

JAGSONPAL
26th ANNUAL REPORT



JAGSONPAL PHARMACEUTICALS LIMITED

BOARD OF DIRECTORS

J.S. Kochhar – Chairman
A.C. Chakrabortti
S. Mukhopadhyay
R.P.S. Kochhar – Managing Director

GENERAL MANAGER

S.K. Dudeja

BANKERS

Punjab & Sind Bank
Central Bank of India

AUDITORS

P.P. Thukral & Co.
Chartered Accountants

REGISTERED OFFICE

T-210 J, Shahpur Jat,
New Delhi-110049

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Notice

NOTICE is hereby given that the 26th Annual General Meeting of the members of JAGSONPAL PHARMACEUTICALS LIMITED will be held on Friday, the 30th day of September, 2005 at 10.00 A.M. at Vanita Samaj, 13, Institutional Area, Lodi Road, New Delhi - 110003 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2005 and the Profit and Loss Account for the year ended on that date along with the reports of Auditors' and Directors' thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. S. Mukhopadhyay who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

Special business

5. To consider and if thought fit, to pass the following resolution with or without modifications as Special Resolution:

RESOLVED THAT subject to the provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956 and the rules framed there under, Listing Agreement, SEBI (Delisting of Securities) Guidelines, 2003 and such other applicable laws, rules, regulations and guidelines, and subject to such approvals, permissions and sanctions, as may be necessary, the Board of directors of the Company be and is hereby authorised to seek voluntarily delisting of its securities from the Delhi Stock Exchange Association Limited and the Ludhiana Stock Exchange Association Limited.

RESOLVED FURTHER that the securities of the Company shall continue to be listed on the Stock Exchanges having nation wide trading terminals viz. the Stock Exchange, Mumbai and National Stock Exchange of India Limited and therefore as per the said guidelines issued by the Securities and Exchange Board of India, no exit opportunity need to be given to the shareholders of the Company.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable and to execute all such deeds and documents as may be considered necessary and expedient to give effect to the above said resolution.

By order of the Board

Place : New Delhi

Dated : 23.08.2005

S.K. Mata

Company Secretary

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 SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT TIME OF THE MEETING.
2. The explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto and forms part of this notice.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 28th September, 2005 to 30th September, 2005 (both days inclusive).
4. The dividend, if declared at the meeting, will be payable on or after October 7, 2005:
5. In order to ensure safety against fraudulent encashment of dividend warrants, Members holding shares in physical form are requested to furnish to the Company, bank account details which will be printed on the dividend warrants. In case you wish to receive dividend through Electronic Clearing Service (ECS), please provide your bank account details along with a photocopy of the cancelled cheque slip bearing the 9 digit MICR code number of the bank where the account is held so that the dividend can be remitted to the credit of your bank account through ECS facility, provided such facility is available in your locality.

Members holding shares in demat form are advised to inform their bank account details/confirm correctness of such details with their respective Depository Participants (DPs). In case 9 digit MICR code is also available with the bank account details, the same will be used for payment of dividend through ECS provided such facility is available in your locality.

6. Members who have not encashed or claimed their dividend for the financial year ended March 31, 1998 and/or subsequent financial years are requested to forward their claim to the Company for encashment of unclaimed dividend.

Members are requested to note that dividends not encashed or claimed within 7 years from the date of transfer to the Company's unpaid dividend account will as per section 205 A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund, established under section 205 C of the Companies Act, 1956.

Please note that the dividend for the year ended March 31, 1998 will be transferred to the Investor Education and Protection Fund in November 2005, hence Members are requested to claim the said dividend immediately.

7. Members are requested to notify immediately any change of address, quoting their folio number.
8. Members attending the meeting are requested to complete the enclosed Attendance slip and deliver the same at the entrance of the meeting place.
9. It will be appreciated that queries, if any, on Accounts and Operations of the Company are sent to the Company ten days in advance of the meeting so that the answer may be made readily available.
10. Members are requested to bring their copy of the Annual Report at the meeting.
11. Profile of Mr. S. Mukhopadhyay, the director retiring by rotation is given hereunder.

Mr. S. Mukhopadhyay is a former member of the Central Board of Excise and Customs, Government of India. He is on the Board of directors of the Company since January 2002. He is Chairman of the Audit Committee and a member of Investors Grievance Committee. He does not hold any share in the Company. Mr. Mukhopadhyay is a director and committee member in the following companies

Company	Designation
Greaves Cotton Limited	Director
Consolidated Fibres and Chemicals Limited	Nominee Director of ICICI Bank

None of the Director except Mr. S. Mukhopadhyay is interested in the resolution.

Explanatory Statement

Pursuant to section 173(2) of the Companies Act, 1956

Item no. 5

The Equity shares of the Company are listed at the National Stock Exchange of India Limited (NSE), the Stock Exchange, Mumbai (BSE), the Delhi Stock Exchange Association Limited (DSE) and the Ludhiana Stock Exchange Association Limited (LSE). Considering that no/negligible trading takes place at the Stock Exchanges at Delhi and Ludhiana and as a part of cost reduction measure it is proposed to delist the shares from the DSE and LSE.

The securities of the Company shall continue to be listed on the Stock Exchange, Mumbai and the National Stock Exchange of India Limited. As per the SEBI (Delisting of Securities) Guidelines, 2003 an exit opportunity to the shareholders need not be given where securities of the Company remain listed on the Stock Exchange, Mumbai and the National Stock Exchange of India Limited.

The Directors recommend the special resolution for approval of the shareholders.

No director of the Company is concerned or interested in the said resolution.

By order of the Board

Place : New Delhi

Dated : 23.08.2005

S.K. Mata
Company Secretary

Directors' Report

To the members of Jagsonpal Pharmaceuticals Limited

Your Directors have the pleasure in presenting their Twenty Sixth Annual Report of the Company and the Audited Accounts, for the period ended 31st March 2005.

Financial highlights

The financial performance of the company is as under:

(Rs. in Lacs)

Particulars	Current Year 12Months	Previous Year 15 Months
Sales	14801.11	17278.09
Operational expenditure	13513.00	15567.59
PBIDT	1288.11	1710.50
Interest	329.80	405.12
Depreciation	131.71	144.66
PBT	826.60	1160.72
Provn. for Tax	294.80	392.09
PAT	531.80	768.63
Balance brought forward	665.95	292.87
Profit available for appropriation	1197.75	1061.50
Appropriations:		
Proposed Dividend	261.98	261.98
Additional Income tax on Dividend	33.40	33.57
Transfer to General Reserve	200.00	100.00
Balance carried forward	702.37	665.95

Operations

During the Year ended 31st March, 2005 sales of the Company were Rs. 14801.11 lakhs as compared to Rs. 17278.09 Lakhs for the 15 months ended 31st March 2004. The company made a Net profit of Rs. 531.80 lakhs during the current year .

The Company has been able to achieve the above against heavy odds, such as, sluggish market trends, lower growth rate of the industry in general and adverse impact caused by the introduction of VAT, in particular. It was sheer determination and hard labour put in by the management and staff, which saw us sail through severe competition, cut throat discounting and under

cutting. To make the things happen your company introduced various measures to counter the adverse factors. These measures yielded positive results during the year and are being further strengthened.

The Company launched / re-launched a few products during the period and the same have been well received in the market. The benefit from the same will be seen in coming years.

The marketing strategies deployed during the year are likely to yield better results in the future.

Dividend

Your Directors are pleased to recommend for your consideration a dividend of 20 %. This will absorb a sum of Rs. 2,61,98,000/- (Sum for previous period Rs. 2,61,98,000/- exclusive of Corporate tax thereon).

Split, Allotment of Bonus shares and Listing

During the year under review, your company split its equity shares of Rs. 10/- each into 2 Equity shares of Rs. 5/- each. Further 1,96,48,500 equity shares of Rs.5/- each were allotted as bonus shares in the ratio of 3:1 to the eligible shareholders. The shares were listed on the Stock Exchange, Mumbai (BSE), National Stock Exchange (NSE), Delhi Stock Exchange Association Ltd. (DSE) and Ludhiana Stock Exchange Association Ltd. (LSE) and are regularly traded at NSE and BSE.

There is nil/negligible trading of shares at DSE and LSE and as such your company proposes to delist from these Stock Exchanges. A special resolution is recommended for approval of the members/shareholders.

The equity shares shall continue to be listed on the BSE and NSE.

Employees

The Company continued to maintain cordial relations with its employees at all levels. No man-days were lost during the period due to industrial strife. The information as required under section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, is enclosed in Annexure 'B' and forms part of this Report.

Directors

Mr. S. Mukhopadhyay retires by rotation at the ensuing

Annual General Meeting and being eligible offers himself for reappointment.

Corporate Governance

As per the amended listing agreement with the Stock Exchanges, your Company has complied with the regulations of Corporate Governance. A Report on Corporate Governance alongwith a certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as also a Management Discussion & Analysis Report pursuant to Clause 49 of the Listing Agreement are annexed hereto.

Auditors

M/s. P.P. Thukral & Co., Chartered Accountants retire as auditors at the ensuing Annual General Meeting and are eligible for re-appointment as Auditors.

Energy, Technology & Foreign Exchange

As stipulated under the provisions of Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, Annexure ‘A’ contains the particulars pertaining to Conservation of Energy, Technology absorption and Foreign Exchange earning and outgo.

Directors Responsibility Statement

Your Directors confirm that:

1. In preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any;
2. The accounting policies are consistently applied and reasonable, prudent judgement and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the period;
3. Sufficient care has been taken for the 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 fraud and other irregularities;
4. The annual accounts have been prepared on a going concern basis.

Acknowledgment

The Board of Directors would like to record their appreciation and gratitude to all employees of the organisation for their active co-operation and involvement. Thanks are also due, to Jagsonpal customers, dealers, suppliers and bankers.

For and on behalf of the Board of Directors

Place : New Delhi. **(J. S. Kochhar)**
 Dated : 23.08.2004 *Chairman*

Annexure ‘A’ To The Directors’ Report

Information pursuant to The Companies (Disclosure of Particulars in the Report of Directors) Rules 1988.

**FORMA
(See Rule 2)**

Form for Disclosure of Particulars with respect to conservation of energy.

A. Power and fuel consumption

	01.04.2004 to 31.03.2005	01.01.2003 to 31.03.2004
1. Electricity		
a) Purchased Units Kwh	11,29,771	17,53,101
Total amount Rs.	48,35,010	73,52,748
Avg. Rate/Unit Rs.	4.28	4.19
b) Own generation		
i) Through diesel Generation		
Units Kwh	6,49,216	9,23,254
Units/litre of diesel oil Kwh	3.17	3.23
ii) Through Steam turbine generator	N.A.	N.A.
2. Coal	N.A.	N.A.
3. Furnace oil/LDO		
Quantity K.Ltr.	2,88,000	4,56,000
Total cost Rs.	62,30,107	80,36,439
Average Rate Rs./Ltr.	21.63	17.62
4. Others/Internal generation	N.A.	N.A.

B. Consumption

It is not feasible to maintain energy consumption data by product category because of the very large number and variety of products with significantly different energy requirements.

**Form B
(See Rule 2)**

Form for Disclosure of Particulars with respect to Technology Absorption.

Research and Development (R & D)

1. Specific areas in which R & D carried out by the Company.

The R & D Centre carries out Research and Development in the area of Bulk Drugs, Drug Intermediates and Pharmaceuticals.

2. Benefits derived as a result of the above R & D

During the current year the following projects were successfully accomplished by the R&D team. These projects are expected to contribute significantly towards the profitability of the company.

Product	Application
Uterone	The natural micronized Uterine progesterone.
LycorRed Syrup	Cell Protector Anti-Oxidant
Lycacid / Lycacid – M	For absolute glycaemic control with protection

The R&D activities of the Company have resulted in manufacturing process upgradation, improving packaging and cost containment.

3. Future Plan Of Action

R & D efforts will be continued in the areas of Bulk drugs and Drug formulations. These will be geared towards development of new product technologies which can be commercialised in future.

4. Expenditure On R & D (Rs. in lacs)

	Mar.2005	Mar.2004
(a) Capital Expenditure	5.74	3.51
(b) Revenue Expenditure	67.43	75.65
Total	73.17	79.16
(c) Total R & D expenditure as a percentage of total turn-over.	0.49 %	0.46%

5. Foreign Exchange Earnings 357.64 520.92

For and on behalf of the Board of Directors

Place : New Delhi.
Dated : 23.08.2005

(J. S. Kochhar)
Chairman

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Annexure `B' To The Directors' Report

Statement under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies' (Particulars of Employee's) Rules, 1975 as amended upto Date :

S.N.	Name & Age of the Employee	Designation	Qualification & Experience	Gross Remuneration Rs.	Net Remuneration Rs.
1.	Mr. Jagmohan Singh Kochhar (75 years)	Chairman	Experience in Senior Management (55 years)	45,93,500	35,68,500
2.	Mr. Rajpal Singh Kochhar (50 years)	Managing Director	M.Sc.(Pharmacy) USA (25 years)	45,93,500	35,68,500

1. Gross Remuneration includes : Salary, Bonus, Commission, Allowances and perquisites as per the Rules of the Company.

2. Net Remuneration excludes : Contribution towards Employees Provident Fund, Income Tax deducted at source, value of taxable perquisites.

3. Mr. Jagmohan Singh Kochhar is the father of Mr. Rajpal Singh Kochhar.

For and on behalf of the Board of Directors

Place : New Delhi
Dated : 23.08.2005

(J. S. Kochhar)
Chairman

Annexure to the Directors' Report

Corporate Governance Report

The Securities and Exchange Board of India (SEBI) has stipulated Corporate Governance standards for listed companies through Clause 49 of the listing agreement of the Stock Exchanges. SEBI has mandated listed companies to comply with the revised Clause 49 by 31st December, 2005. Your company has already put in place systems and procedures and is fully compliant with the revised Clause 49.

1. Company's Philosophy on code of Governance:

The Company's philosophy on Corporate Governance is to conduct its business affairs in a professional and transparent manner while adhering to high ethical values and morals and always striving for optimizing Shareholder' value. The Company considers good corporate governance to be a pre-requisite for meeting the objective of maximizing shareholders wealth in a sustained manner.

2. Board of Directors

- a) The Board comprises of Executive and Non-executive Directors. The present strength of the Board of Directors is four Directors. The Chairman and the Managing Director are two whole time directors, the remaining two being non-executive Directors, who are independent Directors and are professionals and have expertise in their fields.
- b) The attendance at Board Meetings and last Annual General Meeting of each of the Directors during the financial year of the Company was as under:

Name of Director	Category	Attendance at		Membership of other Board (excluding Alternate Directorship & Directorship in Pvt. Companies)	No. of Committees in which member (excluding Pvt. Companies)
		Board Meetings	Last AGM		
Mr. Jagmohan Singh Kochhar	Chairman	4	Yes	2	2
Mr. Rajpal Singh Kochhar	Managing Director	4	Yes	1	1
Mr. A C Chakrabortti	Non-Executive	3	No	13	8
Mr. S. Mukhopadhyay	Non-Executive	3	Yes	2	2

- c) During the year four board meetings were held on following dates:
 April 30, 2004 July 15, 2004 October 30, 2004 January 27, 2004
- d) Information placed before the Board of Directors

The following information is regularly placed before the Board of Directors

- Annual budgets/plans
- Capital budgets
- Quarterly results
- Minutes of the Committees
- Information on recruitment etc. of Senior officer just below the Board level
- Material communications from Government bodies
- Fatal or serious accidents, dangerous occurrences and pollution problems, if any.
- Material financial obligations
- Significant labor problems, if any.
- Sale of assets, investments etc. which is not in the normal course of business.
- Material transactions
- Compliance with statutory requirements

Besides above all major decisions are considered by the Board.

3. Audit Committee

The terms of reference and the role of the Audit Committee include inter-alia reviewing with management the quarterly and annual financial statements, adequacy of internal control systems and frequency and scope of internal audit, overseeing of company's financial reporting process, discussions with internal and external auditors of the company on the audit undertaken, recommending the audit fee, reviewing the internal audit undertaken and its findings, to review the functions of the whistle blower mechanism .

The Audit Committee was formed in January 2002. At present it has two Non-executive Independent Directors, Mr. A.C. Chakrabortti and Mr. S. Mukhopadhyay. The Chairman of the Committee is Mr. S. Mukhopadhyay. The Company Secretary Mr. S.K.Mata, acts as the Secretary of the Committee. The Internal Auditor and/or Statutory Auditors are invitees to the meeting. The quorum for the Committee meeting is two Directors.

The Committee has met thrice during the financial year in April, July and January months of 2004-05

4. Remuneration Committee and remuneration of Directors

The Company has not constituted a Remuneration Committee. However the managerial remuneration including perquisites thereof payable to Directors are determined by the shareholders.

The remuneration of the directors during the period 1st April, 2004 to 31st March, 2005 as approved by the Board is given below:

a) Executive Directors:

Name of Executive Directors	Remuneration (Rs. in lacs)
Mr. Jagmohan Singh Kochhar	45.93
Mr. Rajpal Singh Kochhar	45.93

The above remuneration includes Salary, Bonus, Commission, Allowances and perquisites as per the rules of the Company.

b) Non-Executive Directors

The Non-Executive Directors were paid remuneration by way of Sitting Fees for attending board and committee meetings plus reimbursement of related actual travel and out of pocket expenses. They are entitled upto 1% commission as and when approved by the Board of Directors. During the year remuneration paid to non-executive directors was as follows :

Director	Sitting Fee
Mr. A.C.Chakrabortti	Rs. 17500
Mr. S. Mukhopadhyay	Rs. 21000

5. Shareholders'/Investors' Grievances Committee

In order to give the appropriate level of focus to the shareholder and investor related matters this Committee was constituted in January, 2002. At present Mr. S. Mukhopadhyay and Mr. Jagmohan Singh Kochhar are its members. Mr. S. Mukhopadhyay is chairman of the Committee. Mr. S.K.Mata, Company Secretary, is the Compliance Officer of the Company.

The complaints/queries/requests received from the shareholders have been duly attended to and resolved by furnishing requisite information/documents by the Company. A summary of complaints received and resolved by the Company during the financial year is given below:

	Received	Cleared
Non –Receipt of Share Certificates duly transferred	2	2
Non – Receipt of Dividend warrants	108	108
Miscellaneous queries/requests	274	274
Letter from Stock Exchanges, SEBI and Department of Company Affairs	3	3

Share Transfer Committee

To expedite the transfer of shares and other related matters the power of share transfer and other matters (transmission and issue of duplicate shares etc.) has been delegated to the Share Transfer Committee comprising of Chairman and top officials of the Company. The committee meet at least once in a fortnight. No investors’ complaint was pending for a period exceeding one months except cases which are sub judice.

6. General Body Meetings

Details of the last three years’ General Meetings is given below:

Year ended	Date & Time	Place	Resolutions Passed
31.03.2004	01.09.2004 03.00 pm	Vanita Samaj, 13, Institutional Area, Lodi Road, New Delhi 110003	Ordinary - 4 Special - 1
EGM	16.06.2004 10.00 am	Vanita Samaj, 13, Institutional Area, Lodi Road, New Delhi 110003	Ordinary - 2 Special - 2
31.12.2002	06.06.2003 10.00 am	Vanita Samaj, 13, Institutional Area, Lodi Road, New Delhi 110003	Ordinary - 4
30.09.2001	20.03.2002 10.00 am	Vanita Samaj, 13, Institutional Area, Lodi Road, New Delhi 110003	Ordinary - 6

All the resolutions set out in the notices were passed by the members. No resolutions were put through Postal ballot last year. Presently the Company does not have any proposal for Postal Ballot.

7. Disclosures

There were no transactions of material nature with the Directors or the Management or relatives of the Directors during the financial year which could have potential conflict with the interests of the Company at large.

The Company has complied fully with the requirements of the regulatory authorities on capital market. There have been no instances of non-compliance by the Company on any matter related to the capital markets nor has any penalty or stricture been imposed on the Company by the Stock Exchanges and SEBI.

The Company has rigorously followed the accounting standards, laid down by the Institute of Chartered Accountants of India.

The Audit Committee regularly reviews the risk management strategy of the Company to ensure the effectiveness of risk management policies and procedures.

The Managing Director and the Chief Financial Officer of the Company have furnished the requisite certificate to the Board of Directors under the Clause 49 of the Listing Agreement.

The Company has set up a direct touch initiative under which all employees/business associates have direct access to the members of Audit Committee. The policy allows them to bring to management notice suspected unethical behavior, malpractices and frauds, if any.

8. Means of communications

The quarterly results are published in one English daily newspaper (The Pioneer) and one Hindi newspaper (Veer Arjun) published from Delhi. The half yearly report was not sent to the shareholders. The quarterly results are available on the SEBI internet site www.sebidifar.nic.in

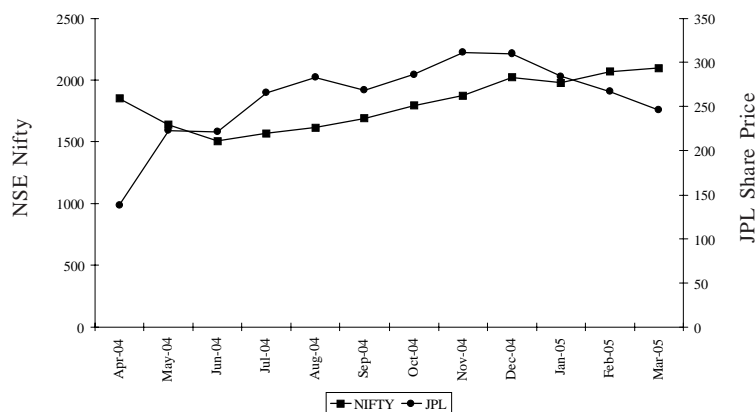
During the financial year the Company has not made any presentations to the institutional investors or analysts. The Management Discussion and Analysis Report forms a part of this Annual Report.

9. General Shareholder Information

- Annual General Meeting : Friday, 30th September, 2005
Vanita Samaj, 13, Institutional Area, Lodi Road, New Delhi 110003
- Dates of Book Closure : September 28 to September 30, 2005 (both days inclusive)
- Dividend Payment Date : Within stipulated time, if declared.
- Financial Calendar (tentative)
 - Results for the quarter ending June 2005 : 4th week of July 2005
 - September 2005 : 4th week of October 2005
 - December 2005 : 4th week of February 2005
 - March 2006 : 4th week of April 2006
- Listing on Stock Exchanges : The Stock Exchange, Mumbai
The National Stock Exchange of India Limited
The Delhi Stock Exchange Association Limited
The Ludhiana Stock Exchange Association Limited
The company has paid the listing fee for 2004-05 to the Stock Exchanges.
- Stock Code : JAGSNPHARM EQ at NSE and 507789 at BSE
- ISIN No. for NSDL & CDSL : INE048B01027
- Share Price :

Month	BSE				NSE			
	Share Price		Sensex		Share Price		Nifty	
	High (Rs)	Low (Rs)	High	Low	High (Rs)	Low (Rs)	High	Low
Apr. 04	176.50	106.00	5979.25	5599.12	176.45	107.00	1912.35	1771.45
May 04	283.40	184.20	5772.64	4227.50	282.95	184.00	1837.95	1292.20
Jun. 04	245.95	204.60	5012.52	4613.94	250.00	206.00	1566.50	1437.90
Jul. 04	261.00	214.00	5009.63	4723.04	261.00	211.05	1586.55	1472.55
Post split into Rs.5/- each and post bonus issue in the ratio of 3:1								
Jul. 04	44.50	33.40	5200.85	4936.60	44.80	33.00	1638.70	1562.90
Aug. 04	41.00	33.25	5269.22	5022.29	44.90	33.25	1658.90	1573.70
Sep. 04	39.80	30.00	5638.79	5178.57	40.10	30.25	1760.80	1619.90
Oct. 04	39.15	32.60	5803.82	5558.14	39.40	32.35	1829.45	1737.85
Nov. 04	43.85	34.50	6248.43	5649.03	44.00	34.05	1963.80	1776.70
Dec. 04	42.00	36.00	6617.15	6176.09	42.10	36.30	2088.45	1944.50
Jan. 05	40.60	32.50	6696.31	6069.33	41.00	32.50	2120.15	1894.40
Feb. 05	36.20	31.70	6721.08	6508.33	36.90	31.55	2110.15	2036.60
Mar. 05	36.15	26.85	6954.86	6321.31	36.15	26.55	2183.45	2035.65

• Stock Performance in comparison to NSE index



- Address for correspondence and Registrar and Transfer Agents

The company has appointed M/s. MCS Limited as Registrar and Share Transfer Agents. For matters related to the shares following may be contacted.

Company Secretary
Jagsonpal Pharmaceuticals Ltd.
T-210 J, Shahpur Jat,
New Delhi 110049.

MCS Limited
Unit: Jagsonpal Pharmaceuticals Ltd.
W-40, Okhla Industrial Area, Ph. -II
New Delhi 110020.

- Distribution of shareholding as on 30.06.2005

Range (Shares)	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shareholding
1 – 500	6395	63.44	1370143	5.23
501 – 1000	2610	25.89	2107164	8.04
1001 – 10000	1027	10.19	2558104	9.76
10001 – 20000	24	00.24	352268	1.35
20001 & above	24	00.24	19810321	75.62

- Dematerialisation of Securities

Shares of the Company are actively traded on the Stock Exchange, Mumbai and the National Stock Exchange of India Limited. Approximately 92.44% of the Company's total shares have been dematerialized.

- Plant Location

20 K.M. Mathura Road, Post Office Amar Nagar, Faridabad - 121003

10. Reappointment of Directors

Name of Director : Mr. Sukumar Mukhopadhyay

Date of Birth : 18.04.1937

Date of Joining the Board : 03.01.2002

Expertise : Mr. Sukumar Mukhopadhyay who retires by rotation at this Annual General Meeting was member of Central Board of Excise & Customs, Government of India. He is fellow member of Indian Council of Arbitration. He is a Tax Consultant in Excise and Customs and has vast experience in the area.

List of Outside Directorships held : Greaves Cotton Limited, Mumbai
Consolidated Fibres and Chemicals Ltd., Kolkata.

Auditors' Report on Corporate Governance

To the members of Jagsonpal Pharmaceuticals Limited

We have examined the compliance of conditions of Corporate Governance by Jagsonpal Pharmaceuticals Limited for the period ended on 31st March, 2005 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an Audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material aspect with the conditions of Corporate Governance as stipulated by the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company and presented to the Investors' Grievances Committee.

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

For P.P. Thukral & Company
Chartered Accountants

Place : New Delhi
Dated : 23.08.2005

Suresh Sethi
Partner

Management Discussion and Analysis Report

Industry Structure and developments

The year ended March 2005 has not been an encouraging one for the pharma industry in general and the small – scale sector in particular.

A plethora of issues converged in the second half of this year leading to slowing down of the growth rate. The implementation of MRP-based excise duty and the NDPS controversy and its ensuing fallout resulted in the loss of a large chunk of business in the so-called peak season for the industry.

The time has now come for Indian companies to seriously re-look into their medium-term future plans, especially in view of the imminent entry of newer MNCs. Acting as hub centers for outsourced R&D operations, strengthening their own portfolios through mergers and acquisitions, consolidating their operations will be some of the options available for a healthy future.

This has to be looked at in light of the fact that more than 80% of the formulation business in India is controlled by less than 400 companies presently, leaving thousands of others with virtually no options. The strict implementation of Schedule M stipulations will further threaten the already fragmented un-organized sector.

Opportunities and Threats

In addition the fierce competition at the national level the industry has seen many companies closing and many more to merge to sustain and develop. More emphasis on drug quality, good manufacturing practices, most stringent process controls, developing and marketing newer and better medicines and extra expenditure on R&D are few important factors to sustain growth.

Bigger and better companies of the world will show interest in the Indian market, the newer researched drugs will find their way to India faster than it used to be ever before, and many of the drugs presently available in the world markets outside India will be brought to the country either by the companies presently operating or other new entrants.

The near future will witness the entry of several new products to cater to the 'Lifestyle Disorders' that are gaining attention of the medical and pharmaceutical world. Newer products to manage diabetes, asthma, cardiovascular disorders, arthritis etc. will gain momentum, as India is fast becoming the world capital for lifestyle disorders.

Jagsonpal has defined its short and medium term plans in this direction and is geared to increase its market presence, riding on the crest of the spurt in the growth envisaged for the industry.

In the offing are clearly defined Strategic Business Units, catering to specific therapeutic application areas.

Jagsonpal has rapidly expanded its field force, with the objectives of increase in market penetration, business generation as well as the bottom line. This strategy is expected to yield the following benefits in 2005-06:

- Increase in the number of prescriptions from each customer
- Increase in the number of products on prescription from each customer
- Increase in the number of customers in the contact lists

Product-wise performance

LycorEd has attained the # 1 ranking in the antioxidant market. This is especially creditable because of the fact that the product has been marketed on all-India basis for less than 3 years. Other key brands of the company enjoying leadership status are:

<i>Product</i>	<i>Rank</i>
Indocap SR (all salts)	6
Indocap SR (Indomethacin)	1
Metadec	2
Metabol	4
Maintane Tab	1
Maintane Inj	2
Equirex	2
Equilibrium	2
Amplus cap	1
Parvon range	2
JP Tone syrup	7

Outlook

Independent market audit reports are indicative of the encouraging trends, with the company enjoying a ranking of 44 presently. What emerges very interestingly is the fact that several brands of the company have leadership status in their respective segments.

The focus for 2005-06 will be towards attainment of a market ranking amongst the ‘Top – 40’ companies. Supporting this goal will be a trained and motivated field force of over 1100, ensuring demand generation from over 1,50,000 doctors and making the company’s products available at nearly 5,00,000 retail pharmacies.

Backing this Herculean task will be over 1800 authorised re-distribution stockiest of the company, catered to by 23 depots / CFAs.

The future outlook of the company appears to be very promising.

Internal Control systems and their adequacy

JPL has adequate internal control systems and processes to safeguard its assets and all the transactions are recorded and reported as per the generally accepted or prescribed norms. The internal control systems are well documented and rigidly implemented. There are clearly defined systems and authority and responsibilities in place

which ensure accuracy and reliability of all financial and other data for effective and efficient management. The systems and processes are reviewed periodically and upgraded under the guidance of Audit committee and external auditors/agencies.

Financial performance with respect to operational performance

Loans

During the period the Loans increased by Rs.354 lacs.

Results from operations

(Rs. in Lacs)

Particulars	Current Year	Previous Year
	12 Months	15 Months
Sales	14801.11	17278.09
Operational expenditure	13513.00	15567.59
PBIDT	1288.11	1710.50
Interest	329.80	405.12
Depreciation	131.71	144.66
PBT	826.60	1160.72
Provn. for Tax	294.80	392.09
Profit After Tax	531.80	768.63

Interest

The Company has been able to contain interest cost on the same level as of last year.

Net Profit

During the current year for the various reasons stated elsewhere the Company could achieve lower net profit.

Receivables

The receivables increased during the year under review.

Human Resources and Industrial relations

The human resources of JPL is its biggest assets and has 1000 strong, dedicated and motivated people in the team. In order to achieve overall development of its people and to ensure greater accountability and responsibility continuous training with respect to work and other areas is imparted. The opportunities are created to encourage employees to develop multi functional skills and gear so as to meet the challenging assignments in the company. The industrial relations continue to be very cordial. The company has also devised reward system to keep the star performers and their teams highly motivated.

Cautionary Statement

The report is based on certain estimates, assumptions and expectations, which may or may not be accurate or realised. The risks factors stated in the report are not exhaustive. So the actual results could materially differ from those expressed or implied. Important factors such as economic conditions, government policies, subsequent developments and other incidental factors etc. could make material difference to company’s operations.

Auditors' Report

To the members of Jagsonpal Pharmaceuticals Limited

1. We have audited the attached balance sheet of Jagsonpal Pharmaceuticals Limited as at March 31, 2005 and also the Profit and Loss account and the Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We carried out our examinations in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - c) The Balance Sheet and Profit and Loss Account and cash flow statement are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards under sub section (3C) of Section 211 of the Companies Act, 1956;
 - e) None of the Directors is disqualified as on March 31, 2005 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity

with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2005;
- ii) in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date; and
- iii) in the case of Cash flow statement, of the cash flows for the year ended on that date.

For P. P. Thukral & Co.
Chartered Accountants

Place : New Delhi
Dated : 23.08.2005

Suresh Sethi
Partner

Annexure to the Auditors' Report

(Referred to in Paragraph (1) of our report of even date)

1. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, physical verification of a major portion of fixed assets as at March 31, 2005 was conducted by the Management during the year. In our opinion, the frequency of physical verification is reasonable. Having regard to the size of the operations of the company and on the basis of explanations received, in our opinion, the net differences found on physical verification were not significant.
2. a) The inventory of the Company has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of records of inventory, in our opinion, the company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and the book records were not material in relation the operations of the company.
3. In our opinion, the company has neither granted nor taken any loans, secured or unsecured from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. As the Company has not granted/taken any loans, secured or unsecured, to/from parties listed in the registers maintained under Section 301 of the Companies Act, 1956 clauses iii(b), iii(c) and iii(d) of paragraph 4 of the order are not applicable.

4. In our opinion and according to the explanations given to us, having regard to the fact that some of the items are of a special nature for which alternative quotations are not available, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control procedures.
5. a) In our opinion and according to information and explanations given to us, the transactions that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, there are no such transactions exceeding Rs. Five lakhs each which have been made at prices, which are not reasonable having regard to the prevailing market prices, for such goods, materials or services at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under, where applicable, with regard to deposits accepted from the public. As per the information and explanations given to us no order under the aforesaid sections has been passed by the Company Law Board on the company.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records has been prescribed under Section 209(1)(d) of the Companies Act, 1956. We have not, however made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the undisputed statutory dues in respect of provident fund, employees' state insurance, income-tax, sales-tax, custom duty, excise duty, cess and other as applicable have been regularly deposited by the company during the year with the appropriate authorities.
- b) As at 31st March, 2005 according to the records of the Company, the following are the particulars of disputed dues on account of Excise duty that have not been deposited :

Name of the statute	Amount (lakhs)	Year Pending	Forum where Pending
Excise duty	0.46	1994-95	Tribunal

10. The company has neither accumulated losses as at 31st March, 2005 nor it has incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by management, we are of the opinion that the company has not defaulted in repayment of its dues to any financial institution or bank during the year.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute as specified under clause (xiii) of paragraph 4 of the order are not applicable to the company.
14. In our opinion and according to the information and explanations given to us, the company is not a dealer or trader in securities.
15. The company has not given any guarantees for loans taken by others from banks or financial institutions, the terms and conditions, whereof, in our opinion are prima facie, prejudicial to the interest of the Company.
16. The company has not obtained any term loans that were not applied for the purpose for which these were raised.
17. Based on the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment, and vice versa.
18. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
19. The Company has not raised any money by public issue during the year.
20. According to the information and explanations given to us, during the year, no fraud by the company has been noticed or reported.

For P. P. Thukral & Co.
Chartered Accountants

Place : New Delhi
Dated : 23.08.2005

Suresh Sethi
Partner

Balance Sheet As on 31.03.2005			
PARTICULARS	SCHEDULE NO.	AS ON 31.03.2005 Rs.	AS ON 31.03.2004 Rs.
SOURCES OF FUNDS			
Shareholders' funds			
Capital	'1'	13,09,90,000	3,27,47,500
Reserves & Surplus	'2'	55,04,35,118	62,73,74,173
		68,14,25,118	66,01,21,673
Loan Funds			
Secured Loans	'3'	29,93,84,038	27,95,45,840
Unsecured Loans	'4'	6,61,26,030	5,05,94,926
TOTAL		1,04,69,35,186	99,02,62,439
APPLICATION OF FUNDS			
Fixed Assets			
Net Block	'5'	31,54,82,287	30,76,02,320
Investments	'6'	5,031	5,031
Current Assets, Loans And Advances			
Inventories	'7'	67,31,53,991	56,68,34,656
Sundry Debtors		20,38,35,931	22,77,79,484
Cash & Bank Balances		2,44,55,926	3,99,76,595
Loans and advances		13,19,33,050	8,83,25,589
		1,03,33,78,898	92,29,16,324
LESS:			
Current Liabilities & Provisions	'8'	30,19,31,030	24,02,61,236
Net Current Assets		73,14,47,868	68,26,55,088
TOTAL		1,04,69,35,186	99,02,62,439
NOTES TO ACCOUNTS	'13'		
As per our report of even date			
For P.P. Thukral & Co. <i>Chartered Accountants</i>	J.S. Kochhar <i>Chairman</i>	A. C. Chakrabortti <i>Director</i>	
Suresh Sethi <i>Partner</i>	R. P. S. Kochhar <i>Managing Director</i>	S. Mukhopadhyay <i>Director</i>	
Place : New Delhi Dated : 23.08.2005	Sanjiv Kumar Dudeja <i>General Manager</i>	S.K. Mata <i>Company Secretary</i>	

Profit and Loss Account for the year ending 31.03.2005			
PARTICULARS	SCHEDULE NO.	01.04.04 to 31.03.2005 Rs.	01.01.03 to 31.03.2004 Rs.
INCOME			
Sales		1,48,01,10,878	1,72,78,09,100
Less : Excise Duty		15,10,26,347	21,20,70,400
Net Sales		1,32,90,84,531	1,51,57,38,700
Other Income	'9'	25,86,176	81,46,362
Increase (decrease) in finished goods stock & work in progress		10,69,97,141	9,36,70,282
TOTAL		1,43,86,67,848	1,61,75,55,344
EXPENDITURE			
Cost of Materials	'10'	79,89,67,761	87,28,51,059
Other Expenditure	'11'	51,08,89,335	57,36,54,182
TOTAL		1,30,98,57,096	1,44,65,05,241
Profit before interest, Depreciation and Tax		12,88,10,752	17,10,50,103
Interest	'12'	3,29,80,011	4,05,11,744
Depreciation		1,31,70,597	1,44,66,477
Profit before Tax		8,26,60,144	11,60,71,882
Provision For Tax		2,80,13,664	3,66,00,000
Deferred Tax		14,66,674	26,08,873
Net profit after tax Carried Down		5,31,79,806	7,68,63,009
Balance brought forward from 31.03.04		6,65,95,869	2,92,87,479
Balance Available for Appropriation		11,97,75,675	10,61,50,488
Proposed Dividend		2,61,98,000	2,61,98,000
General Reserve		2,00,00,000	1,00,00,000
Add. Income Tax on proposed dividend		33,40,245	33,56,619
Balance carried over to Schedule '2'		7,02,37,430	6,65,95,869
		11,97,75,675	10,61,50,488
NOTES TO ACCOUNTS	'13'		
As per our report of even date			
For P.P. Thukral & Co. <i>Chartered Accountants</i>	J.S. Kochhar <i>Chairman</i>	A. C. Chakrabortti <i>Director</i>	
Suresh Sethi <i>Partner</i>	R. P. S. Kochhar <i>Managing Director</i>	S. Mukhopadhyay <i>Director</i>	
Place : New Delhi Dated : 23.08.2005	Sanjiv Kumar Dudeja <i>General Manager</i>	S.K. Mata <i>Company Secretary</i>	

Schedules			
Annexed to and forming part of the Accounts			
		31.03.2005	31.03.2004
		Rs.	Rs.
SCHEDULE '1'			
SHARE CAPITAL			
AUTHORISED			
3,00,00,000 Equity Shares of Rs.5/- each		15,00,00,000	10,00,00,000
(Pr. yr. 1,00,00,000 Equity Shares of Rs. 10/- each)			
2,00,00,000 Un-classified Shares of Rs. 5/- each		10,00,00,000	15,00,00,000
(Pr. yr. 1,50,00,000 Un-classified Shares of Rs. 10/- each)			
ISSUED, SUBSCRIBED & PAID UP			
2,61,98,000 Equity Shares of Rs.5/-each		13,09,90,000	3,27,47,500
(Pr. yr. 32,74,750 Equity Shares of Rs. 10/- each)			
TOTAL		13,09,90,000	3,27,47,500
SCHEDULE '2'			
RESERVES & SURPLUS			
Share Premium Account			
		60,00,000	60,00,000
Revaluation Reserve			
Balance as on 31.03.04	15,49,75,347		
Less : Excess amount of depreciation adjusted	<u>23,38,116</u>	15,26,37,231	15,49,75,347
General Reserve			
Balance as on 31.03.04	42,00,00,000		41,00,00,000
Add : Additions during the year	2,00,00,000		1,00,00,000
Less : Utilised for Bonus Shares	(9,82,42,500)		
Deferred Tax	<u>(2,01,97,043)</u>	32,15,60,457	(2,01,97,043)
Profit & Loss Account			
Balance as on 31.03.04	6,65,95,869		
Less : Transferred to Profit & Loss Account	6,65,95,869		
Add: Transferred from Profit & Loss Account	<u>7,02,37,430</u>	7,02,37,430	6,65,95,869
TOTAL		55,04,35,118	62,73,74,173
SCHEDULE '3'			
SECURED LOANS			
Short Term Loan as Cash credit facility from Banks, secured by hypothecation of Book Debts and Inventories comprising of raw materials, work in process and finished goods.		29,93,84,038	27,95,45,840
		29,93,84,038	27,95,45,840
SCHEDULE '4'			
UNSECURED LOANS			
Fixed deposits		6,61,26,030	5,05,94,926
TOTAL		6,61,26,030	5,05,94,926

SCHEDULE '5' FIXED ASSETS											
Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Balance as at 31.03.04	Additions	Deductions	Balance as at 31.03.05	Balance as at 31.03.04	For the Year	On Deductions	Balance as at 31.03.05	Balance as at 31.03.05	Depreciation without Revaluation	Balance without Revaluation as at 31.03.2005
Goodwill	3,00,000			3,00,000	0			0	3,00,000		3,00,000
Freehold Land	8,58,95,625			8,58,95,625	0			0	8,58,95,625		20,20,808
Building	12,02,90,991	1,03,35,869		13,06,26,860	96,72,628	40,32,080		1,37,04,708	11,69,22,152	23,23,694	6,90,26,424
Plant&Machinery	8,47,62,796	20,56,509		8,68,19,305	2,40,07,176	43,17,321		2,83,24,497	5,84,94,808	40,71,549	4,57,08,691
Vehicles	51,33,586	79,37,373		1,30,70,959	33,45,016	6,59,954		40,04,970	90,65,989	6,59,954	90,65,989
Other Assets	8,96,34,219	30,58,928		9,26,93,147	4,13,90,077	64,99,358		4,78,89,435	4,48,03,713	61,15,400	2,89,86,223
Total	38,60,17,217	2,33,88,679	0.00	40,94,05,896	7,84,14,897	1,55,08,713	0.00	9,39,23,610	31,54,82,287	1,31,70,597	15,51,08,135
Previous Year's	34,56,50,465	4,08,61,752	4,95,000	38,60,17,217	6,10,90,123	1,74,13,979	89,205	7,84,14,897	30,76,02,320	1,44,66,477	14,48,90,052
									31.03.2005	31.03.2004	
									Rs.	Rs.	
SCHEDULE '6'											
INVESTMENTS											
Quoted (at cost)										5031	5,031
(Refer Notes to Accounts in Schedule '13')											
TOTAL										5,031	5,031
SCHEDULE '7'											
CURRENT ASSETS, LOANS & ADVANCES											
Stock-in-trade											
(At cost or market price whichever is less as certified by one of the Directors).											
Raw Materials										10,77,74,330	10,84,52,136
Work in process										9,81,19,041	9,78,51,798
Finished Goods										46,72,60,620	36,05,30,722
										67,31,53,991	56,68,34,656
Sundry Debtors											
(Unsecured but considered good)											
Debts outstanding for a period exceeding 6 months										24,48,296	33,42,170
Other Debts										20,13,87,635	22,44,37,314
										20,38,35,931	22,77,79,484
Cash and Bank Balances											
Cash and Imprest in hand										14,98,491	30,48,512
Balances with Scheduled Banks										2,29,57,435	3,69,28,083
										2,44,55,926	3,99,76,595
Loans & Advances											
(Unsecured but considered good)											
Advances recoverable in cash or in kind or for value to be received										2,28,03,184	1,43,41,233
Advance Income Tax										10,72,26,075	7,03,92,774
Security Deposit										19,03,791	35,91,582
										13,19,33,050	8,83,25,589
TOTAL										1,03,33,78,898	92,29,16,324

	31.03.2005 Rs.	31.03.2004 Rs.
SCHEDULE '8'		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors	9,53,97,492	6,65,29,820
Other Liabilities	4,57,71,890	4,14,78,142
Interest Accrued but not due	<u>21,35,318</u>	<u>30,23,775</u>
Provisions		
Provision for taxation	10,67,00,764	7,87,70,607
Deferred Tax liability	2,57,27,566	2,42,60,892
Proposed Dividend	<u>2,61,98,000</u>	<u>2,61,98,000</u>
TOTAL	<u>30,19,31,030</u>	<u>24,02,61,236</u>
SCHEDULE '9'		
OTHER INCOME		
Miscellaneous Income	25,75,092	83,84,875
Dividend received from other companies	11,084	10,282
Profit (loss) on sale of Assets		<u>(2,48,795)</u>
TOTAL	<u>25,86,176</u>	<u>81,46,362</u>
SCHEDULE '10'		
COST OF MATERIALS		
Opening Stocks	10,84,52,136	11,13,33,430
Add: Purchases	<u>79,82,89,955</u>	<u>86,99,69,765</u>
	90,67,42,091	98,13,03,195
Less: Closing Stocks	<u>10,77,74,330</u>	<u>10,84,52,136</u>
TOTAL	<u>79,89,67,761</u>	<u>87,28,51,059</u>
SCHEDULE '11'		
OTHER EXPENDITURE		
Power and Fuel	1,60,06,611	2,06,18,008
Rent	62,05,946	78,78,568
Repair and Maintenance	1,85,42,082	2,41,36,598
Personnel Expenses		
– Salaries, Wages, Bonus & Contribution to Provident and other funds	19,95,39,472	19,26,77,978
– Welfare	34,24,914	59,58,149
Insurance	51,38,502	75,03,523
Miscellaneous Expenses	2,66,35,057	3,17,04,138
Auditor's Remuneration	1,33,725	1,33,750
Travelling Expenses	10,72,33,265	9,32,01,942
Sales Administration Expenses	10,89,32,199	17,06,01,169
Freight Outward	<u>1,90,97,562</u>	<u>1,92,40,359</u>
TOTAL	<u>51,08,89,335</u>	<u>57,36,54,182</u>
SCHEDULE '12'		
FINANCIAL EXPENSES		
Working capital borrowings		
Fixed Rate Borrowings	–	23,61,746
Others	<u>3,29,80,011</u>	<u>3,81,49,998</u>
TOTAL	<u>3,29,80,011</u>	<u>4,05,11,744</u>

SCHEDULE '13'

NOTES TO ACCOUNTS

Notes annexed to and forming part of the Balance Sheet as at 31st March 2005 and Profit & Loss Account for the year ended on that date.

	31.03.2005	31.03.2004
	Rs.	Rs.
1. Contingent Liabilities		
Bank guarantees	3,00,000	3,00,000

2. Significant Accounting Policies

The significant accounting policies followed by the Company are as follows :

- I. The Accounts have been prepared on historical cost basis except for certain assets revalued in earlier year.
- II. Accounting policies are consistent and are in consonance with generally accepted accounting principles.
- III. Fixed assets are stated at cost of acquisition and subsequent improvements thereto including taxes, duties freight and other incidental expenses to acquisition and installation. In case of write up due to revaluation the fixed assets are shown at such higher amounts. The carrying amount of fixed assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. Where the carrying value exceeds the estimated recoverable amount, provision for impairment is made. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discounting rate.
- IV. The Company follows the straight line method (S.L.M.) of charging depreciation on all assets. Consequent to the insertion of schedule XIV in Companies Act, 1956 with effect from 2nd April, 1987, depreciation has been provided at the S.L.M. rates prescribed in schedule XIV in respect of additions to fixed assets from and after the said date and in respect of additions to fixed assets prior to said date, the depreciation has been provided at older rates. Pursuant to the notification of department of Company affairs dated 16.12.1993, depreciation on assets acquired on and after the said date is provided at new rates.
- V. Capital work in progress, if any, is stated at cost.
- VI. Long term investments are stated at cost.
- VII. Inventories are valued at lower of cost and net realisable value. Excise duty is included in the value of inventory.
- VIII Revenue is recognised on completion of sale of goods.
- IX. Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Current assets and current liabilities (other than relating to fixed assets) are restated at the rates prevailing at year end or at the forward rates where forward cover has been taken and the difference between the year end rates/forward rate and exchange rates at the date of transaction. Transaction is recognised as income or expense.
- X. Research and Development costs, (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred.
- XI. Contribution to Provident Fund is made monthly at a pre-determined rate, to the provident fund authorities and accounted on an accrual basis.
- XII. Company has affected an arrangement with Life Insurance Corporation of India under Group Gratuity cum Life Assurance Scheme so as to cover future payment of Gratuity to retiring and other employees and is making the contribution to them as per the premium sought.
- XIII. a) Sales comprise of sale of goods, net of trade discount, goods returns, breakages.
b) Dividend on Shares, Insurance and other claims as and when received.

3. Reserve and Surplus includes an amount of Rs.10,00,00,000 as revaluation of:-

Land	Rs.	6,00,00,000
Building	Rs.	4,00,00,000
(As on 31.3.2001)		

An amount of Rs.23,38,116 has been debited to revaluation reserve in 2004-05 (previous year 29,47,501).

	01.04.2004 to 31.03.2005 Rs.	01.01.2003 to 31.03.2004 Rs.	
4. Payment to Whole time Directors including Managing Director:			
Salary	57,60,000	72,07,500	
Commission	34,27,000	57,17,000	
Payment to other Directors :			
Meeting Fees	38,500	56,000	
5. Market Value of quoted long term (non-trade) investments: 652 fully paid Equity Shares of Ranbaxy Laboratories Ltd.	6,57,737	3,83,418	
6. Repairs & Maintenance includes:			
Plant & Machinery	96,72,920	1,08,16,834	
Building	37,25,491	54,52,684	
Others	51,43,671	78,67,078	
7. Computation of Net Profits in accordance with Section 198 of the Companies Act and the Commission payable to the directors.		Rs. Lakhs	
	01.04.2004 to 31.03.2005	01.01.2003 to 31.03.2004	
Profit before tax	826.61	1160.72	
Add : Loss on sale of assets		2.49	
Directors' Remuneration	91.85	129.25	
Net Profit Under Section 198	918.46	1292.46	
Commission payable to Directors' @ 4% each	73.49	103.39	
Restricted to	34.27	57.17	
8. Payment & provisions for Auditors relating to:	Rs.	Rs.	
Audit Fee	1,12,725	1,10,000	
Other Matters	21,000	23,750	
9. The Tax assessment of the Company under the Income Tax Act, 1961 has been completed up to the accounting year ending 31.03.2003 and there are no tax dues standing against the Company in respect of the above.			
10. Balance with Scheduled Banks Include :	31.03.2005 Rs.	31.03.2004 Rs.	
Current Accounts	1,07,78,528	2,85,57,748	
Deposit Accounts	1,21,78,908	83,70,335	
11. Payment of Provident Fund	42,94,853	64,55,685	
12. Excise duty payable on finished goods is accounted in the year of manufacture. The treatment has no impact on the profit.			
13. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPHS 3 & 4 OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956 (As certified by a Director and accepted by the Auditors).			
A. PARTICULARS OF GOODS MANUFACTURED:			
Goods manufactured	Unit of Measure	Actual Production 01.4.2004 to 31.3.2005	Actual Production 01.1.2003 to 31.3.2004
Capsules	Millions	442.61	538.71
Tablets	Millions	267.55	295.67
Syrups	Kl Ltrs.	594.58	578.92
Ampoules	Kl Ltrs	4.48	5.85
Vials	Kl Ltrs	51.97	80.64
Ointments	M. Tonnes	33.25	38.09
Bulk Drugs & Intermediates	M. Tonnes	35.81	73.29
Dry Powder	M. Tonnes	0.87	0.26

B. STOCKS OF FINISHED GOODS. (Rs. lacs)					
Class of Goods	Unit of Measure	31.03.2005		31.03.2004	
		Qty.	Value	Qty.	Value
Capsules	Millions	227.35	2294.45	126.53	1598.51
Tablets	Millions	82.88	994.94	78.68	685.05
Syrups	Kl Ltrs.	148.17	322.24	120.11	213.27
Ampoules	Kl Ltrs	1.35	567.32	1.62	761.04
Vials	Kl Ltrs	18.78	110.12	23.47	82.55
Ointments	M. Tonnes	16.37	152.39	13.55	82.26
Bulk Drugs & Intermediates	M. Tonnes	8.40	185.92	3.81	156.14
Dry Powder	M. Tonnes	0.08	12.06	0.11	22.07
Infusion	Kl Ltrs.	8.83	33.16	1.27	4.41
C. TURNOVER OF FINISHED GOODS (Rs.lacs)					
Class of Goods	Unit of Measure	01.04.2004 to 31.3.2005		01.1.2003 to 31.3.2004	
		Qty.	Value	Qty.	Value
Capsules	Millions	487.66	6975.94	554.45	9021.47
Tablets	Millions	334.58	3342.56	420.00	3715.84
Syrups	Kl Ltrs.	608.34	581.44	646.28	935.59
Injectables:					
Ampoules	Kl Ltrs	6.33	2481.92	5.97	1902.63
Vials	Kl Ltrs	75.36	131.07	95.57	301.95
Ointments	M. Tonnes	53.49	234.91	68.19	394.41
Bulk Drugs & Intermediates	M. Tonnes	32.85	780.69	93.86	729.61
Dry Powder	M. Tonnes	0.970	63.35	0.841	139.52
Infusion	Kl Ltrs.	55.25	209.22	42.21	137.07
D. PURCHASE OF FINISHED GOODS (Rs. lacs)					
Class of Goods	Unit of Measure	01.04.2004 to 31.3.2005		01.1.2003 to 31.3.2004	
		Qty.	Value	Qty.	Value
Capsules	Millions	145.87	2049.90	106.90	1970.13
Tablets	Millions	71.22	624.50	114.26	712.43
Syrup	Kl Ltrs	41.82	95.61	70.62	132.26
Ampoules	Kl Ltrs.	1.58	756.04	0.24	121.64
Vials	Kl Ltrs.	18.70	98.26	15.04	63.27
Ointment	M. Tonnes	23.06	166.13	34.41	199.59
Bulk Drugs	M. tonnes	1.66	15.88	39.55	244.32
Dry Powder	M. Tonnes	0.07	6.52	0.54	54.43
Infusions	Kl Ltrs.	62.81	140.65	29.39	40.52
E. INSTALLED CAPACITY					
Class of Goods	Unit of Measure	31.03.05		31.03.04	
Capsules	Millions		1300		1300
Tablets	Millions		1300		1300
Syrup	Kl Ltrs.		2400		2400
Injectables:					
Ampoules	Kl Ltrs		33		33
Vials	Kl Ltrs		406		406
Ointment	M. Tonnes		164		164

F. CONSUMPTION OF RAW MATERIAL						(Rs lacs)
Item	Unit of Measure	01.04.2004 to 31.3.2005		01.1.2003 to 31.3.2004		
		Qty.	Value	Qty.	Value	
D L Oxyphene Base	Mt. Tonnes	30	960.13	37	1122.89	
Others*	–	–	7029.54	–	7605.62	
Total			7989.67		8728.51	
* No single item constitutes more than 10% in Value terms of the total consumption						
G. BREAK-UP OF CONSUMPTION OF RAW MATERIALS						
Indigenous (Rs lacs)			7485.09		7801.05	
As % age of total			93.68		89.37	
Imported (Rs lacs)			504.58		927.46	
As % age of Total			6.32		10.63	
H. VALUE OF IMPORTS ON CIF BASIS						
Raw Materials (Rs lacs)			585.47		897.23	
I. EXPENDITURE IN FOREIGN EXCHANGE						
Travelling (Rs lacs)			33.39		21.43	
Subscription			0.22		1.03	
J. EARNINGS IN FOREIGN EXCHANGE						
Export FOB value (Rs lacs)			357.64		520.92	
14. Deferred tax adjustment has been made upto 31.03.2005. No affect of section 43B liabilities have been made as they are permanent differences.						
15. Segment Reporting						
The company operates in the Pharmaceutical segment. The segment results are as under:-						
			Current Year		Previous Year	
Sales			Rs. 14801.11 lacs		Rs. 17278.09 lacs	
Profit after tax			Rs. 531.80 lacs		Rs. 768.63 lacs	
16. Disclosure of Earning per Share :						
Basic and diluted Earning per Share			Rs.2.03		Rs. 23.47	
The company has increased the capital from Rs. 327.47 lakhs (32,74,750 Equity shares of Rs. 10/- each) to 1309.90 lakhs (2,61,98,000 Equity Shares of Rs.5/- each) by way of issue of bonus shares in the ratio of 3: 1 and splitting the face value from Rs. 10 per share to Rs. 5 each during the year.						
17. Related party disclosures - AS 18						
A) The company does not have any subsidiary company and or related companies.						
B) Directors:- Related parties						
Jagmohan Singh Kochhar		Transaction	45,93,500		- Remuneration	
Rajpal Singh Kochhar			45,93,500		- Remuneration	
Relative						
Prithipal Singh Kochhar			78,400		- Remuneration	
18. Previous years' figures have been re-grouped and rearranged wherever necessary.						
19. The figures in the Profit & Loss account for the previous period are for fifteen months.						
As per our report of even date						
For P.P. Thukral & Co. Chartered Accountants		J.S. Kochhar Chairman		A. C. Chakrabortti Director		
Suresh Sethi Partner		R. P. S. Kochhar Managing Director		S. Mukhopadhyay Director		
Place : New Delhi Dated : 23.08.2005		Sanjiv Kumar Dudeja General Manager		S.K. Mata Company Secretary		

Part IV of Schedule VI of The Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details			
Registration No.	: 9181	State Code	: 55
Balance Sheet Date	: 31.03.2005		
II. Capital Raised During the year (Amount in Rs. thousand)			
Public Issue	: NIL	Rights Issue	: NIL
Bonus Issue	: 98243	Private Placement/Others	: NIL
III. Position of Mobilisation and Deployment of Funds (Amount in Rs. thousand)			
Total Liabilities	: 1348866	Total Assets	: 1348866
SOURCES OF FUNDS			
Paid-Up Capital	: 130990	Reserves & Surplus	: 550435
Secured Loans	: 299384	Unsecured Loans	: 66126
APPLICATION OF FUNDS			
Net Fixed Assets	: 315482	Investments	: 5
Net Current Assets	: 731448	Misc. Expenditure	: NIL
Accumulated Losses	: NIL		
IV. Performance of Company (Amount in Rs. thousand)			
Turnover	: 1480111	Total Expenditure	: 1397451
Profit/Loss Before Tax	: +82660	Profit/Loss After Tax	: +53180
Earning Per Share	: Rs. 2.03	Dividend Rate	: 20%
V. Generic names of three principal products/services of Company (As per monetary terms)			
Item Code No. (ITC Code)	: 294200		
Product Description	: Dextropropoxyphene Hydrochloride		
Item Code No. (ITC Code)	: 300410		
Product Description	: Ampicillin		
Item Code No. (ITC Code)	: 300490		
Product Description	: Nandrolone Decanoate		

As per our report of even date

For P.P. Thukral & Co.
Chartered Accountants

J.S. Kochhar
Chairman

A. C. Chakrabortti
Director

Suresh Sethi
Partner

R. P. S. Kochhar
Managing Director

S. Mukhopadhyay
Director

Place : New Delhi
Dated : 23.08.2005

Sanjiv Kumar Dudeja
General Manager

S.K. Mata
Company Secretary

Cash Flow Statement
for the Period Ended 31st March, 2005
(Pursuant to Clause 32 of the Listing Agreement)

	31.03.2005 (Rs.)	31.03.2004 (Rs.)
A. Cash Flow From operating activities		
Net Profit before tax and extraordinary items	8,26,60,144	11,60,71,882
Add: Adjustment for Depreciation	1,31,70,597	1,44,66,477
Adjustment for loss on sale of assets	0	2,48,795
Total	9,58,30,741	13,07,87,154
Add: Interest	3,29,80,011	4,05,11,744
Operating profit before working capital changes	12,88,10,752	17,12,98,898
Less: Increase in Inventories	10,63,19,335	8,50,77,302
Increase in Sundry Debtors	(2,39,43,554)	(5,21,01,423)
Increase in Loans & Advances	4,36,07,461	3,53,96,540
Increase in Balances with Scheduled Bank	(1,39,70,647)	1,35,23,936
	1,67,98,156	8,94,02,543
Add: Increase in Current Liabilities & Provisions	6,16,69,795	8,49,90,754
Increase in Short term borrowings from banks	1,98,38,198	92,42,394
	9,83,06,149	18,36,35,691
Less: Payment of Interest	3,29,80,011	4,05,11,744
Income Tax & deferred tax	2,94,80,338	3,92,08,873
Dividend & Tax on Dividend	2,95,38,245	2,95,54,619
Cash flow before extra ordinary items	63,07,555	7,43,60,455
B. Cash Outflow for investing activities		
Purchase of fixed assets	2,33,88,679	4,08,61,752
	(1,70,81,125)	3,34,98,703
C. Cash Flow from financing activities		
Add: Proceeds from sale of fixed assets		1,57,000
Proceeds from long term borrowings		(1,67,50,000)
Proceeds from Fixed deposits	1,55,31,104	(2,38,47,613)
	(15,50,021)	(69,41,910)
Add: Cash & Imprest in Hand as on 31.03.04	30,48,511	99,90,421
Balance of Cash & Imprest in Hand as on 31.03.05	14,98,490	30,48,511

We have verified the above Cash Flow Statement for the year ended 31st March 2005 with the audited accounts for the year ended on that date and found the same to be in agreement therewith

As per our report of even date

For P.P. Thukral & Co.
Chartered Accountants

J.S. Kochhar
Chairman

A. C. Chakrabortti
Director

Suresh Sethi
Partner

R. P. S. Kochhar
Managing Director

S. Mukhopadhyay
Director

Place : New Delhi
Dated : 23.08.2005

Sanjiv Kumar Dudeja
General Manager

S.K. Mata
Company Secretary

JAGSONPAL PHARMACEUTICALS LIMITED
PROXY

Folio No./Client ID No. DP ID No. No. of Shares held.....

I/Weof

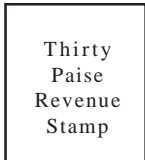
being a Member/Members of Jagsonpal Pharmaceuticals Limited hereby appoint of

..... or failing him

..... of

as my/our proxy in my/our absence to attend and vote for me/us, and on my/our behalf, at the 26th Annual

General Meeting of the Company to be held on 30.09.2005



Signed by the said

Notes : The proxy must be deposited at the Registered Office of the Company at T-210J, Shahpur Jat, New Delhi-110049, not less than 48 hours before the time for holding the Meeting.

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JAGSONPAL PHARMACEUTICALS LIMITED
ATTENDANCE SLIP

**THIS ATTENDANCE SLIP, DULY FILLED IN, IS TO BE HANDED OVER AT
THE ENTRANCE OF THE MEETING HALL**

Name of the attending Member
(in Block Letters)

Folio Number/Client ID No. DP ID No.

Name of Proxy (In Block Letters, to be filled
in if the Proxy attends instead of the Member)

No. of shares held

I hereby record my presence at the 26th Annual General Meeting at Vanita Samaj, 13 Institutional Area, Lodi Road, New Delhi-110003 at 10.00 am on 30.09.2005

Member's/Proxy's Signature*

* To be signed at the time of handing over this slip.



Past Record

...14 Years of continuous dividend payment

(Rs. in Lacs)

Particulars	Financial Year Ending													
	03 / 1992	03 / 1993	03 / 1994	12 / 1994 (9 mths)	12 / 1995 (12 mths)	03 / 1997 (15 mths)	03 / 1998	03 / 1999	03 / 2000	03 / 2001	09 / 2001 (6 mths)	12 / 2002 (15 mths)	03 / 2004 (15 mths)	03 / 2005 (12 mths)
Fixed Assets	230.30	572.00	948.80	1101.01	1173.10	1424.40	1475.95	1583.51	1659.45	2816.91	2794.12	2845.6	3076.02	3154.82
Investments	0.00	0.00	9.70	9.71	299.10	299.10	0.10	0.10	0.10	0.05	0.05	0.05	0.05	0.05
Net Current Assets	173.10	309.80	402.90	763.59	915.50	1196.60	1952.59	2744.99	3689.50	4465.56	4790.28	4223.88	4031.09	4320.64
Total Capital Employed	403.30	881.80	1361.30	1874.98	2387.70	2921.10	3428.63	4328.60	5349.05	7282.52	7584.45	7069.53	7107.16	7475.51
Share Holders' Funds	303.60	717.10	1183.20	1434.17	2018.50	2361.80	2810.68	3256.16	4066.42	6023.78	5919.38	6157.61	6601.21	6814.25
Sales	2594.00	3448.00	4089.00	4125.75	5970.90	7561.20	7908.75	9146.08	11846.29	13651.87	5690.26	15446.93	17278.09	14801.11
Other income	15.30	8.00	34.00	29.81	10.50	12.60	28.27	35.65	43.26	21.74	28.11	63.25	81.46	25.86
Operating Profit	171.00	343.40	501.90	558.28	984.90	1251.40	1216.83	1314.23	1852.59	1975.24	606.31	1435.74	1710.5	1288.11
Interest	95.70	139.20	181.80	139.20	283.60	541.00	403.11	458.68	444.81	509.19	283.77	570.34	405.12	329.80
Depreciation	10.00	11.40	18.80	18.82	30.20	52.00	55.15	67.32	78.34	89.95	50.57	129.74	144.66	131.71
Tax	19.00	66.50	66.80	107.29	150.00	188.00	190.00	217.00	388.00	361.00	90.00	220	366.00	280.14
Profit After Tax	46.20	126.40	234.50	292.97	431.10	470.40	568.57	571.22	941.44	1015.10	181.98	515.66	794.71	546.47
Retained Earnings	19.70	95.40	199.00	259.69	386.60	137.30	460.51	455.69	820.49	885.97	109.37	282.25	473.08	236.43
Dividend (Including Tax)	26.50	31.00	35.50	33.28	44.50	112.70	108.06	108.06	119.86	108.26	72.17	138.15	295.54	295.38
Dividend (%)	15.00	17.50	20.00	18.75	25.00	25.00	30.00	30.00	30.00	30.00	20.00	37.50	80.00	20.00
Earning Per Share (Rs.)	2.61	7.13	13.22	16.50	13.17	14.35	17.36	17.44	28.75	31.00	5.56	15.75	23.45	2.03

Book Post

To

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If undelivered, please return to :

Jagsonpal Pharmaceuticals Limited
20 K.M. Mathura Road,
Post Office Amar Nagar, Faridabad-121003