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E mail:- investors@medicaps.comWeb site:- www.medicaps.com**TRANSCRIPT/MCL/AGM/2023****Date: 29.09.2023****40TH ANNUAL GENERAL MEETING OF MEDI-CAPS LIMITED****CS ABHISHEK JAIN:**

Dear all. I'm happy to welcome you all to the 40th annual general meeting of your company. Further on behalf of the Board of Directors of Medicaps. I thank you for joining us today. Your presence here is a testimony to your interest and support to the company.

Further, I would like to inform that from our Board of directors, Mr. Alok Garg, Managing Director, Mr. Ashok Agrawal, Mr. Gajendra Singh, Independent Directors are present in this meeting in person while And Mr. Rajendra, present in this meeting in person, while Mr. Ramesh Chandra Mittal, Mrs. Kusum Mittal, Mr. Pramod Fatehpuria & Mr. Dharmendra Solanki are connected virtually. We also have with us Mr. R.K. Sharma, Vice President of the Company Mr. Hemant sethi, CFO of the Company, Mr. Venus Rawka, Statutory auditors, Mr. L.N. Joshi, Secretarial Auditor and Mr. Amit parmar, Internal Auditor.

Before proceeding further, I would like to introduce Mr. Gajendra Singh, appointed as an additional director under the category of Non Executive Independent director. He will continue as the director of the company, subject to the approval of the members in this Annual General Meeting.

As we have received the request letter from Mr. Ramesh Chandra Mittal, Chairman of the Company who has connected virtually, and not willing to act as a chairman of the meeting, as he is not well. Hence in accordance with the Clause 5.1 of Secretarial Standard 2, he has proposed the name of Mr. Alok K Garg for the Chairman of this meeting with the consent of Board members.

Members may note that this Annual General Meeting is being held through video conference in accordance with the Companies Act 2013 and circulars issued by the Ministry of Corporate Affairs and SEBI. Facility for joining this meeting through video conference or other audio-visual means is made available for the members. The Registered office of the Company, situated Pithampur Dist. Dhar shall be deemed as the venue for this meeting and the

proceedings of the AGM shall be deemed to be made thereat, at transact the businesses, as mentioned in the notice. The Company has taken all feasible steps to ensure that the shareholders are provided an opportunity to participate in the Annual General Meeting and vote.

With the permission of chair we would like to inform that the requisite quorum is present through video conference to conduct the proceedings of this meeting. Accordingly with the permission of chair I call this meeting to order & open for proceedings.

MR. ALOK K. GARG Okay.

CS ABHISHEK JAIN:

The Register of Directors and Key Managerial Personnel, the Register of Contracts or Arrangements, has been made available electronically for inspection by the members during the AGM. This will remain accessible to the members electronically if they so desire.

As the AGM is being held through video conference, the requirement of appointment of proxy is not applicable.

Moving ahead, members may please note that there will be no voting by show of hands. And As the Notice is already circulated to all the members, I take the Notice convening the meeting as read with due permission.

Further, the Company has provided Remote E-voting facility to the Shareholders to cast their votes electronically in respect of all businesses mentioned in the Notice of the AGM dated 11th August, 2023. For this purpose, the Company has availed the services of Central Depository Services (India) Limited for facilitating voting through electronic means, as the authorized e-voting agency. Remote E-voting facility was open for a period of three days from 26th September, 2023 till, 28th September, 2023.

The Company had provided the facility to cast the votes electronically, on all resolutions set forth in the Notice. Members who have not cast their votes yet electronically and who are participating in this meeting will have an opportunity to cast their votes during the meeting through the e-voting system provided by CDSL.

Now I request Mr. Alok K Garg, Managing Director and Chairman of this annual general meeting to brief the affairs of the Company.

MR. ALOK K. GARG

Thank you Abhishek

Good morning, everybody. I Alok K. Garg, Chairman of the meeting, extend a cordial welcome to all of you for your sincere participation in 40th Annual General Meeting of Medi-Caps Limited.

Moving ahead, I take this opportunity to present the affairs of our company in financial year 22-23.

First of all, I'm glad to announce that the company's first real estate project. Medicaps business Park is receiving huge response and impact of the same will be reflected in upcoming quarterly results of year 23-24.

Further in terms of our wholly owned subsidiary Company Medgel Private Limited, I proudly announce that Medgel keep on with its legacy by still enduring its zero debt policy along with its accreditations like USFDA, Intertek, GMP, OHSAS 18001:2007, NSF, UL NAFDAC, TGA – Australia and STR-USA etc.

Moving ahead with Medgel's performance, it is required to mention that our Company Medgel is facing major setback due to huge recession in the International market like US & Australia as well as Africa too. Apart from that Medgel was recently audited by USFDA and they have some concerns regarding regulatory for which we are replying and updating on regular basis. Over and above we have also hired a big consultant from USA as suggested by USFDA. Our core team along with board of directors of the Company dealing with above two issues and we assure all the stakeholders that hopefully soon both the issues will be resolved and Company's performance again will be on track.

Due to the above mentioned hurdles. Medgel has earned a profit of Rs. 466.51 lacs in the financial year 22-23 as compared to previous year's Profit of 1011.85 lacs.

Proceeding further, you all are aware that we remain committed to the core values of Medi-Caps Group of giving back to the society. In continuation of that and applicability of the provisions of Corporate Social Responsibility under the Companies Act, 2013, we made a contribution of Rs.16,20,000 towards the CSR Obligation which further utilized the funds in Health Camps, Awareness Programmes and Plantation Work. Company has also rendered the national flags to district administrations under har ghar tiranga campaign.

Now coming back to Medi-Caps Limited, we have reported in the 40th Board's Report that our Company has complied with the requirements of SEBI (LODR)

Regulations, 2015, relating to the Corporate Governance and other Laws, Rules and Regulations applicable on the Company.

The Standalone and Consolidated Audited Financial Statements for the year 2022-23 along with Board's Report and Auditors Report thereon have been provided to the shareholders through email to support Government's sustainability development plan.

Now I would also like to convey my thanks to Government departments, shareholders, investors, JV partners, banking partners, suppliers and customers for their consistent and resolute support. I would like to place on record my appreciation to my colleagues on the Board, Company secretary, chief financial officer, auditors, consultants for their immense support and to keep the Company abide by laws. Last but not the least; I am deeply indebted to our world class employees including employees of Medgel, for their endless effort.

Now I would like to request Our Company Secretary Mr. Abhishek Jain to proceed further.

CS ABHISHEK JAIN

Thank you MD Sir

Further The Company has received requests from a few members to register them as speakers at the meeting. Accordingly the Members who have registered to ask questions may do so now and our Managing Director, CFO and Chairman of Audit Committee, are available with us to resolve the queries. Members are requested to keep their questions brief and specific. Please also note that the Company reserves the right to limit the number of members asking questions depending on the availability of time at the AGM.

Now I would like to request to moderator to please unmute Mr. Sanjeev Kumar Damani.

Mr. Yashwant (CDSL), am I audible to you?

SANJEEV DAMANI:

Hello sir am I audible? Hello! Am I audible, sir?

Yeah, I think I am audible, sir.

Thank you. Thank you very much, sir. Firstly, I would like to pay my respect for the founders of medicaps and the present management, board of directors and entire medicaps teams for bringing this company all the way to here and I have noted, and I have sent many mails also earlier. Regarding the fact that Megdal

and Medicaps can also be merged, and the shares of medgel can be distributed to the shareholders of medicaps reducing Lot of corporate compliance expenses If it is not otherwise. From your point of view, that is one thing I want to convey. Secondly, I was wondering, chairman, Alok sir, just now mentioned that there are certain difficulties in international market because of recession, and perhaps some non compliance is there in our businesses of Medgel has reduced so you know you are already making certain efforts towards it. But can we also have, you know, domestic market to support? In this case, that is one thing I wanted to know from you. Secondly, sir, you have said that our real estate business has also received very good response. Can you quantify what kind of square feet we have already sold? And you know, are we also planning to start the second phase because we were given to understand that there is some more land available in the Medicaps Premises in pithampur so I mean, are we getting into the States to restart that activity also. Thirdly you being a very prominent organization As to empty hard gelatine capsules. And you know, prefill, that soft gelatin. Are we thinking of making some entry into some sort of pharmaceutical ingredients, or APIs to be manufactured in days to come? Because your location is also that of, you know medical centers. Lot of companies are there in also which are in medical fields.

So kindly do answer me, and one more request many a times. We try, you know, during the year, also to get certain updates about what is happening and how things are moving. So we request that our email should be responded to. Thank you very much for the time given and opportunity given. I really wish this company lot of growth. And I know that lot of monies have been deposited into lot of mutual funds, and on that you can share some prosperity by way of a some small dividend also, so that our company is termed as a regular dividend, paying company, which will bring up very good goodwill to the company, and in case we are growing or are having some expansions, will be able to tap the capital market with glory. So thank you very much and all the best. Thank you.

ALOK K GARG

Thank you, Mr. Damani, for sharing your thoughts

First of all, on behalf of the team of Medgel and on behalf of the team of medicaps on behalf of the chairman. I thank you for being a valued member of our group. In regard to when you are talking of mergers we will look into it. My team will update you as far as registrations and audits are concerned. USFDA takes its own sweet time to report, and we have to update them on regular basis, for which they have suggested some crucial points. We are working on it.

When you talk of the domestic market, please note that Medgel is situated in SEZ. Which is considered as a foreign territory.

So if we supply to the domestic market. There are certain charges will be levied for us which is including GST. CGST and multiple other charges, and when we compare it to the domestic players, it becomes non viable for us. In regard to newest project of real estate. Please note that this project is yet to be completed. It is still under marketable policy. So it is being marketed once it is done, then obviously, surely we are looking for another project. When you talk of empty hard gelatine capsules and APIs, presently, we just last year only increased our capacity of soft gel by 30%, but due to the setback of the international market and multiple other reasons. we are waiting for the timing for selling out this capacity. Once this capacity is done, then we will surely look into other aspects. Dividends as of now. You have just suggested yourself to plan the next project, and since Medicaps group has a policy of zero debt. So at present we are you planning to use all this accreditation and accumulation for the new project?

Thank you.

CS ABHISHEK JAIN

Now, I would like to request Moderator to please unmute Mr. Sahni, Mr. Kanwar I S Sahni.

Is he available?

Anyone from CDSL? It's connected

KANWAR SAHNI:

yeah. Thank you for allowing and good afternoon. Mr. Damani spoke very well a few minutes ago and addressed the Most of the story which I wanted to address and only one thing I want to raise that. Why, exactly. Are we hosting our AGM so late I believe that if you can come up bit early means you are hosting the meeting on 29th and 30th is the last date so you should focus on your corporate governance and should host the meeting a bit early one. Second, sir Well, we are now more into real estate. Our name, company name doesn't really suit the business we are engaged in, or because of our sales have declined in that to pharmaceutical capital business and please give me some insight that from it is just after. Please give me the insight. What exactly has happened we are. Why are we so? Not performing in those sectors? Are we planning to do something else opened up and about the tragedy operation? Why, exactly are we investing so much into the content and all are we focused on? Do we need fund for future investments and all? And please, you didn't answer Mr. Damani. The

quantifying the real Estate Division, how and what we are about to achieve our sales there, and what exactly. You didn't even answer Mr. Damani regarding what sq. Ft. area is available to us. And what exactly are we? What is that? More area available? Please give insight to that. You can't just the best at all, and move on. Steve. Thank you very much, that's all. Thank you very much.

ALOK K GARG

Thank you, Mr. Sahni, for your questions. Please note, yeah. We are well noted. Your AGM dates request, and next time it will be planned accordingly. when you are talking about the name of the company, please note, Medicaps is a brand equity, and Medicaps. Is this sustainable name very acceptable in the market? When you talk of real estate, you like to update that total land area utilized is 87,479 square ft., but the area of construction is 113,569 square ft.. Total numbers of shops develop at 266 the number of shops which are already registered for the clients are 28, and at the present we have over a hundred bookings which is expected to register in the coming days. total revenue generation is around 35,000.

CS ABHISHEK JAIN

Now I would like to request Moderator to please unmute Mr. Rishikesh Chopra. Mr. Chopra am I audible to you? sorry?

CDSL

They have not joined the meeting.

CS ABHISHEK JAIN

They have not joined? So in that case moving ahead. I would like to request to please unmute Mr. Deepak Maheshwari.

Deepak Ji Am I audible to you?

Is he connected?

CDSL

Yes sir He's connected?

Yes, please

DEEPAK MAHESHWARI

Hi, am I audible?

CS ABHISHEK JAIN:

Am I audible to you?

DEEPAK MAHESHWARI

Yeah, yeah, I can hear you. Can you hear me?

CS ABHISHEK JAIN:

Yes we can hear you.

Sorry to interrupt you. But you're not audible. Your voice is breaking?

DEEPAK MAHESHWARI

Is it better now? Okay, I said. That. Thank you. I believe most of the questions I sent earlier have been answered. I have just 2 follow up questions. One, Mr. Garg just mentioned, that we have already received 100 bookings for the project real estate project and expected revenue of 35 crore. I believe this expected revenue is, by the completion of the project. Correct, Just looking for that clarification? And second question, is Mr. Garg mentioned about USFDA findings? When were these received, I would like to know? And our current capacity? What is our current capacity Utilization for medgel. It has been, you know, very erratic as Mr. Garg mentioned, because of probably the international markets and all. But do you? Still, considering the USFDA findings and the current market state. do you still? What are the efforts being taken? And when do you expect we will achieve full capacity, utilization.

MR. ALOK K GARG

Good afternoon, Deepak Ji. Thank you for joining us. when you talk of 35 crore. Please note that it is approx or assumed. After the completion of the complete project this is the expected revenue the company will generate and when we talk about USFDA came to the audit after 3 years, and this time their rigidity was little strong. So they have certain pointed certain points regarding data integrity which is already in process to get resolved once all this is resolved, once the consultants do the audit and all the replies have gone to USFDA, they will be coming for the audit which is expected in the next year.

CS ABHISHEK JAIN

Okay, now, I would like to. Moderator. Please unmute Mr. Keshav Garg

Mr. Garg? He has joined the meeting?

KESHAV GARG

can I take my turn next?

CS ABHISHEK JAIN

Okay, so please unmute Mr. S.P. Mittal, if Mr. Keshav Garg is Not available then please unmute Mr. S.P. Mittal.

KESHAV GARG

Can you hear me? Excuse me.I've entered on behalf of Mr. Keshav Garg.

CS ABHISHEK JAIN

Yes ma'am please proceeds with your queries.

KESHAV GARG

Okay, can I take my turn next, sir? is that's okay? As the next speaker.

CS ABHISHEK JAIN

Yeah, no problem.

KESHAV GARG

Thank you so much.

CS ABHISHEK JAIN

Moderator please unmute Mr. S P Mittal

CDSL

They haven't joined the meeting.

CS ABHISHEK JAIN

Ok so again Unmute Mr. Keshav Garg as there's no another query received and only Mr. Keshav Garg left apart.

KESHAV GARG

Thank you so much. I'm Neha here. I have joined on behalf of Mr. Keshav, so I have a brief of a list of questions.

One is the outlook for FI. 24 in terms of top line and bottom line and my apologies in case there's a repetitive question I could not attend before then

1. What is the sale Volume in F.I. 23? And what is the outlook for FI. 24? The sustainable, steady State EBITDA work done, and EBITDA margin that we should expect in our gelatine capsule business

2. The future prospects for exports, and how big our exports can grow. Further what is the maximum revenue and volumes that we can generate at full capacity utilization? And what has been our realization in gelatine capsule business over the last 3 years.
3. What is our Capex plan for the next 2 to 3 years?
4. What is our pricing arrangement with our customers? Do we have a formula based monthly quarterly price pass through our agreement or a fixed price contract?
5. Who are our major competitors, and how we are differentiating our products? Who are our major customers?
6. What will be the replacement cost of our existing capacity?
7. And lastly, what is the update on our real estate project? How much is the total investment? And what is the total saleable area in square feet? And what's the expected sale realization per square feet.

Thank you so much for your time.

MR. ALOK K. GARG

Thank you, Miss Neha, for your questions. Please wish Mr. Keshav hello from our side.

Now question Number one. It is totally depending on the demand and supply of the product that what you receive, whether top line or the bottom line Presently the company has put demand in real estate market, and almost 28 shops are registered, and there is a approx booking of more than 100 shops, which are yet in time to be due for the booking. In regard to Point Number 2, the Real Estate Project Company has started from this year only, while in terms of Parma Sector Medgel has achieved 4,857 lacs sales revenue last year. In regard to point number 3. We are in the business of soft gelatine capsules along with formulations. We have multiple products in the market with different price rates. Hence it is not possible to calculate EBITDA.

Secondly, future of exports is very bright, only as of now Company is facing the tough time due to the recession in the international market, and some concerns regarding the regulatory. we are updating and replying on regular basis to the FDA also hired a big consultant from U.S.A. As suggested by the USFDA. We will very soon come out of this situation and increase the export sales. Thus we

can say that the prospect of exports is good. The company is exercising in different new markets to strengthen this market potential.

Next point we can't put absolute figures because it is dependent upon different kind of products and sale price. But in general manner we can say that around 100 Crores revenue is the full capacity, utilization we can generate on ordinary course of business. When you talk of last 3 years performance company has closed, drawn on empty hard gelatine capsules since 2019 -20 last 3 years of soft gel business Medgel are as follows, for 20-21 it was 5,741.00 lacs, for 21-22 It was 6,831.00 lacs and for 22-23 It was 4857.00 lacs.

In regard to capax. It can't be detailed as of now as our pioneer plan to bring Medgel at full capacity. But there are Lots of scope of modernization depends on different criteria, such as raw material supply volumes, internal policy, market demands, product stability, a price arrangement matters. It cannot be fixed price. In regard to competitors and other different products, sorry we cannot disclose it under the NDA agreement. As far as your question for replacement cost, neither we are planning to sell this unit, nor planning to establish the same kind of new unit, thus no question rise for the replacement cost.

When you talk of real estate projects, I repeat again, 28 shops have already been registered, and more than 100 bookings have been received from the customers, which will be registered in due course of time we have launched this project on company's land. This is a JV with the developer. Total project land is around 87,479 sq. Ft. and the area of construction is 113,569 sq. ft. There are different rates of shop as per location and the project revenue would depend on demand and supply, but in each initial phase we are expecting around 35 crores.

Thank you.

CS ABHISHEK JAIN

Now on behalf of company I would like to thank all the speakers for showing their continuous interest in the company's affairs and I hope all the query has been resolved by the managing director to the fullest, and if any query has been unresolved then you can drop the mail on company's registered email ID and we will provide a suitable reply.

now moving to the next gaze, it may please be noted that we have not received any queries regarding the resolutions mentioned in the notice hence no explanation regarding the same is required.

We are pleased to announce that the Auditor's Report on the Standalone & Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2023, issued by Statutory Auditors, M/s Rawka & Associates, does not contain any qualification or observations. Since there are no observations there is no requirement to read the audit report by Statutory Auditors. However a few observations have been given by the Secretarial Auditors of the Company. The management has given adequate explanation in Board report which is self explanatory. The Statutory Auditors' report on standalone & consolidated financial statements & Secretarial Auditor report are available in the annual report.

Proceeding further, The Board of Directors has appointed Mr. L.N. Joshi, Practicing Company Secretary, as the scrutinizer to supervise the e-voting process and to provide the report thereon.

Now, with the permission of chairman, I will read the agent items of the AGM Notice one by one.

First agenda is to consider and adopt the Audited Standalone Financial Statement of the Company together with the Report of the Board of Directors and the Auditors thereon for the financial year ended March 31, 2023.

Second to consider and adopt the Audited Consolidated Financial Statement of the Company together with the Report of the Auditors thereon for the financial year ended March 31, 2023..

Third agenda is To appoint a Director in place of Mr. Ramesh Chandra Mittal (DIN: 00035272) Non Executive Director of the Company, who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

Fourth agenda is Appointment of Mr. Gajendra Singh (DIN: 10253991) as a Non Executive Independent Director of the Company.

Last, adoption of new set of article of association of the company containing regulation and conformity with the Companies Act, 2013.

Further as the meeting is convened through VC a today resolution have already been put to vote through remote e-voting and the requirement to propose and second is not applicable.

Members may note that the voting on the CDSL platform will continue to be available for the next 15 minutes for e-voting therefore; members who have not cast their vote yet are requested to do so.

The members who are the members of the Company as on the cut-off date i.e. 22nd September, 2023 shall only be entitled to participate in the voting process.

Further, I would like to inform the members of the Company that the results of the E-Voting along with the report of the scrutinizer will be announced within two working days and shall also be placed at the Company's, BSE and CDSL Website.

Since all the business to be conducted at this Annual General Meeting has been transacted, I hereby declare the 40th Annual general Meeting Conclude with the permission of the chair.

Thank you everyone. Thank you for joining us today.

MR. ALOK K GARG

Thank you.

MR. ASHOK OMPRAKASH AGRAWAL

Thank you.

**Please note that this transcript has been edited for readability and does not purport to be a verbatim record of the proceedings.*