Current Liabilities</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
Advance Received from Customers	1573091	549311	1589100
Bonus Payable	2749246	2746587	3917996
Commission Payable	2535127	7577078	7600070
CST & VAT Payable	0	488649	492405
Entry Tax Payable	0	390818	0
ESI Payable	29057	30170	23678
GST Payable	3697218	0	0
Outstanding Liabilities	3572225	3793583	3761602
Professional Tax	21616	8481	8473
Provident Fund	286284	280351	298378
TDS on Consultancy	32984	36405	64008
TDS on Contractor Payment	15868	14372	11216
TDS on Salary	157500	67050	222730
TDS on Sales Commission	36413	224941	386736
	<b>14706629</b>	<b>16207796</b>	<b>18376392</b>

<b>Note :17 Current Tax Liabilities</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
For Taxation	1800000	3300000	5500000
	<b>1800000</b>	<b>3300000</b>	<b>5500000</b>

<b>Note : 18 Revenue From Operations</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
Sale of product	268606401	252888869
Less : Indirect Taxes	40265423	0
	<b>228340978</b>	<b>252888869</b>

<b>Note :19 Other Incomes</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
Claims Received	4000	268195
Capital gain / (Loss) on Mutual Fund	156981	5344706
Dividend income	200	300
Interest Income	2133547	1888222
Cr. Bal No Longer Required W/off	(5700)	30598
Misc. Income	4440870	3796869
	<b>6729899</b>	<b>11328890</b>

<b>Note : 20 Cost of Materials Consumed</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
<b>A) Raw Material Consumed</b>		
Opening Stock	12724938	10710075
Purchases	75254382	97160636
	87979320	107870711
Less : Closing Stock	5867131	12724938
Raw Material Consumed	<b>82112189</b>	<b>95145773</b>
<b>B) Packing Material Consumed</b>		
Opening Stock	3578470	3576762
Purchases	6518267	6440090
	10096737	10016852
Less : Closing Stock	4299083	3578470
Packing Material Consumed	<b>5797654</b>	<b>6438382</b>
<b>Grand total of Materials Consumed (A) + (B)</b>	<b>87909843</b>	<b>101584155</b>

<b>Note : 21 Increase/(Decrease) in Stocks</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
Closing Stock of :		
Finished Goods	36581003	51900727
Stock in Process	7678122	5162612
Waste	614363	614363
<b>Total (A)</b>	<b>44873488</b>	<b>57677702</b>
Opening Stock of :		
Finished Goods	51900727	56341441
Stock in Process	5162612	3281309
Waste	614363	372091
<b>Total (B)</b>	<b>57677702</b>	<b>59994841</b>
<b>Increase/(Decrease) in Stock (A-B)</b>	<b>(12804214)</b>	<b>(2317139)</b>

<b>Note : 22 Employees Remuneration &amp; Benefits</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
Salary, Wages, Allowances & other Benefits	39480793	37867652
Directors Remuneration	4860000	6300000
Gratuity	2200000	2600000
P. F. Contribution	3648411	3754507
Staff Welfare Expenses	327214	372285
	<b>50516418</b>	<b>50894444</b>

<b>Note : 23 Other Expenses</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
Advertisement & Publicity	29049	50508
Audit Fee	356356	250000
Annual Listing Fees	410398	366400
Bank Charges	162660	243531
Bad Debts	2715365	0
Business Promotion Expenses	2625582	3058553
Charity & Donations	15000	15000
Consultancy Charges	1378196	1167774
Conveyance Expenses	582900	571110
Entry Tax	113742	1255228
Electricity & Water	741143	952681
Freight Expenses	5010275	4714914
Factory Power & Fuel	34402067	32585893
Factory Expenses	600833	448467
Insurance Charges	785779	834036
Import / Export Expenses	2895158	1072566
ISO Certification Charges	30500	33935
Legal Expenses	92190	79158
Loss on sale of Vehicle	0	101662
Membership Fee & Subscription	72121	69591
Misc. Expenses	2054102	2188548
Net gain/loss on foreign currency transaction	(73425)	135026
Office & General Expenses	122472	148518
Postage, telegram	64265	145133
Printing Material consumed	241037	287445
Printing & Stationary	509175	345694
Rent, Rates & Taxes	493704	215342
<b>Repairs &amp; Maintenance</b>		
Machinery	2254080	2250871
Electricals	337398	414860
A.C.Plant	701796	1193726
Computer	40548	47702
Other	7400	16680
Sales Commission	1908307	4138953
Sales promotion Expenses	1337424	1385483
Swatch Bharat Cess	8288	57098
Stores & Spares Consumed	637618	1093536
Telephone & Telex Charges	285988	491200
Tour & Travelling Expenses	1829399	1115905
Vehicle Running & Maintenance	1190533	816755
	<b>66969421</b>	<b>64359481</b>

**Note 24 Segment Information**

The entire operation of the company related to one segment as such there is no separate reporting required. Company's earning include Rs. 22.91 Lacs from interest, Dividend and income from Investments However as per explanation given in Ind AS 108 revenue does not include Dividend Income, Interest & Income from Investment hence there is no separate reporting required.

**Note 25 Deferred Tax**

Information on deferred tax has been provided in accordance with Ind AS-12 Accounting for taxation on income, issued by the Institute of Chartered Accountants of India. The deferred tax assets for the year is Rs.2,01,763/- has been recognised in the profit & Loss Account.

<b>Note 26 Payment to Auditors</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
Audit Fees	250000	250000
In other Capacity		
Tax Audit Fee	20000	20000
Other	30000	30000
	<b>300000</b>	<b>300000</b>

<b>Note 27 Additional Information</b>		
<b>a) Capacity and Production</b>		
Class of Goods Produced	Hard Gelatin Capsules	Hard Gelatin Capsules
(Qty. - Nos in Lacs)		
i) Licenced Capacity	NA	NA
ii) Installed Capacity	42000	42000
iii) Actual Production*	27234	28130
*Rounded off to nearest Lacs and after deduction quantities removed as such.		

	<b>2017-18</b>		<b>2016-17</b>	
	<b>Qty. (in Lacs)</b>	<b>Value (Rs. In Lacs)</b>	<b>Qty. (in Lacs)</b>	<b>Value (Rs. In Lacs)</b>
<b>b) Finished Goods</b> (Hard Gelatin Capsule-Gross)				
i) Opening Stock	4235.16	576.78	4482.03	599.95
ii) Closing Stock	2218.06	447.73	4235.16	576.78
<b>c) Turnover</b> Hard Gelatin Capsules (Net)	28953.12	2686.07	28340.68	2528.89
<b>d) Raw Material Consumed</b> Gelatin	210950 Kgs	778.48	216325 Kgs	902.56
<b>e) Value of Imports on C.I.F. Basis</b> Raw Material		248.42		264.5
Capital Goods		3.14		2.41
<b>f) Expenditure in Foreign Currency</b> Foreign Travel & Others		26.26		36.24

**Note 28 Related Party Disclosure**

Information on Related party transactions as per Ind AS 24 on related party disclosure:

<b>S.No</b>	<b>Related Party</b>	<b>Transactions</b>	<b>As at 31.03.18</b>	<b>As at 31.03.17</b>
1	Mr. R.C.Mittal Non Executive Director & Chairman	Remuneration	0	1000000
2	Mr. Alok K. Garg Managing Director	Remuneration	3000000	3000000
3	Mrs. Kusum Mittal Whole time Director	Remuneration	1800000	1800000
4	Mrs. Manisha Garg Whole time Director	Remuneration	1200000	1200000
5	Medgel Pvt. Ltd. Subsidiary Company (on arm length basis in the ordinary course of business)	Purchase Sale	7034897 160395	0 19106

**Note 29 Contingent Liabilities**

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

**Note 30 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	5635446	11570846
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	0.45	0.93

<b>Note 31 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 the year	9950883	8897811
2 Current Service Cost	2200000	2600000
3 Past Service Cost	0	238691
4 Interest Cost	0	(768618)
5 Actuarial (Gains) / Losses	0	0
6 Benefits Paid	742604	539619
7 Present value of Defined benefit obligation at the end of the year	11408279	9950883
<b>II Change in assets during the year ended March 31</b>		
1 Plan assets at the beginning of the year	12459020	9744570
2 Settlements	0	0
3 Expected return on plan assets	959821	768618
4 Contribution by Employer	2200000	2600000
5 Actual benefits paid	742604	539619
6 Actuarial Gains / (Losses)	(124484)	(114549)
7 Plan assets at the end of the year	14751753	12459020
<b>III Net Assets / (Liability) recognized in the Balance Sheet at March 31</b>		
1 Present value of Defined Benefits Obligation as at March 31.	11408279	9950883
2 Fair value of plan assets as at March 31	14751753	12459020
3 Fund Status (Surplus / (Deficit))	3343474	2508137
4 Net Assets / (Liability) as at end of the year	<b>3343474</b>	<b>2508137</b>
<b>IV Expenses recognised in the Statement of Profit &amp; Loss for the year ended March 31</b>		
1 Current Service Cost	2200000	2600000
2 Interest Cost	0	0
3 Expected return on plan assets	(959821)	(768618)
4 Past service cost	0	0
5 Net Actuarial (Gains) / Losses	0	0
6 Total Expenses (Net)	<b>1240179</b>	<b>1831382</b>
<b>v The major categories of plan assets as a percentage of total plan</b>	N.A.	N.A.
<b>b. Contribution to provident fund and other funds stated under defined contribution plans is Rs. 36.48 Lacs (Previous year Rs. 37.55 Lacs).</b>		

**Note 32** The company does not have outstanding for more than 30 days as on 31st March 2018 of S.S.I units the respective parties.

**Note 33** The previous years figures have been regrouped/ restated wherever necessary to confirm with the current years classification.

#### **34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:**

The Company's principal financial liabilities comprise of trade payables. The Company has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Risk Management Committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk Management Committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

##### **A. MARKET RISK**

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

##### **B. CREDIT RISK**

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks. Financial instruments that are subject to concentrations of credit risk, principally consist of trade receivables.

None of the financial instruments of the Company result in material concentrations of credit risks. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was 1415.11 lakhs as at 31 March 2018 and 1307.94 lakhs as at 31 March 2017, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables and other financial assets.

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

Credit risk from balances with banks and investment of surplus funds in mutual funds is managed by the Company's finance department.

**C. LIQUIDITY RISK**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, which carry no/low mark to market risks.

**35. FIRST-TIME ADOPTION OF IND AS:**

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended 31st March, 2018 for the company, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in the carrying values of the assets and liabilities as at the transition date between the Ind AS and Previous Accounting Standard (AS) have been recognized directly in equity (retained earnings or another appropriate category of equity). Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous AS to Ind AS.

**A. Optional Exemptions availed**

**(a) Deemed Cost**

The Company has opted paragraph D7 AA and accordingly considered the carrying value of property, plant and equipments and Intangible assets as deemed cost as at the transition date.

**B. Applicable Mandatory Exceptions**

**(a) Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous AS (after adjustments to reflect any difference in accounting policies).

**C. Transition to Ind AS - Reconciliations**

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous AS to Ind AS as required under Ind AS 101:

**I. Reconciliation of Balance sheet as at April 1, 2016 (Transition Date)**

Reconciliation of Balance sheet as at March 31, 2017

**II. Reconciliation of Total Comprehensive Income for the year ended March 31, 2017**

**III. Reconciliation of Equity as at April 1, 2016 and as at March 31, 2017**

The presentation requirements under Previous AS differs from Ind AS, and hence, Previous AS information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous AS information is derived from the Financial Statements of the Company prepared in accordance with Previous AS.

**I. Reconciliation of Balance sheet as at April 1, 2016 (Transition Date)**

(Amount in Rupees)							
	Note	As at March 31, 2017			As at April 01, 2016		
		Previous AS	Adjustment	AS per IND AS	Previous AS	Adjustment	AS per IND AS
1	2	3	4	5	6	7	8
<b>ASSETS</b>							
<b>Non-current assets</b>							
(a) Property, Plant and Equipment		38759135	-	38759135	36355137	-	36355137
(b) Capital Work-in-progress		-	-	-	-	-	-
(c) Intangible assets		-	-	-	-	-	-
(d) Intangible assets under development						-	
(e) Financial Assets							
(i) Investments		453157626	-	453157626	467995276		467995276
(e) Other non-current assets		4094327	-	4094327	4560130	-	4560130
Total Non -Current Assets		<b>496011089</b>	-	<b>496011089</b>	<b>508910544</b>	-	<b>508910544</b>

<b>Current Assets</b>							
(a) Inventories	76033914	-	76033914	77402074	-	77402074	
(b) Financial Assets		-		0	-	0	
(ii) Investments	50511938	-	50511938	27610447	-	27610447	
(iii) Trade Receivables	60562910	-	60562910	66146687	-	66146687	
(iii) Cash & cash equivalents	19719228	-	19719228	10301951	-	10301951	
(c) Other current assets	17249900	-	17249900	19701182	-	19701182	
<b>Total Current Assets</b>	<b>224077890</b>	<b>-</b>	<b>224077890</b>	<b>201162341</b>	<b>-</b>	<b>201162341</b>	
<b>Total assets</b>	<b>720088979</b>	<b>-</b>	<b>720088979</b>	<b>710072885</b>	<b>-</b>	<b>710072885</b>	
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
(a) Equity share capital	124699560	-	124699560	124699560	-	124699560	
(b) Other Equity	539048589	-	539048589	530690894	-	530690894	
<b>Total Equity</b>	<b>663748149</b>	<b>-</b>	<b>663748149</b>	<b>655390454</b>	<b>-</b>	<b>655390454</b>	
<b>Liabilities</b>							
<b>Non-current Liabilities</b>							
(a) Provisions	10513682	-	10513682	8486458	-	8486458	
(b) Provisions Deferred tax liabilities (net)	3869566	-	3869566	3636303	-	3636303	
<b>Total Non-current Liabilities</b>	<b>14383248</b>	<b>-</b>	<b>14383248</b>	<b>12122761</b>	<b>-</b>	<b>12122761</b>	
<b>Current liabilities</b>							
(i) Borrowings	0	-	0	0	0	0	
(iii) Trade Payables	22449786	-	22449786	18683278	-	18683278	
(a) Other current liabilities	16207796	-	16207796	18376392	-	18376392	
(b) Current tax liabilities (Net)	3300000	-	3300000	5500000	-	5500000	
<b>Total Current Liabilities</b>	<b>41957582</b>	<b>-</b>	<b>41957582</b>	<b>42559670</b>	<b>-</b>	<b>42559670</b>	
<b>Total Equity and Liabilities</b>	<b>720088979</b>	<b>-</b>	<b>720088979</b>	<b>710072885</b>	<b>-</b>	<b>710072885</b>	

Note: The previous AS figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

## II. Reconciliation of Total Comprehensive Income for the year ended March, 31, 2017:

(Amount in Rupees)

Particulars	Note No.	Previous AS	IND AS Adjustment	IND AS
1	2	3	4	5
Revenue from Operations (Gross)	A	227570961	25317908	252888869
Other Income		11328890	-	11328890
<b>Total Income</b>		<b>238899851</b>	<b>-</b>	<b>264217759</b>
<b>EXPENSES</b>				
Cost of material consumed		101584155	-	101584155
Purchase of Stock -in-Trade		976750		976750
Change in inventories of finished goods, Stock-in-Trade and work in progress		2317139	-	2317139
Taxes on sale of goods	A	0	-	25317908
Employees benefits expense		50894444	-	50894444
Finance costs		0	-	0
Depreciation and amortization		3663772	-	3663772
Other Expenses		64359481	-	64359481
<b>Total Expenses</b>		<b>223795741</b>	<b>-</b>	<b>249113648</b>

<b>Profit/(loss) before exceptional items and tax</b>		<b>15104109</b>	-	<b>15104109</b>
Exceptional Items		0	-	0
<b>Profit/(loss) before tax</b>		<b>15104109</b>		<b>15104109</b>
Tax expense:			-	
(1) Current tax		3300000	-	3300000
(2) Deferred tax		233263	-	233263
(3) Tax adjustments related to previous year		0	-	0
			-	
<b>Profit (loss) for the period from continuing operations</b>		<b>11570846</b>		<b>11570846</b>
<b>Profit (loss) for the period</b>		<b>11570846</b>	-	<b>11570846</b>
Other Comprehensive Income		0	-	0
<b>Total Comprehensive Income</b>		<b>11570846</b>	-	<b>11570846</b>

**Note:** The previous AS figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

**A. Excise Duty:**

Under the previous AS, revenue from sale to goods was presented exclusive of excise duty. Under Ind AS revenue from sales of goods is presented inclusive of excise duty. Excise duty paid is presented on face of statement of profit and loss account as a part of expense. This change has resulted in increase in total revenue and total expense for the year ended March 31, 2017. There is no impact on total equity and profit.

**III. Reconciliation of Equity as at April 1, 2016 and as at March 31, 2017**

<b>Particulars</b>	<b>Notes</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>Other equity as per previous AS</b>		<b>539048589</b>	<b>530690894</b>
Add/ Less : Adjustments		NIL	NIL
<b>Net other equity as per IND AS</b>		<b>539048589</b>	<b>530690894</b>

**For RAWKA & ASSOCIATES**

For and on behalf of the Board

**CHARTERED ACCOUNTANTS,**

Firm No. : 021606C

**(R.C.MITTAL)**  
CHAIRMAN & DIRECTOR  
DIN : 00035272

**(ALOK K.GARG)**  
MANAGING DIRECTOR  
DIN : 00274321

**(VENUS RAWKA)**

**(MANISH JAIN)**

**CS. AYUSHI SILOT**

PARTNER  
M.No. 429040  
Place : Indore  
Date: 28.05.2018

C.F.O.

COMPANY SECRETARY  
ACS: 54352



**INDEPENDENT AUDITORS' REPORT**

To,  
The Members,  
**MEDI-CAPS LIMITED**

**Report on the Ind AS Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **MEDI-CAPS LIMITED** (hereinafter referred to as "the Holding Company") its subsidiary **MEDGEL PRIVATE LIMITED** (the Holding Company and its Subsidiary Company together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's responsibility for the Ind AS 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 ('the Act') that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Further, in terms of the provisions of the Act, the respective Board of Directors/management of the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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 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 these 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 controls relevant to the 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 Group Board of Directors, as well as evaluating the overall presentation of 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 (consolidated financial position) of the Company as at 31 March 2018, and their consolidated profit (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

**Other matter**

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

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

**Report on other legal and regulatory requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and associate, 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 purpose of our audit of the aforesaid consolidated financial statements;

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors,
- c) The consolidated financial statements 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 Ind AS specified under Section 133 of the Act;
- e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the Statutory auditor of its subsidiary company covered under the Act, none of the directors of the Group companies and its associate Company covered under the Act, are disqualified as on 31 March 2018 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 Holding Company and its subsidiary company covered under the Act and the operating effectiveness of such controls, refer to our separate report in ‘Annexure A’;
- 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us and also the other financial information of the subsidiary:
- (i) The Group has following pending litigations which are stated in the table below. However same doesn’t affect its financial position as on date-

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved	Amount Unpaid
Income Tax Act, 1961	Income Tax	ITAT	A.Y. 2013-14	Rs. 1801360/-	Rs. 26110/-
Income Tax Act, 1961	Income Tax	CIT(A)	A.Y. 2014-15	Rs. 2123210/-	Rs. 1223210/-
Income Tax Act, 1961	Income Tax	CIT(A)	A.Y. 2015-16	Rs. 1745580/-	Rs. 270830/-

(ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company covered under the Act during the year ended 31 March 2018.

**Place:** Indore  
**Date:** 28.05.2018

**For: Rawka & Associates**  
Chartered Accountant  
Firm Reg. No: 021606C

**Venus Rawka**  
Partner  
M. No.: 429040

#### **ANNEXURE “A”**

Independent Auditor’s Report on the Internal Financial Controls 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 **MEDI-CAPS LIMITED** (the ‘Holding Company’) and its subsidiary **MEDGEL PRIVATE LIMITED** (the Holding Company and its subsidiary together referred to as ‘the Group’) as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting (‘IFCoFR’) of the Holding Company and its subsidiary company, which are companies covered under the Act, as at 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 covered under the Act, are responsible for establishing and maintaining internal financial controls based on internal control financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of Internal Financial Control over Financial Reporting (‘the Guidance Note’) issued by the Institute of Chartered Accountant of India (ICAI). 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 the Company's business, including adherence to the 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 Act.

**Auditor's responsibility**

Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under:

Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 IFCoFR were 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its subsidiary Company as aforesaid.

**Meaning of internal financial controls over financial reporting**

A Company's IFCoFR 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 IFCoFR include 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 IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding Company and its subsidiary companies which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, based on internal control financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of Internal Financial Control over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountant of India.

**Other matter**

Our aforesaid report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company and its subsidiary Company, which are the companies incorporated in India, under Section 143(3)(i) of the Act in so far as it relates to Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

**Place:** Indore

**Date:** 28.05.2018

**For: Rawka & Associates**

Chartered Accountant

Firm Reg. No: 021606C

**Venus Rawka**

Partner

M. No.: 429040

<b>MEDI-CAPS LTD.</b>				
<b>Consolidated Balance Sheet as at 31st March, 2018</b>				
<b>Amount in Rs.</b>				
<b>Particulars</b>	<b>Note</b>	<b>As at 31st Mar 2018</b>	<b>As at 31st Mar 2017</b>	<b>As at 01st Apr 2016</b>
<b>I. Assets</b>				
<b>1 Non-current assets</b>				
(a) Property, Plant and Equipment	2	599500293	610557544	564055256
(b) Financial Assets				
i. Investments	3	30949993	24922658	39761297
(c) Other non-current assets	4	7570091	7738591	9680167
<b>2 Current assets</b>				
(a) Inventories	5	101601304	132229811	149668995
(b) Financial Assets				
i. Investments	6	91661176	64135707	27610447
ii. Trade receivables	7	130349319	89409492	97087341
iii. Cash and cash equivalents	8	23234990	21268214	12950315
(c) Other current assets	9	24200584	23506396	29451109
<b>Total</b>		<b>1009067749</b>	<b>973768412</b>	<b>930264926</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
(a) Equity Share Capital	10	124699560	124699560	124699560
(b) Other Equity	11	777464498	766207051	698012307
<b>2 Liabilities</b>				
<b>A Non-Current Liabilities</b>				
(a) Borrowings	12	0	910641	805831
(a) Provisions	13	11953965	10513682	8486458
(b) Deferred tax liabilities (Net)	14	4071329	3869566	3636303
<b>3 Current Liabilities</b>				
(a) Borrowings	15	1746000	0	0
(b) Trade payables	16	62354255	43483013	59282951
(c) Other current liabilities	17	24978141	20784899	29841516
(d) Current Tax Liabilities (Net)	18	1800000	3300000	5500000
<b>Total</b>		<b>1009067749</b>	<b>973768412</b>	<b>930264926</b>

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

Note on Accounts as Note '1 to 36'

As per our report of even date,

**Rawka & Associates**

Chartered Accountants

Firm Reg. No.: -021606C

**Venus Rawka**

Partner

Membership No. 429040

Place : Indore

Date: 28th May, 2018

**R.C.Mittal**  
Chairman & Director  
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

**CS.Ayushi Silot**  
Company Secretary  
ACS-54352

<b>MEDI-CAPS LTD.</b>			
<b>Consolidated Profit and Loss statement for the year ended 31st March, 2018</b>			
<b>Amount in Rs.</b>			
<b>Particulars</b>	<b>Note</b>	<b>As at 31st Mar 2018</b>	<b>As at 31st Mar 2017</b>
I. Revenue from operations	19	501558349	465699510
II. Other Income	20	10721503	20261790
<b>III. Total Revenue (I +II)</b>		<b>512279852</b>	<b>485961300</b>
IV. Expenses:			
Cost of materials consumed	21	246477645	218376616
Purchase of stock in trade		1040531	976750
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	22640339	7071213
Taxes on sale of goods		4806145	25317908
Employee benefit expense	23	87586790	87426981
Finance Cost	24	66265	134230
Other expenses	25	118259959	111356041
Depreciation and amortization expense	2	17924966	18089140
<b>Total Expenses</b>		<b>498802640</b>	<b>468748879</b>
<b>V. Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>13477212</b>	<b>17212421</b>
VI. Exceptional Items		0	0
VII. Profit before extraordinary items and tax (V - VI)		13477212	17212421
VIII. Extraordinary Items		0	0
<b>IX. Profit before tax (VII - VIII)</b>		<b>13477212</b>	<b>17212421</b>
X. Tax expense:			
(1) Current tax		1800000	3300000
(2) Earlier year excess provision for tax written back		0	0
(3) Deferred tax		201763	233263
<b>XI. Profit for the year from continuing operations (IX - X)</b>		<b>11475449</b>	<b>13679158</b>
<b>XII. Other Comprehensive Income</b>		<b>0</b>	<b>0</b>
<b>XIII. Total Comprehensive Income for the Year</b>		<b>11475449</b>	<b>13679158</b>
XIV. Earning per equity share:	29		
(1) Basic		0.92	1.10
(2) Diluted		0.92	1.10

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

Note on Accounts as Note '1 to 36'

As per our report of even date,

**For : Rawka & Associates**

Chartered Accountants

Firm Reg. No.:-021606C

**Venus Rawka**

Partner

Membership No. 429040

Place : Indore

Date: 28th May, 2018

For and on behalf of the board

**For MEDI-CAPS LTD.**

**R.C.Mittal**

Chairman & Director

DIN:00035272

**Alok K. Garg**

Managing Director

DIN:00274321

**Manish Jain**

C.F.O.

**CS.Ayushi Silot**

Company Secretary

ACS-54352

<b>MEDI CAPS LIMITED</b>		
<b>Consolidated Cash Flow Statement for the year ended March 31, 2018</b>		
<b>Amount in Rs.</b>		
<b>PARTICULARS</b>	<b>31st March 2018</b>	<b>31st March 2017</b>
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax & Extraordinary Items	<b>13477212</b>	<b>17212421</b>
Adjustment For:		
Depreciation	17924966	18089140
Dividend Income	(200)	(300)
Operating Profit before Working Capital Change	<b>31401978</b>	<b>35301261</b>
Adjustment for Working Capital		
(Increase)/ Decrease in Sundry Debtors	(40939827)	7677849
(Increase)/ Decrease in Inventories	30628507	17439184
(Increase)/ Decrease in Loans & Advances	(525688)	7886289
Increase/(Decrease) in Current Liabilities & Provisions	23222766	(24811331)
<b>Cash Generated from Working Capital</b>	<b>12385759</b>	<b>8191991</b>
Cash generated from Operation	43787737	43493252
Income Tax for the year	1800000	3300000
<b>Net cash Flow from Operating Activity</b>	<b>41987737</b>	<b>40193252</b>
<b>B. Cash Flow from Investing Activities</b>		
Sale/(Purchase) of Investments	(33988803)	(25118761)
Purchase of Fixed Assets	(6867715)	(7193920)
Dividend Received	200	300
Adjustment for Dep on sale of Fixed Assets	0	58060968
<b>Net Cash used in Investing Activities</b>	<b>(40856318)</b>	<b>25748587</b>
<b>C. Cash Flow from Financial Activities</b>		
Increase in Short term Bank Borrowings	1746000	0
Issue of share capital	0	39271250
Proceeds from Long Term Borrowings	(910641)	(96895190)
<b>Net Cash Used in Financial Activities</b>	<b>835359</b>	<b>(57623940)</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>1966778</b>	<b>8317899</b>
Cash & Cash Equivalents at the		
Beginning of the year	21268212	12950315
Closing of the year	23234990	21268214
<b>Increase in Cash and Cash Equivalents</b>	<b>1966778</b>	<b>8317899</b>
As per our report of even date annexed		For and on behalf of Board
<b>For : Rawka &amp; Associates</b>		<b>Medi-Caps Ltd.</b>
<b>Chartered Accountants</b>		
<b>Venus Rawka</b>	<b>R.C.Mittal</b>	<b>Alok K. Garg</b>
Partner	Chairman & Director	Managing Director
<b>Membership No. 429040</b>	DIN:00035272	DIN:00274321
<b>Firm Reg. No.:-021606C</b>		
	<b>Manish Jain</b>	<b>CS Ayushi Silot</b>
	C.F.O.	Company Secretary
		ACS -54352

**NOTE -1- BASIC ACCOUNTING POLICIES**
**1. Basis of preparation:**
**(i) Compliance with Ind AS**

The Consolidated financial statements have been prepared to comply in all material aspects with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

These Consolidated financial statements are for the year ended 31st March, 2018 are the first financials with comparatives, that are prepared under Ind AS, for all previous periods including the year ended 31st March, 2017, the Company had prepared its Consolidated financial statements in accordance with the accounting standards notified under companies (Accounting Standard) Rule, 2006 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous AS') used for its statutory reporting requirement in India.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the date of transition to Ind AS.

**(ii) Historical Cost Convention**

These Consolidated financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting, Indian Accounting Standards prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, except where otherwise stated, the accounting principles have been consistently applied.

**2. Principles of consolidation:**

The financial statements of the Company and its subsidiary have been consolidated in accordance with the Ind AS 110 - "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.

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.

Minority Interest in the net assets of the consolidated subsidiary consist of:-

1. The amount of equity attributable to minorities as at the date on which the investment in a subsidiary is made and,
2. The minority share of movements in equity since the date the parent subsidiary relationship came into existence. The Losses applicable to the minority in excess of the minority interest in the equity of the subsidiary and further losses applicable to minority, are adjusted against the majority interest except to the extent that the minority has a binding obligation to and is able to make good the losses.
3. Minority interest is presented separately from the liabilities or assets and the equity of the shareholders in the consolidated Balance Sheet. Minority Interest in the income or loss of the company is separately presented.

**3. Rounding of amounts:**

All amounts disclosed in the Consolidated financial statement and notes have been rounded off to the nearest Rupees; except where otherwise indicated.

**4. Current versus non-current classification:**

The company presents its assets and liabilities in the balance sheet on current/non-current classification. An Asset is treated as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle;
- b) Held primarily for the purpose of trading;
- c) Expected to be realised within twelve months after the reporting period; or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is Current when:

- a) It is expected to be settled in normal operating cycle
- b) It is held primarily for the purpose of trading
- c) It is due to be settled within twelve months after the reporting period; or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other Liabilities are classified as non-current.

Deferred tax liabilities are classified under non-current Liabilities.

**5. Use of Estimates and Assumptions:**

The preparation of Consolidated financial statements in accordance with Ind AS requires subjective and complex judgments to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses at the date of these financial statements.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

- a) Fair value of Financial Assets and Financial liabilities,
- b) The useful lives of, or expected pattern of consumption of the future economic benefits bodied in, depreciable assets,

- c) Valuation of Inventories and Inventory obsolescence,
- d) Provisions and Bad Debts.

**6. Revenue Recognition:**

**Sale of Goods**

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the buyer, usually on delivery of the goods and when all the following conditions are satisfied:

The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

The amount of revenue can be measured reliably;

It is probable that the economic benefits associated with the transaction will flow to the Company; and

The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns and allowance, trade discounts and volume rebates and does not include Value added tax (VAT), Central Sales tax (CST) and any other taxes.

**7. Property, Plant and Equipment:**

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises of its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management. The purchase price or construction cost is the aggregate amount, paid and the fair value of any other consideration given to acquire the asset.

When significant parts of plants and equipments are required to be replaced at intervals, the Company depreciates them separately based on their specific useful life. All other repair and maintenance costs are recognised in Statement of Profit or Loss as and when incurred.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted prospectively

Depreciation on Property, Plant & Equipment is provided on straight line method. In accordance with requirements prescribed under Schedule II of the Companies Act, 2013, Company has assessed the estimated useful lives of its property, plant and equipment and has adopted the useful lives and residual value as prescribed in Schedule ii. The estimated useful life of assets are as follows:

ASSETS	USEFUL LIFE OF ASSET
Factory Building	30 years
Office Building	30 years
Plant & Machinery	20 years
Furniture & Fixtures	10 years
Vehicles	8 years

**8. Inventories:**

Inventories are valued at lower of cost or net realizable value whichever is lower.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

**Raw materials**

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

**Finished goods and work-in-progress**

Cost includes direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**9. Trade Receivable:**

Trade receivables are recognized at fair value, the outstanding balances of sundry debtors, advances etc. are verified by the management periodically and on the basis of such verification management determines whether the said outstanding balance are good, bad or doubtful and accordingly same are written off or provided for.

Receivables that are expected in one year or less, are classified as current assets, if not they are presented as non-current assets.

**10. Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash in hand and Balances at bank.

**11. Investments:**

The investments are valued at cost and are therefore not reported as per relevant Ind-AS 113. The Investments are treated as such because investments primarily contain Short – Term Liquid funds & cash Funds. These are subject to various market fluctuations. If valued at Fair value, the investments shall not give true and fair view to the stakeholders of the company and would result in unnecessary inclination of Net Profit by way of unrealised profits through Other Comprehensive Income.

**12. Cash and cash equivalents:**



Cash and cash equivalent in the balance sheet comprise of cash in hand and at banks. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and bank balances, as defined above.

**13. Share Capital:**

Ordinary shares are classified as equity.

During the year there is no change in the subscribed share capital as is issued by the company.

**14. Earnings per Share:**

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is adjusted for after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the number of shares that are outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**15. Provisions:**

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**16. Deferred Tax:**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

**17. Borrowings:**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in statement of profit or loss over the period of the borrowings.

Borrowings are removed from the balance sheet when the obligation specified in the contract recharged, cancelled or expired. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**18. Borrowings Cost:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

The Company ceases capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

**19. Trade payables:**

These amounts represent liabilities for goods that have been acquired in the ordinary course of business from suppliers. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

**20. Current Tax:**

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

Where current tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**21. Employee Benefits:**

**(a) Gratuity:**

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust maintained with Life Insurance Corporation of India (LIC). The liability with respect to Gratuity is made as per the method stipulated in the payment of gratuity Act, 1972.

**(b) Provident Fund:**

Provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the employees salary (currently 12% of employees' salary). The contributions, are made to the provident fund as specified under the Employees Provident Fund & Miscellaneous provisions Act, 1952.

Note-02- Property, Plant and Equipment up to 31.03.2018											
GROSS BLOCK					DEPRECIATION/AMORTIZATION					NET BLOCK	
S. No	FIXED ASSETS	As at 01.04.2017	Additions	Deductions	As at 31.03.2018	Up to 31.03.2017	For the year ended 31.03.2018	Deletions	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
1	Free Hold Land	1178000	0	0	1178000	0	0	0	0	1178000	1178000
2	Factory Building	173862187	204363	0	174066550	43199417	5192779	0	48392196	125674354	130662770
3	Office Equipment	556045	0	0	556045	556044	0	0	556044	1	1
4	Office Building	19121350	0	0	19121350	3308717	656464	0	3965181	15156169	15812633
5	Plant & Machinery	305858694	3230899	0	309089593	163546667	5039622	0	168586288	140503305	142312027
6	Furniture & Fixtures	54703181	0	0	54703181	27856714	5188195	0	33044909	21658272	26846467
7	Vehicles	24712064	3432453	0	28144517	12381859	1847906	0	14229765	13914752	12330205
8	Computers	3802046	0	0	3802046	3802044	0	0	3802044	2	2
	<b>TOTAL - A</b>	<b>583793567</b>	<b>6867715</b>	<b>0</b>	<b>590661282</b>	<b>254651461</b>	<b>17924966</b>	<b>0</b>	<b>272576427</b>	<b>318084855</b>	<b>329142106</b>

  

1	Goodwill	281415438	0	0	281415438	0	0	0	0	281415438	281415438
	<b>G. TOTAL (A+B+C)</b>	<b>865209005</b>	<b>6867715</b>	<b>0</b>	<b>872076720</b>	<b>254651461</b>	<b>17924966</b>	<b>0</b>	<b>272576427</b>	<b>599500293</b>	<b>610557544</b>
	PREVIOUS YEAR	801027347	64923658	742000	865209005	236972091	18089140	409770	254651461	610557544	564055256

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 : 3 Investments</b>		<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
<b>a)</b>	<b>Investment in properties</b>	<b>10793000</b>	<b>10793000</b>	<b>10793000</b>
<b>b)</b>	<b>Investment in Equity instruments</b>			
<b>i)</b>	<b>Trade Investment (Unquoted)</b>			
	<b>In Other Company</b>			
	0 (21800) Equity Shares of Rs.10/-each of Mediacaps Fin.Ltd.	0	218000	218000
	0 (0) Equity Shares of Rs. 10/- each of Endolabs Ltd.	0	0	1070000
		<b>0</b>	<b>218000</b>	<b>1288000</b>
<b>ii)</b>	<b>Other Investment (Quoted)</b>			
	100 (100) Equity Shares of Natural Capsules	1000	1000	1000
	0 (0) Equity Shares of Jord Engineers India Ltd.	0	0	2141139
	0 (0) Shares of Bharati Healthcare Ltd	0	0	2012
		<b>1000</b>	<b>1000</b>	<b>2144151</b>
<b>c)</b>	<b>Investment in Mutual Funds &amp; Schemes</b>			
	LIC Group Gratuity Fund Scheme	14751753	12459020	9744570
	LIC Leave Encashment Scheme	1904239	1451638	791575
	SBI Banking And Finance Fund	0	0	15000000
	SIP - IDFC Equity Fund	500000	0	0
	SIP - Reliance Top 200 Equity Fund	1000000	0	0
	SIP - ABSL Pure Value Fund	2000000	0	0
		<b>20155993</b>	<b>13910658</b>	<b>25536145</b>
		<b>30949993</b>	<b>24922658</b>	<b>39761297</b>

<b>Note : 4 Other Non Current Assets</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
(Unsecured, considered good unless otherwise stated)			
Security Deposits	7570091	7738591	9680167
	<b>7570091</b>	<b>7738591</b>	<b>9680167</b>

<b>Note : 5 Inventories</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
Raw Materials	20891338	29305190	36790863
Finished Goods	61518417	86674266	95869054
Stock in process and waste	8292485	5776975	3653400
Stores and Spares	1973842	1281380	1521630
Colour & Chemical	2557406	2490250	2225325
Packing Material	5644967	5873601	7945512
Printing Material	153428	107264	80495
Lab Chemical & Equipments	117950	56725	64445
Fuel	451470	664160	541520
EHG Capsules (Traded Goods)	0	0	976750
	<b>101601304</b>	<b>132229811</b>	<b>149668995</b>

<b>Note : 6 Investment</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
<b>Investment in Mutual Funds</b>			
Birla Sun Life Mutual Fund	11777087	2350000	0
IDBI Ultra Short Term Fund- Growth	24149905	24149905	9000000
Reliance Money Manager Fund- Growth	55734184	37635803	18610447
	<b>91661176</b>	<b>64135707</b>	<b>27610447</b>

<b>Note : 7 Trade Receivables</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
Unsecured , Considered Good as certified by the Management			
Outstanding over six months	69919608	37823984	8977402
Others	60429711	51585508	88109939
	<b>130349319</b>	<b>89409492</b>	<b>97087341</b>

<b>Note : 8 Cash &amp; Cash Equivalents</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
Cash in Hand	223004	433364	203404
Balance with Noted Banks :			
In Current Accounts	5290736	6452012	6608514
IDBI Bank C.C. A/c 0382655100000125	1355064	55752	1564801
In Fixed Deposit Accounts	16366185	14327086	4573595
	<b>23234990</b>	<b>21268214</b>	<b>12950315</b>

<b>Note : 9 Other Current Assets</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
(Unsecured & Considered Good - Advance recoverable in Cash or in kind or for value to be received)			
Advance to Suppliers & Others	5652857	5568955	9057859
Balances with Government Authorities	243637	1916695	2053503
Advance Tax & TDS (Net of Provisions)	16796279	14260549	16169075
Prepaid Expenses	1297548	1254010	1475928
Other Loans & Advances	210263	506187	694744
	<b>24200584</b>	<b>23506396</b>	<b>29451109</b>

<b>Note : 10 Equity Share Capital</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
<b>Authorised Share Capital :</b> 1,50,00,000 Equity Shares of Rs. 10/- each (Previous Year 1,50,00,000 Equity Shares of Rs. 10/- each)	<b>150000000</b>	<b>150000000</b>	<b>150000000</b>
<b>Subscribed &amp; Paidup Capital</b> 1,24,69,956 Equity Shares of Rs. 10 each fully paid up (Previous Year 1,24,69,956 Equity Shares of Rs.10/- each)	124699560	124699560	124699560
	<b>124699560</b>	<b>124699560</b>	<b>124699560</b>

<b>Reconciliation of the equity shares outstanding at the beginning and at the end of the year</b>			
	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
	<b>Equity Shares</b>	<b>Equity Shares</b>	<b>Equity Shares</b>
Equity Shares			
At the beginning of the year	12469956	12469956	12469956
Issued during the year	-	-	-
Outstanding at the and the year	12469956	12469956	12469956

**Rights, Preferences and Restrictions attached to Equity Shares**

The Company has one class of Equity Share having a par value of Rs.10 per share. Each Shareholder is entitled to one vote per Equity Share. The shareholders are entitled to dividend declared on proportionate basis. On Liquidation of the company, the equity shareholders are eligible to receive remaining assets of the company in proportion to their shareholding after distribution of all preferential amounts.

**Details of Shareholders holding more than 5 percent shares in the company**

<b>Name of Shareholders</b>	<b>No. of Shares as at</b>					
	<b>31.03.18</b>	<b>% of Holding</b>	<b>31.03.17</b>	<b>% of Holding</b>	<b>31.03.16</b>	<b>% of Holding</b>
R.C.Mittal	3,166,320	25.40%	3,166,320	25.40%	3,166,320	25.40%
Kusum Mittal	2,700,136	21.65%	2,700,136	21.65%	2,700,136	21.65%

<b>Note : 11 Other Equity</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
<b>Capital Reserve</b>			
Opening Balance	1207849	4421000	4421000
Less: Adjustment for Investment in Share Written Off	218000	3213151	0
	<b>989849</b>	<b>1207849</b>	<b>4421000</b>
<b>Share Forfeiture A/c</b>			
As per last balance sheet	<b>2755455</b>	<b>2755455</b>	<b>2755455</b>

<b>Securities Premium Account</b>			
Opening Balance	326349438	268620700	268620700
Add: Security Premium on Share issued during the year	0	57728738	0
	<b>326349438</b>	<b>326349438</b>	<b>268620700</b>
<b>General Reserve</b>			
As per last balance sheet	<b>30456832</b>	<b>30456832</b>	<b>30456832</b>
<b>Surplus</b>			
Opening balance	405437477	391758320	383120466
Add: Net profit for the current year	11475447	13679157	8637854
<b>Closing Balance</b>	<b>416912924</b>	<b>405437477</b>	<b>391758320</b>
	<b>777464498</b>	<b>766207051</b>	<b>698012307</b>

	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
<b>Note : 12 Borrowings</b>			
Other Borrowings	0	910641	805831
	<b>0</b>	<b>910641</b>	<b>805831</b>

	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
<b>Note : 13 Provisions</b>			
Provision for Gratuity	11408279	9950883	7923659
Leave Encashment Payable	545686	562799	562799
	<b>11953965</b>	<b>10513682</b>	<b>8486458</b>

	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
<b>Note : 14 Deferred Tax Liability (Net)</b>			
On Depreciation (Difference of as per Books & as per Income Tax Act)	4071329	3869566	3636303
	<b>4071329</b>	<b>3869566</b>	<b>3636303</b>

	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
<b>Note : 15 Borrowings</b>			
Axis Bank Car Loan Account	1746000	0	0
	<b>1746000</b>	<b>0</b>	<b>0</b>

	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
<b>Note : 16 Trade Payable</b>			
Sundry Creditors	62354255	43483013	59282951
	<b>62354255</b>	<b>43483013</b>	<b>59282951</b>

	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
<b>Note : 17 Other Current Liabilities</b>			
Advance Recd from Customers	2922335	2905801	10667929
Bonus Payable	3750224	3746587	3917996
Commission Payable	2535127	7577078	7600070
CST & VAT Payble	10319	498968	496372
Entry Tax Payable	0	390818	0
ESI Payable	135526	70497	69729
GST Payable	3697218	0	0
Outstanding Liabilities	7738933	3893583	3761602
Professional Tax	27804	34459	20043
Provident Fund	551890	528513	471356
TCS on Scrap Sales	433	0	413
Unpaid Salary & Wages (Provision)	2934826	494681	1998237
TDS on Consultancy	42952	50860	64008
TDS on Contractor Payment	107668	151469	37254
TDS on Salary	464408	204410	349771
TDS on Rent	22066	5517	0
TDS on Sales Commission	36413	231658	386736
	<b>24978141</b>	<b>20784899</b>	<b>29841516</b>

<b>Note :18 Short-Term Provisions</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
For Taxation	1800000	3300000	5500000
	<b>1800000</b>	<b>3300000</b>	<b>5500000</b>

<b>Note : 19 Sales</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
Sale of product	541823772	465699510
Less : Indirect Taxes	40265423	0
	<b>501558349</b>	<b>465699510</b>

<b>Note :20 Other Incomes</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
Claims Received	364170	567065
Capital gain / (Loss) on Mutual Fund	457691	5626476
Dividend income	200	300
Interest Income on FDR	2350182	2132944
Cr. Bal No Longer Required W/off	968134	6470025
Foreign Exchange Fluctuation	1608670	1139621
Misc. Income	4972456	4325360
	<b>10721503</b>	<b>20261790</b>

<b>Note : 21 Cost of Materials Consumed</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
<b>A) Raw Material Consumed</b>		
Opening Stock	31852165	39080633
Purchases	218370991	194284724
	250223155	233365357
Less : Closing Stock	23566694	31852165
Raw Material Consumed	<b>226656461</b>	<b>201513192</b>
<b>B) Packing Material Consumed</b>		
Opening Stock	5873601	7945512
Purchases	19592551	14791514
	25466151	22737026
Less : Closing Stock	5644967	5873601
Packing Material Consumed	<b>19821184</b>	<b>16863425</b>
<b>Grand total of Materials Consumed (A) + (B)</b>	<b>246477645</b>	<b>218376616</b>

<b>Note : 22 Increase/(Decrease) in Stocks</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
Closing Stock of :		
Finished Goods	61518417	86674266
Stock in Process	7678122	5162612
Waste	614363	614363
<b>Total (A)</b>	<b>69810902</b>	<b>92451241</b>
Opening Stock of :		
Finished Goods	86674266	95869054
Stock in Process	5162612	3281309
Waste	614363	372091
<b>Total (B)</b>	<b>92451241</b>	<b>99522454</b>
<b>Increase/(Decrease) in Stock (A-B)</b>	<b>(22640339)</b>	<b>(7071213)</b>

<b>Note : 23 Employees Remuneration &amp; benefits</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
Salary, Wages, Allowances & other Benefits	76407101	74172060
Directors Remuneration	4860000	6300000
Gratuity	2200000	2600000
P. F. Contribution	3648411	3754507
Staff Welfare Expenses	471278	600414
	<b>87586790</b>	<b>87426981</b>

<b>Note : 24 Finance Cost</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
Interest on C.C. Limit	66265	134230
	<b>66265</b>	<b>134230</b>

<b>Note : 25 Other Expenses</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
Advertisement & Publicity	29049	50508
Audit Fee	386356	270000
Annual Listing Fees	410398	366400
Bad Debts	2715365	1037086
Bank Charges	936953	822036
Business Promotion Expenses	2625582	3058553
Certificate & Standard Exp.	678239	310573
Charity & Donations	15000	15000
Consultancy Charges	1554196	1273324
Conveyance Expenses	1142553	619625
Development Charges to AKVN	529584	364089
Entry Tax	113742	1255228
Electricity & Water	1332997	1595484
<b>Freight Expenses</b>	<b>21020933</b>	<b>24445676</b>
Factory Power & Fuel	51549398	45853894
Factory Expenses	1045517	1091984
Insurance Charges	907289	1266162
Import / Export Expenses	3170551	1072566
ISO Certification Charges	30500	33935
Legal Expenses	133990	79158
Loss on Sale of Fixed Assets	0	101662
Membership Fee & Subscription	72121	69591
Misc. Expenses	7488922	4365232
Net gain/loss on foreign currency transaction	(73425)	135026
Office & General Expenses	122472	148518
Postage, telegram	266239	312115
Printing Material consumed	241037	287445
Printing & Stationary	649914	509736
Rent, Rates & Taxes	879859	863553
<b>Repairs &amp; Maintenance</b>		
Building	1016081	558000
Machinery	2417897	2484015
Electricals	418492	431660
A.C.Plant	701796	1193726
Computer	115269	133502
Other	306095	91249
Sales Commission	1908307	4138953
Sales promotion Expenses	1425455	1493150
Security Charges	926460	926312
Swatch Bharat Cess	8288	57098
Stores & Spares Consumed	775308	1354124
Telephone & Telex Charges	479498	614680
Tour & Travelling Expenses	2496656	1202983
Utility Expenses	12000	551755
Vehicle Running & Maintenance	5277029	4450675
	<b>118259959</b>	<b>111356041</b>

**Note 26 Segment Information**

The entire operation of the company related to one segment as such there is no separate reporting required. Company's earning include Rs. 28.08 Lacs from interest Dividend and income from Investments However as per explanation given in Ind AS 108 revenue does not include Dividend income, Interest & Income from investment hence there is no separate reporting required.

**Note 27 Deferred Tax**

Information on deferred tax has been provided in accordance with Ind AS-12 Accounting for taxation on income, issued by the Institute of Chartered Accountants of India.

The deferred tax assets for the year is Rs.2,01,763/- has been recognised in the profit & Loss Account.

<b>Note 28 Payment to Auditors</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
Audit Fees	280000	270000
In other Capacity		
Tax Audit Fee	20000	20000
Other	30000	30000
	<b>330000</b>	<b>320000</b>

**Note 29 Related Party Disclosure**

Information on Related party transactions as per Ind AS 24 on related party disclosure:

<b>S.No</b>	<b>Related Party</b>	<b>Transactions</b>	<b>As at 31.03.18</b>	<b>As at 31.03.17</b>
1	Mr. R.C.Mittal Non Executive Director & Chairman	Remuneration	0	1000000
2	Mr. Alok K. Garg Managing Director	Remuneration	3000000	3000000
3	Mrs. Kusum Mittal Whole time Director	Remuneration	1800000	1800000
4	Mrs. Manisha Garg Whole time Director	Remuneration	1200000	1200000
5	Medgel Pvt. Ltd. Subsidiary Company (on arm length basis in the ordinary course of business)	Purchase Sale	7034897 160395	19106 0
6	Akshit Garg CFO	Remuneration	0	300000

**Note 30 Earning Per Share**

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

	<b>As at 31.03.18</b>	<b>As at 31.03.17</b>
i) Profit after tax used as the numerator	11475449	13679158
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	0.92	1.10

<b>Note 31 Employee Benefits</b>	<b>As at 31.03.18</b>	<b>As at 31.03.17</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	9950883	8897811
2 Current Service Cost	2200000	2600000
3 Past Service Cost	0	238691
4 Interest Cost	0	(768618)
5 Actuarial (Gains) / Losses	0	0
6 Benefits Paid	742604	539619
7 Present value of Defined benefit obligation at the end of the year	11408279	9950883
<b>II Change in assets during the year ended March 31</b>		
1 Plan assets at the beginning of the year	12459020	9744570
2 Settlements	0	0
3 Expected return on plan assets	959821	768618
4 Contribution by Employer	2200000	2600000
5 Actual benefits paid	742604	539619
6 Actuarial Gains / (Losses)	(124484)	(114549)
7 Plan assets at the end of the year	14751753	12459020



III	Net Assets / (Liability) recognized in the Balance Sheet at March 31,		
	1 Present value of Defined eenefits Obligation as at March 31.	11408279	9950883
	2 Fair value of plan assets as at March 31	14751753	12459020
	3 Fund Status (Surplus / (Deficit))	3343474	2508137
	4 Net Assets / (Liabilty) as at end of the year	<b>3343474</b>	<b>2508137</b>
IV	Expenses recognised in the Statement of profit & Loss for the year ended March 31		
	1 Current Service Cost	2200000	2600000
	2 Interest Cost	0	0
	3 Expected return on plan assests	(959821)	(768618)
	4 Past service cost	0	0
	5 Net Actuarial (Gains) / Losses	0	0
	6 Total Expenses	<b>1240179</b>	<b>1831382</b>
V	The major categories of plan assets as a percentage of total plan	N.A.	N.A.
		N.A.	N.A.

**Note 32** The company does not have outstanding for more than 30days as on 31st March 2018 of S.S.I units the respectives parties.

**Note 33** The previous years figures have been regrouped/ restated wherever necessary to confirm with the current years classification.

**Note 34 Contingent Liabilities**

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

**35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:**

The Company's principal financial liabilities comprise of trade payables. The Company has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Risk Management Committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk Management Committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

**A. MARKET RISK**

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

**B. CREDIT RISK**

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks. Financial instruments that are subject to concentrations of credit risk, principally consist of trade receivables.

None of the financial instruments of the Company result in material concentrations of credit risks. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was 2452.45 lakhs as at 31 March 2018 and 1748.13 lakhs as at 31 March 2017, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables and other financial assets.

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

Credit risk from balances with banks and investment of surplus funds in mutual funds is managed by the Company's finance department.

**C. LIQUIDITY RISK**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, which carry no/low mark to market risks.

**36. FIRST-TIME ADOPTION OF IND AS:**

These are the Company’s first financial statements prepared in accordance with Ind AS.

The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended 31st March, 2018 for the company, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in the carrying values of the assets and liabilities as at the transition date between the Ind AS and Previous Accounting Standard (AS) have been recognized directly in equity (retained earnings or another appropriate category of equity).

Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous AS to Ind AS.

**A. Optional Exemptions availed**

**(a) Deemed Cost**

The Company has opted paragraph D7 AA and accordingly considered the carrying value of property, plant and equipments and Intangible assets as deemed cost as at the transition date.

**B. Applicable Mandatory Exceptions**

**(a) Estimates**

An entity’s estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous AS (after adjustments to reflect any difference in accounting policies).

**C. Transition to Ind AS - Reconciliations**

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous AS to Ind AS as required under Ind AS 101:

**I. Reconciliation of Balance sheet as at April 1, 2016 (Transition Date)**

Reconciliation of Balance sheet as at March 31, 2017

**II. Reconciliation of Total Comprehensive Income for the year ended March 31, 2017**

**III. Reconciliation of Equity as at April 1, 2016 and as at March 31, 2017**

The presentation requirements under Previous AS differs from Ind AS, and hence, Previous AS information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous AS information is derived from the Financial Statements of the Company prepared in accordance with Previous AS.

**I. Reconciliation of Balance sheet as at April 1, 2016 (Transition Date)**

(Amount in Rupees )							
		As at March 31, 2017			As at April 01, 2016		
	Note	Previous AS	Adjust-ment	AS per IND AS	Previous AS	Adjust-ment	AS per IND AS
1	2	3	4	5	6	7	8
<b>ASSETS</b>							
<b>Non-current assets</b>							
(a) Property, Plant and Equipment		610557544	-	610557544	564055256	-	564055256
(b) Capital Work-in-progress		-	-	-	-	-	-
(c) Intangible assets		-	-	-	-	-	-
(d) Intangible assets under development			-			-	
(e) Financial Assets							
(i) Investments		24922658	-	24922658	39761297		39761297
(e) Other non-current assets		7738591	-	7738591	9680167	-	9680167
Total Non -Current Assets		<b>643218793</b>	-	<b>643218793</b>	<b>613496720</b>	-	<b>613496720</b>

<b>Current Assets</b>							
(a) Inventories		132229811	-	132229811	149668995	-	149668995
(b) Financial Assets			-			-	
(ii) Investments		64135707	-	64135707	27610447	-	27610447
(iii) Trade Receivables		89409492	-	89409492	97087341	-	97087341
(iii) Cash & cash equivalents		21268214	-	21268214	12950315	-	12950315
(c) Other current assets		23506396	-	23506396	29451109	-	29451109
<b>Total Current Assets</b>		<b>330549620</b>	-	<b>330549620</b>	<b>316768207</b>	-	<b>316768207</b>
<b>Total assets</b>		<b>973768412</b>	-	<b>973768412</b>	<b>930264926</b>	-	<b>930264926</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
(a) Equity share capital		124699560	-	124699560	124699560	-	124699560
(b) Other Equity		766207051	-	766207051	698012307	-	698012307
<b>Total Equity</b>		<b>890906610</b>	-	<b>890906610</b>	<b>822711867</b>	-	<b>822711867</b>
<b>Liabilities</b>							
<b>Non-current Liabilities</b>							
(a) Borrowings		910641	-	910641	805831	-	805831
(b) Provisions		10513682	-	10513682	8486458	-	8486458
(b) Deferred tax liabilities (net)		3869566	-	3869566	3636303	-	3636303
<b>Total Non-current Liabilities</b>		<b>14383248</b>	-	<b>14383248</b>	<b>12928592</b>	-	<b>12928592</b>
<b>Current liabilities</b>							
(i) Borrowings		0	-	0	0	0	0
(iii) Trade Payables		43483013	-	43483013	59282951	-	59282951
(a) Other current liabilities		20784899	-	20784899	2984156	-	2984156
(b) Current tax liabilities (Net)		3300000	-	3300000	5500000	-	5500000
<b>Total Current Liabilities</b>		<b>82861801</b>	-	<b>82861801</b>	<b>94624467</b>	-	<b>94624467</b>
<b>Total Equity and Liabilities</b>		<b>973768412</b>	-	<b>973768412</b>	<b>930264926</b>	-	<b>930264926</b>

**Note:** The previous AS figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

## II. Reconciliation of Total Comprehensive Income for the year ended March, 31, 2017:

(Amount in Rupees)

Particulars	Note No.	Previous AS	IND AS Adjustment	IND AS
1	2	3	4	5
Revenue from Operations (Gross)	A	440381602	25317908	465699510
Other Income		20261790	-	20261790
<b>Total Income</b>		<b>460643392</b>	-	<b>485961300</b>
<b>EXPENSES</b>				
Cost of material consumed		218376616	-	218376616
Purchase of Stock -in-Trade		976750	-	976750
Change in inventories of finished goods, Stock-in-Trade and work in progress		7071213	-	7071213

Taxes on sale of goods	<b>A</b>	0	-	25317908
Employees benefits expense		87426981	-	87426981
Finance costs		134230		134230
Depreciation and amortization		18089140	-	18089140
Other Expenses		111356041	-	111356041
<b>Total Expenses</b>		<b>443430971</b>	-	<b>468748879</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>17212421</b>	-	<b>17212421</b>
Exceptional Items		0	-	0
<b>Profit/(loss) before tax</b>		<b>17212421</b>		<b>17212421</b>
Tax expense:			-	
(1) Current tax		3300000	-	3300000
(2) Deferred tax		233263	-	233263
(3) Tax adjustments related to previous year		0	-	0
<b>Profit (loss) for the period from continuing operations</b>		<b>13679158</b>	-	<b>13679158</b>
<b>Profit (loss) for the period</b>		<b>13679158</b>	-	<b>13679158</b>
Other Comprehensive Income		0	-	0
<b>Total Comprehensive Income</b>		<b>13679158</b>	-	<b>13679158</b>

**Note:** The previous AS figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

**A. Excise Duty:**

Under the previous AS, revenue from sale to goods was presented exclusive of excise duty. Under Ind AS revenue from sales of goods is presented inclusive of excise duty. Excise duty paid is presented on face of statement of profit and loss account as a part of expense. This change has resulted in increase in total revenue and total expense for the year ended March 31, 2017. There is no impact on total equity and profit.

**III. Reconciliation of Equity as at April 1, 2016 and as at March 31, 2017**

**(Amount in Rupees)**

Particulars	Notes	As at 31.03.2017	As at 01.04.2016
1	2	3	4
<b>Other equity as per previous AS</b>		<b>766207051</b>	<b>698012307</b>
Add/ Less : Adjustments		NIL	NIL
<b>Net other equity as per IND AS</b>		<b>766207051</b>	<b>698012307</b>

**For RAWKA & ASSOCIATES**

**CHARTERED ACCOUNTANTS,**  
Firm No. : 021606C

**VENUS RAWKA**

PARTNER  
M.No. 429040  
Place: Indore  
Date : 28.05.2018

For and on behalf of the Board

**R.C.MITTAL**  
CHAIRMAN & DIRECTOR  
00035272

**MANISH JAIN**

C.F.O.

**ALOK K.GARG**  
MANAGING DIRECTOR  
DIN : 00274321

**CS. AYUSHI SILOT**

COMPANY SECRETARY  
ACS: 54352

**PROXY FORM  
FORM MGT- 11**

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

Name : **MEDI-CAPS LIMITED**  
 CIN : **L24232MP1983PLC002231**  
 Regd office : Mhow-Neemuch Road, Sector 1, Pithampur, District 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 35th Annual general meeting of the company, to be held on Tuesday, the 25th September, 2018 at the Registered Office at Mhow-Neemuch Road, Sector 1, Pithampur, District Dhar (M.P.)-454775 at 11.00 A.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Type of Resolution	Resolution/ Agenda Items
1.	Ordinary	To consider, approve and adopt Standalone and Consolidated Audited Financial Statements, Reports of the Board and Auditor for the year ended 31st March, 2018.
2.	Ordinary	To re-appoint Mr. Alok K. Garg (DIN: 00274321) who is liable to retire by rotation being eligible offer himself for re-appointment.
3.	Ordinary	To ratify the appointment of M/s Rawka & Associates, Chartered Accountants (ICAI Firm Registration No. 021606C) as the Statutory Auditors of the Company and approval to dispense off the requirement of ratification of auditors upto their remaining term of appointment and fix their remuneration.
4.	Ordinary	To re-appoint Mr. Alok K Garg (DIN: 00274321) as the Managing Director, for a period of 3 years w.e.f. 1st April, 2019.
5.	Special	To re-appoint Dr. Shamsheer Singh (DIN-00204290) as the Independent Director, for a second term of 5 (five) consecutive years, w.e.f. 1st April, 2019 to 31st March, 2024.
6.	Special	To re-appoint Mr. Pramod Fatehpuria (DIN: 00972389) as the Independent Director, for a second term of 5 (five) consecutive years, w.e.f. 29th May, 2019 to 28th May, 2024.
7.	Special	To consider, approve and authorise the Board of Directors to provide loans, guarantees, or security to the Board Corporate in which Directors are interested

Signed this..... day of..... 2018

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**

**35<sup>th</sup> Annual General Meeting of Medi-Caps Ltd. held on Tuesday, 25<sup>th</sup> September, 2018**

at the Registered Office of the Company held on Mhow-Neemuch Road, Sector 1, Pithampur, District Dhar (M.P.)-454775

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 35<sup>th</sup> Annual General meeting of the company at the Registered office of the company on 25<sup>th</sup> September, 2018.

(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



# MEDGEL PRIVATE LIMITED

(Wholly Owned Subsidiary)



## Registered Office

Address : 201, Pushpratna Paradise 9/5, New Palasia,  
Indore - 452001 (M.P.) India

Phone : +91 731-4041435, 4046321 Fax : +91 731-4028148

Email - [investors@medicaps.com](mailto:investors@medicaps.com)

Web : [www.medgel.net](http://www.medgel.net)

## Works

Plot No. 19-20 Special Economic Zone,  
Pharma Zone, Phase-II, Sector III, Pithampur  
Dist. - Dhar (M.P.) India Pin Code - 454775

Website

[www.medgel.net](http://www.medgel.net)





**MEDI-CAPS LIMITED**



**Corporate Office**

Address : 201, Pushpratna Paradise 9/5, New Palasia, Indore - 452001 (M.P.) India  
Phone : +91 731-4041435, 4046321 Fax : +91 731-4028148  
Email - [investors@medicaps.com](mailto:investors@medicaps.com) Web : [www.medicaps.com](http://www.medicaps.com)

**Registered Office & Works**

Mhow-Neemuch Road, Sector-1, Pithampur - 454775, Dist - Dhar (M.P.)  
Phone : +91 7292-424242 Fax : +91 7292-407387