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**TRANSCRIPT/MCL/AGM/2022**

**Date: 28.09.2022**

**39<sup>TH</sup> ANNUAL GENERAL MEETING OF MEDI-CAPS LIMITED**

**CS Abhishek Jain, Company Secretary**

Good afternoon to all of you. I, CS Abhishek Jain Company Secretary of the Company welcome you all to the 39<sup>th</sup> Annual General Meeting of the Company.

Mr. Pramod Fatehpuria, Independent Directors of the Company has requested for leave of absence due to his pre-occupation.

Moving ahead I would like to inform that from our Board of Directors Mr. Alok K Garg, Managing Director, Mr. Akshit Garg, Non Executive Director, Mr. Ashok Omprakash Agrawal, Mr. Dharmendra Solanki and Mr. Sourabh Kumar Shrivastava Independent Directors are present in this meeting in person while Mr. Ramesh Chandra Mittal & Mrs. Kusum Mittal, Non-Executive Directors are connected virtually.

We also have with us Chief Financial Officer of the Company and other senior management, special invitee's along with Statutory auditors, Secretarial Auditor and Internal Auditors, in this meeting.

Before proceeding further, I would like to introduce Mr. Akshit Garg appointed as an Additional Director under the category of non-executive Promoter Director and Mr. Sourabh Kumar Shrivastava appointed as an Additional Director under the category of Independent Directors . They will be continued as the Directors of the Company subject to the approval of the members in this Annual General Meeting.

As we have received a 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.

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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.

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 04<sup>th</sup> August, 2022. For this purpose, the Company has availed the services of CDSL 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 25<sup>th</sup> of September, 2022 till, 27<sup>th</sup> of September, 2022.

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 explain the affairs of the Company.

**Mr. Alok K Garg, Chairman**

Thank you Abhishek.

A very warm welcome to all of you to the 39<sup>th</sup> Annual General Meeting of the Company. I thank you all for your continued trust, encouragement and support to the Company and its Board of Directors.

As a precaution from the world hit pandemic, this year as well we are connecting virtually.

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Now I take this opportunity to acquaint you with the affairs of our Company in Financial Year 2021-22.

First of all I would like to mention that the Company had already made an announcement that the developer of 'Medi-Caps Business Park' has received the approval under the Real Estate Regulatory Authority. The construction of the project is in full swing and as per the agreement between the developer and the Company, Company will get its share in the Project and will generate a revenue from this project by selling the Company's share.

Moving ahead with our wholly owned subsidiary Company Medgel Private Limited. I proudly announce that Medgel continued its legacy by still abiding by its zero debt policy and by retaining accreditations like USFDA, Intertek, GMP, OHSAS 18001:2007, NSF, UL NAFDAC, TGA – Australia and STR-USA etc.

As far as Medgel's performance is concerned, it is required to mention that during the pandemic times, the demand of the Company's product hiked in an unprecedented manner and it continues to maintain its product's demand in the Financial Year 2021-22 as well but due to increasing of freight charges, the company has sustained less profit as compared to previous year.

Accordingly Medgel has earned a profit of Rs. 1011.85 Lakhs in the Financial Year 2021-22 and in previous year the company had earned a profit of 1123.98 Lakhs.

Proceeding further, you all are aware that we remain committed to the core values of Medicaps 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.12,50,000 towards the CSR Obligation to 'Anupam Udbhav Welfare Society' which further utilized the funds in Health Camps, Awareness Programmes and Plantation Work.

Now coming back to Medi-Caps Limited, we have reported in the 39<sup>th</sup> 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 2021-22 along with Board's Report along with the necessary annexure and Auditors Report thereon have been provided to the shareholders through email to support Government's sustainability development plan.

Now I would like to extend great appreciation to our employees whose endless effort, courage, decisiveness and vision have contributed to the resilient organization we are today. I would also like to express my deepest sense of gratitude to all the stakeholders including Government Agencies, for their continued support.

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I would like to request our Company Secretary to move ahead with the proceedings.

**CS Abhishek Jain**

Thank you 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.

**Mr. Piush Goyal- Speaker**

Hii ! Alok and other respective Board of Directors.

**Mr. Alok K Garg, Chairman**

Hii ! Mr. Piush. How are you?

**Mr. Piush Goyal- Speaker**

I am very good sir. How are you?

**Mr. Alok K Garg, Chairman**

I am good. Thank You.

**Mr. Piush Goyal- Speaker**

Thanks for giving me this opportunity to join and ask questions. I have a couple of questions. Firstly about the real estate project which is currently on I would like to understand the deep structure with the developer. How much percentage of the developed real estate will be allocated to Medi-Caps and then, what's the plan, whether it will be leased out? Or will it be sold?

**Mr. Alok K Garg, Chairman**

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Okay that's the 1<sup>st</sup> question so, Medi-Caps and the developer has signed an agreement on the ratio basis of which Medi-Caps will be receiving 60% of the developed property and the developer will be receiving the 40% of the property and the complete project is planned to be sold out and not to be leased out.

**Mr. Piush Goyal- Speaker**

Okay, so I understand that 40% goes to developer and 60% comes to Medi-Caps and then on the entire cost of developing this park will be borne by the developer and Medi-Caps will not be spending any money in developing the project,

**Mr. Alok K Garg, Chairman**

No, Medi-Caps has incorporated the land as their part of the value and developer is incorporating the construction and the development as the part of their intake.

**Mr. Piush Goyal- Speaker**

Okay, thank you very much. This is very helpful. The 2<sup>nd</sup> question is like, apart from this real estate project now, the most of the business activity of Medi-Caps is now vested with Medgel and that's a significant part of business and that is 100% of subsidiary of Medi-Caps.

Is there any plans of getting Medgel listed or merged with Medi-Caps, because unnecessarily we are getting a discount of being a subsidiary holding company kind of a pattern so, is there any plan of taking Medgel public or getting it merged with Medi-Caps.

**Mr. Alok K Garg, Chairman**

As of the moment, we do not have any such plans. Rather Medgel went into the expansion of 30% of their installed capacity and moving forward at the moment, we have nothing planned as such and also whenever we plan, we will be announcing on the BSE.

**Mr. Piush Goyal- Speaker**

And also like Medgel performance has drift drastically, this year, especially So, I understand there was use cost pressure on the freight side. But I think the stuff still being not being so heavy item and voluminous item. I don't know, and also I got to know that most of the freight cost has been passed to customers and still there is a huge drift in the profitability. So, what could be the reason for that and when you think things will normalize.

**Mr. Alok K Garg, Chairman**

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During the pandemic times, there was an unexpected increase in the demand, after that in the international market, we have faced certain challenges. Number 1: the freight cost, it used to be, for example, around 4,000 dollars has risen up to almost like 15,000 dollars. There are certain active ingredients for the raw material supplier, which have drastically short up because of China still not fully opened. The equipments are not available, so sometimes we have to take charge. And in US also, the market has drifted drastically. So that is why Medgel has faced this challenge.

**Mr. Piush Goyal- Speaker**

And when do you think this will things can likely to get normalized?

**Mr. Alok K Garg, Chairman**

Keeping the fingers crossed we want it to normalize tomorrow itself but, there are some things which, we have to wait and watch.

**Mr. Piush Goyal- Speaker**

Okay, so thank you so much for my questions and also welcome Akshit on the board of directors and I think it will bring youth and dynamic energy to the Company.

**Mr. Alok K Garg, Chairman**

Thank you. It is always a pleasure talking to you.

**CS Abhishek Jain**

Moving ahead further 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 31<sup>st</sup> March, 2022, 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.

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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 agenda Items of AGM notice one by one:

- 1) 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, 2022
- 2) 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, 2022.
- 3) To appoint a Director in place of Mrs. Kusum Mittal (DIN: 00035356) 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 herself for re-appointment.
- 4) To re-appoint M/s Rawka & Associates, Chartered Accountants as statutory auditors of the Company and to fix their remuneration.
- 5) Appointment of Mr. Sourabh Kumar Shrivastava (DIN: 09692160) as a Non Executive Independent Director of the Company.
- 6) Appointment of Mr. Akshit Garg (DIN: 08576807) as a Non Executive and Non independent Director of the Company.

As the meeting is convened through VC today, resolutions 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 insta poll. 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. 21<sup>st</sup> September, 2022 shall only be entitled to participate in the voting process.

I would like to inform the members of the Companies that the results of the insta Poll and 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.

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Since all the business to be conducted at this Annual General Meeting has been transacted, I hereby declare that the 39<sup>th</sup> Annual general Meeting as Concluded with the permission of the chair.

I thank all the Shareholders for their participation in this annual general meeting. With the permission of chair the meeting stands concluded. Thank you all.

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