

The background of the cover features a large, stylized graphic of a DNA double helix on the right side. In the center, there is a collection of various pills, including capsules and tablets, some of which are blurred to create a sense of depth. The word "MEDGEL" is printed in a bold, sans-serif font at the top left.

**MEDGEL**

**13th**

**ANNUAL  
REPORT  
2019-20**

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Regd. Office: 201, Pushpratna Paradise, 9/5, New Palasia, Indore - 452001 Tele fax: +91-731 - 4041435, 4046321, 4028148

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## NOTICE OF 13<sup>TH</sup> ANNUAL GENERAL MEETING

**Notice** is hereby given that the 13<sup>th</sup> Annual General Meeting of the members of **Medgel Private Limited** will be held on **Wednesday, December 30, 2020 at 11:00 A.M.** at the registered office of the company situated at **201, Pushpratna Paradise, 9/5 New Palasia, Opposite UCO Bank, Indore 452001** to transact the following businesses:

### ORDINARY BUSINESS:

1. To consider approve and adopt the Audited Financial Statements containing the Balance Sheet as at 31<sup>st</sup> March, 2020, Statement of changes in equity, the Statement of Profits and Loss and cash flow statement of the Company for the financial year ended 31<sup>st</sup> March, 2020 and the Reports of the Board's and Auditor's thereon.
2. To appoint a director in place of Mrs. Manisha Garg (DIN: 01006545) who retires by rotation and being eligible offers herself for re-appointment.

### SPECIAL BUSINESS:

3. **To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as Special Resolution for the appointment of Mrs. Manisha Garg, (DIN: 01006545) as a Whole Time Director of the Company for a period of 5 years:**

**“RESOLVED THAT** pursuant to the provisions of Articles of Association of the Company read with Section 152, 196 & 197 of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and rules & regulations made there under, approval of the members of the company be and is hereby accorded to the change in designation of Mrs. Manisha Garg from Director to Whole Time Director of the company to hold office subject to retire by rotation with effect from 1<sup>st</sup> October, 2019.

**RESOLVED FURTHER THAT** pursuant to the provisions of section 190, 196, 197, 198, 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 in their meeting held on 01<sup>st</sup> October, 2019, consent of the Members of the company be and is hereby accorded for appointment of Mrs. Manisha Garg (DIN: 01006545) as the Whole Time Director, of the Company for a period of five years w.e.f. 01<sup>st</sup> October, 2019 up to 30<sup>th</sup> Sept., 2024 on monthly remuneration of Rs. 100000/- (Rupees One Lakh) per month.

**RESOLVED FURTHER THAT** upon the recommendation of the Nomination and Remuneration Committee and approval granted by the Board of Directors in their meeting held on 25<sup>th</sup> June, 2020; consent of the Members of the company be and is hereby accorded to further increase the managerial remuneration payable by the company to Mrs. Manisha Garg (DIN: 01006545) from Rs. 1,00,000 (One Lakh) to Rs. 3,00,000 (Three Lakh) w.e.f. 25<sup>th</sup> June, 2020 for a period of 3 years (three years) w.e.f. 25<sup>th</sup> June, 2020 to 24<sup>th</sup> June, 2023.

**FURTHER RESOLVED THAT** in the event of there being loss or inadequacy of profit for any financial year, the remuneration payable to Mrs. Manisha 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 her tenure.

**RESOLVED FURTHER THAT** the remuneration paid/payable to Mrs. Manisha Garg, Whole Time Director with effect from 25<sup>th</sup> June, 2020, as approved by the Nomination and Remuneration Committee shall be as under:

- a) **Salary:** Rs. 3,00,000/- per month (Rs. 36.00 Lakhs p.a.)
- b) **Contributions:** to the Provident Fund, Family Benefit Fund, Superannuation Fund as may be admissible under the PF/Income Tax Rules
- c) **Gratuity:** not exceeding half a month salary for each completed year of service, subject to the condition that the leave accumulated but not availed of will be allowed to be encashed for 15 days salary for every year completed services at the end of the tenure.
- d) **Bonus:** As per the rules of the company.

**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 her.
2. **Telephone, Cell and free internet use:** at her residence, provided that the personal long distance calls on the telephone shall be billed by the Company of the Whole Time Director.

**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.”

4. **To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as a Special Resolution for the appointment of Mr. Alok K Garg, (DIN: 00274321) as a Managing Director of the Company for a period of 5 years:**

“**RESOLVED THAT** pursuant to the provisions of Articles of Association of the Company read with Section 152, 196 & 197 of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and rules & regulations made there under, and subject to Board of Director's approval to change the designation of Mr. Alok K Garg from



Director to Managing Director of the company from 01<sup>st</sup> day of October, 2019, approval of the members of the company be and is hereby accorded to appoint Mr Alok K. Garg (DIN: 00274321) as the Managing Director of the Company on monthly remuneration of Rs. 2.50 Lacs ( Two Lakhs Fifty Thousand) per month.

**RESOLVED FURTHER THAT** pursuant to the provisions of section 190, 196, 197, 198, 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 in their meeting held on 01<sup>st</sup> October, 2019, consent of the Members of the company be and is hereby accorded for appointment of Mr. Alok K Garg (DIN:00274321) as the Managing Director of the Company for a period of five years w.e.f. 01<sup>st</sup> October, 2019 up to 30<sup>th</sup> Sept., 2024.

**RESOLVED FURTHER THAT** upon the recommendation of the Nomination and Remuneration Committee and approval granted by the Board of Directors in their meeting held on 25<sup>th</sup> June, 2020; consent of the Members of the company be and is hereby accorded to further increase the managerial remuneration payable by the company to Mr. Alok K Garg (DIN:00274321) from Rs. 2,50,000 (Rupees Two Lakh Fifty Thousand) to Rs. 6,00,000 (Rupees Six Lakh) per month w.e.f. 25<sup>th</sup> June, 2020 for a period of 3 years (three years) w.e.f. 25<sup>th</sup> June, 2020 to 24<sup>th</sup> June, 2023.

**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.

**RESOLVED FURTHER THAT** the remuneration paid/payable to Mr. Alok K Garg, Managing Director with effect from 25<sup>th</sup> June, 2020, as approved by the Nomination and Remuneration Committee shall be as under:

- e) **Salary:** Rs. 6,00,000/- per month (Rs. 72.00 Lakhs p.a.)
- f) **Contributions:** to the Provident Fund, Family Benefit Fund, Superannuation Fund as may be admissible under the PF/Income Tax Rules
- g) **Gratuity:** not exceeding half a month salary for each completed year of service, subject to the provision of the Gratuity Act, as may be amended from time to time.
- h) **Earned Privilege Leave:** As per the rules of the company subject to the condition that the leave accumulated but not availed of will be allowed to be encashed for 15 days salary for every year completed service at the end of the tenure.
- i) **Bonus:** As per the rules of the company.

**Other Facilities:**

3. **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.
4. **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.



**RESOLVED FURTHER THAT** Mr. Alok K. Garg, Managing Director, shall also be entitled for the reimbursement of actual 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 a Special Resolution for appointment of Mr. Akshit Garg, (DIN: 08576807) in the category of Whole Time Director of the Company.**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the company and other applicable laws Mr. Akshit Garg (DIN: 08576807), who was appointed as Additional Director w.e.f. 13<sup>th</sup> November, 2019 by the Board of Directors of the company pursuant to section 161 of the companies Act, 2013 and upon recommendation of the Nomination and remuneration of the company and who holds office only upto the date of ensuing Annual General Meeting be and is hereby appointed as Director liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of section 190, 196, 197, 198, 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 in their meeting held on 13<sup>th</sup> November, 2019, consent of the Members of the company be and is hereby accorded for appointment of Mr. Akshit Garg (DIN: 08576807) as the Whole Time Director, of the Company for a period of five years w.e.f. 20<sup>th</sup> Nov., 2019 to 19<sup>th</sup> Nov., 2024 on monthly remuneration of Rs. 150000 per month.

**RESOLVED FURTHER THAT** upon the recommendation of the Nomination and Remuneration Committee and approval granted by the Board of Directors in their meeting held on 25<sup>th</sup> June, 2020; consent of the Members of the company be and is hereby accorded to further increase the managerial remuneration payable by the company to Mr. Akshit Garg (DIN: 08576807) from Rs. 1,50,000 (Rupees one Lakh Fifty Thousand) to Rs. 3,00,000 (Rupees Three Lakh) per month w.e.f. 25<sup>th</sup> June, 2020 for a period of 3 years (three years) w.e.f. 25<sup>th</sup> June, 2020 to 24<sup>th</sup> June, 2023 and on the following terms and conditions:

- a) **Salary:** Rs. 3,00,000/- per month (Rs. 36.00 Lakhs p.a.)

- b) **Gratuity:** not exceeding half a month salary for each completed year of service, subject to the provision of the Gratuity Act, as may be amended from time to time.
- c) **Earned Privilege Leave:** As per the rules of the company subject to the condition that the leave accumulated but not availed of will be allowed to be encashed for 15 days salary for every year completed service at the end of the tenure.
- d) **Bonus:** As per company's policy.

**FACILITIES TO PERFORM COMPANY'S WORK:**

(i) **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.

(ii) **Telephone, Cell and free internet use:** Free use of mobile provided that long distance calls on the mobile shall be by the company to the whole Time Director

**RESOLVED FURTHER THAT** Mr. Akshit Garg, Whole Time Director, shall also be entitled for the reimbursement of actual 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.

**FURTHER RESOLVED THAT** in the event of there being loss or inadequacy of profit for any financial year, the remuneration payable to Mr. Akshit 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 her tenure.

**RESOLVED FURTHER THAT** Directors/Company Secretary of the Company, be and is hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

6. **To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution for the appointment of Mr. Ashok Omprakash Agrawal, (DIN: 07870578) in the category of Independent Director of the Company :**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the company, read with provisions of SEBI (LODR), 2015 and other applicable laws, Mr. Ashok Omprakash Agrawal (DIN: 07870578), who was appointed as Additional Director in the category of Independent Director w.e.f 03<sup>rd</sup> February, 2020 by the Board of Directors of the company pursuant to section 161 of the companies Act, 2013 and upon recommendation of the Nomination and remuneration committee of the company and who holds office only upto the date of ensuing Annual General Meeting be and is hereby appointed as Director not liable to retire by rotation for a period of 5 years.

**RESOLVED FURTEHR THAT** the Board of Directors of the company be and is hereby authorized to do all such acts deeds and things as may be required, necessary, expedient, in this behalf to give effect to this resolution."



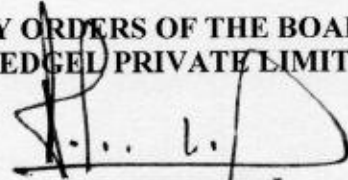
7. **To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as Special Resolution for approval of the limits for the Loans, guarantee and Investment by the Company in terms of the provisions Section 186 of the Companies Act, 2013:**

**“RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meeting of Board and its powers) Rules, 2014 as may be amended from time to time and other applicable provisions, if any (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of Articles of Association of the Company and subject to further approval of statutory and other authorities as may be necessary and subject to such terms, conditions, stipulations, alterations, and modifications, if any, as may be prescribed and specified by such authorities while granting such approvals and which may be agreed by the Board of directors of the Company (hereinafter referred to as the 'Board' which expression shall include a Committee of directors duly authorized in this behalf) the consent of the Company be and is hereby accorded to the Board of directors of the Company to make investments and to provide loan, give securities, guarantee (including corporate guarantee) in excess of the 60% of the aggregate of the paid-up share capital, free reserves and Securities Premium account and/or up to 100% of the aggregate of free reserves and Securities Premium Account of the Company as per the limits prescribed under Section 186 of the Companies Act, 2013 as they may in their absolute discretion deem beneficial and in the interest of the Company subject to the maximum aggregate amount not exceeding Rs. 50.00 Crores (Rupees Fifty Crores) at any time together with the existing loan, Guarantee and investments.”

**“RESOLVED FURTHER THAT** the Board of directors of the Company be and is hereby authorized to negotiate the terms, condition, quantum of loan, repayment, interest and other related matters for providing any loan, guarantee and securities and to do all such deeds and things as may be deemed expedient and necessary to give effect to these resolution.”

**DATE: 05.11.2020  
PLACE: INDORE**

**BY ORDERS OF THE BOARD  
FOR MEDGEL PRIVATE LIMITED**



**ALOK K GARG  
MANAGING DIRECTOR  
DIN: 00274321**



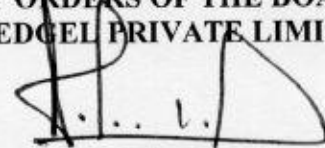
**NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE/CORPORATE OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. A route map showing directions to reach the venue of the AGM is given along with this Notice as per the requirement of the Secretarial Standards- 2 on General Meetings, issued by Institute of Company Secretaries of India.
3. Explanatory statement pursuant to section 102 of the companies Act, 2013 annexed with this notice separately.
4. Pursuant to general circular No. ROC-G/Extension of AGM/2020/926 dated 8th September, 2020 issued by the Registrar of Companies (M.P.), whereby general extension of three months for Annual General Meeting to be held for financial year 2019-20 has been granted pursuant to the third proviso of sub-section (1) of section 96 of the Companies Act, 2013 which provides that the Registrar may, for any special reason extend the time within which any Annual General Meeting, other than the first Annual General Meeting, shall be held by a period not exceeding three months, therefore on considering the same, the Board of directors have decided to hold the Annual General Meeting within the extended time of three months.
5. In view of the massive outbreak of the COVID-19 global pandemic, the Ministry of Corporate Affairs (MCA) has allowed the Companies to holds its Annual General Meeting (AGM) through Video Conferencing (VC) and Other Audio Visual Means (OAVM) vide MCA Circular No. 20 /2020 dated 05th May, 2020.
6. Therefore, being the Company having lesser number of member, Board of directors calling and holding the AGM physically and ensuring, adhering to the guidelines specified by the Local Authorities, State Government / Central Government as may be applicable with all safety measures to safeguard the persons present at the AGM. Further , any member interested to participate Annual General Meeting through Video Conferencing (VC) and Other Audio Visual Means (OAVM) mode, he may inform the Company at least 7 days before the date of the meeting)and upon receipt of such request, the company will make necessary arrangement and provide necessary instruction to them for facilitate to attend the AGM through VC/OAVM.
7. Members are requested to send their queries, if any at least 7 days in advance so that the information can be made available at the meeting and to bring their copies of the Annual Report at the time of attending the Annual General Meeting.

**DATE: 05.11.2020**

**PLACE: INDORE**

**BY ORDERS OF THE BOARD  
FOR MEDCEL PRIVATE LIMITED**



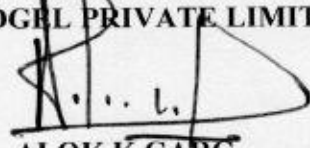
**ALOK K GARG  
MANAGING DIRECTOR  
DIN: 00274321**

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

<b>Name of Directors</b>	<b>Mrs. Manisha Garg</b>	<b>Mr. Ashok Omprakash Agrawal</b>	<b>Mr. Akshit Garg</b>	<b>Mr Alok Garg</b>
<b>DIN</b>	01006545	07870578	08576807	00274321
<b>Date of Birth</b>	15/09/1971	16/07/1960	07/11/1994	27/04/1969
<b>Date of Appointment</b>	27/08/2016	03/02/2020	13/11/2019	10/01/2007
<b>Expertise / Experience in specific functional areas</b>	Years of experience in managing the Corporate Affairs of the Company and is actively involved in the day to day business activities.	He is energetic, focused and organized personality and having vast experience of business and administration. He is Past Honorary Joint Secretary of AIMP (Association of Industries of M.P.)	He is Young and energetic having more than 3 years of experience in the field of marketing and in charge of overall business growth. He possess great leadership and management skills and has Ability to delegate tasks and supervise others and provides utmost attention to details.	More than 19 years experience in the Company's business and manufacturing activities
<b>Qualification</b>	B.Com (Marketing)	B.Com	MSC Management and Finance	B.A. (Honors), MBA (Marketing), Diploma in Export Documentation & Implementation from IIFT, Delhi
<b>No. &amp; % of Equity Shares held</b>	-	-	-	-
<b>List of outside Company's Directorship</b>	Medpak Limited India	Medi-Caps Limited	-	Medpak India Ltd. Medi-Caps Limited
<b>Chairman / Member of the Committees of the Board of Directors of the Company</b>	-	Member of the following Committees: 1)- Audit Committee 2)-Nomination and remuneration	-	Member of the following Committees: 1)- Audit Committee 2)-Nomination and remuneration Committee

Chairman / Member of the Committees of the Board Directors of other Companies in which he/she is director .	-	In Medi-Caps Limited he is a Member of the following Committees: 1)- Audit Committee 2)-Nomination and remuneration Committee 3)- Stakeholders Relationship Committee	-	-
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Relative of Mr. Ramesh Chandra Mittal (Non Executive Promoter and Chairman) Mr. Alok K Garg (Managing Director) and Mr. Akshit Garg (Whole Time Director)	-	Relative of Mr. Ramesh Chandra Mittal (Non Executive Promoter and Chairman) Mr. Alok K Garg (Managing Director) and Mrs. Manisha Garg (Whole Time Director)	Relative of Mr. Ramesh Chandra Mittal (Non Executive Promoter and Chairman) Director),. Mrs. Manisha Garg (Whole Time Director) and Mr. Akshit Garg (Whole Time Director)

BY ORDERS OF THE BOARD  
FOR MEDGEL PRIVATE LIMITED



**ALOK K GARG**  
**MANAGING DIRECTOR**  
**DIN: 00274321**

**DATE: 05.11.2020**  
**PLACE: INDORE**



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

**ITEM NO. 3:-**

Mrs. Manisha Garg was appointed at the 9<sup>th</sup> Annual General Meeting held on Friday, September 30, 2016 as a Director. Mrs Manisha Garg is paying full time attention to the business activities of the company accordingly Board of Directors of the Company in their meeting held on 1<sup>st</sup> October, 2019, upon recommendation of Nomination & Remuneration Committee, approved the appointment of Mrs. Manisha Garg as Whole Time Director on the Board of the Company with effect from 1<sup>st</sup> October, 2019 for period of five years in accordance with the provisions contained in Sections 196, 197 and 198 read with Section 203 of the Companies Act, 2013 and Schedule V of the Companies Act 2013 subject to the approval of the shareholders at the forthcoming Annual General meeting.

Mrs. Manisha Garg is belongs to promoter group of holding company and also serving as a director in the Company since 2016 . Mrs Garg having experience in managing the Corporate Affairs of the Company and is actively involved in the day to day business activities. keeping in view the contribution made by her in all round progress of the Company Board recommends the adoption of resolution proposed under Item No. 3. Accordingly, it is proposed to appoint her as Whole Time Director w.e.f. 1<sup>st</sup> October, 2019 on remuneration of Rs. 1 Lac per month.

Further Pursuant to the recommendation of the Nomination and Remuneration Committee and approval granted by the Board of Directors in their meeting held on 25<sup>th</sup> June, 2020 has increased the managerial remuneration payable by the company to Mrs. Manisha Garg (DIN: 01006545) from Rs. 1,00,000 (One Lakh) to Rs. 3,00,000 (Three Lakh) per month w.e.f. 25<sup>th</sup> June, 2020 for a period of 3 years (three years) w.e.f. 25<sup>th</sup> June, 2020 to 24<sup>th</sup> June, 2023 subject to approval of the members.

The limits specified in resolution are the maximum limits and the Nomination and Compensation Committee / Board may in its absolute discretion pay to the above mentioned Director lower remuneration and revise the same from time to time within the maximum limits stipulated above.

Further, information required as per Schedule V of the Companies Act, 2013 is given as follows:-

<b>I. General information:</b>		
1	Nature of industry	The Company is engaged in the business of manufacturing of Soft Gelatin capsules, Liquid filled capsules and import, and export dealership of pharmaceutical, medical, biological products
2	Date or expected date of commencement of commercial production	30.09.2011
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable

4	Financial Performance based on given indicators	Figures In lacs		
	Financial Year	Revenue from operations	Profit/(loss) before Tax	Profit /(loss) after Tax
	2019-20	3389.63	247.47	247.47
	2018-19	3175.86	479.58	479.58
	2017-18	2772.08	58.40	58.40
5	Foreign investments or collaborations, if any	The company has no foreign investments or foreign collaborations. The company has not made any foreign investments or has any collaboration overseas.		
<b>II. Information about the appointee:</b>				
1	Background details	Mrs. Manisha Garg aged 49 years and belongs to promoter group of holding company. She is having experience in managing the Corporate Affairs of the Company and is actively involved in the day to day business activities.		
2	Past remuneration:-	Rs 100000/- per month		
3	Recognition or awards	None		
4	Job profile and his/her suitability	Mrs Manisha Garg is associated with the Company in year 2016 and presently holds post of Whole Time Director. She is having experience in managing the Corporate Affairs of the Company and is actively involved in the day to day business activities.		
5	Remuneration proposed	Up to Rs. 3,00,000/- per month		
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	Taking into the account the size of the company, industry benchmark in general, profile, position, responsibility born by her and involvement of Mrs. Manisha Garg in the Company, the proposed remuneration is reasonable. The industry standard and Board level positions held in similar sized and similar positioned businesses usually offers Rs. 5,00,000/- per month to Rs 10,00,000/- per month for such profiles.		
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	she is belongs to promoter group of holding company and relative of Mr Alok Garg, Managing Director and Mr Akshit Garg, whole time director and Mr Ramesh Chandra Mittal. Except this there is no pecuniary relationship directly or indirectly with company or key managerial personnel.		

<b>III. Other information:</b>		
1	Reasons of loss or inadequate profits	- Economic slowdown - Tough Competition - Strict compliance by regulatory Authorities in pharma sector
2	Steps taken or proposed to be taken for improvement	The Company has initiated various steps to improve its operational performance/liquidity, including cost control measures have been put in place.
3	Expected increase in productivity and profits in measurable terms	Expected 5-25% rise in profit from current level.

Mrs. Manisha Garg , is financially interested in the resolution to the extent of the remuneration as may be paid to her. Further, that Mr. Ramesh Chandra Mittal (Director) and Mr. Alok K Garg (Managing Director) and Mr. Akshit Garg (Whole-time Director) being her 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.

Accordingly the Board recommends the special resolution set out in item no. 3 of this notice for approval of members

#### **ITEM NO. 4:-**

Mr. Alok K Garg is Managing Director of Medcaps Limited (Holding Company of Medgel Private Limited) and he was withdrawing remuneration of Rs.50,000 P.M. from Medi-caps Ltd. The Board has approved change in designation of Mr. Alok K Garg from Director to Managing Director w.e.f 01<sup>st</sup> day of October, 2019 subject to approval of members in this general meeting.

Mr Alok K. Garg is eligible to be appointed as Managing Director of the company pursuant to section 203 of the companies Act, 2013. The Nomination and Remuneration Committee and the Board at their meeting held on 1<sup>st</sup> Oct.,2019 considered that Mr. Alok K. Garg has vast experience and expertise in the industry and at present in holding company there is no operational activities therefore to smooth working in company and having such rich experience in pharma sector , it would be beneficial to appoint to Mr. Alok K Garg, (DIN: 00274321) as a Managing Director of the Company for a period of five years w.e.f. 01<sup>st</sup> October, 2019 up to 30<sup>th</sup> Sept., 2024 on the remuneration of Rs.2,50,000 (Rupees Two Lakh Fifty Thousand) P.M.

Mr Alok K. Garg does not hold any shares in the company, however he has been nominated on behalf of holding company for 2500 shares of the company.

Further, upon the recommendation of Nomination and Remuneration Committee , the Board of Directors in their meeting held on 25<sup>th</sup> June, 2020 decided to further increase the managerial remuneration payable by the company to Mr. Alok K Garg (DIN:00274321) from Rs. 2,50,000 (Rupees Two Lakh Fifty Thousand) to Rs. 6,00,000 (Rupees Six Lakh) per month w.e.f. 25<sup>th</sup> June, 2020 for a period of 3 years (three years) w.e.f. 25<sup>th</sup> June, 2020 to 24<sup>th</sup> June, 2023 subject to further approval of the members.

The limits specified in resolution are the maximum limits and the Nomination and Compensation Committee / Board may in its absolute discretion pay to the above mentioned Director lower remuneration and revise the same from time to time within the maximum limits stipulated above.



Further, information required as per Schedule V of the Companies Act, 2013 is given as follows:-

**I. General information:**

1	Nature of industry	The Company is engaged in the business of manufacturing of Soft Gelatin capsules, Liquid filled capsules and import, and export dealership of pharmaceutical, medical, biological products		
2	Date or expected date of commencement of commercial production	30.09.2011		
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable		
4	Financial Performance based on given indicators	Figures In lacs		
	Financial Year	Revenue from operations	Profit/(loss) before Tax	Profit /(loss) after Tax
	2019-20	3389.63	247.47	247.47
	2018-19	3175.86	479.58	479.58
	2017-18	2772.08	58.40	58.40
5	Foreign investments or collaborations, if any	The company has no foreign investments or foreign collaborations. The company has not made any foreign investments or has any collaboration overseas.		

**II. Information about the appointee:**

1	Background details	Mr. Alok Garg 51 years and belongs to promoter group of holding company. He is having More than 19 years experience in the Company's business and manufacturing pharma sector. He is B.A. (Honors), MBA (Marketing), Diploma in Export Documentation & Implementation from IIFT, Delhi		
2	Past remuneration:-	Rs 250000/- per month		
3	Recognition or awards	None		
4	Job profile and his/her suitability	Mr Alok Garg is associated with the Company in year 2007 and presently holds post of Managing Director . He is having More than 19 years experience in the Company's business and manufacturing pharma sector.		
5	Remuneration proposed	Up to Rs. 6,00,000/- per month		
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	Taking into the account the size of the company, industry benchmark in general, profile, position, responsibility born by him and involvement of Mr. Alok Garg in the Company, the proposed remuneration is reasonable. The industry standard and Board level positions held in similar sized and similar positioned businesses usually offers Rs. 5,00,000/- per month to Rs 10,00,000/- per month for such profiles.		

7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	He is belongs to promoter group of holding company and relative of Mrs Manisha Garg , Whole Time Director and Mr Akshit Garg, whole time director and Mr Ramesh Chandra Mittal. Except this there is no pecuniary relationship directly or indirectly with company or key managerial personnel.
<b>III. Other information:</b>		
1	Reasons of loss or inadequate profits	- Economic slowdown - Tough Competition - Strict compliance by regulatory Authorities
2	Steps taken or proposed to be taken for improvement	The Company has initiated various steps to improve its operational performance/liquidity, including cost control measures have been put in place.
3	Expected increase in productivity and profits in measurable terms	Expected 5-25% rise in profit from current level.

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 (Director) and Mrs. Manisha Garg (Whole-time Director) and Mr. Akshit 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.

Accordingly the Board recommends the special resolution set out in item no. 4 of this notice for approval of members

#### **ITEM NO. 5:-**

The Board of Directors of the Company in their meeting held on 13<sup>th</sup> November, 2019, upon recommendation of Nomination & Remuneration Committee, approved the appointment of Mr. Akshit Garg (DIN: 08576807) as an Additional Director of the Company to hold office up to the date of the Annual General Meeting. In terms of Section 160 of the Companies Act, 2013 ('the Act'), the Company has received a notice in writing from the Member proposing his candidature for the office of Director of the Company.

Further, Board of Directors of the Company in their meeting held on 13<sup>th</sup> November, 2019, based upon recommendation of Nomination & Remuneration Committee also approved appointment of Mr. Akshit Garg as Whole Time Director on the Board of the Company with effect from 20<sup>th</sup> November, 2019 for period of five years in accordance with the provisions contained in Sections 196, 197 and 198 read with Section 203 of the Companies Act, 2013 and Schedule V of the Companies Act 2013 subject to the approval of the shareholders at the forthcoming Annual General meeting.

Further, upon the recommendation of Nomination and Remuneration Committee , the Board of Directors in their meeting held on 25<sup>th</sup> June, 2020 decided to increase the managerial remuneration payable by the company to Mr. Akshit Garg from Rs. 1,50,000 (Rupees One Lakh Fifty Thousand) to Rs. 3,00,000 (Rupees Three Lakh) per month w.e.f. 25<sup>th</sup> June, 2020 for a period of 3 years (three years) w.e.f. 25<sup>th</sup> June, 2020 to 24<sup>th</sup> June, 2023 subject to further approval of the members.

The limits specified in resolution are the maximum limits and the Nomination and Compensation Committee / Board may in its absolute discretion pay to the above mentioned Director lower remuneration and revise the same from time to time within the maximum limits stipulated above.

Further, information required as per Schedule V of the Companies Act, 2013 is given as follows:-

<b>I. General information:</b>				
1	Nature of industry		The Company is engaged in the business of manufacturing of Soft Gelatin capsules, Liquid filled capsules and import, and export dealership of pharmaceutical, medical, biological products	
2	Date or expected date of commencement of commercial production		30.09.2011	
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus		Not Applicable	
4	Financial Performance based on given indicators		Figures In lacs	
	Financial Year	Revenue from operations	Profit/(loss) before Tax	Profit /(loss) after Tax
	2019-20	3389.63	247.47	247.47
	2018-19	3175.86	479.58	479.58
	2017-18	2772.08	58.40	58.40
5	Foreign investments or collaborations, if any		The company has no foreign investments or foreign collaborations. The company has not made any foreign investments or has any collaboration overseas.	
<b>II. Information about the appointee:</b>				
1	Background details		Mr. Akshit Garg 26 years. He is Young and energetic having more than 3 years of experience in the field of marketing and in charge of overall business growth. He possess great leadership and management skills and has Ability to delegate tasks and supervise others and provides utmost attention to details.	
2	Past remuneration:-		Rs 150000/- per month	
3	Recognition or awards		None	
4	Job profile and his/her suitability		Mr Akshit Garg is associated with the Company in year 2019 and presently holds post of Whole Time Director . He is having More than 3 years experience in the field of marketing . Mr Akshit Garg is MSC management and Finance from Manchester university and Australia .	
5	Remuneration proposed		Up to Rs. 3,00,000/- per month	



6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	Taking into the account the size of the company, industry benchmark in general, profile, position, responsibility born by him and involvement of Mr. Akshit Garg in the Company, the proposed remuneration is reasonable. The industry standard and Board level positions held in similar sized and similar positioned businesses usually offers Rs. 5,00,000/- per month to Rs 10,00,000/- per month for such profiles.
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	He is belongs to promoter group of holding company and relative of Mrs Manisha Garg , Whole Time Director and Mr Alok Garg, Managing Director, and Mr Ramesh Chandra Mittal , Director of the company . Except this there is no pecuniary relationship directly or indirectly with company or key managerial personnel.
<b>III. Other information:</b>		
1	Reasons of loss or inadequate profits	- Economic slowdown - Tough Competition - Strict compliance by regulatory Authorities
2	Steps taken or proposed to be taken for improvement	The Company has initiated various steps to improve its operational performance/liquidity, including cost control measures have been put in place.
3	Expected increase in productivity and profits in measurable terms	Expected 5-25% rise in profit from current level.

Mr. Akshit 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 (Director), Mrs. Manisha Garg (Whole-time Director) and Mr. Alok K Garg (Managing Director) being his relatives may be deemed as concerned or interested otherwise. Except that none of the other directors or Key Managerial Personnel (KMP) or their relatives are concerned or interested in the Resolution. Mr. Akshit Garg does not possess any shares in the company.

Accordingly the Board recommends the special resolution set out in item no. 5 of this notice for approval of members.

**ITEM NO. 6:-**

In view of the provisions of section 149, 152 and other provisions of the Companies Act, 2013 read with rules made there under and various requirements under SEBI (LODR) Regulations, 2015 being the Wholly owned Material Subsidiary of Medi-Caps Limited, the company is required to appoint an Independent Director. The Nomination & Remuneration Committee of the Board at its Meeting held on 3<sup>rd</sup> February, 2020 had recommended the appointment of Mr. Ashok Omprakash Agrawal (DIN: 07870578) who had varied experiences in the field of business & administration activities. The Board as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience, of Mr. Ashok Omprakash Agrawal would be beneficial to the Company and it is desirable to avail his

services as an Independent Director. Accordingly, it is proposed to appoint Mr.Ashok Omprakash Agrawal as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years on the Board of the Company w.e.f 03<sup>rd</sup> Feb., 2020 & pass necessary **ordinary resolution** at the Meeting. Mr. Ashok Omprakash Agrawal provided his consent, accepted the terms and conditions and code of conduct as specified under Schedule IV of the Companies Act, 2013 for his appointment as an Additional Director in the category of Independent Director of the company.

Mr.Ashok Omprakash Agrawal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received declaration from him that he meets 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, he fulfills the conditions for appointment as an Independent Director as specified in the Companies Act, 2013. Mr. Ashok Omprakash Agrawal does not possess any shares in the company.

Accordingly the Board recommends the ordinary resolution set out in item no. 6 of this notice for approval of members.

**ITEM NO. 7:-**

Pursuant to the Provisions of Section 186 of the Companies Act, 2013, Company shall not directly or indirectly make any investment or loan or give any guarantee or provide any security in connection with loan to any other body corporate exceeding 60% of paid up share capital, free reserves and Securities Premium account or 100% of its free reserves and Securities Premium account whichever is more without the previous approval of the shareholders.

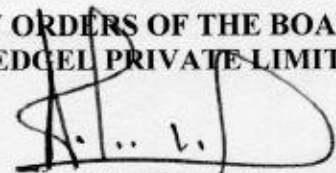
Section 186 of the Companies Act, 2013 requires approval of the shareholders by way of a special resolution for provide loan or to make investment or give any guarantee or provide any security in connection with loan to another body corporate beyond the limits specified in the said section.

The special resolution set out at item of the accompanying notice is recommended by the Board for the approval of members.

Pursuant to applicable provisions of the Companies Act, 2013, none of the directors & Key managerial Personal and their relatives is either directly or indirectly concerned or interested, financially or otherwise in the proposed resolution except in capacity of shareholding in holding company and its nominated person.

**DATE: 05.11.2020**  
**PLACE: INDORE**

**BY ORDERS OF THE BOARD  
FOR MEDGEL PRIVATE LIMITED**



**ALOK K GARG**  
**MANAGING DIRECTOR**  
**DIN: 00274321**

**BOARD'S REPORT**

To,  
The Members of  
**MEDGEL PRIVATE LIMITED**  
Indore (M.P.)

Your directors are pleased to present the 13<sup>th</sup> Annual Report together with the Audited financial Statement for the year ended 31<sup>st</sup> March, 2020.

**I. STATE OF AFFAIRS AND FINANCIAL PERFORMANCE:****I.1. FINANCIAL HIGHLIGHTS AND SUMMARY**

During the year under review, performance of your company as under:

(Rs. In Lacs except EPS)

Particulars	Current Year 2019-20	Previous Year 2018-19
Total Income	3389.63	3175.86
Total Expenditure	3142.16	2696.28
<b>Profit/(Loss) before exceptional and extraordinary items and tax</b>	<b>247.47</b>	<b>479.58</b>
Less : Exceptional item	0	0
Less : Extraordinary Item	0	0
<b>Profit / Loss before tax</b>	<b>247.47</b>	<b>479.58</b>
Provision for Tax		
Current Tax	0	0
Deferred Tax	0	0
<b>Net Profit/(loss)</b>	<b>247.47</b>	<b>479.58</b>
<b>Other Comprehensive Income</b>		
(i) Items that will not be reclassified to profit or loss	53.89	0.00
(ii) Income tax relating to items that will not be reclassified to profit or loss		
<b>Total Comprehensive Income for the period</b>	<b>301.36</b>	<b>479.58</b>
Earnings per share (of Rs. 10/- each)		
Basic	2.05	3.27
Diluted	2.05	3.27

The Company is engaged in the business of manufacturing of Soft Gelatin capsules, Liquid filled capsules and import, and export dealership of pharmaceutical, medical, biological products. During the year under review, Company has reported total income of Rs. 3389.63 Lacs in comparison to previous year total income of Rs. 3175.86 Lacs and reported a profit



of Rs. 301.36 lacs as compared to previous year net profit of Rs. 479.58 Lacs.

## 1.2. CHANGE IN NATURE OF BUSINESS:

During the year, there was no change in business activity of the company.

## 1.3. CHANGES IN SHARE CAPITAL:

During the Financial Year 2019-20, there was no change in share capital of the Company. Further, the Company currently has no outstanding shares issued with differential rights, sweat equity or ESOS.

## 1.4. REVISION OF ANNUAL FINANCIAL STATEMENT:

There was no such case of revision in financial statement during the year.

## 2. EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, is annexed as **Annexure-1** and forms an integral part of this Report and is also available on the website of the Company i.e. [www.medgel.net](http://www.medgel.net).

## 3. COMPOSITION OF BOARD OF DIRECTORS, COMMITTEES & ATTENDANCE:

### I. BOARD OF DIRECTORS

During the Financial Year 2019-20, the Board of the Directors duly met five times on 27<sup>th</sup> May, 2019, 29<sup>th</sup> July, 2019, 01<sup>st</sup> October 2019, 13<sup>th</sup> November 2019 and 03<sup>rd</sup> February, 2020 respectively for which proper notices for meeting were given and the proceedings were properly recorded. Draft Minutes of Board Meeting were circulated to members of the Board for their comments. Details of attendances are as under:

Sr. No.	Director	Category	No. of Board Meetings held during the year		Attendance at the previous Annual General Meeting (24 <sup>th</sup> September, 2019)
			Held during their tenure	Attended	
1	Ramesh Chandra Mittal	Non Executive Director	5	5	Yes
2	Alok K Garg	Managing Director	5	5	Yes
3	Pramod Fatehpuria	Independent Director	5	5	No
4	Manisha Garg	Whole Time Director	5	5	No
5	Praveen Nalwaya	Whole Time Director	5	5	No
6	Mahesh Kumar Patni*	Independent Director	5	5	No

7	Ashok Omprakash Agrawal **	Independent Director	1	1	Not applicable
8	Akshit Garg***	Whole Time Director	2	2	Not applicable

\*Shri Mahesh Kumar Patni (DIN: 07444248) resigned from the post of the Directorship of the Company w.e.f. 03<sup>rd</sup> February, 2020.

\*\*Shri Ashok Omprakash Agrawal (DIN: 07870578) was appointed as an Additional Director as well as Independent Director of the Company w.e.f. 03<sup>rd</sup> February, 2020.

\*\*\* Mr. Akshit Garg appointed w.e.f. 13.11.2019 as an additional Director and further designated as whole Time Director w.e.f. 20.11.2019

## II. AUDIT COMMITTEE:

The Company has constituted an adequately qualified and experienced Audit Committee as per requirement of Section 177 of the Companies Act 2013. The recommendations of the Audit Committee were duly approved and accepted by the Board during the year under review. The terms of reference of Audit Committee are broadly in accordance with the provisions of Companies Act, 2013. During the year the committee met on four occasions on following dates viz., 27<sup>th</sup> May, 2019, 29<sup>th</sup> July, 2019, 13<sup>th</sup> November 2019 and 03<sup>rd</sup> February, 2020.

Composition and Attendance of Members at the Meetings of the Audit Committee held during 2019-20 is given below:

Sr. No	Name of Director	Category	Designation	No. of Meetings	
				Held during their tenure	Attended
1	Mr. Ashok Omprakash Agrawal (DIN: 07870578)	Independent/Non Executive Director	Chairperson	NIL	NIL
2	Mr. Pramod Fatehpuria (DIN: 00972389)	Independent/Non Executive Director	Member	4	4
3	Mr. Alok K Garg (DIN: 00274321)	Managing Director	Member	4	4
4	Mr. Mahesh Kumar Patni (DIN: 07444248)	Independent/Non Executive Director	Member	4	4

Due to the resignation of Mr. Mahesh Kumar Patni (DIN: 07444248) from the post of the directorship of the Company w.e.f. 03<sup>rd</sup> February, 2020, the Committee was re-constituted on 03<sup>rd</sup> February, 2020 as in the Board Meeting held on 03<sup>rd</sup> February, 2020, wherein Mr. Ashok Omprakash Agrawal (DIN: 07870578) was appointed as an Additional as well as

Independent Director and included as member of the committee, therefore Mr. Ashok Omprakash Agrawal (DIN: 07870578) was appointed as the Chairperson of the Committee in place of Mr. Mahesh Kumar Patni (DIN: 07444248). As on the date of this report, Committee comprises of Mr. Pramod Fatehpuria (DIN: 00972389), Mr. Alok K Garg (DIN: 00274321) and Mr. Ashok Omprakash Agrawal (DIN: 07870578).

### III. NOMINATION & REMUNERATION COMMITTEE:

The Company has constituted Nomination & Remuneration Committee as per requirement of Section 178 of the Companies Act, 2013. The terms of reference of Nomination & Remuneration Committee are broadly in accordance with the provisions of Companies Act, 2013. During the year the committee met on three occasions on following dates viz., 01<sup>st</sup> October 2019, 13<sup>th</sup> November 2019 and 03<sup>rd</sup> February, 2020.

Composition and Attendance of Members at the Meetings of the Nomination & Remuneration Committee held during 2019-20 is given below:

Sr. No	Name of Director	Category	Designation	No. of Meetings	
				Held during their tenure	Attended
1	Mr. Ashok Omprakash Agrawal (DIN: 07870578)	Independent/Non Executive Director	Chairperson	NIL	NIL
2	Mr. Pramod Fatehpuria (DIN: 00972389)	Independent/Non Executive Director	Member	3	3
3	Mr. Alok K Garg (DIN: 00274321)	Managing Director	Member	3	3
4	Mr. Mahesh Kumar Patni (DIN: 07444248)	Independent/Non Executive Director	Member	3	3

Due to the resignation of Mr. Mahesh Kumar Patni (DIN: 07444248) from the post of the directorship of the Company w.e.f. 03<sup>rd</sup> February, 2020, the Committee was re-constituted on 03<sup>rd</sup> February, 2020 as in the Board Meeting held on 03<sup>rd</sup> February, 2020, wherein Mr. Ashok Omprakash Agrawal (DIN: 07870578) was appointed as an Additional as well as Independent Director and included as member of the committee, therefore Mr. Ashok Omprakash Agrawal (DIN: 07870578) was appointed as the Chairperson of the Committee in place of Mr. Mahesh Kumar Patni (DIN: 07444248). As on the date of this report, Committee comprises of Mr. Pramod Fatehpuria (DIN: 00972389), Mr. Alok K Garg (DIN: 00274321) and Mr. Ashok Omprakash Agrawal (DIN: 07870578).

### 4. DIRECTORS RESPONSIBILITY STATEMENT:



Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, ('the Act') your Directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures , if any;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates 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, 2020 and of the profit of the Company for year ended on that date;
- c) the directors have taken proper and sufficient care 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) the directors have prepared the annual accounts on a going concern basis;
- e) the director had laid down internal financial controls to be followed by company and that such internal financial controls are adequate and were operating effectively;
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **5. APPOINTMENT AND STATEMENT ON DECLARATION BY INDEPENDENT DIRECTOR:**

During the year, there is a change in the Constitution of the Board of your Company. Mr. Mahesh Kumar Patni (DIN: 07444248) resigned from the post of Independent Director of the Company w.e.f. 03<sup>rd</sup> February, 2020 due to his personal and unavoidable circumstances. Mr. Ashok Omprakash Agrawal (DIN: 07870578) was appointed in place of Mr. Mahesh Kumar Patni (DIN: 07444248) w.e.f. 03<sup>rd</sup> February, 2020 as an additional director under the category of Independent Director subject to the confirmation of his appointment at the ensuing Annual General Meeting.

Further the Company is having following 2 (Two) Independent Directors as on date;

1. Mr. Pramod Fatehpuria.
2. Mr. Ashok Omprakash Agrawal.

As per provisions of the Companies Act, 2013, Independent Directors were appointed for a term of 5 (five) consecutive years, not liable to retire by rotation.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received declaration pursuant to Section 149(6) from the Independent Directors from Mr. Pramod Fatehpuria (DIN: 00972389) and Mr. Ashok Omprakash Agrawal (DIN: 07870578) disclosing their independence and in the opinion of the Board they fulfill the criteria and suitable persons to hold the position of the Independent Directors of the Company.

#### **6. MEETING OF INDEPENDENT DIRECTORS**

The Independent Directors met once during the year as on 13<sup>th</sup> November, 2020. The Meeting was conducted in an informal manner without the presence of the Chairman, the Whole Time Director, the Non-Executive Non-Independent Directors and the Chief Financial Officer.

#### **7. STATUTORY AUDIT AND AUDITORS REPORT:**

Pursuant to the provisions of Section 139 of the Act and the rules framed thereafter, M/s Rawka & Associates Chartered Accountants (Firm Registration No. 021606C), were appointed as statutory auditors of the Company from the conclusion of the 10<sup>th</sup> Annual General Meeting (AGM) of the Company held on 27<sup>th</sup> September, 2017 till the conclusion of the 15<sup>th</sup> AGM to be held in the year 2022-23.

Pursuant to the Notification issued by the Ministry of Corporate Affairs on 7<sup>th</sup> May, 2018, amending Section 139 of the Companies Act, 2013, the mandatory requirement for ratification of appointment of Auditors by the Members at every AGM has been omitted and hence your Company has not proposed ratification of appointment of Statutory auditor at the forthcoming AGM.

#### **COMMENTS ON AUDITOR'S REPORT:**

The Auditors in their report have referred to the notes forming part of the Accounts which are self-explanatory and do not require any further explanation.

#### **8. REPORTING OF FRAUD BY STATUTORY AUDITORS :**

Further, there was no fraud in the Company; hence no reporting was made by statutory auditors of the Company under sub-section (12) of Section 143 of Companies Act, 2013.

#### **9. COST RECORD AND/OR COST AUDIT:**

Your company does not falls within the provisions of Section 148 of Companies Act, 2013 read with the Companies (Cost Records & Audit) Rules, 2014, therefore; no such records required to be maintained.

#### **10. SECRETARIAL AUDIT REPORT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 24A of SEBI (LODR) Regulations, 2015 alongwith SEBI Circular dated 08<sup>th</sup> February, 2019 the company is required to undertake secretarial audit as per the amendment brought in by SEBI (LODR) (Amendment) Regulations, 2018. The Company appointed M/s L.N. Joshi & Co., Company Secretaries to undertake the Secretarial Audit of the Company on 24<sup>th</sup> July, 2020 due to resignation of the previous secretarial auditors of the company (M/s Ishan Jain & Co.). The Secretarial Auditors in their report for the year 2019-20 has confirmed the compliances by the Company as covered in their report. The Report of the Secretarial Auditor for the year 2019-20 is annexed herewith as "**Annexure 2**". There is no qualification, reservation or adverse remark or disclaimer in Secretarial Audit Report.

#### **11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY:**

Your Company has not provided any loans/ guarantees or securities to other body corporates

during the period. However, your company has made investments in Mutual Funds as per the details shown in below table: -

(Rs. In Lakhs)					
S. N.	Name of Security	Nature of Security	Op. Bal as on 01/04/2019	Net Transactions	Cl. Bal as on 31/03/2020
1	Birla Sun Life Mutual Fund	Short Term Investment	146.00	74.54	220.54
2	Reliance Money Manager Fund	Short Term Investment	468.00	100.17	568.17
3	ABSL Pure value fund	SIP	75.00	(32.53)	42.47
4	HDFC Low Duration	Cash Fund	136.00	258.84	394.84
5	Reliance Large Cap	SIP	8.00	6.49	14.49
6	HDFC Equity Fund	SIP	7.00	6.63	13.63
	<b>TOTAL</b>		<b>840.00</b>	<b>414.14</b>	<b>1254.14</b>

All investment is within the limit specified under Section 186 of the Companies Act, 2013, please refer the relevant notes forming part to the financial statement provided in the annual report.

## 12. RELATED PARTY TRANSACTION:

All the contracts or arrangements or transactions entered by the Company during the financial year with the related parties referred in section 188(1) of the Companies Act, 2013 and the rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are on arms length basis and in the ordinary course of business and were not material and further relevant notes to the financial statements attached with the Board Report. There were no material contracts with the related parties during the year under review and hence Form AOC-2 is not attached in the Board Report.

## 13. AMOUNT TRANSFER TO RESERVE:

During the year under review, your Company has not transferred any amount to reserve.

## 14. DIVIDEND:

To conserve the resources of the company and plough back of the profit, Your Directors have not recommended any dividend for the year under review.

## 15. MATERIAL CHANGES & COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

No material changes and commitments affecting the financial position of the company have occurred between the end of the financial year to which the financial statements relate and the date of this Board's Report. Further due to Covid Pandemic situation business of the company has been suffered and certain challenges which impacted the business being softer than normal such as Lack of availability of Labour and transportation in first quarter of the current financial year 2020-21.

## 16. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGOING:

The particulars in respect of conservation of energy, technology absorption and foreign



exchange earnings and outgo, as required under sub-section (3)(m) of Section 134 of the Companies Act, 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014 are given as under :

### 16.1 CONSERVATION OF ENERGY:

a. The steps taken or impact on conservation of energy:-

The Company has a well-organized, structured and centrally controlled Energy Management system for utility and Infrastructure. Regular focus and efforts are made to improve efficiency and accuracy by modernization of high end Technology. Some of the key initiatives for conserving energy are as under: -

(i) Replacement of Conventional Light with LED Lights at factory and Office resulting in saving of electricity.

(ii) All Equipments and plants used with latest technology which conserve minimum power consumption.

b. The steps taken by the company for utilizing alternate sources of energy:-

The Company has used alternate source of energy, whenever and to the extent possible.

c. The capital investment on energy conservation equipments:- NIL

### 16.2 TECHNOLOGY ABSORPTION:

- The efforts made towards technology absorption: Company have installed latest technology of machine.
- The benefits derived like product improvement, cost reduction, product development or import substitution: No specific activity has been done by the Company.
- In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year): Not Applicable.
- Company has not incurred any expenditure on Research and Development during the year under review.

### 16.3 FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of Foreign Exchange earnings and outgoings were taken place during the financial year as required by Companies (Accounts) Rules, 2014 are given as below:-

(Amount in Rs.)

Particular	2020	2019
Foreign Exchange Earning	31,85,81,338/-	2,45,49,865/-
Foreign Exchange Outgo	6,62,04,937/-	30,15,95,851/-

### 17. STATEMENT INDICATING DEVELOPMENT & IMPLEMENTATION OF RISK MANAGEMENT POLICY:

The Company is engaged in the business of manufacturing of Soft Gelatin Capsule 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 specially US Norms. This trend continues resulting in regulatory standards being upgraded all the time. The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

#### **18. CORPORATE SOCIAL RESPONSIBILITY:**

The company is not required to provide statement on Corporate Social Responsibility as per Section 134(3)(o) of the Companies Act, 2013 as the company do not fall under the criteria provided under Section 135(1) of Companies Act, 2013; therefore, no such committee was constituted.

#### **19. ANNUAL EVALUATION OF PERFORMANCE OF BOARD:**

The Company was not required to carry formal annual evaluation by the Board of its own performance and that of its committees and individual directors pursuant to Section 134(3)(p) of the Companies Act, 2013 and Rule 8(4) of the Companies (Accounts) Rules, 2014. Although, the directors of the Company are vigilant towards their duties and responsibilities as director of the Company.

#### **20. DIRECTORS & KEY MANAGERIAL PERSONNEL:**

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Manisha Garg (DIN: 01006545), Whole time Director is liable to retire by rotation at the ensuing annual general meeting and being eligible offers herself for re-appointment. The Board recommends her re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

Further during the year Mr. Akshit Garg (DIN: 08576807) has been appointed by the Board as the Additional Director of the company w.e.f. 13<sup>th</sup> November, 2019 and upon the recommendation of the Nomination and Remuneration Committee and approval granted by the Board of Directors in their Board Meeting held on 13<sup>th</sup> November, 2019 he was further designated as the Whole Time Director of the company for a period of 5 years w.e.f. 20<sup>th</sup> November, 2019 to 19<sup>th</sup> November, 2024 subject to members approval at the ensuing Annual General Meeting.

Further during the year Mr. Mahesh Kumar Patni (DIN: 07444248), Independent Director of the company resigned w.e.f. 03<sup>rd</sup> February, 2020 due to his personal and unavoidable circumstances. Your Board places on record its deep appreciation for the valuable contribution made by him during his tenure as Director of the Company. Board of Directors of the Company upon recommendation of Nomination and Remuneration Committee appointed Mr. Ashok Omprakash Agrawal (DIN: 07870578) appointed as Additional Director in the category of Independent Director w.e.f. 03<sup>rd</sup> February, 2020 pursuant to Section 161 of the companies Act, 2013 subject to members approval at the ensuing Annual General Meeting.

#### **EXECUTIVE DIRECTORS SEEKING RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING:**

During the year Board of Directors in their meeting held on 01<sup>st</sup> October, 2019 upon the recommendation of the Nomination and Remuneration Committee appointed Mr. Alok K Garg (DIN: 00274321) as a Managing Director of the Company for a period of five years w.e.f. 01<sup>st</sup> October, 2019 up to 30<sup>th</sup> September, 2024 subject to approval of members at the ensuing Annual General Meeting.

Further during the year Board of Directors in their meeting held on 01<sup>st</sup> October, 2019 upon the recommendation of the Nomination and Remuneration Committee appointed Mrs. Manisha Garg (DIN: 01006545) as a Whole-time Director of the Company for a period of five years w.e.f. 01<sup>st</sup> October, 2019 up to 30<sup>th</sup> September, 2024 subject to approval of members at the ensuing Annual General Meeting.

Your Board recommends to pass necessary Resolution as per the proviso of section 196(4) of the Companies Act, 2013 to that effect as set out in the notice of the Annual General Meeting.

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

#### **KEY MANAGERIAL PERSONNEL**

The following have been designated as the Key Managerial Personnel of the Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. Mr. Alok K Garg (DIN: 00274321), Managing Director
2. Mrs. Manisha Garg (DIN: 01006545), Wholetime Director
3. Mr. Praveen Nalwaya (DIN: 06856052), Wholetime Director
4. Mr. Akshit Garg (DIN: 08576807), Wholetime Director
5. Mr. Lokesh Parmar Chief Financial Officer

Further during the year Board of Directors accepted resignation of Mr. Abhishek Kumar from the post of Company Secretary and KMP of the company with effect from 20<sup>th</sup> Day of April, 2020. Board of the directors are in process to identify the suitable candidate for appointment of Company secretary as earliest.

#### **DISQUALIFICATIONS OF DIRECTORS:**

During the year, declarations received from the Directors of the Company pursuant to Section 164 of the Companies Act, 2013. Board appraised the same and found that none of the director is disqualified for holding office as director.

#### **21. SUBSIDIARY, ASSOCIATE COMPANIES OR JOINT VENTURE:**

The Company does not have any subsidiary company or associate company or any joint venture. However, Company is wholly owned subsidiary of Medi-Caps Limited (CIN:L70100MP1983PLC002231) which is public listed Company .

#### **22. DEPOSITS:**

During the year, the Company has not accepted any deposits, within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.



## **DISCLOSURE OF UNSECURED LOAN FROM DIRECTORS**

Pursuant to Section 2(31) Read with Rule 2(1)(viii) of Companies (Acceptance of Deposits) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force), during the year under review, Company has not received any unsecured loan from directors of the Company.

### **23. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

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

### **24. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The internal control system with respect to financial statement and their adequacy has been duly taken care by the Board of Directors of the Company and it has also been reviewed by the statutory auditors. The internal controls exist in the system and that sufficient measures are taken to update the internal control system, as and when needed. The system also ensures that all transaction are appropriately authorized, recorded and reported as and when required.

### **25. ESTABLISHMENT OF VIGIL MECHANISM:**

The Company has a whistle blower policy for Directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The details of establishment of the reporting mechanism are disclosed on the website of the Company at the website [www.medgel.net](http://www.medgel.net). No Person has been denied access to the Audit Committee.

### **26. COMMISSION OR REMUNERATION RECEIVED BY DIRECTORS FROM HOLDING/SUBSIDIARY OF THE COMPANY:**

During the year under review, none of the director of the company is in receipt of the commission from the Company as provided under Section 197(14) of the Companies Act, 2013. However, Mr. Alok K Garg is Managing Director in holding company and drawing remuneration from Holding Company during the year Mr Alok K Garg has withdrawn remuneration of Rs 18 lacs from Holding Company.

### **27. PARTICULARS OF EMPLOYEES:**

None of the employee of the company is drawing more than Rs. 1,02,00,000/- per annum or Rs. 8,50,000/- per month for the part of the year, during the year under review. Therefore, the Particulars of the employees as required under Section 197 of Companies Act, 2013 read with rule 5(2) & rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 as amended from time to time are not applicable, during the year under review.

### **28. VOTING RIGHTS OF EMPLOYEES:**

During the year under review, the company has not given loan to any employee for purchase of its own shares as per Section 67(3)(c) of Companies Act, 2013. Therefore, the Company

is not required to make disclosure as per Rule 6(4) of Companies (Share Capital and Debentures) Rules, 2014.

**29. DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTIONS:**

The Company has not issued shares under employee's stock options scheme pursuant to provisions of Section 62(1)(b) of Companies Act, 2013 read with Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014. So, question does not arise about voting rights not exercised by employee.

**30. DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES:**

The Company has not issued sweat equity shares pursuant to provisions of Section 54 of Companies Act, 2013 read with Rule 8 of Companies (Share Capital and Debentures) Rules, 2014 during the Financial Year.

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

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress the Complaint received regarding sexual harassment. There was no case of sexual harassment reported during the year under review.

**32. COMPLIANCE OF SECRETARIAL STANDARDS**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

**33. ACKNOWLEDGEMENT:**

Your Directors acknowledge all stakeholders of the Company viz. customers, members, Bank and other business partners for the excellent support received from them during the period. 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 OF DIRECTORS  
FOR, MEDGEL PRIVATE LIMITED

DATE: 22<sup>ND</sup> AUGUST, 2020  
PLACE: INDORE



ALOK K GARG  
MANAGING DIRECTOR  
DIN: 00274321



RAMESH CHANDRA MITTAL  
DIRECTOR  
DIN: 00035272



# L N JOSHI & CO.

PRACTISING COMPANY SECRETARY

122, Krishna Business Centre, 11, P.U. 4, Next to Medanta Hospital,  
Rasoma Square, Indore - 452010 (M.P.) | Ph.: (0731) 4266708, 4959087

**L N Joshi**

M. Com., LL.B. (Hons), FCS  
Insolvency Professional

Cell

+91 94250 60308

E-mail

Injoshics@gmail.com

## SECRETARIAL AUDIT REPORT

Form No. MR-3

For the Financial Year Ended on 31<sup>st</sup> March, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**MEDGEL PRIVATE LIMITED**  
CIN: U24239MP2007PTC019204

### Registered Office:

201, Pushpratna Paradise  
9/5 New Palasiya, Opposite Uco bank  
Indore MP 452001 IN

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MEDGEL PRIVATE LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute 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, I hereby report that in my opinion, the company has, during the audit period covering **1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020**, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **MEDGEL PRIVATE LIMITED** for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;




(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; ***(not applicable to the company during the audit period)***

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; ***(not applicable to the company during the audit period)***

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; ***(not applicable to the company during the audit period)***

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; ***(not applicable to the company during the audit period)***

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; ***(not applicable to the company during the audit period)\****

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; ***(not applicable to the company during the audit period)***

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; ***(not applicable to the company during the audit period);***

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; ***(not applicable to the company during the audit period);***

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; ***(not applicable to the company during the audit period)***

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; ***(not applicable to the company during the audit period);***

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 ***(not applicable to the company during the audit period);***

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 as amended from time to time. **(Applicable to the extent of material wholly owned subsidiary company of Medi caps Limited )**

*L.N. Joshi*



\*The Company being a material wholly owned subsidiary of Medi Caps Limited, Directors and certain employees of the Company have been categorized as Designated Persons and are covered by the Code of Conduct under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 of Medi Caps Limited.

(vi) I 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 on test check basis. The laws, regulations, directions, orders applicable specifically to the Company are as follows:

1. Drugs and Cosmetics Act, 1940
2. The Pharmacy Act, 1948
3. Drugs (Pricing Control) Order, 2013
4. Standard Weight and Measurement Act, 1976

I have also examined compliance with the applicable clauses of Secretarial Standards on Meeting of Board of Directors(SS-1) and Secretarial Standards on General Meetings(SS-2) issued by The Institute of Company Secretaries of India.

I further report that I have not reviewed the applicable financial laws (direct and indirect tax laws), Accounting standard, since the same have been subject to review and audit by the Statutory Auditors of the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **I 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 Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

*L.N. Joshi*



**I 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.

**I further report that** during the audit period, the company has not undertaken event/action having a major bearing in the company's affair in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred above.

**Place: Indore**  
**Dated: 22<sup>nd</sup> August, 2020**

**For L.N. Joshi & Company**  
**Company Secretaries**

*L.N. Joshi*

**L.N. Joshi**

**Proprietor**

**FCS: 5201; CP No 4216**

**UDIN: F005201B000605561**



**Note:** This report is to be read with our letter of even date which is annexed as Annexure herewith and forms and integral part of this report.



**ANNEXURE** to Secretarial Audit Report

To,  
The Members,  
**MEDGEL PRIVATE LIMITED**  
**CIN: U24239MP2007PTC019204**

**Registered Office:**  
201, Pushpratna Paradise  
9/5 New Palasiya, Opposite Uco bank  
Indore MP 452001 IN

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation 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, standards is the responsibility of management. My 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.

**Place: Indore**  
**Dated: 22<sup>nd</sup> August, 2020**

**For L.N. Joshi & Company**  
**Company Secretaries**

*L.N. Joshi*

**L.N. Joshi**  
**Proprietor**

**FCS: 5201; CP No 4216**

**UDIN: F005201B000605561**





<b>Sub-total (A) (1):-</b>	0	1,46,81,953	1,46,81,953	100%	0	1,46,81,953	1,46,81,953	100%	0.00%
<b>(2) Foreign</b>	0	0	0	0.00%	0	0	0	0.00%	0.00%
a) NRIs - Individuals									
b) Other- Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other									
<b>Sub-total (A) (2):-</b>	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	0	1,46,81,953	1,46,81,953	100%	0	1,46,81,953	1,46,81,953	100%	0.00%
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>2. Non-Institutions</b>									
a) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%	0.00%
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (NRI & OCB & Clearing Member)									
<b>Sub-total (B)(2):-</b>	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>Total Public Shareholding (B)=(B)(1)+</b>	0	0	0	0.00%	0	0	0	0.00%	0.00%



<b>(B)(2)</b>									
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>1,46,81,953</b>	<b>1,46,81,953</b>	<b>100%</b>	<b>0</b>	<b>1,46,81,953</b>	<b>1,46,81,953</b>	<b>100%</b>	<b>0.00%</b>

\* Beneficial ownership is held by the holding Company, Medi-Caps Limited however, the name of Mr. Ramesh Chandra Mittal and Mr. Alok K.Garg has been entered in the register of member being the Nominee.

**(ii) Shareholding of Promoters**

S. No.	Shareholder's Name	Shareholding at the beginning of the year (01 <sup>st</sup> April 2019)			Share holding at the end of the year (31 <sup>st</sup> March, 2020)			% change in share holding 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	
1	Shri R. C.Mittal (Nominee Shareholder of Medi-caps Limited) #	2500	0.02%	0.00%	2500	0.02%	0.00%	0.00%
2	Mr. Alok K Garg (Nominee Shareholder of Medi-caps Limited) #	2500	0.02%	0.00%	2500	0.02%	0.00%	0.00%
3	Medi caps Limited	14676953	99.96%	0.00%	14676953	99.96%	0.00%	0.00%
	<b>Total</b>	<b>14681953</b>	<b>100%</b>	<b>0.00%</b>	<b>14681953</b>	<b>100%</b>	<b>0.00%</b>	<b>0.00%</b>

\* Beneficial ownership is held by the holding Company, Medi-Caps Limited however, the name of Mr. Ramesh Chandra Mittal and Mr. Alok K.Garg has been entered in the register of member being the Nominee.

**(iii) Change in Promoters' Shareholding- THERE WAS NO CHANGE IN PROMOTER'S HOLDING**

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	14681953	100%	14681953	100%
	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):	0	0.00%	14681953	100%
	At the End of the year	14681953	100%	14681953	100%

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NIL (As all shares are held by Promoters)**

S. No.		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
	For Each of the Top 10 Shareholders				
	At the beginning of the year	0	0.00%	0	0.00%

Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	0	0.00%	0	0.00%
At the End of the year ( or on the date of separation, if separated during the year)	0	0.00%	0	0.00%

**(v) Shareholding of Directors and Key Managerial Personnel: NIL (As all shares are held by Holding Company)**

S. No.		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
01	<b>Ramesh Chandra Mittal (Director)*</b>				
	At the beginning of the year	2500	0.02%	2500	0.02%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00%	2500	0.02%
	At the End of the year	2500	0.02%	2500	0.02%

\* Beneficial ownership is held by the holding Company, Medi-Caps Limited however, the name of Mr. Ramesh Chandra Mittal has been entered in the register of member being the Nominee.

02	<b>Alok K Garg (Managing Director)*</b>	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2500	0.02%	2500	0.02%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00%	2500	0.02%
	At the End of the year	2500	0.02%	2500	0.02%

\* Beneficial ownership is held by the holding Company, Medi-Caps Limited however, the name of Mr. Alok K.Garg has been entered in the register of member being the Nominee.

03	<b>MANISHA GARG (Whole Time Director)</b>	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0.00%	0	0.00%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00%	0	0.00%
	At the End of the year	0	0.00%	0	0.00%

04	<b>PPRAVEEN NALWAYA (Whole Time Director)</b>	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0.00%	0	0.00%

Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00%	0	0.00%
At the End of the year	0	0.00%	0	0.00%

<b>05 AKSHIT GARG (Whole Time Director)</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
At the beginning of the year	0	0.00%	0	0.00%
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00%	0	0.00%
At the End of the year	0	0.00%	0	0.00%

<b>06 PRAMOD FATEHPURIA (Director)</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
At the beginning of the year	0	0.00%	0	0.00%
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00%	0	0.00%
At the End of the year	0	0.00%	0	0.00%

<b>07 ASHOK OMPRAKASH AGRAWAL (Director)</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
At the beginning of the year	0	0.00%	0	0.00%
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00%	0	0.00%
At the End of the year	0	0.00%	0	0.00%

<b>08 LOKESH PARMAR (CFO)</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
At the beginning of the year	0	0.00%	0	0.00%
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00%	0	0.00%
At the End of the year	0	0.00%	0	0.00%



## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	0	0	0.00	0
ii) Interest due but not paid	0	0	0.00	0
iii) Interest accrued but not due	0	0	0.00	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	0	0	0.00	0
· Reduction	0	0	0.00	0
<b>Net Change</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0	0	0.00	0
ii) Interest due but not paid	0	0	0.00	0
iii) Interest accrued but not due	0	0	0.00	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Not Appointed)

S. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Alok Garg MD	Manish Garg WTD	Praveen Nalwaya WTD	Akshit Garg WTD	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1416667	513333	5040930	1371200	8342130
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0	0
2.	Stock Option	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0
4.	Commission					
	- as % of profit	0	0	0	0	0
	- others, specify...	0	0	0	0	0
5.	Others, please specify	0	0	0	0	0
	<b>Total (A)</b>	<b>1416667</b>	<b>513333</b>	<b>5040930</b>	<b>1371200</b>	<b>8342130</b>
	<b>Ceiling as per the Act</b>	Remuneration paid within the ceiling limit as prescribed in Companies Act, 2013				

B. Remuneration to other directors:

S. no.	Particulars of Remuneration	Name of Directors	Total Amount

	Mr. Ashok Omprakash Agrawal*	Mr. Pramod Fatehpuria	Mr. Mahesh Kumar Patni*	
1. Independent Directors · Fee for attending board committee meetings · Commission · Others, please specify	0	0	0	0
Total (1)	0	0	0	0
2. Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify	Ramesh Chandra Mittal			
		0		0
		0		0
		0		0
Total (2)		0		0
Total (B)=(1+2)	0	0	0	0
Total Managerial Remuneration	0	0	0	0
Overall Ceiling as per the Act	0	0	0	0

\*Mr. Mahesh Kumar Patni resigned from the Board w.e.f. 03<sup>rd</sup> February, 2020 and Mr. Ashok Omprakash Agrawal (DIN: 07870578) was appointed in place of Mr. Mahesh Kumar Patni (DIN: 07444248) w.e.f. 03<sup>rd</sup> Feb., 2020

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: (Not Appointed)**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS Abhishek Kumar*	CFO Lokesh Parmar	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	517544	518808	1036352
	(b) Value of perquisites u/s 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
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - as % of profit - Others, specify...	0	0	0	0
5.	Others, please specify	0	0	0	0
	Total	0	517544	518808	1036352

\* Resignation of Mr. Abhishek Kumar, CS & KMP was accepted by Board of Directors with effect from 20<sup>th</sup> Day of April, 2020.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

DATE: 22<sup>nd</sup> August, 2020  
PLACE: INDORE

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
FOR MEDGEL PRIVATE LIMITED  
  
ALOK K GARG  
MANAGING DIRECTOR  
DIN: 00274321

  
RAMESH CHANDRA MITTAL  
DIRECTOR  
DIN: 00035272

**INDEPENDENT AUDITORS' REPORT ON STANDALONE  
FINANCIAL STATEMENTS**

**TO,  
THE MEMBERS OF MEDGEL PRIVATE LIMITED,**

*Report on Audit of Ind AS Standalone Financial Statements*

We have audited the accompanying Ind AS Standalone Financial Statements of **MEDGEL PRIVATE LIMITED** ('the Company'), which comprise the balance sheet as at 31<sup>st</sup> March 2020, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "The Ind AS Standalone Financial Statements").

***Opinion***

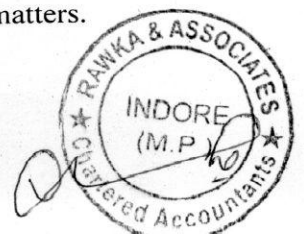
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

***Basis for Opinion***

We conducted our audit of the Ind AS Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Ind AS Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

***Key Audit Matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





### ***Responsibility of Management for Ind AS Standalone Financial Statements***

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS prescribed 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.

In preparing the Ind AS Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

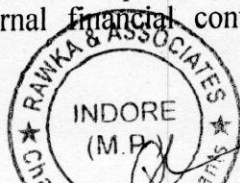
The Board of Directors are responsible for overseeing the Company's financial reporting process.

### ***Auditor's Responsibility for the Audit of the Standalone Financial Statements***

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating



effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

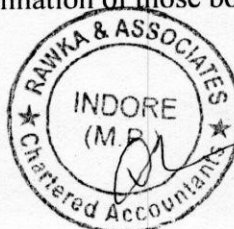
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### ***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;

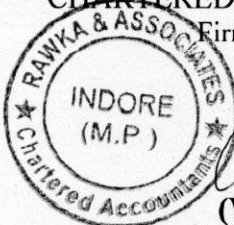




- c. The Balance Sheet, the Statement of Profit and Loss Including other comprehensive income, the Cash Flow Statement, and statement of change in equity dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid Ind AS Standalone Financial Statements comply 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 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 has disclosed the impact of pending litigations in its financial position in the Ind AS Standalone Financial Statements.
  - II. The Company did not have any long term contracts including derivatives contract for which there were any material foreseeable losses.
  - III. There has been no eligible amount required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Indore  
Date : 22/08/2020  
UDIN : 20429040AAAACK5190

For **RAWKA & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Reg. No: 021606C



*(Signature)*

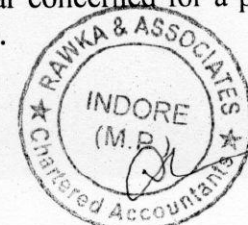
**(VENUS RAWKA)**  
PARTNER  
M. No.: 429040



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

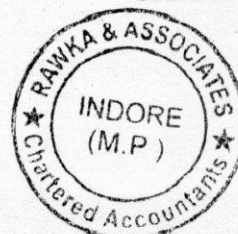
(Referred to Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Medgel Pvt. Ltd. for the year ended 31<sup>st</sup> March, 2020)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipments.  
(b) As explained to us, the Property, Plant & Equipments 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 Standalone Financial Statements, the lease agreements 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) According to the information and explanations given to us, the company has not entered into any eligible transactions as specified in the provisions of section 185 and 186 of the Companies Act, 2013 hence this clause is not applicable to the Company.
- (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. As provided to us by the management, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, are Nil.

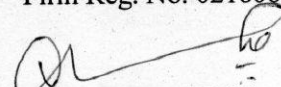


- (b) According to the records of the Company, there are no dues outstanding of income tax / Sales Tax/ wealth tax / service tax / custom duty / excise duty / VAT / cess etc. on account of any disputes. :
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans to banks. The Company has not taken any loan either from financial institutions or the government and has not issued any debentures during the year.
- (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 and term Loans during the year and hence the provisions of clause 3 (ix) of the Order are not applicable to the Company
- (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 Standalone 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 : 22/08/2020  
UDIN : 20429040AAAACK5190



**For RAWKA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
Firm Reg. No: 021606C

  
**VENUS RAWKA**  
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 Medgel Pvt. Ltd. for the year ended 31<sup>st</sup> March, 2020)

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 **MEDGEL PRIVATE LIMITED** ("the Company") as of 31<sup>st</sup> March, 2020 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**

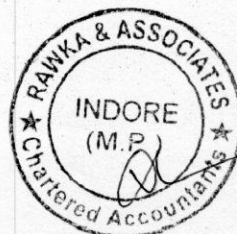
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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 Standalone 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 Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

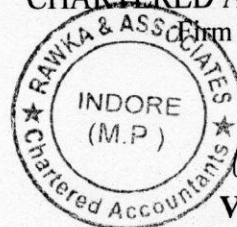
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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


## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 : 22/08/2020  
UDIN : 20429040AAAACK5190

For **RAWKA & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Reg. No: 021606C



  
**VENUS RAWKA**  
(PARTNER)  
M. No.: 429040

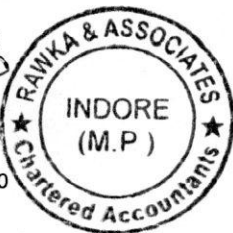
**MEDGEL PRIVATE LIMITED**  
CIN: U2439MP2007PTC019204  
Balance Sheet as at 31st March, 2020

Particulars	Notes	Amount in Rs.	
		As at 31st March 2020	As at 31st March 2019
<b>I. Assets</b>			
<b>-1 Non-current assets</b>			
(a) Property, Plant and Equipment	2	264903971	266,633,519
(b) Financial Assets			
i. Investments	3	8,059,500	10,000,000
(c) Other non-current assets	4	3,144,264	3,144,264
<b>-2 Current assets</b>			
(a) Inventories	5	49,135,865	39,876,299
(b) Financial Assets			
i. Investments	6	118,354,812	75,000,001
ii. Trade receivables	7	17,411,647	65,986,603
iii. Cash and cash equivalents	8	5,076,014	3,530,446
(c) Other current assets	9	17,294,168	10,923,585
<b>Total</b>		<b>483,380,242</b>	<b>475,094,717</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>-1 Equity</b>			
(a) Equity Share Capital	10	146,819,530	146,819,530
(b) Other Equity	11	311,093,493	280,956,837
<b>-2 Liabilities</b>			
<b>A Non-Current Liabilities</b>			
(a) Borrowings	12	-	-
(b) Provisions	13	2,000,000	1,000,000
<b>B Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables Due to Micro and Small enterprises Other than Micro and Small enterprises	14	15,255,080	33,598,625
(b) Other current liabilities	15	8,212,138	12,719,725
<b>Total</b>		<b>483,380,242</b>	<b>475,094,717</b>

The Notes referred to above are an integral part of Balance Sheet  
Note on Accounts as Note '1 to 27'

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 : 25th June, 2020  
UDIN : 20429040AAAACK5190



For and on behalf of the board,  
For MEDGEL PRIVATE LIMITED

Alok K. Garg  
Managing Director  
DIN:00274321

Lokesh parmar  
CFO

Praveen Nalwaya  
Wholtime Director  
DIN:06856052

Akshit Garg  
Wholtime Director  
DIN:08576807

**MEDGEL PRIVATE LIMITED**  
**CIN: U2439MP2007PTC019204**  
**Profit and Loss statement for the year ended 31st March, 2020**

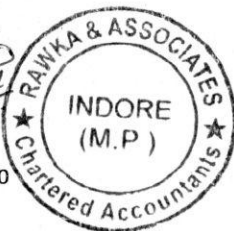
Particulars	Note	Amount in Rs.	
		As at 31st March 2020	As at 31st March 2019
I. Revenue from operations	16	321,434,986	301,643,940
II. Other Income	17	17,528,474	15,942,082
<b>III. Total Revenue (I + II)</b>		<b>338,963,460</b>	<b>317,586,022</b>
IV. Expenses:			
Cost of materials consumed	18	169,177,462	158,211,028
Changes in inventories of finished goods and work-in-	19	(309,575)	3,848,514
Employee benefit expense	20	51,555,910	43,712,900
Finance Cost	21	82,420	43,865
Depreciation and amortization expense	2	14,747,566	14,707,996
Other expenses	22	78,962,358	49,103,347
<b>Total Expenses</b>		<b>314,216,140</b>	<b>269,627,649</b>
<b>Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>24,747,319</b>	<b>47,958,372</b>
VI. Exceptional Items			-
VII. Profit before extraordinary items and tax (V - VI)		24,747,319	47,958,372
VIII. Extraordinary Items			-
<b>IX. Profit before tax (VII - VIII)</b>		<b>24,747,319</b>	<b>47,958,372</b>
X. Tax expense		-	-
<b>XI. Profit for the year (XI + XIV)</b>		<b>24,747,319</b>	<b>47,958,372</b>
XII. <b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to Profit and Loss		5,389,336	-
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss			-
(iii) Items that will be reclassified to Profit or Loss			-
(iv) Income Tax relating to items that will be reclassified to Profit or Loss			-
<b>XIII. Total Comprehensive Income for the period comprising Profit(Loss) and other comprehensive income for the period (XI + XII)</b>		<b>30,136,655</b>	<b>47,958,372</b>
XIV. Earning per equity share:	24		
(1) Basic		2.05	3.27
(2) Diluted		2.05	3.27

The Notes referred to above are an integral part of Balance Sheet.  
 Note on Accounts as Note '1 to 27'

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 : 25th June, 2020



For and on behalf of the board,  
 For MEDGEL PRIVATE LIMITED

Alok K. Garg

Managing Director  
 DIN:00274321

Lokesh Parmar  
 CFO

Praveen Nalwaya

Wholetime Director  
 DIN:06856052

Akshit Garg  
 Wholetime Director  
 DIN:08576807



**STATEMENT OF CHANGES IN EQUITY**  
**MEDGEL PRIVATE LIMITED**  
 Statement of Changes in Equity for the period ended 31.03.2020

**A. Equity Share Capital** (Amount in Rs.)

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
14681953	0	14681953

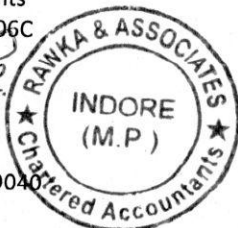
**B. Other Equity**

	Reserves and Surplus				Total
	Securities Premium Reserve	General Reserves (specify nature)	Share Forfeiture account	Retained Earnings	
Balance at the beginning of the reporting period 01.04.2018	326349438	0	0	(93350973)	232998465
Changes in accounting policy or prior period errors	0	0	0	0	0
Restated balance at the beginning of the reporting period	326349438	0	0	(93350973)	232998465
Total Comprehensive Income for the year	0	0	0	0	0
Dividends	0	0	0	0	0
Transfer to retained earnings	0	0	0	47958372	47958372
Adjustment of Investment in shares written off	0	0	0	0	0
<b>Balance at the end of the reporting period 31.03.2019</b>	<b>326349438</b>	<b>0</b>	<b>0</b>	<b>-45392601</b>	<b>280956837</b>
Balance at the beginning of the reporting period 01.04.2019	326349438	0	0	-45392601	280956837
Changes in accounting policy or prior period errors	0	0	0	0	0
Restated balance at the beginning of the reporting period	326349438	0	0	-45392601	280956837
Total Comprehensive Income for the year	0	0	0	0	0
Dividends	0	0	0	0	0
Transfer to retained earnings	0	0	0	30136655	30136655
Any other change (to be specified)	0	0	0	0	0
<b>Balance at the end of the reporting period 31.03.2020</b>	<b>326349438</b>	<b>0</b>	<b>0</b>	<b>-15255945</b>	<b>311093493</b>

The Notes referred to above are an integral part of Balance Sheet Note on Accounts as Note '1 to 27'

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 : 25th June, 2020



For and on behalf of the board,  
 For MEDGEL PRIVATE LIMITED

Alok K. Garg  
 Managing Director  
 DIN:00274321

Praveen Nalwaya  
 Wholetime Director  
 DIN:06856052

Lokesh Parmar  
 CFO

Akshit Garg  
 Wholetime Director  
 DIN:08576807

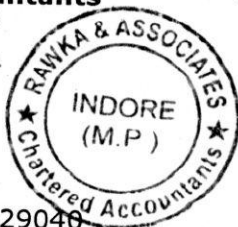
**MEDGEL PRIVATE LIMITED**  
CIN: U2439MP2007PTC019204

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

<b>PARTICULARS</b>	<b>31st March 2020</b>	<b>31st March 2019</b>
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax & Extraordinary Items	<b>24747319</b>	<b>47958372</b>
Adjustment For:		
Depreciation	14311002	14707996
Other Comprehensive Income	5389336	
Operating Profit before Working Capital Change	<b>44447657</b>	<b>62666368</b>
Adjustment for Working Capital		
(Increase)/ Decrease in Sundry Debtors	48574956	(5044397)
(Increase)/ Decrease in Inventories	(9259566)	4106562
(Increase)/ Decrease in Loans & Advances	(6370584)	(4833958)
Increase/ (Decrease) in Current Liabilities & Provisions	(21851131)	(10559193)
<b>Cash Generated from Working Capital</b>	<b>11093675</b>	<b>(16330985)</b>
Cash generated from Operation	55541333	46335383
<b>Net cash Flow from Operating Activity</b>	<b>55541333</b>	<b>46335383</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(12581455)	(2597155)
Purchase of Investment	(41414311)	(43007744)
Issue of share capital	0	0
Security Premium on Share issued	0	0
<b>Net Cash used in Investing Activities</b>	<b>(53995766)</b>	<b>(45604899)</b>
<b>C. Cash Flow from Financial Activities</b>		
Increase in Long term borrowing	0	0
<b>Net Cash Used in Financial Activities</b>	<b>0</b>	<b>0</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>1545568</b>	<b>730484</b>
Cash & Cash Equivalents at the Beginning of the year	3530446	2799962
Closing of the year	5076014	3530446
<b>Increase in Cash and Cash Equivalents</b>	<b>1545568</b>	<b>730484</b>

As per our report of even date annexed  
**For C.P.Rawka & Co.**  
**Chartered Accountants**

**Venus Rawka**  
Partner  
M.No. 070060  
Membership No. 429046  
Place : Indore  
Date : 25th June, 2020



For and on behalf of Board  
Medgel Private Limited

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

**Praveen Nalwaya**  
Wholetime Director  
DIN:06856052

**Lokesh parmar**  
CFO

**Akshit Garg**  
Wholetime Director  
DIN:08576807

# MEDGEL PRIVATE LIMITED

## **NOTE -1- BASIC ACCOUNTING POLICIES**

### **1. Corporate Information:**

Medgel Private Limited ('the Company') is a Private Limited Company was incorporated in India under Companies Act 1956 in 2007 as Medgel Pharmaceuticals Private Limited. The Company together with its holding Company 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 201, Pushpratna Paradise 9/5 New Palasia, Opp. UCO Bank, Indore (M.P) - 452001. The financial statements were authorised for issue in accordance with a resolution of the directors on 25 June 2020.

### **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.

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

#### **(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.

- I. 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.
- II. All other assets are classified as non-current.
- III. 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.
- IV. All other Liabilities are classified as non- current.
- V. 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:

- 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:

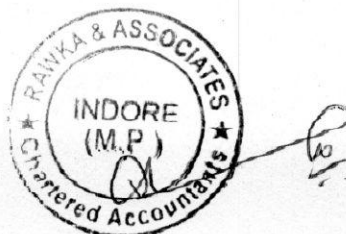
Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises of its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary 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. Costs incurred in bringing each product to its present location and conditions 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 Fair Market Value and are therefore reported as per relevant Ind-AS 113 and comprehensive income consequent to the effect has been reported in financial statement.

### **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.

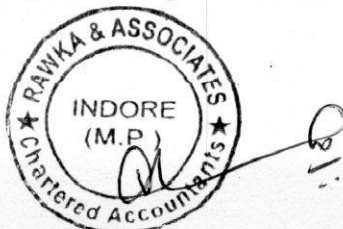
### **14. Earnings per Share:**

Basic earnings per share are 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.

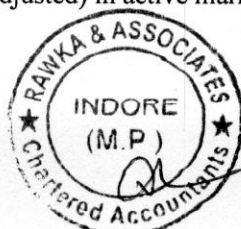
##### **(b) Provident Fund:**

Provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the employee's 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.

#### **22. Fair Value Hierarchy:**

The Fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1- Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities

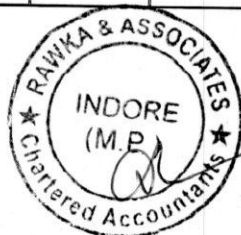




Level 2- Inputs are other than quoted prices included within Level-1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3- Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on the assumptions that are neither supported by prices from observable current market transactions in the instrument nor are they based on available market data. The following tables summaries carrying amounts of financial instruments by their categories and their values in fair value hierarchy for each year presented

Particulars	FVTPL			FVTOCI	Amortized Cost	Total
	Level-1	Level-2	Level-3			
<b>Financial Assets</b>						
Investments	0	0	0	125414312	0	125414312
Trade Receivables	0	0	0	0	17411647	17411647
Cash & Cash Equivalents	0	0	0	0	14205	14205
Other Bank Balances	0	0	0	0	5061809	5061809
Loans	0	0	0	0	9246061	9246061
Derivative Assets	0	0	0	0	0	0
Other Financial Assets	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>125414312</b>	<b>31733721</b>	<b>157148033</b>
<b>Financial Liabilities</b>						
Borrowings	0	0	0	0	0	0
Trade Payables	0	0	0	0	15255080	15255080
Derivative Liabilities	0	0	0	0	0	0
Other Financial Liabilities	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15255080</b>	<b>15255080</b>



**MEDGEL PVT.LTD.**

Note- 2 -

(a) Property, Plant and Equipment

S. NO.	FIXED ASSETS	GROSS BLOCK						DEPRECIATION				NET BLOCK	
		As at 01.04.2019	Additions	Deductions	As at 31.03.2020	Up to 31.03.2019	For the Year 2019-20	Deductions	Upto 31.03.2019	As at 31.03.2020	As at 31.03.2019		
1	Plant & Machinery	178246525	3481815	959500	180768840	44052504	5001567	436564	48617507	132151333	134194021		
2	Land & Building	150161676	0	0	150161676	34665885	4514719	0	39180404	110981272	115495991		
3	Furniture & Fixtures	47643489	380778	0	48024267	31944500	4995101	0	36939601	11084666	15698989		
4	Office Equipment	556045	9600	0	565645	556044	522	0	556566	9079	1		
5	Computers & Software	1580728	13900	0	1594628	1437191	52737	0	1489929	104699	143537		
6	Vehicle	1714525	0	0	1714525	613545	182919	0	796464	918061	1100980		
	<b>TOTAL</b>	<b>379902988</b>	<b>3886093</b>	<b>959500</b>	<b>382829581</b>	<b>113269469</b>	<b>14747566</b>	<b>436564</b>	<b>127580472</b>	<b>255249109</b>	<b>266633519</b>		
7	WIP	0	9654862	0	9654862	0	0	0		9654862	0		
	<b>GRAND TOTAL</b>	<b>379902988</b>	<b>13540955</b>	<b>959500</b>	<b>392484443</b>	<b>113269469</b>	<b>14747566</b>	<b>436564</b>	<b>127580472</b>	<b>264903971</b>	<b>266633519</b>		
	<b>PREVIOUS YEAR</b>	<b>377401833</b>	<b>2597155</b>	<b>96000</b>	<b>379902988</b>	<b>98657472</b>	<b>14707996</b>	<b>95999</b>	<b>113269469</b>	<b>266633519</b>	<b>278744362</b>		



Note : 3 Investments	Amount in Rs.	
	As at 31st March 2020	As at 31st March 2019
<b>Investment in Mutual Funds Schemes (Quoted)</b>		
SIP ABSL Pure Value Fund-SIP	4,247,377	7,500,000
Reliance Large Cap Fund -SIP	1448935	800,000
HDFC Equity Fund -SIP	1363188	700,000
<b>Other Investment</b>		
LIC of India (Gratuity A/c)	1,000,000	1,000,000
	<b>8,059,500</b>	<b>10,000,000</b>

**Note : 4 Other Non Current Assets**

(Unsecured, considered good unless otherwise stated)		
Security Deposit	3,144,264	3,144,264
	<b>3,144,264</b>	<b>3,144,264</b>

**Note : 5 Inventories**

Raw Materials	26,312,952	17,949,818
Finished Goods	21,398,475	21,088,900
Packing Material	1,424,438	837,581
	<b>49,135,865</b>	<b>39,876,299</b>

**Note : 6 Investments**

<b>Investment in Mutual Funds Schemes (Quoted)</b>		
Birla Sun Life Mutual Fund	22053675	14,600,001
HDFC Low duration Fund	39484189	13,600,000
Reliance Money Manager Fund	56,816,948	46,800,000
	<b>118,354,812</b>	<b>75,000,001</b>

**Note : 7 Trade Receivables**

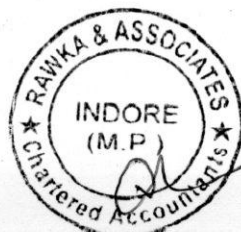
Unsecured , Considered Good as certified by the Management		
Outstanding over six months	17,411,647	65,986,603
Others		-
	<b>17,411,647</b>	<b>65,986,603</b>

**Note : 8 Cash & Bank balances**

Cash in Hand	14,205	11,939
Balance with Scheduled Banks :		
In Current Accounts	2,154,269	141,060
IDBI Bank C.C. A/c	1,643,885	2,185,016
In Fixed Deposit Accounts	1,263,655	1,192,431
	<b>5,076,014</b>	<b>3,530,446</b>

**Note : 9 Other Current Assets**

Unsecured, considered good unless otherwise stated		
Advance for Capital Goods/ Services	6,633,867	9,572,121
(Unsecured & Considered Good - Advance recoverable		
in Cash or in kind or for value to be received)		
Service Tax Receivable	221,889	221,889
TDS receivable	21,461	41,989
Prepaid Expenses	1,170,890	1,075,284
Advanced at Factory	-	-
Other Loans & Advances	9,246,061	12,302
	<b>17,294,168</b>	<b>10,923,585</b>





Note : 10 Share Capital	Amount in Rs.	
	As at 31st March 2020	As at 31st March 2019
<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)	150,000,000	150,000,000
<b>Issued Capital</b> 1,46,81,953 Equity Shares of Rs. 10 each fully paid up (Previous Year 1,46,81,953 Equity Shares of Rs.10/- each)	146,819,530	146,819,530
<b>Subscribed &amp; Paidup Capital</b> 1,46,81,953 Equity Shares of Rs. 10 each fully paid up (Previous Year 1,46,81,953 Equity Shares of Rs.10/- each)	146,819,530	146,819,530
	<b>146,819,530</b>	<b>146,819,530</b>

a) Reconciliation of number of equity share

No. of Share outstanding as at the beginning of the year	14,681,953	14,681,953
Add: No. Share issued during the year	-	-
Less: No. of share bought back during the year	14,681,953	14,681,953
No. of Share outstanding as at the end of the year	14,681,953	14,681,953

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

Name of Shareholders	No. of Shares as at			
	31.03.20	% of Holding	31.03.19	% of Holding
Medicaps Limited*	14681953	100%	14681953	100%

\* 5000 Shares held by Shri Alok K Garg and Shri R.C Mittal as a nominee of Medicaps Limited in which medicaps is Financially Interested.

Note : 11 Reserve & Surplus

<b>Securities Premium Account</b>		
Opening Balance	326349438	326,349,438
Add: Security Premium on Share issued during the year	-	-
	<b>326349438</b>	<b>326,349,438</b>
<b>Surplus/ (Loss)</b>		
Opening Balance	(45392601)	(93,350,973)
Add: Profit during the year	30136655	47958372
	<b>(15,255,945)</b>	<b>(45,392,601)</b>
	<b>311,093,493</b>	<b>280,956,837</b>

Note : 12 Borrowings

Other Borrowings	-	-
Unsecured Loans	-	-
	-	-

Note : 13 Provisions

Provision for Gratuity	2,000,000	1,000,000
For Expenses	-	-
	<b>2,000,000</b>	<b>1,000,000</b>



Note : 14 Trade Payable	Amount in Rs.	
	As at 31st March 2020	As at 31st March 2019
Total Outstanding dues to Micro & Small Enterprises		
Total Outstanding dues of Creditors other than Micro & Small Enterprises	15,255,080	33,598,625
	<b>15,255,080</b>	<b>33,598,625</b>

**Note : 15 Other Current Liabilities**

TDS on Contractor Payment	50978	105655
TDS on Salary	370858	214558
TDS on Professional Fees	40769	15928
TDS on Rent	0	0
TCS on Scrap Sales	(396)	(118)
Outstanding expenses	2298413	2209877
ESI Payable	8203	22654
PF Payable	181463	136534
Unpaid Salary & Wages (Provision)	3628176	3261668
VAT Payable	400	400
Professional Tax Payable	8418	6064
Advance from Customers	599294	5928250
Bonus Payable	1025563	818255
	<b>8,212,138</b>	<b>12,719,725</b>

**NOTES TO PROFIT & LOSS STATEMENT**

Note : 16 Sales	For the Year Ended	For the Year Ended
	31st March 2020	31st March 2019
Sale of product		
	321,434,986	301,643,940
	<b>321,434,986</b>	<b>301,643,940</b>

**Note :17 Other Incomes**

Interest received	217,933	204,474
Insurance Claim		1,244,775
Miscellaneous Receipt	9,421,804	5,480,527
Sales of Scrap	1,576,859	805,028
Foreign Exchange Fluctuation	5,572,972	6,271,995
Sundry Credit Debit balances W/o (net)	-	1,641,497
Income from Investment	738,906	293,786
	<b>17,528,474</b>	<b>15,942,082</b>

**Note: 18 Cost of Materials Consumed**

<b>a) Raw Material Consumed</b>		
Opening Stock	17,949,818	17,699,563
Purchases (net)	160,566,112	145,316,741
Less : Closing Stock	178,515,930	163,016,304
	26312952	17,949,818
	<b>152,202,978</b>	<b>145,066,487</b>
<b>b) Packing Material Consumed</b>		
Opening Stock	837,581	1,345,884
Purchases (net)	17,561,341	12,636,238
Less : Closing Stock	1,424,438	837,581
<b>Packing Material Consumed</b>	<b>16,974,484</b>	<b>13,144,541</b>
<b>Total (a) + (b)</b>	<b>169,177,462</b>	<b>158,211,028</b>



Note : 19 Increase/(Decrease) in Stocks	Amount in Rs.	
	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
Closing Stock of Finished Goods as on 31/03/2020	21,398,475	21,088,900
Less: Stock of Finished Goods as on 01/04/2019	21,088,900	24,937,414
	<b>309,575</b>	<b>(3,848,514)</b>

Note : 20 Employees Remuneration & benefits		
Salary, Wages, Allowances & other Benefits	51,418,432	43,581,529
Staff Welfare Expenses	137,478	131,371
	<b>51,555,910</b>	<b>43,712,900</b>

Note : 21 Finance Cost		
Interest on C.C. Limit	82,420	43,865
	<b>82,420</b>	<b>43,865</b>

Note : 22 Other Expenses		
Audit Fees	300,000	30,000
Annual Maintenance Expenses	924,824	1,062,974
Bank charges	1,003,221	879,763
Bad Debts	14,336,413	-
Books & Periodicals	26,745	10,000
Certificate & Standard Exp.	789,672	1,023,375
Computer Repair & Maintenance Exp.	-	-
Consultancy Fees	30,500	42,500
Conveyance Expenses	54,921	49,810
Development Charges to AKVN	330,990	330,990
Factory Exp.	-	-
Freight Exp.	18,795,736	15,761,609
Insurance Expenses	735,074	202,316
Lawn & Garden Development Exp.	159,529	70,995
Lease Rent	220,660	220,660
Import Expenses	455,526	232,082
Legal & Professional Expenses	51,400	26,800
Miscellaneous Exp	2,822,930	1,716,423
Packing & Forwarding	-	(31,044)
Postage Exp.	165,192	316,397
Power, Fuel and Gas	18,008,632	15,167,221
Rates & Taxes	-	11,855
Repair to Building	2,775,864	3,564,183
Repair to Electricals	225,759	74,044
Repair to Machinery	914,592	422,076
Repair & Maintenance (General)	82,030	88,379
Sales Promotion Exp.	2,861,439	778,652
Security Charges	1,316,937	916,460
Sez Online Exp.	68,300	95,800
Stationery & Printing	598,797	197,063
Stores & Spares	1,799,601	-
Telephone Exp	137,392	177,297
Testing Exp	892,727	80,592
Travelling & Lodging exp	903,416	443,976
Utility Expenses	-	-
Vehicle Running & Maint Expenses	4,926,698	4,566,364
QC Chemicals & Items	1,782,338	-
Water Expenses	464,504	573,735
	<b>78,962,358</b>	<b>49,103,347</b>





**Note 23 Segment Information**

The entire operation of the company related to one segment as such there is no separate reporting required.

Note 24 Payment to Auditors	Amount in Rs.	
	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
Audit Fees	250,000	20,000
In other Capacity		
Tax Audit & other Fee	50,000	10,000
	<b>300,000</b>	<b>30,000</b>

**Note 25 Related Party Disclosure**

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

S.No	Related Party	Transaction nature		
1	Mr. Alok K. Garg Managing Director	Remuneration	1416667	0
2	Mrs. Manisha Garg Whole time Director	Remuneration	513333	0
3	Akshit Garg Whole time Director	Remuneration	1371200	900000
4	Praveen Nalwaya Whole time Director	Remuneration	5040930	4718460
5	Sandhya Nalwaya (Wife of Mr. Praveen Nalwaya)	Remuneration	1730880	1730880
6	Medicaps Limited	Purchase Sale	820890 9686	2047000 5337623

**Note 26 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	24,747,319	47,958,372
ii)	Basic / Weighted Average number of Equity Shares used as the denominator		
iii)	Nominal Value of Equity shares	14,681,953	14,681,953
iv)	Basic & Diluted Earning per Equity Share	10/- 1.69	10/- 3.27

Note 27 The previous years figures have been regrouped/ restated wherever necessary to confirm with the current year classification.

