

**JAGSONPAL**  
43<sup>rd</sup> ANNUAL REPORT  
2021-22



**JAGSONPAL PHARMACEUTICALS LIMITED**

**BOARD OF DIRECTORS**

Manish Gupta	Managing Director
Harsha Raghavan	Non- Executive Additional Director
Debasis Bikash Nandy	Non-Executive Additional Independent Director
Radhika Madhukar Dudhat	Non-Executive Additional Independent Director
Pallavi Dinodia Gupta	Non-Executive Additional Independent Director
Prithipal Singh Kochhar	Non-Executive Additional Director

**CHAIRMAN EMERITUS**

Rajpal Singh Kochhar

**CHIEF FINANCIAL OFFICER**

S.V. Subha Rao

**COMPANY SECRETARY**

Nandita Singh

**AUDITORS**

H.L. Bansal & Co. Chartered Accountants (Retiring in the ensuing 43RD AGM)

Walker Chandiok & Co LLP Chartered Accountants (new auditors)

**BANKERS**

Punjab & Sind Bank

Central Bank of India

**REGISTERED OFFICE**

T-210 J, Shahpur Jat New Delhi - 110 049

Tel. : 011-46181100 & 46119900

E-mail : [cs@jagsonpal.com](mailto:cs@jagsonpal.com)

Website : [www.jagsonpal.com](http://www.jagsonpal.com)

CIN: L74899DL1978PLC009181

**REGISTRAR & SHARE TRANSFER AGENTS**

MCS Share Transfer Agent Limited

F-65, 1st Floor, Okhla Industrial Area Phase - I, New Delhi - 110 020 Phone : 011-46106148

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## *From the Desk of Manish Gupta, Managing Director*

Dear Shareholders,

It gives me immense pleasure to communicate with you all for the first time after joining the organization as the Managing Director .

As I take up the mantle at Jagsonpal, I am excited to lead Jagsonpal which stands on the strong pillars of a robust business model, a talented team, a strong portfolio of brands, an extensive pan-India distribution network, and a large field force of medical representatives.

The Company is focused on the domestic formulations industry with a heritage of over four decades, and is a trusted name among the medical fraternity.”

Before I delve into the business and performance the path we propose to chart out for your Company, I would like to touch upon some key developments since the closure of financial year ended March 31, 2022, on the ownership side and composition of Board.

### **Ownership**

As you are aware, in February 2022, Funds advised by Convergent Finance (Convergent), announced their intent to acquire 43.73% of the outstanding equity shares of your Company from the Founders, the Kochhar family. Convergent Funds have become joint promoters of the company on June 27, 2022, along with the Kochhar family who continues to own 24.99% in the Company.

### **Governance**

Consequent to the Change in Control, The Board was reconstituted on June 29, 2022, by inducting luminaries from varied fields. Mr. Harsha Raghavan and Mr. Prithipal Singh Kochhar joined the Board Convergent and Kochhar family nominees respectively. The Board also inducted Mr. Debasis Nandy, Ms. Radhika Madhukar Dudhat, and Ms. Pallavi Dinodia Gupta as Independent Directors. On July 16, 2022, I joined the Board as the Managing Director. The detailed profile of directors is available in the Notice to the Annual General Meeting and also at [www.jagsonpal.com/](http://www.jagsonpal.com/)

The Board of Directors have also approved the appointment of M/s. Walter Chandio & Co LLP as the Statutory Auditors of the Company for a term of five years, which is subject to the shareholders’ approval.

### **Business and operational update**

On the back of superior research capabilities, in August 2021, the Company launched two brands – Divatrone and ProRetro in the lucrative product market segment – Dydrogesterone, which was earlier dominated by a global pharma Company. I am delighted to share that these launches at affordable prices have not only significantly expanded the Dydrogesterone market, but the Company has been successful in consistently increasing penetration, thereby garnering a 4.1% market share in the month of July 22, as per the latest market research by IQVIA (An independent market research organisation). On the back of this success, the Company has significantly outpaced the growth of Indian pharmaceutical industry, growing at 15.2% as against the industry growth rate of 7.7% for the twelve month period ending July 2022. This achievement gives me confidence that through concerted efforts, the Company is capable of achieving several such milestones. This was complemented by two important decisions – Closure of the Faridabad plant and migrating from the existing depot model to the C&F model which will result in higher operating efficiencies along with lower distribution costs.

### **Journey Ahead**

Coming to the growth framework for the journey ahead, while these are still early days for me to develop and articulate specific dimensions of our strategy, going forward, improving the Company’s ranking in the domestic market is at the forefront and the team at Jagsonpal is working in unison towards achieving the goal of sequential improvement in the ranking. It goes without saying that this acceleration in growth will be accompanied by an improvement in profitability.

I look forward to working closely with the new Board to built on the great foundation laid by Mr. Rajpal Singh Kochhar, who led the Company since 1996.

I would like to express my gratitude towards Board Members for giving me this opportunity and also the wonderful team at Jagsonpal for accepting me as part of the Jagsonpal family.

Let’s take the journey forward, together!

Warm regards

Manish

New Delhi

August 9, 2022

**JAGSONPAL PHARMACEUTICALS LIMITED**  
 Regd. Office. T-210 J, Shahpur Jat, New Delhi - 110 049 (INDIA)  
 Phone: 0091-11-46181100, 46109900  
 Email: cs@jagsonpal.com; Website: www.jagsonpal.com  
 CIN No. L74899DL1978PLC009181

## NOTICE

NOTICE is hereby given that the 43<sup>rd</sup> Annual General Meeting of the members of **JAGSON PAL PHARMACEUTICALS LIMITED** will be held on Wednesday, the 14<sup>th</sup> day of September, 2022 at 03:30 PM through Video Conferencing (VC)/Other Audio Visual Means (OAVM) to transact the following business:

### ORDINARY BUSINESS

- To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

#### **Adoption of Audited Financial Statements for the financial year 2021-22**

“**RESOLVED THAT** the Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2022 together with the Directors’ Report and the Auditor’s Report thereon as presented to the meeting be and are hereby received, considered and adopted.”

- To consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution:

#### **Confirmation of payment of interim dividend on equity shares**

“**RESOLVED THAT** the interim dividend @ 80% i.e. Rs.4.00 per equity share paid to the shareholders for the financial year ended March 31, 2022, approved by the Board of Directors and already paid, be and is hereby confirmed for the financial year 2021-22.”

### SPECIAL BUSINESS

- To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

#### **Remuneration of the Cost Auditors for the financial year ending March 31, 2023**

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. R. Krishnan, Cost Accountants (Membership No. 7799), appointed by the Board on the recommendation of the Audit Committee of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or the Company Secretary be and are hereby authorized jointly and severally to do all, deeds and things which are necessary for the aforesaid appointment and to send the necessary intimation in prescribed form to Registrar of Companies”.

- To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

#### **Appointment of Mr. Harsha Raghavan as a Non-Executive Non-Independent Director of the Company**

“**RESOLVED THAT** in accordance with Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as amended, Mr. Harsha Raghavan (DIN:

01761512), who was appointed as an Additional Director by the Board of Directors on June 29, 2022, and who holds his office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Act, be and is hereby appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors be and hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

- To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

#### **Appointment of Mr. Prithipal Singh Kochhar as a Non-Executive Non-Independent Director of the Company**

“**RESOLVED THAT** in accordance with Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as amended, Mr. Prithipal Singh Kochhar (DIN: 01052194) , who was appointed as an Additional Director by the Board of Directors on June 29, 2022, and who holds his office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Act, be and is hereby appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors be and hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

- To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

#### **Appointment of Mr. Debasis Bikash Nandy as an Independent Director**

“**RESOLVED THAT** Mr. Debasis Bikash Nandy (DIN: 06368365), who was appointed as an Additional Director (Independent Director) of the Company by the Board of Directors with effect from June 29, 2022, pursuant to Section 161 of the Companies Act, 2013 (the “Act”) and the Rules framed thereunder, who holds office up to the conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Act, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Act read with Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) (including any statutory modification(s) or re-enactment thereof to the Act and Listing Regulations) and pursuant to the Articles of Association of the Company, consent of the Members be and is hereby accorded to appoint Mr. Debasis Bikash Nandy (DIN: 06368365), who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations, as an Independent Director of the Company for a term of five consecutive years effective from June 29, 2022, not liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors be and hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**Appointment of Ms. Radhika Madhukar Dudhat as an Independent Director**

“**RESOLVED THAT** Ms. Radhika Madhukar Dudhat (DIN: 00016712), who was appointed as an Additional Director (Independent Director) of the Company by the Board of Directors with effect from June 29, 2022, pursuant to Section 161 of the Companies Act, 2013 (the “Act”) and the Rules framed thereunder, who holds office up to the conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director pursuant to Section 160 of the Act, be and is hereby appointed as a Director of the Company effective from June 29, 2022.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Act read with Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) (including any statutory modification(s) or re-enactment thereof to the Act and Listing Regulations) and pursuant to the Articles of Association of the Company, consent of the Members be and is hereby accorded to appoint Ms. Radhika Madhukar Dudhat (DIN: 00016712), who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations, as an Independent Director of the Company for a term of five consecutive years effective from June 29, 2022, not liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors be and hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**Appointment of Ms. Pallavi Dinodia Gupta as an Independent Director**

“**RESOLVED THAT** Ms. Pallavi Dinodia Gupta (DIN: 06566637), who was appointed as an Additional Director (Independent Director) of the Company by the Board of Directors with effect from June 29, 2022, pursuant to Section 161 of the Companies Act, 2013 (the “Act”) and the Rules framed thereunder, who holds office up to the conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director pursuant to Section 160 of the Act, be and is hereby appointed as a Director of the Company effective from June 29, 2022.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Act read with Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) (including any statutory modification(s) or re-enactment thereof to the Act and Listing Regulations) and pursuant to the Articles of Association of the Company, consent of the Members be and is hereby accorded to appoint Ms. Pallavi Dinodia Gupta (DIN: 06566637), who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations, as an Independent Director of the Company for a term of five consecutive years effective from June 29, 2022, not liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**Appointment of Mr. Manish Gupta as Managing Director**

“**RESOLVED THAT** pursuant to the provisions of Sections 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (the “Act”) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) (including any statutory modification(s) or re-enactment(s) thereof to the Act and the Listing Regulations), Mr. Manish Gupta (DIN: 06805265), who was appointed as an Additional Director of the Company effective July 16, 2022 and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company with effect from July 16, 2022, liable to retire by rotation.

**RESOLVED FURTHER THAT** in accordance with the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Act and the Rules framed thereunder and applicable provisions of the Listing Regulations (including any statutory modification(s) or re-enactment thereof to the Act and Listing Regulations) and the Articles of Association of the Company, consent of the Members be and is hereby accorded for the appointment of Mr. Manish Gupta as Managing Director of the Company with effective from July 16, 2022 for a period of 5 (five) years on such terms of employment as set out in the Explanatory Statement annexed to the notice.

**RESOLVED FURTHER THAT** Mr. Manish Gupta will also be eligible for Perquisites arising out of exercise of Employee Stock Options that may be granted to him by the Company.

**RESOLVED FURTHER THAT** the Board of Directors or any Committee thereof as per powers delegated to it, be and is hereby authorized to take all such steps as may be necessary for obtaining any approvals – statutory, contractual or otherwise, in relation to the above, and to do all the acts, deeds, matters and things which are necessary, proper, expedient and incidental for giving effect to this resolution.”

10. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**Grant of options of more than 1% of the issued capital to Mr. Manish Gupta, Managing Director**

“**RESOLVED THAT** in accordance with Regulation 6(3)(d) of the Securities And Exchange Board Of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, consent of the Members of the Company be and is hereby accorded for the grant of Stock Options under Jagsonpal Pharmaceuticals Limited Employee Stock Option Plan 2022’ (“Scheme”) to Mr. Manish Gupta, Managing Director of the Company, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors including the Nomination & Remuneration Committee and/or such other committee as may be decided by the Board, be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, on behalf of the Company to settle all questions, difficulties or doubts that may arise in this regard, as it may, in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members.”

11. To consider and if thought fit, pass the following resolution as an Ordinary Resolution:

**Appointment of M/s. Walker Chandiook & Co LLP Chartered Accountants) as Statutory Auditors**

**RESOLVED** that pursuant to the provisions of Section 139, Section 142 and other applicable provisions of the Companies Act, 2013 (the Act) and the Rules framed thereunder (including any statutory modification or re-enactment thereof) and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. Walker Chandiook & Co LLP Chartered Accountants (Firm No. 001076N/N500013), be and are hereby appointed as Statutory Auditors of the Company for a period of 5 (Five) years from the conclusion of this Annual General Meeting till the conclusion of Forty Eighth Annual General Meeting and that the Board of Directors be and is hereby authorized to fix and revise their remuneration as may be recommended by the Audit Committee in consultation with the Statutory Auditors every year till the completion of term as fixed by this resolution.

12. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**Payment of Commission to Non-Executive Directors of the Company**

**“RESOLVED THAT** pursuant to applicable provisions of the Companies Act, 2013 (the ‘Act’) and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), including any statutory modification(s) or re-enactment(s) thereof to the Act and the Listing Regulations, consent of the Members of the Company be and is hereby accorded to pay to Directors of the Company (other than the Managing Director and Whole-time Director of the Company) such commission as the Board of Directors, may from time to time determine (to be divided amongst them in such proportion as may be determined by the Board of Directors from time to time), not exceeding 1% of the net profits of the Company for that financial year computed in the manner provided in Section 198 of the Act.

**RESOLVED FURTHER THAT** in the event of inadequacy of profit in any financial year, the Non-Executive Directors shall be eligible for minimum remuneration as stipulated in Schedule V of the Act.

**RESOLVED FURTHER THAT** the above payment shall be in addition to the sitting fee payable to the Non-Executive Director(s) for attending the meetings of the Board and/or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the said meetings.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

13. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**Amendment to Articles of Association of the Company**

**“RESOLVED THAT** pursuant to the provisions of Section 5, 14 and other applicable provisions of the Companies Act, 2013 and the rules thereunder, (including any statutory modifications or re-enactment thereof, for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactment thereof) and subject to necessary statutory approvals and modifications, approval of the members of the Company be and is hereby accorded, to amend the Articles of Association of the Company by replacing the existing Article

existing Article 244.3.2 as under:

*Article 244.3.2: Board Chairman*

*“The Chairman of the Board shall be decided by the Board of Directors”*

**“RESOLVED FURTHER THAT** any of the Directors and Company Secretary of the Company, be and are hereby severally authorised to do all acts, deeds, matters and things and execute all documents, make all filings, take all steps and give such directions as may be required, necessary, expedient or desirable in connection with or incidental for giving effect to the above resolution, including removing any difficulty arising in relation thereto, and complying with all other requirements in this regard.”

**“RESOLVED FURTHER THAT** all Directors and the Company Secretary be and are hereby severally authorised to certify any copy of this resolution as a true copy and furnish the same to whomsoever concerned.”

By the Order of the Board

Place: New Delhi  
Date: August 9, 2022

Nandita Singh  
Company Secretary  
A48520

**NOTES:-**

1. In view of the ongoing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 20/ 2021 dated December 8, 2021 and General Circular No. 2/ 2022 dated May 5, 2022 (collectively "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and circular no. SEBI/ HO/ CFD/ CMD2/ CIR/ P/ 2022/ 62 dated May 13, 2022 (collectively "SEBI Circulars"), have permitted companies to conduct AGM through VC or OAVM, subject to compliance of various conditions mentioned therein. In compliance with the aforesaid MCA Circulars and SEBI Circulars and the applicable provisions of Companies Act, 2013 and rules made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 43<sup>rd</sup> AGM of the Company is being convened and conducted through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. Explanatory Statement setting out the material facts concerning each item of Special Businesses to be transacted at the Annual General Meeting pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of the Notice.
3. The detailed procedure in respect of Voting Procedure through VC/OAVM VOTING is given under **ANNEXURE B**.
4. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice.
5. Attendance of the Members participating in the AGM through VC/ OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Corporate members attending the meeting through their authorized representatives pursuant to Section 113 of Companies Act, 2013 ("the Act") are requested to send to the Company, at least 48 hours prior to the start of e-voting, scanned copies of the following documents through email [cs@jagsonpal.com](mailto:cs@jagsonpal.com).
  - a) a certified copy of the Board resolution authorizing their representatives
  - b) Photograph along with ID Proof of the Representative
7. Members are requested to intimate change, if any, in their address (with PIN Code), E-mail ID, nominations, bank details, mandate instructions, National Electronic Clearing Service ("NECS") mandates, etc. under the signature of the registered holder(s) to M/s MCS Share Transfer Agent Limited, Registrar and Transfer Agent ("RTA") of the Company (email id [admin.mcsregistrars.com](mailto:admin.mcsregistrars.com)); Or the Company and their respective Depository Participants.
8. Relevant documents referred to in the Annual Report including Notice of AGM and Explanatory Statement are available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM on business hours on any working day. Members seeking to inspect such documents can send an email to [cs@jagsonpal.com](mailto:cs@jagsonpal.com).
9. The members who have not yet registered their e- mail ids with the Company may contact on (e-mail [cs@jagsonpal.com](mailto:cs@jagsonpal.com)) for registering their e- mail ids on or before the cut- off date fixed for entitling the members to cast their vote i.e. September 07, 2022. The Company shall send the Notice to such members whose e-mail ids get registered within the aforesaid time enabling them to participate in the meeting and cast their votes.
10. In terms of the aforesaid Circulars, the businesses set out in the Notice will be transacted by the members only through remote e-voting or through the e-voting system provided during the meeting while participating through VC facility.
11. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(1) of Companies (Share Capital and Debentures) Rules, 2014, members of the Company may nominate a person in whom the shares held by him/ them shall vest in the event of his/ their unfortunate death. Accordingly, members holding shares in physical form, desirous of availing this facility may submit nomination in Form SH-13 to RTA of the Company. In respect of shares held in dematerialised form, the nomination form may be filed with the concerned Depository Participant.
12. The Notice of AGM and Annual Report will be sent to those Members / beneficial owners whose name will appear in the Register of Members / list of Beneficial Owners received from the Depositories as on **August 19, 2022**.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company/ Registrar & Transfer Agents i.e. M/s MCS Share Transfer Agent Limited.
14. As per SEBI directions securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019. Members, holding shares in physical forms, are advised to dematerialize their shares.
15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Share Transfer Agents of the Company for consolidation into a single folio.  
Non-Resident Indian Members are requested to inform to the Registrar and Share Transfer Agents of the Company, immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
16. Members are hereby informed that pursuant to Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, as may be amended from time to time (IEPF Rules), dividend which is remaining unpaid/ unclaimed by shareholders for a period of seven consecutive years shall be transferred to IEPF. IEPF Rules mandate the companies to transfer the shares of members whose dividends remain unpaid/ unclaimed for a period of seven consecutive years, to the dematerialization account of IEPF Authority. The details of unclaimed dividends and its due dates for transfer to IEPF are available on the website of the Company. Members who have not claimed their dividend(s) so far in respect of the unclaimed dividend(s) and which is due for transfer to IEPF, are requested to write to the Company's R&T Agent, well in advance before the respective due dates. The Members whose dividend(s) and/or shares have been transferred to IEPF Authority can now claim their dividend(s) and/or shares from the IEPF Authority by following the 'Procedure to claim Refund' as detailed on the website of IEPF Authority [www.iepf.gov.in/IEPF/refund.html](http://www.iepf.gov.in/IEPF/refund.html). Unclaimed final equity dividend for the financial year 2014-15 is due for transfer to IEPF by November, 2022. Members are required to claim their unencashed dividend, if any, for the financial year 2014-15.
17. Members are requested to note that, dividends if not encashed

for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). For details, please refer to corporate governance report which is a part of this Annual Report.

18. Member's attention is particularly drawn to the "Corporate Governance" section in respect to unclaimed and unpaid dividend.
19. In accordance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereto and applicable provisions of the SEBI Listing Regulations, the Company has engaged NSDL to provide the facility of voting through electronic means to the members to enable them to cast their votes electronically in respect of all the businesses to be transacted at the aforesaid Meeting.
20. The facility of e-voting through the same portal provided by NSDL will be available during the Meeting through VC also to those Members who do not cast their votes by remote e-voting prior to the Meeting. Members, who cast their votes by remote e-voting, may attend the Meeting through VC but will not be entitled to cast their votes once again.
21. Voting rights of the members (for voting through remote e-voting or e-voting system provide in the Meeting itself shall be in proportion to shares of the paid-up equity share capital of the Company as on the cut-off date i.e., September 7, 2022. A person, whose name is recorded in the Register of Members or in the Register of Beneficial owners (as at the end of the business hours) maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting or e-voting system provide in the Meeting.
22. Pursuant to section 101 and section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the depository. Members of the company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
23. Queries on the Annual Report and operations of the Company, if any, may please be sent to the email [cs@jagsonpal.com](mailto:cs@jagsonpal.com) at least ten days prior to the date of the AGM so that answers may be provided at the Meeting.
24. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

## 25. Voting through electronic means:

### A. Instructions for Remote E-Voting prior to the AGM

- I. The remote e-Voting period commences at **09:00 A.M. (IST) on Sunday, September 11, 2022** and ends at **05:00 P.M. (IST) on Tuesday, September 13, 2022**. During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the Cut-off date **Wednesday, September 07, 2022** ("Cut-off date"), may cast their vote by remote e-Voting. No remote e-Voting shall be allowed beyond the aforesaid date and time and remote e-Voting module shall be disabled by NSDL upon expiry of the aforesaid period. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- II. The Members who have cast their vote by remote e-voting prior to the AGM may also attend and participate in the AGM through VC/ OAVM means, but shall not be entitled to cast their e-vote again.
- III. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date should treat this Notice for information purpose only.
- IV. Any person, who acquire shares and become Member of the Company after the date of electronic dispatch of the Notice and holding shares as on the cut-off date i.e. **September 07, 2022**, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if they are already registered with NSDL for remote e-voting then they can use their existing User ID and password to cast the vote.
- V. **How do I vote electronically using NSDL e-Voting system?** The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:-

Step 1: Access to NSDL e-Voting system

Step 2: Cast your vote electronically and join virtual meeting on NSDL e-Voting system

#### Details on Step 1 are mentioned below:

1. **Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p><b>1. NSDL IDEAS facility</b></p> <p><b>If you are already registered for the NSDL IDEAS facility</b></p> <p>(a) Please visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile.</p> <p>(b) On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDEAS’ section.</p> <p>(c) A new screen will open. You will have to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services.</p> <p>(d) Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page.</p> <p>(e) Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p><b>If you are not registered for IDEAS e-Services</b></p> <p>The option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDEAS Portal” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p><b>2. E-voting website of NSDL</b></p> <p>(a) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile.</p> <p>(b) Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.</p> <p>(c) A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen.</p> <p>(d) After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</p> <p>2. Once logged on you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</p> <p>3. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important Note:-** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

2. **Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

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

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

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system****How to cast your vote electronically and join General Meeting on NSDL e-Voting system**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**Process for procuring user ID and password for e-voting for those shareholders whose email ids are not registered with the depositories / Company**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to (Company email id).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (Company email id). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**B. Instructions for E-Voting during the AGM**

- I. The procedure for e-voting during the AGM is same as the instructions mentioned above for remote e-voting.
- II. Only those Members, who will be present at the AGM through VC/ OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

**C. Instructions for attending the AGM through VC / OAVM**

- I. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join General meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- II. The Members will be allowed to join the AGM through VC/ OAVM facility, fifteen (15) minutes before the scheduled time of commencement of the AGM and shall be kept open throughout the proceedings of the AGM. The facility of participation at the AGM through VC/ OAVM will be made available to atleast 1,000 members on first come- first-served basis. The large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the AGM without any restriction on account of first-come-first-served basis.
- III. For ease of conduct, the Company is pleased to provide two way video conferencing facility to the Members who would like to express their views/ ask questions at the AGM. The Members may register themselves atleast seven (7) days in advance as a speaker by sending their request along with questions from their registered email address mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at [cs@jagsonpal.com](mailto:cs@jagsonpal.com). Those members who have registered themselves as a speaker will only be allowed to express their views/ ask questions at the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Members who do not wish to speak during the AGM but have queries regarding financial statements or other matters may send their queries seven (7) days before the AGM mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at [cs@jagsonpal.com](mailto:cs@jagsonpal.com). These queries will be replied by the Company suitably by email.

IV. Members who need assistance before or during the AGM, can contact MCS Share Transfer Agent Limited on [admin.mcsregistrars.com](mailto:admin.mcsregistrars.com).

#### 1. General Guidelines for shareholders:

- Institutional/ Corporate members (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board Resolution/ Authorisation Letter, etc. authorizing its representative to attend the AGM through VC/ OAVM on its behalf and to vote through e-voting. The said resolution/ authorization shall be sent to the Scrutinizer by email to [manishsohal@gmail.com](mailto:manishsohal@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details / Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-1020-990/1800-224-430 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- In case of any queries or grievances relating to e-Voting, you may contact Ms. Sarita Motte, Authorised Person, NSDL, Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, India through e-mail at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or on Toll Free No.: 1800-222-990 OR Ms. Meenakshi, Authorised Person, Skyline Financial Services Private Limited, D-153 A, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi-110020., India through email at [admin.mcsregistrars.com](mailto:admin.mcsregistrars.com).
- The Board of Directors has appointed Mr. Manish Kumar, Partner, Manish K & Associates, Practicing Company Secretary, has been appointed as “Scrutinizer” to scrutinize the process of e-voting during the AGM and remote e-voting held before the AGM in a fair and transparent manner.
- The Scrutinizer shall after the conclusion of e-voting at the AGM, unblock the votes cast through remote e-voting and e-vote cast during the AGM and shall make, not later than 2 working days of the conclusion of the AGM, a consolidated Scrutinizer’s Report of the total e-votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the Scrutinizer’s Report and declare the result of the voting forthwith.
- The results of voting will be declared within the time-lines prescribed under the SEBI LODR and the result declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of NSDL immediately after declaration of result by the Chairman or a person authorised by him and the result shall also be communicated to the Stock Exchange.

Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed at the AGM scheduled to be held on September 14, 2022

#### Explanatory Statement pursuant to section 102 of the Companies Act.

Pursuant to Section 102(1) of the Act, the following Explanatory Statement sets out material facts relating to the business under item nos.3 to 13 of the accompanying Notice dated 09<sup>th</sup> August, 2022 convening the 43<sup>rd</sup> Annual General Meeting of the Company scheduled to be held on 14<sup>th</sup> September, 2022.

#### Item No.3: Remuneration of Cost Auditor

The Board of Directors of the Company has appointed M/s. R. Krishnan, Cost Accountants as Cost Auditors of the Company to audit the accounts relating to drug formulations for the financial year ending March 31, 2023. Remuneration of Rs. 1.75 lakh plus out of pocket expenses shall be payable to M/s. R. Krishnan, Cost Auditors of the Company for the financial year ended 31 March, 2023, which was recommended by the Audit Committee to the Board of Directors and subsequently, was considered and approved by the Board of Directors.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

In this regard, the proposal is being placed before the members for the approval.

The Board of Directors recommends the resolution as set out in Item No. 3 for the approval of the members by way of ordinary resolution.

None of the Directors or KMP of the Company or their relatives is concerned or interested financially or otherwise, in this resolution.

#### Item No.4 & 5:

#### Appointment of Mr. Harsha Raghavan and Mr. Prithipal Singh Kochhar as Non-Executive Non-Independent Directors

On February 21, 2022, the promoters M/s. Aresko Progressive Private Limited (acting in capacity as a trustee of the Aresko Progressive Trust and as the representative partner of J&P Investments Partnership) (“**Seller**”) and Mr. Rajpal Singh Kochhar have entered into a Share Purchase Agreement (“**SPA**”) with Infinity Holdings (“**Acquirer**”) together with Persons Acting in Concert with the Acquirer being Infinity Holdings Sidecar I and Infinity Consumer Holdings (referred to as the “**Acquirer Group**” or “**Purchasers**”) for the proposed acquisition by the Acquirer Group from the Seller of 1,14,55,500 (One Crore Fourteen Lakhs Fifty Five Thousand Five Hundred) equity shares (“**Sale Shares**”) of the Company, constituting 43.73% of the Voting Share Capital of the Company (“**Transaction**”).

The Company, the Seller and the Acquirer Group have entered into a Shareholders Agreement dated February 21, 2022, as amended pursuant to amendment to Shareholders Agreement dated April 11, 2022 and second amendment to shareholders agreement dated July 15, 2022 (“**SHA**”). The SHA, *inter alia*, provides certain rights to the parties to the SHA in connection with the Company pursuant to the Transaction.

The open offer to the eligible public shareholders as required under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 opened on June 7, 2022 and ended on June 20, 2022. No equity shares were surrendered in the open offer and the statutory formalities of open offer has been completed on June 23, 2022 and post that the transaction as envisaged under the SPA concluded on June 27, 2022.

Consequent to the above and the SHA coming into effect, the Purchasers and the Seller, from a regulatory perspective, have joint control of the Company and the Purchasers formed part of the Promoter Group of the Company with effect from June 27, 2022.

In terms of the SHA, the Acquirer Group has nominated Mr. Harsha Raghavan as a nominee of Infinity Holdings, Infinity Holdings Sidecar I and Infinity Consumer Holdings and the Sellers have nominated Mr. Prithipal Singh Kochhar as a nominee of Aresko Progressive Private Limited (*acting in capacity as a trustee of the Aresko Progressive Trust and as the representative partner of J&P Investments Partnership*).

Mr. Harsha Raghavan and Mr. Prithipal Singh Kochhar have provided their consent to be appointed as Directors and have also have confirmed that they are not disqualified to be appointed as a Director of the Company.

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) appointed Mr. Harsha Raghavan ((DIN: 01761512) and Mr. Prithipal Singh Kochhar as Additional Directors from June 29, 2022.

In terms of Section 161(1) of the Companies Act, 2013 ('Act') read with Article 147 of the Articles of Association of the Company, Mr. Harsha Raghavan and Mr. Prithipal Singh Kochhar holds office as an Additional Director up to the date of this Annual General Meeting.

#### **Profile of Mr. Harsha Raghavan:**

Mr. Harsha Raghavan is the Managing Partner of Convergent Finance LLP

Founded Fairfax's investment activities in India as CEO of Fairbridge Capital and Director of Fairfax India with responsibility for all capital allocation decisions in India. Previously, he served as Head of India for Candover Investments, Co-Head of India for Goldman Sachs Principal Investment Area and Vice President of Indocean Chase Capital. In these roles, he advised on more than two dozen transactions totalling over \$1.5 billion in value.

Well established track record of value creation through intensive engagement with portfolio companies. Founded Fairfax's investment activities in India as CEO of Fairbridge Capital and Director of Fairfax India with responsibility for all capital allocation decisions in India Renowned for ability to transform businesses. Directed Thomas Cook acquisitions of 26 businesses globally and served as the interim CEO of Bangalore International Airport to oversee major capex programs and rebuild management team.

Currently, serves on the Boards of Hindustan Foods, Jyoti International Foods, Camlin Fine Sciences, and Onward Technologies. Extensive prior Board experience at Fairfax India Holdings, Thomas Cook India, Qness Corp, Bangalore Airport, Sterling Holiday Resorts, Fairchem, Sanmar, National Collateral Management Services Limited, Nations Trust Bank, and others.

He holds a Master of Business Administration degree and Master of Science degree in Industrial engineering both from Stanford University and a Bachelor of Arts degree from the University of California at Berkeley, where he double majored in computer science and economics.

#### **Profile of Mr. Prithipal Singh Kochhar**

Prithi is the Founder and CEO of Naari, which is a company focussed on Women Health. The Company has two development and manufacturing sites in India - for intermediates, APIs and FDFs and offices in Singapore, Ukraine, US and Netherlands. He has successfully expanded operations of the Company in India, South East Asia, Europe, CIS and Africa.

Earlier, he founded and served as the CEO of the Indo Phyto Chemicals Pvt Limited for eight years. Starting in 2009 with an annual revenue of less than \$ 250,000, he was successful in exponentially growing the business before selling majority stake in 2016.

He holds Master of Business Taxation degree from University of Southern California.

The other details of Mr. Harsha Raghavan and Mr. Prithipal Singh Kochhar in terms of Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are annexed to this Notice.

#### **Recommendation of the Board**

The Board of Directors is of the opinion that the vast knowledge and experience of Mr. Harsha Raghavan and Mr. Prithipal Singh Kochhar will be of great value to the Company and has recommended the Resolutions at Item No. 4 & 5 as Ordinary Resolutions for your approval.

Except Mr. Harsha Raghavan and Mr. Prithipal Singh Kochhar, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in this Resolution.

#### **Item No.6: Appointment of Mr. Debasis Bikash Nandy as an Independent Director**

The Board of Directors pursuant to recommendation of Nomination and Remuneration Committee appointed Mr. Debasis Bikash Nandy (DIN: 06368365) as an Additional Director (Independent Director) of the Company effective from June 29, 2022.

In accordance with Section 161(1) of the Companies Act, 2013 ('Act'), Mr. Nandy holds office as an Additional Director up to the date of this Annual General Meeting.

Mr. Nandy has consented to act as a Director in terms of Section 152 of the Act and has provided a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act. Mr. Nandy has also provided necessary disclosure as specified in Section 149(6) of the Companies Act, 2013 (the "Act") and Rules framed thereunder and Regulation 16(1) of the SEBI LODR stating that he fulfils the criteria of independence and that he has registered himself in the Independent Director's databank as maintained by the Indian Institute of Corporate Affairs.

Mr. Nandy doesn't have any pecuniary relationship with the Company directly or indirectly other than the remuneration he receives as a Non-Executive Director of the Company and is not related to any Director or managerial personnel of the Company.

#### **Profile of Mr. Nandy**

Mr. Debasis Bikash Nandy is currently the President and Group CFO at Thomas Cook India Limited.

More than thirty years of experience in Manufacturing and Service industry in Finance and Supply Chain. Worked across the entire domain of finance including Mergers & Acquisitions, Investor Relations Accounts & Controlling, Tax, Treasury, Budgeting and Planning and Business Finance. Managed global procurement and logistics and handled IT.

Part of the core team that led the Thomas Cook organisation through the acquisition by Fairfax in 2012 and the consequent change management process. Played a key role in eight acquisitions during 2013 to 2019, along with two organisational restructurings.

He was successful in reducing the operational and material costs by effective implementation of sound financial policies and practices in Piramal Healthcare.

Also, spearheaded the implementation of many transformational initiatives in Aviva Offshore Services, ICI India – Uniqema, Indian Aluminium which were instrumental in providing the financial stability to the organization.

He completed his Chartered Accountancy in 1987 and subsequently completed the Executive Development Programme at Wharton Business School, Philadelphia in May 2005 and at London Business School in December 2005.

#### **Recommendation of the Board**

In the opinion of the Board, Mr. Nandy is Independent of the Management and fulfils all the conditions as specified in the Act and the Rules made thereunder for appointment as an Independent Director of the Company. The Board believes that Mr. Nandy possesses relevant expertise and experience for being appointed as an Independent Director of the Company and considers his association would be of immense benefit to the Company.

The Board recommends his appointment as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 years effective from June 29, 2022 by passing a Special Resolution as set out in Item no. 6 of this notice.

Other details of Mr. Nandy in terms of Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are annexed to this Notice.

Draft Letter of Appointment for Independent Director setting out terms and conditions of appointment is available on the website of the Company at [www.jagsonpal.com](http://www.jagsonpal.com).

Except Mr. Nandy, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in this Resolution.

#### **Item No:7. Appointment of Ms. Radhika Madhukar Dudhat as an Independent Director**

The Board of Directors pursuant to recommendation of Nomination and Remuneration Committee appointed Ms. Radhika Madhukar Dudhat (DIN: 00016712) as an Additional Director (Independent Director) of the Company effective from June 29, 2022.

In accordance with Section 161(1) of the Companies Act, 2013 ('Act'), Ms. Dudhat holds office as an Additional Director up to the date of this Annual General Meeting.

Ms. Dudhat has consented to act as a Director in terms of Section 152 of the Act and has provided a declaration that she is not disqualified from being appointed as a Director in terms of Section 164 of the Act. Ms. Dudhat has also provided necessary disclosure as specified in Section 149(6) of the Companies Act, 2013 (the "Act") and Rules framed thereunder and Regulation 16(1) of the SEBI LODR stating that she fulfils the criteria of independence and that she has registered herself in the Independent Director's databank as maintained by the Indian Institute of Corporate Affairs.

Ms. Dudhat doesn't have any pecuniary relationship with the Company directly or indirectly other than the remuneration she receives as a Non-Executive Director of the Company and is not related to any Director or managerial personnel of the Company.

#### **Profile of Ms. Radhika Madhukar Dudhat**

Ms. Radhika Madhukar Dudhat is currently a Partner with Shardul Amarchand Mangaldas & Co.

She has worked on a wide range of transactional, regulatory and legal risk management advisory. Her focus has primarily been on the structure transactions, provide strategy, documentation and negotiation in respect to complex and sensitive transaction and/or situations across industry verticals including real estate, infrastructure, insolvency and bankruptcy.

Over the years, she has developed the practice of legal risk management to assess and advise in the management of the legal risk pertaining to sensitive and complex transactional, corporate governance, regulatory, business and reputational issues.

She also advises in respect to strategy and structuring in regard to setting up businesses in India and advising on the applicable regulatory and contractual framework applicable for the business in creating a legal risk management strategy for the businesses.

She was a part of the core group committee established by the Government of Maharashtra to make recommendations to the State Government on legal issues relating to privatization. She is a Director on the boards of listed companies and is a member on the boards of industry forums.

She has been appointed as the Chairperson of the Corporate Law and Governance Sub-Committee of the IMC Chamber of Commerce & Industry.

She is a Graduate from the University of Bombay Faculty of Life Sciences, a law graduate from the University of Bombay and a Postgraduate from the University of Cambridge and Harvard University.

#### **Recommendation of the Board**

In the opinion of the Board, Ms. Dudhat is Independent of the Management and fulfils all the conditions as specified in the Act and the Rules made thereunder for appointment as an Independent Director of the Company. The Board believes that Ms. Dudhat possesses relevant expertise and experience for being appointed as an Independent Director of the Company and considers her association would be of immense benefit to the Company.

The Board recommends her appointment as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 years effective from June 29, 2022 by passing a Special Resolution as set out in Item no. 7 of this notice.

Other details of Ms. Dudhat in terms of Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are annexed to this Notice.

Draft Letter of Appointment for Independent Director setting out terms and conditions of appointment is available on the website of the Company at [www.jagsonpal.com](http://www.jagsonpal.com).

Except Ms. Dudhat, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in this Resolution.

#### **Item No:8. Appointment of Ms. Pallavi Dinodia Gupta as an Independent Director**

The Board of Directors pursuant to recommendation of Nomination and Remuneration Committee appointed Ms. Pallavi Dinodia Gupta (DIN: 06566637) as an Additional Director (Independent Director) of the Company effective from June 29, 2022.

In accordance with Section 161(1) of the Companies Act, 2013 ('Act'), Ms. Gupta holds office as an Additional Director up to the date of this Annual General Meeting.

Ms. Gupta has consented to act as a Director in terms of Section 152 of the Act and has provided a declaration that she is not disqualified from being appointed as a Director in terms of Section 164 of the Act. Ms. Gupta has also provided necessary disclosure as specified in Section 149(6) of the Companies Act, 2013 (the "Act") and Rules framed thereunder and Regulation 16(1) of the SEBI LODR stating that she fulfils the criteria of independence and that they have registered themselves in the Independent Director's databank as maintained by the Indian Institute of Corporate Affairs

Ms. Gupta doesn't have any pecuniary relationship with the Company directly or indirectly other than the remuneration he receives as a Non-Executive Director of the Company and is not related to any Director or managerial personnel of the Company.

#### **Profile of Ms. Pallavi Dinodia Gupta**

Ms. Gupta is currently a partner at S.R. Dinodia and Co.

In addition to her Chartered Accountancy expertise, she is trained as a lawyer and has worked with numerous global and domestic businesses in Europe, Asia and India over the past two decades. Her extensive domain knowledge and solution-based approach have enabled her to successfully lead cross-functional teams, identify initiatives and deliver results.

As a Partner at S.R. Dinodia and Co., her experience has spanned multinationals, large publicly held companies to family-owned and non-profit organizations. She has worked extensively with global businesses across Asia, the United States and Europe on advisory and transactional work. She has also played a strategic role in advising on transactions which utilize her experience in valuation, corporate and tax laws combined with her understanding of finance and accounting.

As a third-generation leader in the firm, she has often worked with large Indian families to help navigate complexities of succession and restructuring. Her focus on social equity and inclusion has also led her to work with NGOs.

Additionally, Pallavi has experience serving as an Independent Director on the boards and board committees of publicly listed companies and international organizations. This has included serving as the Chairperson of APAC Region and as a key member of the global governing council for MGI Worldwide – one of the largest global networks of accounting, audit and taxation firms

#### **Recommendation of the Board**

In the opinion of the Board, Ms. Gupta is Independent of the Management and fulfils all the conditions as specified in the Act and the Rules made thereunder for appointment as an Independent Director of the Company. The Board believes that Ms. Gupta possesses relevant

expertise and experience for being appointed as an Independent Director of the Company and considers her association would be of immense benefit to the Company.

The Board recommends her appointment as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 years effective from June 29, 2022 by passing a Special Resolution as set out in Item no. 8 of this notice.

The other details of Ms. Dudhat in terms of Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are annexed to this Notice.

Draft Letter of Appointment for Independent Director setting out terms and conditions of appointment is available on the website of the Company at [www.jagsonpal.com](http://www.jagsonpal.com).

Except Ms. Dudhat, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in this Resolution.

#### Item No.9 Appointment of Mr. Manish Gupta as Managing Director

The Board of Directors, based on the recommendation of Nomination and Remuneration Committee, at its meeting held on July 16, 2022,

has appointed Mr. Manish Gupta (DIN 06805265) as Managing Director (Additional Director) of the Company with effect from July 16, 2022 subject to the approval of the shareholders.

Mr. Manish Gupta has provided his consent to act as a Managing Director and have also confirmed that he is not disqualified to be a Director under section 164(2) of the Companies Act, 2013.

The information as required under Schedule V of the Companies Act, 2013 is provided below:

#### I. General Information:

- (i) Nature of Industry: Pharmaceutical
- (ii) Date or expected date of Commencement of Commercial production:  
Not applicable as the Company is an existing Company.
- (iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:  
Not Applicable as the Company is an existing Company
- (iv) Financial performance based on given indicators:

(₹ in Millions)

Particulars	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19
Total Income	2294.33	1,923.39	1,610.94	1,682.55
EBITDA	291.30	234.72	110.59	107.64
Profit before Tax	273.19	218.72	94.15	90.03
Profit after tax	195.87	170.58	78.71	72.16
Dividend rate	80%	20%	10%	5%
EPS (basic and diluted after exceptional item)	7.48	6.51	3.00	2.75

Foreign investments or collaborators, if any: The foreign holdings (FDI and FPI) in the Company is 44.28 % of the Paid-up Share Capital of the Company as on 30<sup>th</sup> June, 2022. The Company does not have any Foreign Collaborations.

#### II. Information about the appointee

- (i) Background details, recognition or awards, job profile and suitability:

Manish has a well-established track record of successfully leading and managing businesses across the globe. His last stint was with SeQuent Scientific Limited (SeQuent) as the CEO and Managing Director for 8 years. Previously, he has been the CEO – Pharma Business for Strides Pharma Science. Earlier, he was associated with Wockhardt in various capacities, his last role being the Managing Director of Pinewood Healthcare, Ireland and CEO of Radiant Research, a CRO in USA.

Manish led SeQuent since 2014 and played a major role in transforming the Company from a small India-focused business to a global organization with operations in India, Turkey, Brazil and the EU, emerging as India's largest and 'Top 20' global animal health company. He undertook a series of structural moves including inorganic initiatives with emphasis on consolidating market presence, entering new markets and strengthening customer-centricity.

Mr. Manish Gupta is BE (Mechanical) and a MBA graduate

- (ii) Past remuneration:

Mr. Manish Gupta's remuneration for the financial year 2020-21 from SeQuent Scientific Limited was Rs. 12.956 Crores.

- (iii) Remuneration proposed (for a period of 3 years effective from July 16, 2022)

Remuneration per annum : Rs. 1,00,00,000 (Rupees One Crore only)

One Time Joining Bonus : Rs. 35,00,000 (Rupees Thirty-Five Lakhs Only)

Mr. Manish Gupta will be eligible for annual increments as may be recommended/approved by the Nomination and Remuneration Committee /Board of Directors which will be merit based taking into account Mr. Manish Gupta's performance and the Company's performance.

- (iv) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

Given the vast experience and leadership qualities demonstrated by Mr. Manish Gupta, the proposed remuneration is in line with the industry levels and that of comparatively placed companies in India.

- (v) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any:

Mr. Manish Gupta has no other pecuniary relationship with the Company except to the extent of the remuneration that he will draw from the Company.

#### III. Other Information

Reasons of loss or inadequate profits, steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:

The Company is currently profitable. Further the Company is taking appropriate steps to ensure profitability in future. The Company has significantly outpaced the growth of Indian pharmaceutical industry, growing at 15.2% as against the industry growth rate of 7.7% for the twelve month period ending July 2022.. This was complemented by two important decisions – Closure of the Faridabad plant and migrating from the existing depot model to the C&F model which will result in higher operating efficiencies along with lower distribution

costs. The Company is confident of maintaining the growth momentum for future years as it initiates work on further strategies.

Details of Mr. Manish Gupta in terms of Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) are given as an Annexure to this Notice.

The Board recommends passing of the proposed resolution stated in Item No. 9 as a Special Resolution considering the expertise of Mr. Manish Gupta in management of pharmaceutical business.

Except Mr. Manish Gupta, none of the Directors or Key Managerial Personnel or their relatives is concerned or interested in this resolution.

**Item 10: Grant of options of more than 1% of the issued capital to Mr. Manish Gupta, Managing Director of the Company**

The Company is seeking approval of the Members for appointment of Mr. Manish Gupta as the Managing Director as per Item No. 9 of the notice.

In terms of Regulation 6(3)(d) of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, a separate resolution is required to be passed by shareholders if it is intended to grant options to identified employees, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant of options.

The Nomination and Remuneration Committee /Board intends to grant Stock Options Company exceeding one percent of the issued share capital (excluding outstanding warrants and conversion) of the Company to Mr. Manish Gupta.

To enable grant of such options, the Board of Directors are seeking approval of shareholders by way of separate resolution as required under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

Mr. Manish Gupta, Managing Director, to whom the said options are proposed to be granted, is deemed to be interested in this resolution. None of the other Directors or Key Managerial Personnel of the Company are, in any way, concerned or interested in the resolution.

The Board accordingly recommends the resolutions as set out in Item no. 10 of the Notice for approval of members.

**Item No. 11: Appointment of M/s. Walker Chandiook & Co LLP Chartered Accountants) as Statutory Auditors.**

The Board of Directors based on the recommendation of the Audit Committee proposes to appoint M/s. Walker Chandiook & Co LLP Chartered Accountants (Firm No. 001076N/N500013) as Statutory Auditors of the Company for a period of 5 years from the conclusion of the 43<sup>th</sup> Annual General Meeting in place of M/s H.L. Bansal & Co, Chartered Accountants, who will complete their term of 5 (five years) on conclusion of the this annual general meeting.

**Information pursuant to Regulation 36 (5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR)**

Proposed fees payable to the statutory auditor(s) along with terms of appointment and in case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change;	For FY 2022-23 <ul style="list-style-type: none"> <li>Audit fee (including fees for undertaking Limited reviews: Rs. 1.8 Million</li> <li>Out of pocket expenses not exceeding Rs. 0.18 Million (To pre-agree with management if it exceeds this limit)</li> </ul> Auditor fee for FY2021-22. Paid to M/s. H.L. Bansal & Co., Chartered Accountants: Rs. 0.60 million (including out of pocket expenses)
Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor(s) proposed to be appointed.	Multiple firms were considered and based on series of meetings and evaluations; M/s. Walker Chandiook & Co LLP was shortlisted by the Audit Committee. Credentials of M/s. Walker Chandiook & Co LLP: Date of establishment 01 Jan 1935 Total number of partners and staff 1877+ Number and Location of Offices 14 [Bengaluru, Chandigarh, Chennai, Delhi (2 offices including head office) Gurgaon, Hyderabad, Kolkata, Mumbai (2 offices), Noida, Pune, Kochi and Dehradun]

The Company has received consent letter and eligibility certificate from M/s. Walker Chandiook & Co LLP, Chartered Accountants, (Firms Registration No. 001076N/N500013) to act as Statutory Auditors of the Company along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

The Board recommends passing of the proposed resolution stated in Item No. 10 as an Ordinary

Resolution.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives, are in any way concerned or interested in the proposed resolution.

**Item No.12: Payment of Commission to Non-Executive Directors of the Company**

In order to do justice to the contribution of Non-Executive Directors including Independent Directors, to attract and retain such Directors, on the recommendation of Nomination & Remuneration Committee, the Board of Directors at their meeting held on July 16, 2022, approved the proposal to pay commission up to 1% of the net profit of the Company to Non-Executive Directors of the Company. The said commission, if approved by the Members, will be paid effective from financial year 2022-23.

**Statutory provision:**

Section 197 of the Companies Act, 2013 ('Act') provides that except with the approval of the Company in general meeting by way of special resolution, the remuneration payable to directors who are neither managing directors nor whole-time directors shall not exceed:

- (A) one per cent. of the net profits of the company, if there is a managing or whole-time director or manager;
- (B) three per cent. of the net profits in any other case.

Since the Company has a Managing Director, the maximum remuneration that can be paid without the Shareholders' approval is 1% of the net profit of the Company as defined under the Act.

In terms of the provisions of Regulation 17 of the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Board of Directors shall recommend all fees or compensation, if any, paid to Non-Executive Directors including Independent Directors and shall require approval of Members in general meeting.

Subject to the applicable provisions of Listing Regulations, consent of the Members of the Company is sought to pay to its Non-Executive Directors such commission as the Board of Directors may from time to time determine not exceeding 1% of the net profits of the Company for that financial year, computed in the manner provided in Section 198 of the Act. The said commission of 1% of net profits shall be divided amongst the Non-Executive Directors in such proportion as may be determined by the Board of Directors from time to time.

Members to note that the proposed payment of commission shall be in addition to the sitting fee payable to the Director(s) for attending the Meetings of the Board and/ or other Board Committees thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the said meetings.

Where in any financial year during the currency of tenure of a director, the company has no profits or its profits are inadequate, it may pay remuneration to the non-executive director not exceeding, the limits specified under Schedule V of the Companies Act, 2013.

The Board recommends passing of the proposed resolution stated in Item No. 11 as an Ordinary Resolution and requests Members' approval for the same.

Non-Executive Directors of the Company are interested in the said resolution to the extent of commission, which may be paid to them. None of the Executive Director, Key Managerial Personnel, or their relatives are in any way concerned or interested, financially or otherwise, in this resolution.

#### **Item No. 13: Amendment to Articles of Association of the Company**

On February 21, 2022, Aresko Progressive Private Limited (acting in capacity as a trustee of the Aresko Progressive Trust and as the representative partner of J&P Investments Partnership) ("Seller") and Mr. Rajpal Singh Kochhar have entered into a Share Purchase Agreement ("SPA") with Infinity Holdings ("Acquirer") together with Persons Acting in Concert with the Acquirer being Infinity Holdings Sidecar I and Infinity Consumer Holdings (referred to as the "Acquirer Group") for the proposed acquisition by the Acquirer Group from the Seller of 1,14,55,500 (One Crore Fourteen Lakhs Fifty Five Thousand Five Hundred) equity shares ("Sale Shares") of the Company, constituting 43.73% of the Voting Share Capital of the Company ("Transaction"). The Sale Shares have been acquired by the Acquirer Group from the Seller on June 27, 2022.

The Company, Seller, Mr. Rajpal Singh Kochhar and the Acquirer Group have also entered into a Shareholders Agreement dated February 21, 2022, as amended pursuant to amendment to shareholders agreement dated April 11, 2022 and second amendment to shareholders agreement dated July 15, 2022 ("SHA"). The SHA, *inter alia*, provides certain rights to the parties to the SHA in connection with the Company pursuant to the Transaction.

The Board of Directors of the Company at their meeting held on May 13, 2022 approved adoption of the amended and restated Articles of Association to incorporate certain rights given to the parties in terms of the SHA and such amendment and restatement was also approved by the Shareholders at their EGM held on June 17, 2022. In terms of the approval, the amended and restated Articles of Association including Part B of the Articles of Association became effective on June 27, 2022 and is now applicable to the Company.

It is now proposed to alter and amend one of the articles in Part B of the Articles of Association which reads as under:

*Article 244.3.2: "Board Chairman: The Chairman of the Board shall be an Independent Director with a proven track record of good governance".*

The proposal is to remove the requirement of Chairman to be an

Independent Director and replace the existing Article 244.3.2, in entirety, as under:

*Article 244.3.2: Board Chairman*

*"The Chairman of the Board shall be decided by the Board".*

In terms of Section 14 of Companies Act 2013, consent of Members by way of a Special Resolution is required for altering the Articles of Association. The amended Articles of Association will be made available for inspection electronically till the date of the Annual General Meeting on any working day during business hours.

The Board recommends passing of the proposed resolution as stated in Item No.13 as a Special Resolution and requests Members' approval for the same.

Save and except the existing Promoters and Promoter Group of the Company (to the extent of their shareholding in the Company and the rights conferred to them through the Articles of Association), none of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding as Members, if any.

By the Order of the Board

Place: New Delhi

Nandita Singh

Date: August 9, 2022

Company Secretary

A48520

**ANNEXURE TO ITEMS. 4 to 9 OF THE NOTICE**

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard on General Meetings]

<b>Name of Director</b>	<b>Mr. Harsha Raghavan</b>	<b>Mr. Prithipal Singh Kochhar</b>	<b>Mr. Debasis Bikash Nandy</b>
Director identification Number	01761512	01052194	06368365
Age	51	43	57
Nationality	Indian	US Citizen	Indian
Date of first appointment to the Board	June 29, 2022	June 29, 2022	June 29, 2022
Qualifications	Detailed profile of the Appointee is provided in the Explanatory Statement		
Brief Resume/Experience and Expertise in specific functional area			
In case of Independent Director, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements.	NA	NA	Financial Acumen, Corporate Governance exposure, Functional and Management expertise, Personal Values  Detailed profile provided as part of the explanatory statement to the notice
Terms and conditions of appointment	Liable to retire by rotation	Liable to retire by rotation	For a period of 5 (five) consecutive years from June 29, 2022, not liable to retire by rotation.
No. of shares held in the Company (Directly and as a beneficial owner)	Nil	95,394 Equity Shares	Nil

List of Directorships held in other Companies including listed entities	<ol style="list-style-type: none"> <li>1 Hindustan Foods Limited (Listed)</li> <li>2 Onward Technologies Limited (Listed)</li> <li>3 Camlin Fine Sciences Limited (Listed)</li> <li>4 Jyoti International Foods Private Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. I.K. Enterprises Private Limited</li> <li>2. Suvyns Developers Private Limited</li> <li>3. Kila Tatarpur Hotels Private Limited</li> <li>4. Aresko Restaurants Private Limited</li> <li>5. Raipur Lodge Private Limited</li> <li>6. Bagri Fort Resorts</li> <li>7. Private Limited</li> <li>8. Mahar Palace Hotel &amp; Spa Private Limited</li> <li>9. Rakshit Organisational Operations and Transformations Private Limited</li> <li>10. Jagsonpal Exports (India) Private Limited</li> <li>11. Aresko Financial Services Limited</li> <li>12. Ralli Communication Systems Private Limited</li> <li>13. Naari Pharma Private Limited</li> <li>14. Comet Conversion Services (India) Private Limited</li> <li>15. Aresko Realtors Private Limited</li> <li>16. Aresko Progressive Private Limited</li> <li>17. Sewara Buildtech Private Limited</li> <li>18. Aresko Family Private Limited</li> <li>19. Kesako Private Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Traveljunkie Solutions Private Limited</li> <li>2. TC Tours Limited</li> <li>3. SOTC Travel Limited</li> <li>4. Travel Corporation (India) Limited</li> <li>5. BDC Digiphoto Imaging Solutions Private Limited</li> <li>6. Indian Horizon Marketing Services Limited</li> </ol>
No of board meetings attended during the year 2022	02 out of 02	02 out of 02	02 out of 02
Chairman/ Member in the Committees of the Boards of companies in which he is Director	Member of Audit Committee, Risk Management Committee & Nomination and remuneration committee, Onward Technologies Limited	NA	Member of CSR Committee, TC Tours Limited
Relationship with other Directors Key Managerial Personnel of the company	NA	NA	NA
Remuneration details (including sitting fees & Commission)	Nil	Nil	Eligible for sitting fees and commission on profit as per the Companies Act, 2013 and the SEBI LODR
Remuneration last drawn in the Company	NA	NA	NIL
Listed entities from which the appointee has resigned in the past three years	NA	NA	NA

**ANNEXURE TO ITEMS. 4 to 9 OF THE NOTICE**

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard on General Meetings]

<b>Name of Director</b>	<b>Ms. Radhika Madhukar Dudhat</b>	<b>Ms. Pallavi Dinodia Gupta</b>	<b>Mr. Manish Gupta</b>
<b>Director Identification Number</b>	00016712	06566637	06805265
Age	52	41	55
Nationality	Indian	Indian	Indian
Date of first appointment to the Board	June 29, 2022	June 29, 2022	July 16, 2022
Qualifications	Detailed profile of the appointee is available in the Explanatory Statement to the Notice.		
Brief Resume/Experience and Expertise in specific functional area			
In case of Independent Director, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements.	Legal Acumen, Corporate Governance exposure, Functional and Management expertise, Personal Values  Detailed profile provided as part of the explanatory statement to the notice	Financial Acumen, Corporate Governance exposure, Functional and Management expertise, Personal Values  Detailed profile provided as part of the explanatory statement to the notice	Not applicable
Terms and conditions of appointment	For a period of 5 (five) consecutive years from June 29, 2022, not liable to retire by rotation.	For a period of 5 (five) consecutive years from June 29, 2022, not liable to retire by rotation.	As mentioned in the explanatory statement
No. of shares held in the Company (Directly and as a beneficial owner)	NA	NA	4,25,500 Equity Shares.
List of Directorships held in other Companies including listed entities	1. Parag Milk Foods Limited (Listed) 2. Tips Films Limited 3. Jain Irrigation System Ltd. (Listed)	1. Voith Papers Fabrics India Limited	NA
No of board meetings attended during the year 2022	02 out of 02	02 out of 02	01 out of 01
Chairman/ Member in the Committees of the Boards of companies in which he is Director	1. Chairman of Nomination & Remuneration Committee & Compensation Committee, Member of Risk Management Committee, Jain Irrigation Systems Limited.  2. Member of Nomination and Remuneration Committee & Corporate Social Responsibility Committee, Parag Milk Foods Limited.  3. Member of Audit Committee, Chairman of Stakeholders Relationship Committee & Nomination and Remuneration Committee, Tips Films Limited	NA	
Relationship with other Directors Key Managerial Personnel of the company	NA	NA	NA
Remuneration details (including sitting fees & Commission)	Eligible for sitting fees and commission on profit as per the Companies Act, 2013 and the SEBI LODR	Eligible for sitting fees and commission on profit as per the Companies Act, 2013 and the SEBI LODR	As stated in the resolution
Remuneration last drawn in the Company	NA	NA	
Listed entities from which the appointee has resigned in the past three years	1. Privi Speciality Chemicals Limited 2. EPL Limited 3. Tips Industries Limited	NA	1. SeQuent Scientific Limited

## Directors' Report

### To the members of Jagsonpal Pharmaceuticals Limited

On behalf of the Board of Directors (the Board) of the Company, it gives me immense pleasure to present the 43<sup>rd</sup> Board's Report, along with the Balance Sheet, Profit and Loss account and Cash Flow statements, for the financial year ended March 31, 2022.

#### 1. Financial Performance

The standalone financial statements for the financial year ended March 31, 2022, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs.

Key highlights of financial performance of your Company for the financial year 2021-22 are provided below:

(Rs. in Lakhs)

Particulars	Current Year	Previous Year
Revenue from Operations	22609.67	18794.56
Other Income	333.60	439.33
Operating Expenditure	20030.27	16886.71
Profit for the year before Interest, Depreciation & Amortization and Tax	2913	2347.18
Less:		
Financial Expenses	28.51	51.35
Depreciation	152.62	108.60
Profit before tax	2731.91	2187.23
Exceptional Items	-	-
Provision for taxation	740.33	604.70
Deferred Tax	32.88	(123.30)
Profit after Tax	1958.70	1705.83
Balance brought forward		
Profit available for appropriation		
<b>Appropriations:</b>		
Interim Dividend	104.79	0
Proposed Dividend	0	262
Additional Income Tax	0	0
Transfer to General Reserve	0	0
Balance carried forward	6751.52	5858.87

#### 2. State of Company's Affairs

During the period ended 31<sup>st</sup> March, 2022, despite of the pandemic of COVID-19, the sales of the Company has been managed well and stood at Rs. 22,609.67 lakhs as compared to the sales of previous year ended 31<sup>st</sup> March 2021 which was Rs. 18,794.56 lakhs. The profit before tax barring exceptional items increased from Rs. 2,187.23 Lakhs to Rs. 2,731.91 Lakhs during the year.

#### 3. Dividend

On October 19, 2021, the Board of Directors declared an interim dividend of ₹ 4/- per equity share of face value of ₹ 5/- each. The above dividends were paid to the Shareholders on November 6, 2021. The Board has not recommended any final dividend and the interim dividend declared on October 19, 2021 will be treated as final dividend.

#### 4. Transfer to Reserve

Directors did not propose to transfer any amount to the General Reserve.

#### 5. Open Offer under SEBI (SAST) Regulations, 2022

On February 21, 2022, the existing promoters of the Company (being Aresko Progressive Private Limited (acting in capacity as a trustee of the Aresko Progressive Trust and as the representative partner of J&P Investments Partnership) (**Seller**) and Mr. Rajpal Singh Kochhar) have entered into a Share Purchase Agreement (**SPA**) with Infinity Holdings (**Acquirer**) together with Persons Acting in Concert with the Acquirer being Infinity Holdings Sidecar I and Infinity Consumer Holdings (referred to as the **Acquirer Group or Purchasers**) for the proposed acquisition by the Acquirer Group from the Seller of 1,14,55,500 (One Crore Fourteen Lakhs Fifty Five Thousand Five Hundred) equity shares (**Sale Shares**) of the Company, constituting 43.73% of the Voting Share Capital of the Company (**Transaction**).

The Company, the existing promoters of the Company and the Acquirer Group have entered into a Shareholders Agreement dated 21 February 2022, as amended pursuant to amendment to shareholders agreement dated 11 April 2022 (**SHA**) pursuant to the approval accorded by the Board of Directors on 20 February 2022. The SHA, *inter alia*, provides certain rights to the parties to the SHA in connection with the Company pursuant to the proposed Transaction.

The proposed Transaction triggered a mandatory open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and the Acquirer group has filed the draft letter of offer with Securities and Exchange Board of India (SEBI). On May 20, 2022, SEBI has given their observation and the open offer is expected to commence soon.

#### 6. Change in the Nature of Business, if any

During the year under review, there has been no change in the nature of business of the Company.

#### 7. Material changes and commitments after the balance sheet date

There was no material change and commitment in the business operations of the Company affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

#### 8. Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future

There was no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

#### 9. Details in respect of adequacy of Internal Financial Controls with reference to the financial statements

- The Company has appointed Internal Auditors to observe the Internal Control systems and effectiveness of its functioning who regularly monitor the workflow of the organization in terms of the approved policies of the Company. In every quarter Internal Auditors present the Internal Audit Report and Management comments on the Internal Audit observations;
- The Board of Directors of the Company has adopted various policies related to Related Party Transactions, Whistle Blower mechanism and other procedures for ensuring the orderly and efficient conduct of business. The Company's system of internal control has been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, 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;

- c The Company has ERP suite for a reliable, high end, comprehensive, disciplined and integrated business solution.

#### 10. Deposits

During the year under review, the Company has not accepted any fixed deposit under Chapter V of the Companies Act, 2013 and as such, no amount on account of principal or interest on deposits from public was outstanding as on 31<sup>st</sup> March, 2022.

#### 11. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

As stipulated under the provisions of Section 134(3) the Companies Act, 2013, read with the (disclosure of particulars in the report of Board of Directors) rules, Annexure 'A' contains the particulars pertaining to Conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo.

#### 12. Particulars of 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 strike. The information as required under the Companies Act, 2013, read with the Companies (Particulars of Employees) Rules, is enclosed in Annexure Band forms part of this Report.

#### 13. Auditors

##### a) Statutory Auditors:

As per the provisions of Section 139 of the Companies Act, 2013 M/s H.L. Bansal & Co., Chartered Accountants were appointed as the Statutory Auditors of the Company for the period of five years i.e. till the conclusion of the AGM to be held in FY 2022-23.

The Auditor's Report for the financial year 2021-22 does not contain any qualification, reservation or adverse remark. The Auditor's Report is enclosed with the financial statements in this Annual Report.

##### b) Secretarial Auditors:

Pursuant to provisions of Section 204 the Companies Act, 2013 and rules made there under, M/s Mukesh Arora & Co., Practicing Company Secretaries was appointed as the Secretarial Auditors to conduct Secretarial Audit for the financial year 2021-22.

The Secretarial Auditors' Report for the year 2021-22 has been received from the Secretarial Auditors'. The report does not contain any qualification, reservation or adverse remark.

The report is annexed herewith as Annexure – C.

During the year under review, the Company has complied with the applicable provisions of the Secretarial Standards.

##### c) Cost Auditors:

M/s. R. Krishnan was appointed as Cost Auditor for the year 2021-22. The remuneration of the cost auditor was approved by the members in the 42<sup>nd</sup> Annual General Meeting.

The Company has made and maintained the cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

#### 14. Share Capital

During the year under review, there is no change in the Share Capital of the Company.

#### 15. Extract of the Annual Return

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies

Act, 2013, the Company has placed a copy of the Annual Return as at March 31, 2022 on its website at [www.jagsonpal.com](http://www.jagsonpal.com). By virtue of amendment to Section 92(3) of the Companies Act, 2013, the Company is not required to provide extract of Annual Return (Form MGT-9) as part of the Board's Report.

#### 16. Corporate Social Responsibility (CSR) Activities

The Board of Directors of the Company on the recommendation of CSR Committee has adopted a CSR Policy which inter-alia states the CSR activities to be undertaken by the Company. The Policy may be referred at the Company's official website.

#### 17. Directors and Key Managerial Personnel:

##### a Changes during the year under review:

During the year under review and pursuant to the provisions of Section 203 of the Companies Act, 2013, the Company has appointed Mr. S.V. Subha Rao as a Chief Financial Officer and Key Managerial Personnel of the company w.e.f. 11<sup>th</sup> Day of February, 2022 in place of Mr. Sanjiv Kumar Dudeja, who has resigned from the position of Chief Financial Officer of the Company on 01<sup>st</sup> Day of February, 2022.

##### b Declaration by Independent Directors

The Company has received declarations / confirmations from all the Independent Directors of the Company as required under Section 149(7) of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

##### c Familiarization Program undertaken for Independent Directors

The Independent Directors are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. pursuant to Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. On appointment, the Independent Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director undergoes a formal induction program on the Company's operations, marketing, finance and other important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The Directors are also explained in detail the various compliances required from them as a Director under the various provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015, the Code of Conduct of the Company and other relevant regulations.

##### d) Key Managerial Personnel

Mr. Rajpal Singh Kochhar, Chairman & Managing Director (CMD), Mr. S.V. Subha Rao (appointed as CFO on 11<sup>th</sup> February, 2022) and CS Nandita Singh, Company Secretary are the whole-time Key Managerial Personnel of the Company as per Section 203 of the Companies Act, 2013, as on March 31, 2022

#### 18. Annual evaluation of board's performance

Pursuant to the requirement of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, performance of each member of the Board/ Committees of Board is evaluated on an annual basis. The evaluation is done by the Board, the Nomination and Remuneration Committee and the Independent Directors with specific focus on the performance and effective functioning of the Board / Committees and individual Directors, the member under evaluation not being present in evaluation process.

The following were the Evaluation Criteria:

- a) For Independent Directors:
- Commitment to the fulfillment of directors' obligations and fiduciary responsibilities
  - Core Competencies, Knowledge and Skills
  - Professional Conduct
  - Duties, Role and Functions
  - Ability to contribute to and monitor good governance practices
  - Fulfillment of the Independence Criteria and their independence from the management
- b) For Executive Directors:
- Performance as Team Leader/Member
  - Evaluating Business Opportunity and analysis of Risk Reward Scenarios
  - Set Key Goals and Achievements
  - Professional Conduct and Integrity
  - Flow of information to Board members and between the Board and management
  - The quality and quantity of information

The Directors expressed their satisfaction with the evaluation process.

#### 19. Number of Meetings of the Board of Directors

During the financial year ended 31<sup>st</sup> March, 2022, five Board Meetings were held on:

1. 25<sup>th</sup> Day of May, 2021
2. 30<sup>th</sup> Day of June, 2021
3. 13<sup>th</sup> Day of August, 2021
4. 19<sup>th</sup> Day of October, 2021
5. 11<sup>th</sup> Day of February, 2022

Details of the Board meetings held during the financial year have been furnished in the Corporate Governance Report forming part of this Annual Report.

#### 20. Meetings of Independent Directors:

During the year under review, a meeting of Independent Directors was held on 11<sup>th</sup> February, 2022 wherein the performance of the Non-Independent Directors, the Chairman and the Board as a whole was reviewed. The Independent Directors at their meeting also assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board of Directors of the Company.

#### 21. Committees of the Board

The Company has constituted/re-constituted various Board level committees in accordance with the requirements of Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of all the above Committees along with their composition and meetings held during the year under review are provided in the Report on Corporate Governance forming part of this Annual Report.

##### a) Audit Committee

The Audit Committee presently comprises of Capt. Bharat Sinh, Chairman, Dr. Ishapl Singh Ghai, Dr. Ashok Kumar Pati, and Mrs. Jasbir Kaur Kochhar as Members. The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 and part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and

Section 177 of the Companies Act, 2013 and such other functions as may be specifically delegated to the Committee by the Board from time to time. The terms of reference of the Audit Committee, particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report forming part of this Annual Report.

##### b) Nomination And Remuneration Committee

The Nomination and Remuneration Committee presently comprises of Capt. Bharat Sinh, Chairman, Dr. Ishapl Singh Ghai, and Mrs. Jasbir Kaur Kochhar as Members. The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Regulation 19 and part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors. The terms of reference of the Nomination and Remuneration Committee, particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report forming part of this Annual Report.

##### c) Stakeholders' Relationship/Grievance Committee

The Stakeholders' Relationship/Grievance Committee presently comprises of Capt. Bharat Sinh, Chairman, Dr. Ishapl Singh Ghai, and Mrs. Jasbir Kaur Kochhar as Members. The terms of reference of the Stakeholders' Relationship/Grievance Committee, particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report forming part of this Annual Report.

##### d) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee presently comprises of Capt. Bharat Sinh, Chairman, Dr. Ishapl Singh Ghai, and Mrs. Jasbir Kaur Kochhar as Members. The terms of reference of the CSR Committee, particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report forming part of this Annual Report.

#### 22. Policy on Directors' Appointment and Remuneration

The Company has adopted a Nomination and Remuneration Policy on Directors' Appointment and Remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters as provided under Section 178(3) of the Companies Act, 2013. The Policy is enclosed as a part of this report in compliance with Section 134(3) of the Companies Act, 2013.

#### 23. Whistle Blower Policy/Vigil Mechanism

The Company has established a vigil mechanism/ Whistle Blower Policy and oversees through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of co- employees and the Company. The Whistle Blower policy as approved by the Board has been uploaded on the website of the Company.

#### 24. Disclosure as required under Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013

The Company as an organization is committed to provide a healthy environment to all its employees and thus, does not tolerate any discrimination and/or harassment in any form. The Company has in place a Prevention of Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has set up Internal Complaint Committee which is chaired by a female employee of the Company. No complaints of sexual harassment were received during the financial year 2021-2022.

**25. Subsidiaries, Associates and Joint Venture**

The Company does not have any subsidiary/joint venture/associate companies within the meaning of Companies Act, 2013.

**26. Particulars of Loan, Guarantee or Investments**

Pursuant to Section 186 of the Companies Act, 2013 and Schedule V of the Listing Regulations, disclosure on particulars relating to Loans, Advances, Guarantees and Investments are provided as part of the financial statements.

**27. Particulars of Contracts or Arrangements with Related Parties**

All the transactions done with related parties for the year under review were on arm’s length basis and are in compliance with the applicable provisions of the Act and SEBI (Listing Obligations & Disclosure Requirements), Regulation, 2015, There are no material significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large expect the transactions which are reported. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee of the Company for its approval. The policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions as approved by the Board of Directors is uploaded on the website of the Company.

**28. Corporate Governance**

Your Company is committed to achieve the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set by the Regulators/ applicable laws. Our focus on corporate governance, where investor and public confidence in companies is no longer based strictly on financial performance or products and services but on a company’s structure, its Board of Directors, its policies and guidelines, its culture and the behavior of not only its officers and directors, but also all of its employees.

Our approach is proactive, starting with our Leadership Team. It is also deeply ingrained in our corporate culture, guiding how we work and how we do business. We continually discuss bylaws and governance practices, changing our policies when necessary and pointing out areas where we need to improve our performance. We also compare our practices to the criteria used by outside organizations to evaluate corporate performance.

A separate section on Corporate Governance standards followed by the Company, as stipulated under regulation 34(3) read with schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as an Annexure to this report. The report on Corporate Governance also contains certain disclosures required under the Companies Act, 2013.

A requisite certificate from M/s. H.L. Bansal & Co. Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached to the Corporate Governance Report.

**29. Management Discussion and Analysis Report**

A separate report on Management Discussion and Analysis relating to business and economic environment surrounding your company is enclosed as a part of the Annual Report.

**30. Directors Responsibility Statement**

Pursuant to Section 133 of the Companies Act, 2013 your Directors state that:

- a In the preparation of the Annual Accounts for the year ended March 31, 2022, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b the Directors have selected such accounting policies and applied them consistently and have 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 March

31, 2022 and of the profit and loss of the Company for the 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 Act 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 Directors have laid down internal financial controls to be followed by the Company and that such systems are adequate and are operating effectively; and
- f the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**31. Transfer to Investor Education and Protection Fund**

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting Audit Transfer and Refund) Rules, 2016 (‘the Rules’) all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after completion of seven years. Further, according to the rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends. Further the corresponding shares will be transferred as per the requirement of the IEPF rules, details of which are provided on our website.

**32. Compliance with Secretarial Standards on Board and General Meetings**

During the year under review, your Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

**33. Listing with Stock Exchanges**

Your Company is listed with BSE Ltd. and National Stock Exchange of India Ltd. and the Company has paid the Listing Fees to the said exchanges on time.

**Cautionary Note**

Certain statements in the ‘Management Discussion and Analysis’ section may be forward-looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which would be different from what the Directors envisage in terms of the future performance and outlook. Investors are cautioned that this discussion contains forward looking statement that involve risks and uncertainties including, but not limited to, risks inherent in the Company’s growth strategy, dependence on certain businesses, dependence on availability of qualified and trained manpower and other factors discussed. The discussion and analysis should be read in conjunction with the Company’s financial statements and notes on accounts

**Acknowledgement**

The Board of Directors would like to record their appreciation and gratitude to all employees of the organization or their active co-operation and involvement. Thanks are also due, to Jagsonpal customers, dealers, suppliers and bankers. The Directors also acknowledge with gratitude the valuable and timely advice, guidance and support received from Government authorities Securities and Exchange Board of India and Stock Exchanges in- functioning Company.

For and on behalf of the Board of Directors

**RAJPAL SINGH KOCHHAR**

Chairman & Managing Director

(DIN 00059492)

Place: New Delhi

Dated: 30/05/2022

**MANAGEMENT DISCUSSION AND ANALYSIS**

[Schedule V – Regulation 34(3) of SEBI (LODR) Regulations, 2015]

**GLOBAL PHARMACEUTICAL MARKET**

The global pharmaceutical market was estimated to be valued at US\$ 1.4 trillion in 2021 and is expected to grow at a CAGR of 3–6% over the next five years, reaching a market size of US\$ 1.8 trillion by 2026. In developed markets, adoption of innovative therapies and specialty medicines will drive medicine pharmaceutical growth. From 2017 to 2021, the pharmaceutical markets in the developed world expanded at a CAGR of ~4.3%, reaching US\$ 1,049.2 billion, and are expected to grow at 2-5% CAGR to reach US\$ 1,230-1,260 billion by 2026.

**a) INDUSTRY STRUCTURE AND DEVELOPMENTS**

The Indian Pharmaceutical Market (IPM) currently valued at Rs.1,85,498 crores [Source: IQVIA MAT March 2022] grew by around 18%. Though the performance during First Quarter was impacted due to the second wave of COVID-19 pandemic, all the Businesses/ Divisions have reported a smart recovery in the subsequent Quarters, thus closing the year with a healthy growth.

**b) OPPORTUNITIES & THREATS****Opportunities:**

The Company believes that the Indian pharmaceutical market would continue to grow due to factors such as improved healthcare access, awareness and diagnosis around noncommunicable diseases and government interventions to expand healthcare infrastructure.

With the pandemic came lockdowns and resulting disruptions to normal functioning of pharmaceutical businesses. Healthcare professionals continued practising at their clinics, as patient footfall through most of the year continue to remain comparatively low. This impacted prescription generation and demand for pharmaceuticals. Adapting learnings from the pandemic, we put in place agile business continuity processes, ensuring optimum levels of production and supply chain reliability are maintained.

**Threats:**

In the past few years, Industry has seen frequent changes in regulations covering drug pricing, trade margins and other laws which can impact the business in the long run. Any adverse changes in government policies with respect to pricing may severely impact the business performance.

The prices of Active Pharmaceutical Ingredients and intermediates fluctuate based on the market demand and supply conditions. The Company may not be in a position to pass on any sharp increases in the prices of raw material to consumers, resulting in margin contraction.

**c) OUTLOOK**

The Company's growth is likely to be in line with the growth of the therapy segments where it operates such as Gynaecology and

Orthopaedics. Over the next few years, the Company will continue its efforts to strengthen key brands of the Company. The Company is committed towards pro-actively responding to various compelling changes observed during the pandemic era, which include e-patient consultancy, partnerships with e-pharmacies, e-doctor meets and hybrid models of engagement with physicians. Due to general inflation and fluctuation in the prices of Active Pharmaceutical Ingredients and other materials, the profitability of the Company may be impacted. However, the Company constantly looks at margin improvement and risk mitigation initiatives through specific projects.

**d) RISKS & CONCERNS**

The Company faces some challenges which are inherent to the business operations. However, after sustained efforts over the years, the Company has successfully devised ways to effectively mitigate them and in turn minimise the adverse impact of such risks. Few of the risk company faces have been listed below:

1. Pricing pressure amid intense competition in the Pharmaceutical industry across the globe.
2. Limited discovery of new molecule.
3. The Company is also exposed to risks like cyber security failures, counterfeit drugs, adverse orders passed by courts in pricing, tax and other litigations, etc.

**e) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company developed necessary Manuals / Standard Operating Procedures (SOPs) for effectively implementing the Internal Financial Control System. Accordingly, various Accounting and Reporting Policies have also been developed and implemented. Internal Audits are regularly conducted through In-house Audit Department. The Reports are periodically discussed internally. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control system in your Company, its compliance with operating systems, accounting procedures and policies at all locations of your Company. Significant audit observations and corrective actions thereon are presented to the Audit Committee

**f) CAUTIONARY STATEMENT**

Certain statements in the above Report may be forward-looking and are stated as required by the legislations in force. The actual results may be affected by many factors that may be different from what is envisaged in terms of future performance and the outlook presented above.

For and on behalf of the Board

**Rajpal Singh Kochhar**

**Managing Director**

**Place: New Delhi**

**Date: May 30, 2022**

**DIN: 0059492**

**Annexure 'A' To the Directors' Report**

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings / Outgo**

Particulars required by the section 134(3) (m) of the Companies Act, 2013 (the Act) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the financial year ended March 31, 2022.

**A Conservation of Energy**

Measures taken, additional investments and impact on reduction of energy consumption

Disclosure of particulars with respect to Conservation of Energy:

**Power and Fuel Consumption**

	2021-22	2020-21
Consumption - per unit	Not	Not
of production	Applicable	applicable
<b>Consumption</b>		

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

**B Technology Absorption**

Disclosure of particulars with respect to Technology Absorption:

**1. Efforts in brief made towards technology absorption, adaption and innovation**

The Company continues to strive in developing technology and technical know-how for introduction of new products and formulation development. These are adapted, wherever necessary to local conditions.

**2. Benefits derived as a result of the above efforts:**

New product development, productivity and quality improvements, enhanced safety and environmental protection measure and conservation of energy.

**C Expenditure On R & D**

(Rs. in Lakhs)

Particulars	Mar 2022	Mar 2021
a) Capital Expenditure	0	8.9
b) Revenue Expenditure	0	34.58
<b>TOTAL</b>	<b>0</b>	<b>43.48</b>

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

1 In-house R&D focus has resulted in considerably higher and cost-effective modifications in the packaging of several formulations, especially in the capsule & tablet sections.

**D. Foreign Exchange Earnings & Outgo**

Rs. In Lakhs

Particulars	Mar 2022	Mar 2021
Earnings	454.13	723.27
Outgo	272.63	517.12

For and on behalf of the Board of Directors

**RAJPALSINGH KOCHHAR**

Chairman & Mg. Director

Place: New Delhi  
Dated: 30/05/2022

(DIN 00059492)

**Annexure 'B' to the Director's Report**

STATEMENT UNDER THE PROVISION OF SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL RULES, 2014).

Amt in Rs.

S. No.	Name of the Director/KMP	Designation	Qualification and Experience	Gross Remuneration	Net Remuneration
1.	Mr. Rajpal Singh Kochhar	Chariman & Managing Director	M.Sc (Pharmacy) USA (40 Years)	1,00,88,400.00	56,43,400

Gross Remuneration includes: Salary, Bonus, Commission, Allowance and Perquisites as per the Rules of the Company .

Net Remuneration excludes: Contributions towards Recognized Provident Fund, Tax Deducted at Source-Value of Taxable perquisites

**Annexure- C to the Director's Report****Form No. MR-3****Secretarial Audit Report**

[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]

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022

**To**  
**The Members,**  
**Jagsonpal Pharmaceuticals Limited**  
**T-210 J, Shahpur Jat**  
**New Delhi- 110049**

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Jagsonpal Pharmaceuticals Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing opinion thereon.
2. Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>ST</sup> March, 2022 ('Audit Period'), 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 :
  3. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>ST</sup> March, 2022 according to the provisions of:
    - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
    - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
    - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
    - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the company as there were no transactions under FEMA or Rules made thereunder during the financial year under review);
    - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.: —
      - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
      - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
      - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009/2018 (not applicable as the company did not issue any security during the financial year under review.)
      - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (not applicable as the company has not granted any options to its employees during the financial year under review);
      - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable as the company has not issued any debt securities during the financial year under review);
      - (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;

The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable on the company during the financial year under review.)

- (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998/201/ (not applicable as the company has not bought back any of its securities during the financial year under review);

- (vi) and other applicable laws like Factories Act, 1948, The Payment of Gratuity Act, 1972;

We have also examined compliance with the applicable clauses / regulations of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India i.e. Secretarial Standards-1(Meeting of the Board of Directors) & Secretarial Standards-2 (General Meetings)
- (ii) The Listing Agreements entered into by the Company Bombay Stock Exchange (BSE).
- (iii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned herein above. The Company has received an open offer for acquisition of upto 6811480 (Sixty Eight Lakhs Eleven Thousand Four Hundred Eighty) fully paid-up equity shares of face value of Rs. 5 each ("equity shares") representing 26% of the fully diluted voting equity share capital ("voting share capital"). The Company has complied with the provisions of SEBI (SAST) Regulations, 2011 regarding the open offer.

We further report that:

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors interchange with, Independent Directors. No changes were taken in the composition of the board of directors during the period under review.
- (ii) Adequate notice is given to all 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.
- (iii) All decision at Board Meeting and Committee are carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Mukesh Arora & Co.**  
Practicing Company Secretaries

**Mukesh Arora**  
Proprietor

F.C.S No. 4819

C.P No. 4405

UDIN: F004819D000524316

Date: 23<sup>rd</sup> June, 2022

Place: New Delhi

**This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report**

**Annexure A Secretarial Audit Report**

**To**  
**The Members,**  
**Jagsonpal Pharmaceuticals Limited**  
**T-210 J, Shahpur Jat**  
**New Delhi- 110049**

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

1. Maintenance of Secretarial Records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of Accounts of the company.
4. Wherever required, we 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. Our examination was limited to the Verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Mukesh Arora & Co.**  
Practicing Company Secretaries  
**Mukesh Arora**  
**Proprietor**

Date: 23<sup>rd</sup> June, 2022  
Place: New Delhi

F.C.S No. 4819  
C.P No. 4405  
UDIN: F004819D000524316

**Auditors' Certificate Regarding compliance of Conditions of 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 year ended **31 March 2022**, as stipulated in respective regulations 34 (3) and clause b to (i) of sub regulation (2) of Regulation 46 and para C, D and E of schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015 (collectively referred to as SEBI Listing Regulation 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India 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 statements 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 with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

**For H L Bansal & Co.**  
**Chartered Accountants**  
**(Firm's Registration No. 008563N)**

**HIRA LAL BANSAL**  
**Partner**  
**(Membership No. 086990)**

Place: Delhi  
Date: 30/05/2022

**ANNUAL REPORT ON CSR ACTIVITIES****1. A brief outline on CSR Policy of the Company**

Corporate Social Responsibility (“CSR”) at JPPL is the commitment of businesses to contribute to sustainable economic development by working with the employees, their families, the local community and the society at large to improve their lives in ways that are good for business and for its development.

In compliance with the provisions of Section 135 of the Companies Act, 2013 (the “Act”) read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has taken the following steps:

- Adoption of CSR Policy which has been placed on the Company’s website [www.jagsonpal.com](http://www.jagsonpal.com)
- While implementing CSR activities, the Company shall give priority to the area around its local limits.
- The Committee approved the following CSR activities which are in line with Schedule VII to the Act:
  - (a) Promoting Education
  - (b) Promotion of Health Care
  - (c) Promoting Charitable Dispensary

**2. Composition of CSR Committee**

The Composition of the Committee as on March 31, 2022 are as follows:-

S. No.	Name	Designation
1.	Mrs. Jasbir Kaur Kochhar	Member
2.	Capt. Bharat Singh	Chairman
3.	Dr. Ishpal Singh Ghai	Member

**3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company**

Composition of the CSR committee shared above and is available on the Company’s website on <https://www.jagsonpal.com/investor-relations> CSR Policy and Projects – <https://www.jagsonpal.com/investor-relations>

**4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:-** Not Applicable**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:-**

S. No.	Financial Year	Amount available for set-off from preceding financial years (Rs in Lakhs)	Amount required to be setoff for the financial year, if any (Rs in Lakhs)
	-	NIL	NIL

**6. Average Net Profit of the Company as per Section 135 (5):-** Rs. 1342.99 Lakhs**7. (a) Two percent of average net profit of the Company as per section 135(5):-** Rs. 26.05 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:- NIL

(c) Amount required to be set off for the financial year, if any:- NIL

(d) Total CSR obligation for the financial year (7a+7b- 7c): - Rs. 26.05 Lakhs

**8. (a) CSR amount spent or unspent for the financial year: -**

Total Amount Spent for the Financial Year (Rs in Lakhs)	Amount Unspent (Rs in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
11.43	-	-	-	14.62	-

**(b) Details of CSR amount spent against ongoing projects for the financial year:-**

S. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (Rs in Lakhs)	Amount spent in the current financial Year (Rs in Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (Rs in Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	-	-	-	-	-	Nil	-	-	-	-	-	-

(c) Details of CSR amount spent against other than ongoing projects for the financial year:-

S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (Rs. in Lakhs)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	Covid – 19 Mitigation & Promotion of Healthcare services	(i)	Yes	Delhi	New Delhi	11.43	No	-	-
	<b>Total</b>					<b>11.43</b>			

(d) Amount spent in Administrative Overheads:- 0.80

(e) Amount spent on Impact Assessment, if applicable:- NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e):- Rs. 26.05 Lakhs

(g) Excess amount for set off, if any:- NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years:-

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (Rs. in Lakhs)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (Rs. in Lakhs)
				Name of the Fund	Amount (Rs. in Lakhs)	Date of transfer	
1	-	Nil	-	-	Nil	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):-

S. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (Rs. in Lakhs)	Amount spent on the project in the reporting Financial Year (Rs. in Lakhs)	Cumulative amount spent at the end of reporting Financial Year (Rs. in Lakhs)	Status of the project - Completed / Ongoing
1.	-	-	-	-	Nil	-	-	-

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

(a) Date of creation or acquisition of the capital asset(s):- None

(b) Amount of CSR spent for creation or acquisition of capital asset:- NIL

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:- Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):- Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):- The company was not able to find avenues to spend the requisite amount prescribed under CSR guidelines.

For and on behalf of the Board

**Bharat Sinh**

**Ishpal Singh Ghai**

Place: New Delhi

Chairman in CSR Committee

Member in CSR Committee

Date: May 30, 2022

DIN: 00347364

DIN: 06551659

**Annexure to the Directors' Report****Corporate Governance Report**

Pursuant to Regulations 17 to 27 and clauses (b) to (i) of sub-regulations (2) of Regulation 46 and paragraphs C, D, and E of Schedule V of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015.

**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's value. The Company considers good corporate governance to be a prerequisite for meeting the objective of maximizing shareholder's wealth in a sustained manner.

**2. Board of Directors**

The Board comprises of Executive and Non-Executive Directors. The present strength of the Board of Directors is six Directors. The Chairman and the Managing Director is a whole-time director, the remaining five being Non-Executive Directors, out of which four are Independent Directors and have expertise in their respective fields.

- a. The attendance at Board Meetings and last Annual General Meeting of each of the Directors during the financial year of the Company is as under:
- b. The attendance at Board Meetings and last Annual General Meeting of each of the Directors during the financial year of the Company is as under:

Name of Director	Category	Attendance		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. Rajpal Singh Kochhar	Managing Director	5	Yes	1	-
Capt. Bharat Singh	Independent Director	5	Yes	-	4
Dr. Ishpal Singh Ghai	Independent Director	5	Yes	-	4
Mrs. Jasbir Kaur Kochhar	Non-Executive Director	5	Yes	-	4
Mr. Ashok Kumar Pati	Independent Director	5	No	-	1
Mr. Mammen Mathew	Independent Director	3	No	-	0

- c. During the year five board meetings were held on following dates:

May 25, 2021      June 30, 2021      August 13, 2021      October 19, 2021      February 12, 2022

**Details of director appointed / re-appointed**

During the year under review, there is no change in the composition of the board of directors.

**B) Information placed before the Board of Directors**

The following information is regularly placed before the Board of Directors

- Minutes of the Committees
- Information on recruitment etc. of Senior officer just below the Board level
- Annual budgets/plans
- Capital budgets
- Quarterly results
- 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. Ethics / Governance Policies Committee**

The company we strive to conduct our business and relationship in a dignified, distinctive and reasonable manner. We adhere to ethical standard and some of these codes and policies are:

- Code of Conduct for Directors and Senior Management
- Code of Conduct for Prohibition Insider Trading
- Code of Practices and Procedures for fair Disclosure of Unpublished Price Sensitive Information (UPSI)

- Policy for Determining Materiality of Events and Information
- Policy for Preservation of Documents
- Archival Policy
- Policy for Determining Material Subsidiaries
- Vigil Mechanism and Whistle Blower policy
- Treatment of Related Party Transaction
- Corporate Social Responsibility Policy
- Policy on Sexual Harassment
- Policy for Selection of Directors and their Independence
- Remuneration Policy for Directors KPP's Employees

**4. Audit Committee, Appointment & Vigil Mechanisms**

The terms of reference and modify the role of the Audit Committee cover under Section 177 of the Companies Act, 2013 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 has three Non-Executive Independent Directors and one Non-Executive directors as members:

- Capt. Bharat Sinh, Dr. Ishpal Singh Ghai, Dr. Ashok Kumar Pati and Mrs. Jasbir Kaur Kochhar. The Chairman of the Committee is Capt. Bharat Sinh. The Company Secretary acts as 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 had met five times during the financial year in May, June, August, October, and February months of 2021- 2022.

**5. Chart setting out the skills/expertise/competence of the board of directors**

The Company's Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board members are committed to ensure that the Company's Board is in compliance with the highest standards of corporate governance.

In the table below, the specific areas of focus or expertise of Individual Board members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill.

Directors	Area of Expertise					
	General Management and Business Operations	Leadership	Financials	Risk Management	Board service and Governance	Sales and Marketing
Shri Rajpal Singh Kochhar Chariman & Managing Director	✓	✓	✓	✓	✓	✓
Smt. Jasbir Kaur Kochhar Non-Executive Director	✓	✓	-	-	✓	-
Capt. Bharat Sinh Independent Director	✓	✓	✓	✓	✓	-
Dr. Ishpal Singh Ghai Independent Director	✓	✓	✓	✓	✓	-
Dr. Ashok Kumar Pati Additional Independent Director	✓	✓	✓	✓	✓	✓
Mr. Mammen Mathew Additional Independent Director	✓	✓	✓	✓	✓	✓

**6. Remuneration Committee and appointment, remuneration of Directors & Policy Nomination and Remuneration Committee**

The Company has a policy to appoint Independent Director Personnel as director with requisite qualification & experience.

Currently the following are the members of the committee

Name of the Member	Designation
Mr. Bharat Sinh	Chairman
Mrs. Jasbir Kaur Kochhar	Non Executive Woman Director
Dr. Ishpal Ghai	Non Executive Independent Director

The Independent Directors of your Company have confirmed that (a) they meet the criteria of Independence as prescribed under Section 149 of the Act and Regulation 16 of the Listing Regulations, (b) they are aware of any circumstance or situation, which could impair or impact their ability

to discharge duties with an objective independent judgement and without any external influence (c) their name were included in the data bank of Independent Directors maintained by Indian Institute of Corporate Affairs under Rule 6 (3) of the Companies (Appointment and Qualification of Directors) Rules, 2014. Further, in the opinion of the Board, the Independent Directors fulfill the conditions prescribed under the Listing Regulations and are independent of the management of the Company.

The Company has complied with the provisions with respect to appointment and term of Independent Directors which are consistent with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors on the Board of the Company are given a formal appointment letter inter alia containing the terms of appointment, role, duties and responsibilities, code of conduct etc. The terms and conditions of appointment are available on the website of the Company at [www.jagsonpal.com](http://www.jagsonpal.com).

#### Brief Description of Terms of Reference

- To identify persons who are qualified to become Directors and who may be appointed in the senior management;
- To formulate a criteria for determining qualifications, positive attributes and independence of a director;
- To recommend to the Board, appointment and removal of the identified directors and senior management personnel based on the laid down criteria and formulated policy;
- To formulate criteria for evaluation of Independent Directors and the Board and shall carry out evaluation of every director's performance;
- To review the performance of the Managing Director and Whole-time Director and recommend to the Board in this regard.
- To devise a policy on the Board diversity;
- To recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees;
- To review the overall compensation policy and service agreements of the Managing Director and Whole-time Directors and other employees of appropriate cadres;
- To evaluate the remuneration paid by comparable organizations;

#### Listing Regulations mandates that the Board shall monitor and review the Board evaluation framework.

The evaluation of all the directors and the board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the corporate governance report section in this Annual Report. The Board approved the evaluation results as collated by the nomination and remuneration committee.

#### Remuneration Policy

The Company's inter-alia remuneration policy is determined by the success and performance of the individual employee of the company. The performance of the individual employee is measured through an annual appraisal process. The company, through its compensation program attracts, develops, motivates and retains its talented workforce. The managerial remuneration including perquisites thereof payable to Directors are determined by the Committee and shareholders. The remuneration of the directors during the period starting from 01<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022 were as as follow:

##### a. Managing Director/Whole Time Director:

Name	Remuneration
Shri Rajpal Singh Kochhar	Rs. 100.88 lacs

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 Rs. 10,000/- for every Board Meeting and Rs. 2,500/- for committee meetings plus reimbursement of related actual travel and out of pocket expenses. They are entitled up to 1% commission as approved by the Board of Directors. During the year remuneration paid to non-executive directors was as follows:

Name of Directors	Sitting Fee (Rs. In Lakhs)	Commission (Rs. Lakhs)
Mr. Bharat Sinh	Rs. 0.85	4
Mrs. Jasbir Kaur Kochhar	Nil	Nil
Dr. Ishpal Singh Ghai	Rs. 0.85	4
Mr. Ashok Kumar Pati	Rs. 0.60	4
Mr. Mammen Mathew	Rs. 0.20	4

#### 7. Stakeholders' Relationship Committee

Pursuant to the Listing Regulations and Section 178 of the Act Stakeholders' Relationship Committee considers and resolves the grievances of security holders.

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:

The complaints received during the year under review are as follows:

Correspondence in the nature of complaints	Q1	Q2	Q3	Q4	Total
At the beginning of the quarter	0	0	0	0	0
Received during the quarter	0	0	0	3	3
Resolved during the quarter	0	0	0	3	3
Pending at the end of the quarter	0	0	0	0	0

#### 8. Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility Committee comprise of the following members:

Name of the Member	Designation
Mr. Bharat Singh	Chairman
Mrs. Jasbir Kaur Kochhar	Non Executive Woman Director
Dr. Ishpal Ghai	Non Executive Independent Director

The Company Secretary of the Company is the secretary to the Committee and the composition of the Committee meets the requirements of section 135 of the Act.

#### 9. The Company's Code of Conduct for Prevention of Insider Trading

The Board of Directors has adopted the Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosure to be made while dealing with shares of the Company, as well as the consequence of violation. The Policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company Securities.

#### 10. Listing Regulations

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said regulations were effective December 1, 2015. Accordingly, all listed entities were required to follow these regulations.

#### 11. General Meetings

(a) Details of the last three years' General Meetings is given below:

Year ended	Date and time	Place	Resolutions passed
31.03.2019	30.09.2019 10.00 am	Vanita Samaj, 13, Institutional Area, Lodi Road, New Delhi 110003	O-2 S-1
31.03.2020	30.09.2020 10.00 am	Registered Office: Video Conferencing	O-2 S-4
31.03.2021	30.09.2021 11.00 am	Registered Office: Video Conferencing	O-2 S-1

All the resolutions set out in the respective Notices were passed by the requisite majority of the members attending the AGM. All the resolutions set out in the notices were passed by the members.

#### 12. Compliance Certification of The Auditors

Certification from the Company's Auditors, M/s. H.L. Bansal & Co. confirming compliance with conditions of Corporate Governance as stipulated by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached to this report.

#### 13. Audit Certification

The Company is in the regime of unqualified financial statements.

#### 14. Reporting of Internal Auditor

The Internal Auditor directly reports to the Audit Committee.

#### 15. CEO Certification

The Chairman and Managing Director and the Chief financial Officer of the Company give annual certification on the financial reporting and internal control of the Board in terms of applicable clause and other applicable provisions SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

#### 16. Disclosures

In terms of provisions of Investors Education & Protection Funds (IEPF) under Section 125, the dividends that remained unclaimed/ unpaid for a period of seven years from the date on which they were transferred to the respective unpaid dividend A/c have been transferred to IEPF, and in future the Company shall do the same as per directives of MCA, Government of India.

The details of such unpaid unclaimed dividend A/c as on 31.3.2022 are as under:

**Dividend A/c Balance as on 31.03.2022**

2013-2014	419344.50
2014-2015	90769.00
2015-2016	128785.80
2016-2017	1137121.10
2017-2018	92949.20
2018-2019	168479.75
2019-2020	282186.50
2020-2021	381006.00
2021-2022 (Interim Dividend)	1421934.00

**17. Means of communications**

As the quarterly results are published in one English daily newspaper (Business Standard) and one Hindi newspaper (Business Standard) published from Delhi. The quarterly/half yearly report was not sent to the shareholders.

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

**18. General Shareholder Information**

- Annual General Meeting : 14 september 2022

- Financial Calendar (tentative)

Results for the quarter ending

June 2022 09<sup>th</sup> August, 2022

September 2022 2<sup>nd</sup> week of November, 2022

December 2022 2<sup>nd</sup> week of February 2023

March 2023 4<sup>th</sup> week of May 2023

**High/Low of market price of the Company's shares traded along with the volumes on Bombay Stock Exchange, Mumbai and on the National Stock Exchange during the April 2021 to March 2022 is furnished below:**

Period	BSE High (Rs.)	BSE Low (Rs.)	Volume No of Share	NSE High (Rs.)	NSE Low (Rs.)	Volume No of Share (In lakhs)
Apr-2021	109.4	75	2567533	109.4	75.25	94.16
May-2021	108	90	1294002	108	86.8	44.13
Jun-2021	171	102.45	1523139	170.7	102.15	128.36
Jul-2021	187.65	142.75	675604	188	143.05	55.62
Aug-2021	203.25	133.35	387266	203.9	133.55	27.98
Sept-2021	176.6	140	510893	176	139	30.98
Oct-2021	184.95	149.9	383176	184.95	149.5	31.59
Nov-2021	184.95	144	189793	183.55	123	15.23
Dec.-2021	188.5	141.7	653956	188.6	140.3	58.4
Jan-2022	183.5	155.2	240514	184	155	19.87
Feb-2022	267.15	156.75	1279249	267	156	172.76
Mar-2022	313.6	228	698465	313.55	227.55	45.95

- Listing on Stock Exchanges : The Bombay Stock Exchange Limited, Mumbai  
The National Stock Exchange of India Limited, Mumbai  
The Company has paid the listing fee for 2021-22.
- Scrip Code : JAGSNPHARM at NSE and 507789 at BSE
- Stock Code : JAGSNPHARM EQ at NSE and 507789 at BSE
- ISIN No. for NSDL & CDSL : INE048B01027

**Address for correspondence and Registrar and Transfer Agents**

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

**Company Secretary** MCS Share Transfer Agent Limited

**Jagsonpal Pharmaceuticals Ltd.** Unit: Jagsonpal Pharmaceuticals Ltd.  
**T-210 J, Shahpur Jat,** F-65, Okhla Industrial Area, Ph. –I  
**New Delhi 110049.** New Delhi 110020.

• **SEBI Complaints redress systems (SCORES):**

The investor complaints are processed in centralized web-based complaints redressal systems. The salient features of these systems are: Centralised database of all complaints, online upload of Action Taken reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaints and its current status.

• **Designated Exclusive email-id exclusively for investors:**

The Company has designated the following email-ids exclusively for investor servicing.

For Queries on in respect of shares in physical mode, Annual Reports, Dividend etc. [cs@jagsonpal.com](mailto:cs@jagsonpal.com) ; [nandita.singh@jagsonpal.com](mailto:nandita.singh@jagsonpal.com) ; [sagar@jagsonpal.com](mailto:sagar@jagsonpal.com)

• **Distribution of shareholding as on 31.03.2022**

Range (Shares)	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shareholding
1-1000	16367	95.72	2143382	8.19
1001-2000	357	2.08	558935	2.14
2001-6000	266	1.56	940151	3.59
6001-10000	45	0.26	369356	1.40
10001 - 20000	33	0.19	470050	1.79
20001 & Above	32	0.19	21716126	82.89

• **Dematerialization of Securities**

Shares of the Company are actively traded on the Bombay Stock Exchange, Mumbai and the National Stock Exchange of India Limited. Approximately 98.86% of the Company's total shares have been dematerialized.

**Action required regarding non-receipt of dividend**

In case of non receipt of dividend warrants, members are to correspond with the Company's Registrar / Registrar of Companies as mentioned hereunder:

Dividend for	Contact Office	Action to take
2012-13 to 2021-22	MCS Share Transfer Agent Limited	Letter on plain paper
1991-92 to 2010-11	Balance remaining in the unpaid dividend accounts of respective years has been transferred to IEPF, <b>Central Government</b>	Balance remaining in the unpaid dividend accounts of respective years has been transferred to IEPF, Central Government) Matter to be taken up with Ministry of Company Affairs Central Government
1986-87 to 1990-91	Not applicable due to non declaration of dividend	

i) Pursuant to the provisions of the Companies Act 2013, all unclaimed dividends pertaining to the Company remaining unpaid or unclaimed for the period of 7 years from the date of became due for payment, have been transferred to the Investor Education Fund established by Central Government.

**Address for Correspondence**

The Company Secretary

Jagsonpal Pharmaceuticals Limited

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

Phone : 011-46181100 & 46109900, E-mail : [cs@jagsonpal.com](mailto:cs@jagsonpal.com)

Other facilities: Shareholders, who hold shares in a single name wish to make / change the nomination in respect of their shares as permitted under Section 109A of the Act, may submit to the registrar the prescribed Form 2B.

Bank details: Shareholders are requested to notify /send the following to the Company's registrar to facilitate better service.

**19. Any change in their address / mandate / bank details; and**

i. Particulars of the bank account in which they wish their dividend to be credited, in case not furnished earlier.

Shareholders are advised that respective bank details and address as furnished by the Company will be printed on their dividend warrants as a measure of protection against fraudulent encashment.

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI*  
*(Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
The Members of  
Jagsonpal Pharmaceuticals Limited,  
T-210 J, Shahpur Jat,  
New Delhi 110049

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Jagsonpal Pharmaceuticals Limited** having CIN: **L74899DL1978PLC009181** and having registered office at **T 210 J SHAHPUR JAT NEW DELHI-0 110049 IN** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations/ representations furnished to us by the Company & its Director/ officers, We hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility of the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Mukesh Arora & Co.**  
**Practicing Company Secretaries**

**Mukesh Arora**  
**Proprietor**  
F.C.S No. 4819  
C.P No. 4405

**UDIN: F004819D000386343**  
**Date: 25.05.2022**

**INDEPENDENT AUDITORS' REPORT****TO THE MEMBERS OF JAGSONPAL PHARMACEUTICALS LIMITED**

Report on the Audit of the Indian Accounting Standards (Ind AS) Financial Statements

**Opinion**

We have audited the accompanying Ind AS financial statements of **Jagsonpal Pharmaceuticals Limited** (the Company), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), statement of cash flows and the statement for changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ('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, 2022, its profit, total Comprehensive Income, the changes in Equity, its cash flows, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

**Basis for opinion**

We conducted our audit in accordance with the Standards on Auditing specified under section 143 (10) of the Companies Act, 2013 (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under 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 financial statements.

**Information other than the Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance and take necessary action, as applicable under the relevant laws and regulations.

**Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with Companies (Indian

Accounting Standards) Rules, 2015, as amended, and other accounted principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 have no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (CARO 2020) (the Order), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, 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, based on our audit 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 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 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 for changes in equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act,
  - e. On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and
  - 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 as amended, 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, if any, of pending litigations as at March 31, 2022 on its financial position in its Ind AS financial statements - Refer Note 35
    - ii. The Company did not have any long-term contracts including derivative contracts as at 31st March 2022 for which there were any material foreseeable losses ; and
    - iii. There has been no delay in transferring amount required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.
    - iv. (i) The Management has represented that, to the best of

its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (Ultimate Beneficiaries) by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (Ultimate Beneficiaries) by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
- v. The final dividend paid by the Company during the current year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend. The Company has declared and paid an Interim dividend for the current year in accordance with the provisions of section 123 of the Act to the extent it applies to declaration and payment of dividend.
- h. With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limits laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

**For H.L. Bansal & Co.**  
Chartered Accountants  
Firm Registration No. : 008563N

**H L Bansal**  
(Partner.)  
Membership No.: 086990  
UDIN : 22086990AJWLHJ4735

Place: New Delhi  
Date: 30.05.2022

**Annexure - A to the Independent Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2022.

As per the books and records produced before us and as per the information and explanations given to us and based on such audit checks that we considered necessary and appropriate, we report that:

- i. (a) A. The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
  - B. The Company is maintaining proper record showing full particulars of Intangible assets.
- (b) The Property, Plant and Equipment and intangible assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties as disclosed in Note 3 on Property, Plant and Equipment to the Ind AS financial statements, are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.
- ii. (a). The Inventory except for goods in transit has been physically verified by the management at reasonable intervals during the year .In respect of inventory lying with third parties, to the extent, such inventories have not been physically verified by the management, such inventories have been substantially confirmed by the third parties. And in our opinion the coverage and procedure of such verification by the management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not material and less than 10% in the aggregate for each class of inventory and have been appropriately dealt with in the books of accounts.
- (b) The company has not been sanctioned working capital limits in excess of five crore Rupees in aggregate at any point of time

during the year from banks or financial Institutions on the basis of security of current assets of the company hence reporting under clause 3(ii)(b) of the Order is not applicable.

- iii. As per information and explanation give to us, the Company has not granted any loans or advances in the nature of loans secured or unsecured or stood guarantees or provided security to the companies, firms or Limited Liability partnerships. The Company has made investments in companies, firms, limited liability partnerships or any other parties during the year and the terms and conditions of the investments are,prima facie, not prejudicial to the interest of the Company. Reporting under sub clause a and c to f of clause 3(iii) of the Order is not applicable.
- iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security as specified under Section 185 of the Companies Act, 2013 (the Act) and the Company has not provided any security as specified under Section 186 of the Act. Further, in our opinion, the Company has complied with the provisions of Section 186 of the Act in relation to investments made.
- v. The Company has not accepted any deposits or amount deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Hence reporting under clause 3(v) of the Order is not applicable.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including Goods and Service Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, value added tax, Goods and Service Tax, cess and other material Statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Service Tax , provident fund, employees' state insurance, income tax, sales tax, Service tax, customs duty ,excise duty ,value added tax cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable. The following statutory dues have not been deposited on account of dispute:

**ANNEXURE OF CASE PENDING WITH VARIOUS AUTHORITIES**

Nature of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where the dispute is pending
Vat/Sale Tax Pune	Demand	1,79,53,179	2014-15	Sale Tax Authority
Vat/Sale Tax Pune	Demand	3,43,29,747	2015-16	Sale Tax Authority
Vat/Sale Tax Pune	-----do-----	9,36,720	2016-17	-----do-----
Vat/Sale Tax Kolkata	-----do-----	29,04,851	2008-2009	-----do-----
-----do-----	-----do-----	16,70,707	2009-2010	Hon'ble High court
Vat/Sale Tax Patna	-----do-----	1,35,000	2016-17 and 2017-18	-----do-----
Vat/Sale Tax Haryana	-----do-----	66,275	2016-17	-----do-----
Vat/Sale Tax Haryana	-----do-----	6,86,862	2017-18	-----do-----
Income Tax	-----do-----	23,28,930	2015-16	CPC Income Tax
Income Tax	-----do-----	7,41,330	2016-17	CPC Income Tax
Goods & Service Tax	SLP filed by Union of India related to Transitional Credit of Vat/Cenvat into GST Regime	1,78,88,138	2017-18	Hon'ble Supreme Court
<b>Total</b>		<b>7,96,41,739</b>		

- viii. According to the information and explanations given to us and the records of the Company examined by us, no unrecorded transactions in the books of accounts were found which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence reporting under clause 3(viii) of the Order is not applicable.
- ix. The Company has not taken any fund or loans or other borrowings from any lender.  
Hence reporting under clause 3(ix) of the Order is not applicable.
- x. a). The Company has not raised any moneys by way of initial public offer or further Public offer (including debt instruments). Accordingly reporting under Clause 3(x)(a) of the Order is not applicable.  
(b). 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 reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, 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.  
(b) No report under sub-Section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government during the year and up to the date of the audit.  
(c). According to the information and explanations given to us, we have not come across any instance of any whistle-blower complaints received during the year by the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, reporting under Clause 3(xii) of the Order is not applicable.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) Note 37, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.  
(b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv. As per the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Hence provisions of section 192 of the companies Act, 2013 is not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and also is not a core Investment Company (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Hence reporting under clause 3 (xvi)(a) (b)(c) and (d) of the order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the Statutory auditors of the company during the Year and hence clause 3 (xviii) is not applicable to the company.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the balance sheet date. We however state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. (a) According to the information and explanations given to us and the records of the Company examined by us, unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects has not been transferred to a fund specified in Schedule VII to the companies Act, 2013 in compliance with second proviso to sub section (5) of Section 135 of the said Act till the date of our audit report since the time period for such transfer i.e. 180 days from the end of the financial year has not elapsed.  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a fund specified in Schedule VII to the companies Act, 2013 in compliance with provisions of sub section (6) of Section 135 of the said Act .
- xxi. The company does not has any Subsidiary and does not require to prepare any consolidated accounts. Accordingly, the provisions of Clause 3(xxi) of the Order are not applicable to the Company.

**For H.L. Bansal & Co.  
Chartered Accountants  
Firm Registration No. : 008563N**

**H L Bansal  
(Partner.)**

**Place: New Delhi  
Date: 30.05.2022**

**Membership No.: 086990  
UDIN : 22086990AJLHJ4735**

**Annexure - B to the Independent Auditors' Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the Act)**

(Referred to in paragraph 1(f) under Report on Other Legal and Regulatory Requirements' section of our report to the members of Jagsonpal Pharmaceuticals Limited of even date)

We have audited the internal financial controls over financial reporting of Jagsonpal Pharmaceuticals Limited (the Company) as of 31 March 2022 in conjunction with our audit of the 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, issued by ICAI 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with

authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, 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.

**For H.L. Bansal & Co.  
Chartered Accountants  
Firm Registration No. : 008563N**

**H L Bansal  
(Partner.)**

**Place: New Delhi  
Date: 30.05.2022**

**Membership No.: 086990  
UDIN : 22086990AJLHJ4735**

## Standalone Balance Sheet as at 31 March 2022

All amount in Indian Rupees lacs, unless state otherwise

	Notes	As at 31 March 2022	As at 31 March 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	2,237.29	2,334.66
Capital work-in-progress	3	-	-
Intangible assets	4	237.53	237.53
<b>Financial assets</b>			
(i) Investments	5A	2,057.55	1,205.84
(ii) Loans	6A	-	-
(iii) Other	7A	-	28.61
Non-current tax assets (net)	8	943.12	457.76
Deferred tax assets (net)	9	-	-
<b>Other non-current assets</b>	10A	292.26	108.13
		<b>5,767.75</b>	<b>4,372.53</b>
<b>Current assets</b>			
Inventories	11	2,974.21	2,972.45
<b>Financial assets</b>			
(i) Investments	5B	2,214.13	325.07
(ii) Loans and Advances	6B	30.51	26.77
(iii) Trade receivables	12	1,557.74	1,266.40
(iv) Cash and cash equivalents	13	2,602.93	5,894.29
(v) Bank balances other than (iv) above	14	12.43	128.69
(vi) Other	7B	1.27	25.03
Other current assets	10B	1,684.50	1,409.01
		<b>11,077.72</b>	<b>12,047.71</b>
<b>Total assets</b>		<b>16,845.47</b>	<b>16,420.24</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	15	1,309.90	1,309.90
Other equity	16	11,775.66	10,883.01
<b>Total equity</b>		<b>13,085.56</b>	<b>12,192.91</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	17A	-	-
(ii) Lease liabilities	18	-	-
Provisions	19	125.65	1.80
Deferred tax Liability (net)	9	218.74	185.86
		344.39	187.66
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	17B	-	678.79
(ii) Trade payables			
-total outstanding dues of micro enterprises and small enterprises	21	227.13	218.23
-total outstanding dues of creditor other than micro enterprises and small enterprises		1,401.49	1,586.76
(iii) Lease liabilities	18	-	-
(iv) Other financial liabilities	22	549.12	438.25
Provisions	19	49.01	84.68
Government grants	20	-	-
Current tax liabilities	23	796.13	382.15
Other current liabilities	24	392.64	650.81
		<b>3,415.52</b>	<b>4,039.67</b>
<b>Total equity and liabilities</b>		<b>16,845.47</b>	<b>16,420.24</b>
<b>Summary of significant accounting policies</b>			
2			
The accompanying notes form an integral part of the financial statements			

As per our report of even date

**For H L Bansal and Co.**  
Chartered Accountants  
FRN. NO. 008563N

For and on behalf of the Board of Directors  
**For Jagsonpal Pharmaceuticals Limited**

**Hira Lal Bansal**  
Partner  
M.No. 086990

**R.P.S Kochhar**  
DIN 00059492  
Chairman & Managing Director

Place: Delhi  
Date: 30.05.2022

**SV Subha Rao**  
Chief Financial Officer

**Nandita Singh**  
Company Secretary

**Standalone Statement of Profit and Loss for the Period ended 31 March 2022**

All amount in Indian Rupees lacs, unless state otherwise

	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Income</b>			
Revenue from operations	25	22,609.67	18,794.56
Other income	26	333.60	439.33
<b>Total income</b>		<b>22,943.27</b>	<b>19,233.89</b>
<b>Expenses</b>			
Cost of raw and packing materials consumed	27	4,041.88	3,863.45
Purchase of traded goods		4,975.44	3,686.19
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	28	561.12	527.97
Employee benefits expense	29	5,767.52	5,398.12
Depreciation and amortisation expense	30	152.62	108.60
Finance costs	31	28.51	51.35
Other expenses	32	4,684.27	3,410.98
<b>Total expenses</b>		<b>20,211.36</b>	<b>17,046.66</b>
<b>Profit before tax</b>		<b>2,731.91</b>	<b>2,187.23</b>
Income tax expense	33		
Current Tax		740.33	604.70
Less: MAT credit entitlement		-	-
Add: MAT credit written off of earlier years		-	-
<b>Net current tax</b>		<b>740.33</b>	<b>604.70</b>
Adjustment of tax relating to earlier periods		-	-
Deferred tax		32.88	(123.30)
<b>Total tax expense</b>		<b>773.21</b>	<b>481.40</b>
<b>Profit for the year (A)</b>		<b>1,958.70</b>	<b>1,705.83</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement Profit/losses on defined benefit plans		191.62	21.39
Income tax effect	33	(55.80)	(6.23)
<b>Other comprehensive income for the year, net of tax (B)</b>		<b>135.82</b>	<b>15.16</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>2,094.52</b>	<b>1,720.99</b>
<b>Earnings per equity share</b>			
Basic earnings per equity share (INR)	34	7.48	6.51
Diluted earnings per equity share (INR)		7.48	6.51
<b>Summary of significant accounting policies</b>	2		

As per our report of even date

**For H L Bansal and Co.**  
 Chartered Accountants  
 FRN. NO. 008563N

**Hira Lal Bansal**  
 Partner  
 M.No. 086990

 Place: Delhi  
 Date: 30.05.2022

**R.P.S Kochhar**  
 DIN 00059492  
 Chairman & Managing Director

**SV Subha Rao**  
 Chief Financial Officer

 For and on behalf of the Board of Directors  
**For Jagsonpal Pharmaceuticals Limited**
**Nandita Singh**  
 Company Secretary

## Standalone Cash flow statement for the period ended 31 March 2022

All amount in Indian Rupees lacs, unless state otherwise

	For the year ended 31st March 2022	For the year ended 31 March 2021
<b>A. Cash flow from operating activities</b>		
<b>Net Profit before tax</b>	<b>2,731.91</b>	<b>2,187.23</b>
Other Comprehensive Income	135.82	15.16
Depreciation and amortisation expense	152.62	108.60
Loss/ (profit) on sale of property, plant and equipment	(8.51)	-
Interest income	(154.56)	(299.24)
Interest expense	28.51	51.35
Prepaid Expense	-	12.96
Fair value gain on financial instruments at fair value through profit or loss	104.08	25.05
Deferred tax liability reduced	32.88	(123.30)
<b>Operating profit before working capital changes</b>	<b>3,022.75</b>	<b>1,977.81</b>
<b>Movements in working capital:</b>		
Decrease / (increase) in trade receivables	(291.34)	878.94
Decrease / (increase) in inventories	(1.76)	(39.95)
(Decrease / (increase) in other financial assets	48.63	(3.93)
Decrease / (increase) in other assets	(459.61)	(973.70)
(Decrease) / increase in trade payables	(176.36)	634.06
(Decrease) / increase in provisions	88.19	86.48
(Decrease) / increase in other financial liabilities	(567.92)	85.97
(Decrease / (increase) in tax assets	264.64	1,194.80
(Decrease) / increase in tax liabilities	(359.23)	(929.22)
(Decrease) / increase in other liabilities	(258.18)	225.98
<b>Cash generated from operations</b>	<b>1,309.81</b>	<b>3,137.24</b>
Income Tax paid	(750.00)	(315.00)
<b>Net cash flow from operating activities (A)</b>	<b>559.81</b>	<b>2,822.24</b>
<b>B. Cash flow from investing activities</b>		
Net of Sale/ Purchase of property, plant and equipment and intangible assets (including capital work-in-progress)	(46.75)	(46.91)
Purchase of investments	(2,844.86)	(417.28)
Interest received	270.82	237.76
<b>Net cash (used in) / from investing activities (B)</b>	<b>(2,620.79)</b>	<b>(226.43)</b>
<b>C. Cash flow from financing activities</b>		
Interest paid	(28.51)	(51.35)
Change in Equity	(153.95)	(369.47)
Dividend	(1,047.92)	(262.00)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>(1,230.38)</b>	<b>(682.82)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+ B+C)</b>	<b>(3,291.36)</b>	<b>1,912.99</b>
Effect of exchange differences on cash and cash equivalents held in foreign currency	-	-
Cash and cash equivalents at the beginning of the year	5,894.29	3,981.30
<b>Cash and cash equivalents at the end of the year</b>	<b>2,602.93</b>	<b>5,894.29</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	89.40	31.14
With banks	2,513.53	5,863.15
<b>Total cash and cash equivalents (Note 13)</b>	<b>2,602.93</b>	<b>5,894.29</b>
<b>Summary of significant accounting policies 2</b>		

As per our report of even date

**For H L Bansal and Co.**  
Chartered Accountants  
FRN. NO. 008563N

**Hira Lal Bansal**  
Partner  
M.No. 086990

Place: Delhi  
Date: 30.05.2022

**R.P.S Kochhar**  
DIN 00059492  
Chairman & Managing Director

**SV Subha Rao**  
Chief Financial Officer

For and on behalf of the Board of Directors  
**For Jagsonpal Pharmaceuticals Limited**

**Nandita Singh**  
Company Secretary

Standalone Cash flow statement for the period ended 31 March 2022

All amount in Indian Rupees lacs, unless state otherwise

(A) Equity share capital (Refer note 15):

Equity shares of INR 5 each issued, subscribed and fully paid

i) Current Reporting Period:

Balance as at April 1, 2021	Changes in Equity Share Capital due to Prior Period Errors	Restored Balance as at April 1, 2021	Changes in Equity Capital during the year	Balance as at March 31, 2022
1,309.90	-	1,309.90	-	1,309.90

i) Previous Reporting Period:

Balance as at April 1, 2020	Changes in Equity Share Capital due to Prior Period Errors	Restored Balance as at April 1, 2020	Changes in Equity Capital during the year	Balance as at March 31, 2021
1,309.90	-	1,309.90	-	1,309.90

(B) Other equity (Refer note 16):

	General reserve	Securities premium account	Revaluation Reserve	Surplus/ (deficit) in the statement of profit and loss	Total other equity
As at 1 April 2021	4,180.22	60.00	783.92	5,858.87	10,883.01
Prior Period Errors	-	-	-	(153.95)	(153.95)
Restored Balance as at April 1, 2021	4,180.22	60.00	783.92	5,704.92	10,729.06
Profit for the year	-	-	-	1,958.70	1,958.70
Other comprehensive income	-	-	-	135.82	135.82
Total comprehensive income for the year	4,180.22	60.00	783.92	7,799.44	12,823.58
Transactions with owners in their capacity as owners:					
Dividends paid	-	-	-	(1,047.92)	(1,047.92)
Tax on dividends paid	-	-	-	-	-
As at 31 March 2022	4,180.22	60.00	783.92	6,751.52	11,775.66

	General reserve	Securities premium account	Revaluation Reserve	Surplus/ (deficit) in the statement of profit and loss	Total other equity
As at 1 April 2020	4,180.22	60.00	783.92	4,769.35	9,793.49
Prior Period Errors	-	-	-	(369.47)	(369.47)
Restored Balance as at April 1, 2021	4,180.22	60.00	783.92	4,399.88	9,424.02
Profit for the year	-	-	-	1,705.83	1,705.83
Other comprehensive income	-	-	-	15.16	15.16
Total comprehensive income for the year	4,180.22	60.00	783.92	6,120.87	11,145.01
Transactions with owners in their capacity as owners:					
Dividends paid	-	-	-	(262.00)	(262.00)
Tax on dividends paid	-	-	-	-	-
As at 31 March 2021	4,180.22	60.00	783.92	5,858.87	10,883.01

As per our report of even date

For H L Bansal and Co.  
Chartered Accountants  
FRN. NO. 008563N

For and on behalf of the Board of Directors  
For Jagsonpal Pharmaceuticals Limited

Hira Lal Bansal  
Partner  
M.No. 086990

R.P.S Kochhar  
DIN 00059492  
Chairman & Managing Director

Place: Delhi  
Date: 30.05.2022

SV Subha Rao  
Chief Financial Officer

Nandita Singh  
Company Secretary

**1. Company Overview**

Jagsonpal Pharmaceuticals Limited (the Company) is a domestic public company headquartered in Delhi, India. It is incorporated under the Companies Act, 1956 and its shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company is primarily engaged in the manufacturing and trading of pharmaceutical products and APIs. The Company has operations in India and caters to both domestic and international markets.

**2. Significant Accounting Policies****A. Basis of Preparation of Financial Statements**

The financial statements comply in all material aspects with India Accounting Standards (Ind AS) notified u/s 133 of the Companies Act, 2013 (the Act) (Companies (Indian Accounting Standards) Rules, 2015, as amended) and other relevant provisions of the Act. The financial statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 2013.

**B. Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

**C. Fixed Assets**

The Company has elected to continue with the carrying value of all of its property, plant and equipment measured as per the previous GAPP (Indian GAPP) and use that carrying value as the deemed cost of the property, plant and equipment.

**D. Capital Work in Progress**

There is no Capital Work in Progress held by the company during the year.

Intangible Assets are stated at cost of acquisition and development.

**E. Depreciation and Amortisation**

Depreciation on fixed assets is provided as per schedule II of the Companies Act, 2013. Land is not amortised.

**F. Impairment of Assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. The company has elected to continue with the carrying value of all of its assets measured as per the previous GAPP (Indian GAPP) and use that carrying value as the deemed cost of the assets.

**G. Foreign Currency Transactions**

(a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

(b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

(c) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

**H. Investments**

Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary. Short term investments are stated at fair market value.

**I. Inventories**

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, process chemicals, packing materials, trading and other products are determined on weighted average basis.

**J. Revenue Recognition**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods adjusted for discounts (net), goods returned and breakages and expiry. Dividend income is recognized when received. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

**K. Duties and taxes**

Duties and taxes are accounted for in the books of accounts as per the prevailing law for the time being in force.

#### **L. Employee Benefits**

The company participates in various employee benefit plans. Post employment benefits are classified as either defined contribution plans or defined benefits plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provide service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the company. The present value of the defined benefit obligation is calculated using the projected unit credit method. The company has the following benefit plans :

(i) Short-term employee benefits In the form of Contributions to Provident fund which are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

(ii) Post employment and other long term employee benefits like Gratuity and Leave Encashment are recognised as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss account as comprehensive income/loss.

#### **M. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

#### **N. Provision for Current and Deferred Tax**

a) Income Tax comprises current and deferred tax. Income tax expense is recognised in the statement of profit and loss except to the extent it related to items directly recognised in equity or in other comprehensive income. Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

b) Deferred income tax is recognised using the balance sheet approach from this year as compared to profit and loss approach in earlier. The impact of change in accounting policy has been recognised in profit and loss account (Refer note no.9). Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements using the the tax rates and laws that are enacted or substantively enacted as on the balance sheet date.

#### **O. Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

## Notes to standalone financial statements for the Period ended 31 March 2022

(All amounts in Indian Rupees lacs, unless stated otherwise)

3. Property, plant and equipment									
	Freehold land	Buildings	Plant and equipment	Office equipment	Furniture and fixtures	Computer	Vehicles	Total	Capital work-in-progress
<b>Cost</b>									
<b>At 01 April 2020</b>	875.94	1,418.32	1,313.67	1,612.71	68.98	17.46	272.63	5,579.71	190.34
Additions	0.00	190.34	16.28	11.29	5.75	25.72	29.00	278.38	
Disposals/Adjustments	0.00	0.00	83.58					83.58	190.34
<b>At 31 March 2021</b>	875.94	1,608.66	1,246.37	1,624.00	74.73	43.18	301.63	5,774.51	0.00
Additions	0.00	29.29	2.06	7.89	0.03	25.86	0.00	65.13	
Disposals/Adjustments	0.00	0.00	49.28	0.00	0.00	0.34	0.00	49.62	
Transfer to Buildings		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>At 31st March 2022</b>	875.94	1,637.95	1,199.15	1,631.89	74.76	68.70	301.63	5,790.02	0.00
<b>Accumulated Depreciation</b>									
<b>At 01 April 2020</b>	0.00	658.10	1,147.31	1,348.26	53.02	5.96	161.04	3,373.69	0.00
Depreciation for the year	0.00	21.38	23.39	36.37	4.72	7.74	15.00	108.60	0.00
Disposals	0.00		42.44					42.44	0.00
<b>At 31 March 2021</b>	0.00	679.48	1,128.26	1,384.63	57.74	13.70	176.04	3,439.85	0.00
Depreciation for the year	0.00	51.63	27.56	35.89	3.08	15.51	18.95	152.62	0.00
Disposals	0.00	0.00	39.63	0.00	0.00	0.11	0.00	39.74	0.00
Transfer to Right of use asset	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>At 31st March 2022</b>	0.00	731.11	1,116.19	1,420.52	60.82	29.10	194.99	3,552.73	0.00
<b>Net book value</b>									
<b>At 31st March 2022</b>	875.94	906.84	82.96	211.37	13.94	39.60	106.64	2,237.29	0.00
<b>At 31 March 2021</b>	875.94	929.18	118.11	239.37	16.99	29.48	125.59	2,334.66	0.00

Notes to standalone financial statements for the Period ended 31 March 2022

(All amounts in Indian Rupees lacs, unless stated otherwise)

4. Intangible assets

	Goodwill	Product development cost*	Total
<b>Cost</b>			
<b>At 01 April 2020</b>	3.00	234.53	237.53
Additions		-	-
Disposals		-	-
<b>At 31 March 2021</b>	3.00	234.53	237.53
Additions			-
Disposals	-	-	-
<b>At 31 March 2022</b>	3.00	234.53	237.53
<b>Amortisation</b>			
<b>At 01 April 2020</b>			-
Amortisation for the year		-	-
Disposals		-	-
<b>At 31 March 2021</b>	-	-	-
Amortisation for the year		-	-
Disposals	-	-	-
<b>At 31 March 2022</b>	-	-	-
<b>Net book value</b>			
At 31 March 2022	3.00	234.53	237.53
At 31 March 2021	3.00	234.53	237.53

\* This represents amount of expenditure incurred by the company on development of technology for a new product in earlier years. The cost of developing this technology has been capitalised as intangible assets. The life of the technology shall be determined after seeing the commercial viability of the product. Hence the same is not amortized this year.

Notes to standalone financial statements for the Period ended 31 March 2022

(All amounts in Indian Rupees lacs, unless stated otherwise)

5. Investments

	As at 31 March 2022 Quantity	Value	As at 31 March 2021 Quantity	Value
<b>A. Non-current investments</b>				
At cost, unless otherwise stated				
Investment in equity of Sun Pharmaceuticals Ltd (1043 fully paid shares)	1,043	0.05	1,043	0.05
Investment in equity of Naari Pharma Private Limited (20349 Equity Shares of Face value of Rs.10 (2.93%))	20,349	1,004.43	20,349	1,004.43
Investment in equity of Naari Pharma Private Limited (2065 OCRPS of Face value of Rs.100)	2,065	199.98	-	-
Investment in equity of Naari Pharma Private Limited (1033 OCRPS of Face value of Rs.100)	1,033	100.04	-	-
Investment in equity of Naari Pharma Private Limited (2065 OCRPS of Face value of Rs.100)	2,065	199.98	-	-
Investment in equity of Naari Pharma Private Limited (3097 OCRPS of Face value of Rs.100)	3,097	299.92	-	-
Investment in 10.5 % Perp Bond of Indusind Bank		101.79		101.79
Tata Healthcare Fund		121.36		69.57
ADTHERA Consumers Brands Pvt. Ltd. (Investment in Compulsory Convertible Cumulative Preference Share )	6,667	10.00	6,667	10.00

Artwork		20.00		20.00
<b>Total</b>		<b>2,057.55</b>		<b>1,205.84</b>
<b>Aggregate amount of quoted/unquoted investments</b>		<b>2,057.55</b>		<b>1,205.84</b>
<b>Aggregate amount of impairment in value of investments</b>		-		-
<b>B. Current investments</b>				
<b>Quoted Investments in Funds (at FMV routed through Profit and Loss)</b>	<b>As at 31 March 2022 Quantity</b>	<b>Value</b>	<b>As at 31 March 2021 Quantity</b>	<b>Value</b>
HDFC INDEX FUND-NIFTY 50 PLAN - DIRECT	2,62,830	430.31	-	-
MOTILAL OSWAL NIFTY MIDCAP 150 INDEX FUND - DIRECT - GROWTH	17,60,969.90	348.83	-	-
NIPPON INDIA NIFTY 50 VALUE 20 INDEX FUND - DIRECT - GROWTH	28,00,028.78	356.83	-	-
MOTILAL OSWAL NASDAQ 100 FUND OF FUND - DIRECT - GROWTH	8,44,024.00	197.45	-	-
MOTILAL OSWAL S&P 500 INDEX FUND(MOFSP500) - DIRECT - GROWTH	13,42,567.84	212.23	-	-
HDFC Overnight Fund- Direct Growth	9,548	301.49	-	-
Barclays Securities	27,30,582.00	33.13	-	-
Investment in Zerodha-TRUE BEACON 09DEC2020 CLASS A TRUE BEACON 62	73,619.73	109.60	73,619.73	106.18
Investment in Zerodha-TRUE BEACON 28DEC2020 CLASS A TRUE BEACON 62	72,013.25	107.61	72,013.25	103.82
Investment in Zerodha-TRUE BEACON 30SEP2020 CLASS A TRUE BEACON 62	79,727.94	116.65	79,727.94	115.07
<b>Total</b>		<b>2,214.13</b>		<b>325.07</b>
<b>Aggregate amount of quoted investments</b>		<b>2,214.13</b>		<b>325.07</b>

Notes to standalone financial statements for the Period ended 31 March 2022

(All amounts in Indian Rupees lacs, unless stated otherwise)

6. Loans

A. Non-current

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Loan to subsidiary	-	-
	-	-

B. Current

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Loan to subsidiary	-	-
Advances to employees	30.51	26.77
Interest accrued on loan to related parties	-	-
	30.51	26.77

7. Other financial assets

A. Non-current (Unsecured, considered good, unless stated otherwise)

	As at 31 March 2022	As at 31 March 2021
Margin money deposits	-	28.61
Interest accrued on fixed deposits	-	-
	-	28.61

B. Current (Unsecured, considered good, unless stated otherwise)

	As at 31 March 2022	As at 31 March 2021
Derivative instruments at fair value through profit and loss	-	-
Foreign exchange forward contracts	-	-
Other receivables	1.27	25.03
	1.27	25.03

Break up of financial assets carried at amortised cost

	As at 31 March 2022	As at 31 March 2021
Loans (Refer note 6)	30.51	26.77
Trade receivables (Refer note 12)	1,557.74	1,266.40
Cash and cash equivalents (Refer note 13)	2,602.93	5,894.29
Other bank balances (Refer note 14)	12.43	128.69
Other financial assets	1.27	53.64
Total financial assets carried at amortised cost	4,204.88	7,369.79

Break up of financial assets carried at fair value through profit and loss

	As at 31 March 2022	As at 31 March 2021
Other financial assets	-	-
	-	-

Notes to standalone financial statements for the Period ended 31 March 2022

(All amounts in Indian Rupees lacs, unless stated otherwise)

8. Non-current tax assets (net)

	As at 31 March 2022	As at 31 March 2021
Advance income tax	943.12	457.76
	943.12	457.76

**9. Deferred tax assets/ Liabilities (net)**

	As at 31 March 2022	As at 31 March 2021
<b>Deferred tax asset relates to the following:</b>		
Provision for employee benefits	-	25.19
<b>Total deferred tax asset (A)</b>	<b>-</b>	<b>25.19</b>
<b>Deferred tax liability relates to the following:</b>		
Property, plant and equipment	218.74	211.05
<b>Total deferred tax liabilities (B)</b>	<b>218.74</b>	<b>211.05</b>
<b>Deferred tax Liability recognised (net) (C = A-B)</b>	<b>218.74</b>	<b>185.86</b>

The movement in net deferred tax liability has been recorded through statement of profit and loss.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

In assessing the realisability of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the periods in which the deferred tax assets are deductible, management believes that it is probable that the Company will be able to realise the benefits of those deductible differences in future and vice-versa.

**10. Other assets****A. Non-current (Unsecured, considered good, unless stated otherwise)**

	As at 31 March 2022	As at 31 March 2021
<b>Unsecured, considered good</b>		
Prepaid expenses	-	-
Gratuity fund	241.95	-
MAT Credit Entitlement	-	63.91
Security deposits	50.31	44.22
	<b>292.26</b>	<b>108.13</b>

**B. Current (Unsecured, considered good, unless stated otherwise)**

	As at 31 March 2022	As at 31 March 2021
Advances other than capital advances	762.93	805.36
Capital Advances	1.31	-
Prepaid expenses	360.61	-
Balances with statutory authorities	560.46	601.37
Deferred lease expense on security deposits paid	-	-
Gratuity plan assets	-	-
Others	(0.81)	2.28
	<b>1,684.50</b>	<b>1,409.01</b>

**11. Inventories**

	As at 31 March 2022	As at 31 March 2021
<b>Valued at lower of cost and net realisable value</b>		
Raw materials and components	1,255.88	694.24
Work-in-progress	270.18	1,246.92
Finished goods	1,446.91	1,031.29
Stores and spares	1.24	-
Scrap stock	-	-
	<b>2,974.21</b>	<b>2,972.45</b>

While valuing closing inventory, the company has not considered value of Samples and Obsolete/ Expired Stock as its net realisable value is NIL.

**12. Trade receivables**

	As at 31 March 2022	As at 31 March 2021
<b>Undisputed:</b>		
Considered Good	1,557.74	1,266.40
Having significant increase in credit risk	-	-
Credit impaired	-	-
<b>Disputed:</b>		
Considered Good	-	-
Having significant increase in credit risk	18.83	18.83
Credit impaired	28.86	24.65
	<b>1,605.43</b>	<b>1,309.88</b>
Less: Provision for Doubtful Debts	(47.69)	(43.48)
	<b>1,557.74</b>	<b>1,266.40</b>

**Ageing for Trade Receivables:**

**i. Current Reporting Period**

Particulars	Outstanding for following periods from due date of payment for FY 2021-22					Total
	Less than 6 Months	6 months- 1year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed:</b>						
Considered Good	1,536.48	20.46	0.80	-	-	1,557.74
Having significant increase in credit risk	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
<b>Disputed:</b>						
Considered Good	-	-	-	-	-	-
Having significant increase in credit risk	-	2.45	1.51	14.87	-	18.83
Credit impaired	-	0.47	1.92	26.47	-	28.86
	<b>1,536.48</b>	<b>23.38</b>	<b>4.23</b>	<b>41.34</b>	<b>-</b>	<b>1,605.43</b>

## ii. Previous Reporting Period

Particulars	Outstanding for following periods from due date of payment for FY 2020-21					Total
	Less than 6 Months	6 months-1year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed:</b>						
Considered Good	1,246.51	19.89	-	-	-	1,266.40
Having significant increase in credit risk	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
						-
<b>Disputed:</b>	-	-	-	-	-	-
Considered Good	-	-	-	-	-	-
Having significant increase in credit risk	-	2.45	1.51	14.87	-	18.83
Credit impaired	-	0.47	1.92	22.26	-	24.65
	<b>1,246.51</b>	<b>22.81</b>	<b>3.43</b>	<b>37.13</b>	-	<b>1,309.88</b>

## 13. Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
<b>Balance with banks:</b>		
- In current accounts	2,233.88	944.89
Deposits with original maturity of less than three months	-	-
Other Deposits	279.65	4,918.26
Cheques in hand	-	-
Cash in hand*	89.40	31.14
	<b>2,602.93</b>	<b>5,894.29</b>

\* Cash in hand includes cash held as imprest balances.

## 14. Other bank balances

	As at 31 March 2022	As at 31 March 2021
Interest accrued on fixed deposits	12.43	128.69
	<b>12.43</b>	<b>128.69</b>

## 15. Share capital

## a) Authorised share capital

	As at 31 March 2022		As at 31 March 2021	
	No of Shares	Amount in Lacs	No of Shares	Amount in Lacs
Equity Shares of INR 5/- each with voiting rights	3,00,00,000	1,500	3,00,00,000	1,500
Equity Shares of INR 5/- each with differential voiting rights	2,00,00,000	1,000	2,00,00,000	1,000

## b) Terms/rights attached to equity shares

The Company has equity shares with voting rights and differential voting rights having par value of INR 5 per share and having entitlement to vote accordingly. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Issued subscribed and paid up equity capital**

	Number of shares	Amount
<b>Equity shares of INR 5 each issued, subscribed and fully paid</b>		
<b>At 1 April 2020</b>	<b>2,61,98,000</b>	<b>1,309.90</b>
Issue during the year	-	-
Buy back during the year	-	-
<b>At 31 March 2021</b>	<b>2,61,98,000</b>	<b>1,309.90</b>
Issue during the year	-	-
Buy back during the year	-	-
<b>At 31 March 2022</b>	<b>2,61,98,000</b>	<b>1,309.90</b>

**d) Details of shareholders holding more than 5% equity shares in the Company**

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% holding	Number of shares	% holding
<b>Equity shares of INR 5 each, fully paid</b>				
Body Corporate				
Aresko Progressive Pvt Ltd	1,67,89,754	64.08	1,72,15,254	65.71

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**e) Promoters Equity**

**i) Current Reporting Period:**

Name of shareholder	As at 31/03/2022		As at 31/03/2021		% Change During the year
	Number of shares	% held	Number of shares	% held	
ARESKO PROGRESSIVE PRIVATE LIMITED	1,67,89,754	64.08	1,72,15,254	65.71	1.63
RAJPAL SINGH KOCHHAR	12,12,160	4.62	12,12,160	4.62	0

**ii) Previous Reporting Period::**

Name of shareholder	As at 31/03/2021		As at 31/03/2020		% Change During the year
	Number of shares	% held	Number of shares	% held	
ARESKO PROGRESSIVE PRIVATE LIMITED	1,72,15,254	65.71	1,72,15,254	65.71	-
RAJPAL SINGH KOCHHAR	12,12,160	4.62	12,12,160	4.62	-

The company's promoters are in the process of selling its majority shareholding to a private equity investor.

**f) Distributions made and proposed**

The company has declared and paid Interim Dividend to Shareholders during the year ended March 31, 2022 @ Rs. 4/- per equity share totalling to Rs. 1047.92 Lakhs out of the surplus of profit and loss account.

The amount of per share dividend recognized for distribution to equity shareholder for the year ended 31st March 2021 was Re. 1/- totalling Rs. 262 Lakhs.

## 16. Other equity

	As at 31 March 2022	As at 31 March 2021
General reserve		
Balance as per the last financial statements	4,180.22	4,180.22
<b>Closing Balance</b>	<b>4,180.22</b>	<b>4,180.22</b>
Securities premium account		
Balance as per the last financial statements	60.00	60.00
Add: Amount transferred from surplus balance in the statement of profit and loss	-	-
<b>Closing Balance</b>	<b>60.00</b>	<b>60.00</b>
<b>Revaluation Reserve</b>		
Balance as per the last financial statements	783.92	783.92
Add: Amount transferred from surplus balance in the statement of profit and loss	-	-
<b>Closing Balance</b>	<b>783.92</b>	<b>783.92</b>
<b>Surplus/ (deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	5,858.87	4,769.35
Profit for the year	1,958.70	1,705.83
Other comprehensive income	135.82	15.16
Less: Appropriations		
Equity dividend	1,047.92	262.00
Earlier years adjustment in DBO and Income tax*	-	369.47
Earlier years adjustment **	153.95	
<b>Total appropriations</b>	<b>1,201.87</b>	<b>631.47</b>
<b>Net surplus in the statement of profit and loss</b>	<b>6,751.52</b>	<b>5,858.87</b>
<b>Total other equity</b>	<b>11,775.66</b>	<b>10,883.01</b>

**General Reserve**

General reserves are the retained earnings of a company which are kept aside out of company's profits to meet future (known or unknown) obligations. Moreover, this reserve arises from the transfer portion of the net profits pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Net Surplus/ (deficit) in the statement of profit and loss

Represents the profits generated by the Company that are not distributed to shareholders and are re-invested in the Company.

\* Represents INR 220.54 lacs on account of recognition of earlier year defined benefit obligations and INR 148.93 lacs on account of writing off of earlier years Income tax.

\*\* Represents INR 153.95 lacs on account of recognition of earlier year defined benefit obligations on account of Leave Encashment.

**17. Borrowings**
**A. Non-current**

	As at 31 March 2022	As at 31 March 2021
<b>Term loans</b>		
Loans	-	-
<b>Total</b>	-	-
Less: Current maturities classified to other financial liabilities (Refer Note 22)	-	-
	-	-

**B. Current**

	As at 31 March 2022	As at 31 March 2021
Loan from Director & Bank		
Unsecured loans- From directors	-	678.79
	-	<b>678.79</b>

**18. Lease Liabilities**

	Building	Office Equipment	Total
Lease liability			
As at 1st April 2021	-	-	-
Interest expense	-	-	-
Lease payments	-	-	-
At 31 March 2022	-	-	-
<b>Current</b>			
<b>Non-current</b>	-	-	-

**19. Provisions**
**A. Non-current**

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Provision for gratuity (Refer note 36)	-	1.80
Provision for leave encashment (Refer note 36)	125.65	-
	<b>125.65</b>	<b>1.80</b>

**B. Current**

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Provision for Gratuity	-	84.68
Provision for leave encashment (Refer note 36)	49.01	-
Provision for gratuity (Refer note 36)	-	-
	<b>49.01</b>	<b>84.68</b>

**20. Government grants**

	As at 1 April	Addition/ Recognition	Utilisation	As at 31 March
<b>Financial Year 2020-21</b>				
Investment in property, plant and equipment	-	-	-	-
	-	-	-	-
Loan at below market-rate of interest	-	-	-	-
	-	-	-	-
Export Promotion Capital Goods (EPCG) scheme	-	-	-	-
	-	-	-	-
Duty exemption scheme	-	-	-	-
	-	-	-	-
Non-current	-	-	-	-
Current	-	-	-	-
<b>Financial Year 2021-22</b>				
Investment in property, plant and equipment	-	-	-	-
	-	-	-	-
Loan at below market-rate of interest	-	-	-	-
	-	-	-	-
Export Promotion Capital Goods (EPCG) scheme	-	-	-	-
	-	-	-	-
Duty exemption scheme	-	-	-	-
	-	-	-	-
Non-current	-	-	-	-
Current	-	-	-	-

A. Duty exemption scheme - Duty exemption scheme allows import of raw and packing material required for the production of exportable goods. Under this scheme, the Company has to achieve both the quantity and FOB value of exports specified in the license. The export obligation is to be fulfilled within a specified period from the date of issuance of license. Such grants are released to the statement of profit and loss based on the fulfillment of related export obligations.

**21. Trade payables**

	As at 31 March 2022	As at 31 March 2021
<b>Due to micro and small enterprises*</b>		
- Disputed	-	-
- Undisputed	227.13	218.23
Due to other than MSME		
- Disputed	-	-
- Undisputed	1,401.49	1,586.76
	<b>1,628.62</b>	<b>1,804.99</b>

Trade payables are non-interest bearing and normally settled between credit period of 30 to 180 days. Refer Note 41 for the Company's credit risk management process.

**Ageing for Trade Payables:**

**i) Current Reporting Period:**

Particulars	Less than one Year	1-2 years	2-3 years	More than 3 years	Total
Due to micro and small enterprises*					
Disputed	-	-	-	-	-
Undisputed	227.13	-	-	-	227.13
Other than MSME:					
Disputed	-	-	-	-	-
Undisputed	1,351.32	2.34	1.44	46.39	1,401.49
	<b>1,578.45</b>	<b>2.34</b>	<b>1.44</b>	<b>46.39</b>	<b>1,628.62</b>

**ii) Previous Reporting Period:**

Particulars	Less than one Year	1-2 years	2-3 years	More than 3 years	Total
Due to micro and small enterprises*					
Disputed	-	-	-	-	-
Undisputed	218.23	-	-	-	218.23
Other than MSME:					
Disputed	-	-	-	-	-
Undisputed	1,531.27	3.00	45.21	7.28	1,586.76
	<b>1,749.50</b>	<b>3.00</b>	<b>45.21</b>	<b>7.28</b>	<b>1,804.99</b>

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006:

S.no.	Particulars	31 March 2022	31 March 2021
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	- Principal amount due to micro and small enterprises*	227.13	218.23
	- Interest due on above	-	-
(ii)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

\* Dues to the micro and small enterprises has been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

**22. Other financial liabilities (Current)**

	As at 31 March 2022	As at 31 March 2021
<b>Derivative instruments at fair value through profit and loss</b>		
Foreign exchange forward contracts		-
<b>At amortised cost</b>		
Current maturities of long-term borrowings (Refer note 17)	-	-
Current maturities of Finance lease obligations	-	-
Employee related liabilities	549.12	420.25
Payable for capital goods	-	-
Interest accrued but not due on borrowings	-	-
Others	-	18.00
<b>Financial liabilities carried at fair value through profit and loss</b>		
Foreign exchange forward contracts	-	-
	<b>549.12</b>	<b>438.25</b>

**Break up of financial liabilities carried at amortised cost**

	As at 31 March 2022	As at 31 March 2021
Borrowings (Refer note 17)	-	678.79
Trade payables (Refer note 21)	1,628.62	1,804.99
Other financial liabilities	549.12	438.25
<b>Total financial liabilities carried at amortised cost</b>	<b>2,177.74</b>	<b>2,922.03</b>

**23. Current tax liabilities**

	As at 31 March 2022	As at 31 March 2021
Provision for income tax	796.13	382.15
	<b>796.13</b>	<b>382.15</b>

**24. Other current liabilities**

	As at 31 March 2022	As at 31 March 2021
Statutory liabilities	145.98	181.06
Provision for doubtful assets	-	-
Other Expense Payable	226.39	207.75
Other liabilities	20.27	
Proposed Dividend	-	262.00
	<b>392.64</b>	<b>650.81</b>

**25 Revenue from operations**
**(A) Revenue from Contract with Customers**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of products	22,609.67	18,787.56
Sale of Service	-	-
<b>Total</b>	<b>22,609.67</b>	<b>18,787.56</b>

**25.1 Disaggregated revenue information**

Set out below is the disaggregation of the Company's revenue from contracts with customers:

**Segment**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from sale of goods	22,609.67	18,787.56
Revenue from Sale of service	-	-
Total revenue from contracts with customers	22,609.67	18,787.56
India	22,067.02	18,064.29
Outside India	542.65	723.27
<b>Total revenue from contracts with customers</b>	<b>22,609.67</b>	<b>18,787.56</b>

**25.2 Contract balances**

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables	1,557.74	1,266.40
Contract liabilities	-	-

Trade receivables are non interest bearing. Credit period generally falls in the range of 30 to 180 days.

Contract liabilities includes advances received from customers to deliver goods.

**25.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue as per contracted price net of discounts and returns	22,609.67	18,787.56
Revenue from contracts with customers	22,609.67	18,787.56

**25.4 Performance obligations**
**Products**

Obligation of the Company is to sell products as per the specification agreed with the customers, if in case there is any deviation then product supplied will be replaced with new product.

**(B) Other operating income**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Export benefits	-	-
Scrap sales	-	7.00
License fees income	-	-
Product testing income	-	-
<b>Total</b>	<b>-</b>	<b>7.00</b>
<b>Total revenue from operations (A+B)</b>	<b>22,609.67</b>	<b>18,794.56</b>

## 26. Other income

	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income on		
Banks deposits	154.56	299.24
Loan to subsidiary	-	-
Income tax refund	-	-
Others	-	-
Government grant income (Refer Note 20)	-	-
Unwinding of discount on security deposits paid	-	-
Provisions/liabilities no longer required written back	48.68	79.39
Dividend income on non-current investments	-	-
Gain on exchange fluctuations (net)	-	-
Fair value gain on financial instruments at fair value through profit or loss	104.08	25.05
Financial guarantee income	-	-
Net gain/ loss on disposal of property, plant and equipment	8.51	-
Net gain on sale of current investments	-	-
Miscellaneous income	17.77	35.65
	<b>333.60</b>	<b>439.33</b>

## 27. Cost of raw and packing materials consumed

	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventory at the beginning of the year	694.24	126.32
Add: Purchases	4,603.52	4,431.37
	5,297.76	4,557.69
<b>Less: Inventory at the end of the year</b>	<b>1,255.88</b>	<b>694.24</b>
Cost of raw and packaging material	4,041.88	3,863.45

\* Includes cost of raw material and components consumed on account of contract manufacturing .

## 28. (Increase)/ decrease in inventories

	For the year ended 31 March 2022	For the year ended 31 March 2021	(Increase)/decrease
<b>Inventories at the end of the year</b>			
Finished goods	1,446.91	1,031.29	(415.62)
Work-in-progress	270.18	1,246.92	976.74
	-	-	-
	1,717.09	2,278.21	561.12
<b>Inventories at the beginning of the year</b>			
Finished goods	1,031.29	595.63	(435.66)
Work-in-progress	1,246.92	2,210.55	963.63
	<b>2,278.21</b>	<b>2,806.18</b>	<b>527.97</b>
	<b>561.12</b>	<b>527.97</b>	

**29. Employee benefit expense**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	5,293.25	5,007.24
Contribution to provident and other funds	283.67	279.22
Gratuity expense (Refer note 36)	72.63	97.19
Leave Encashment (Refer note 36)	63.78	
Staff welfare expenses	54.19	14.47
	<b>5,767.52</b>	<b>5,398.12</b>

**30. Depreciation and amortisation expense**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment	152.62	108.60
Amortisation of intangible assets	-	-
	<b>152.62</b>	<b>108.60</b>

**31. Finance costs**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on borrowings	26.08	42.75
Interest on lease liabilities	-	-
Bank charges	2.43	8.60
	<b>28.51</b>	<b>51.35</b>

**32. Other expenses**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of stores and spares	17.75	1.98
Power and fuel	46.77	52.30
Testing and analytical trial charges	-	-
Material handling costs	14.38	13.81
Rent	247.72	226.87
Rates and taxes	84.75	103.12
Insurance	76.21	76.18
Repairs and maintenance		
Buildings	1.06	3.45
Plant and Machinery	-	0.56
Others	71.86	42.10
CSR expenditure (Refer note A below)	11.43	2.36
Travelling and conveyance	1,480.06	1,102.68
Communication costs	69.17	58.18
Printing and stationery	17.33	8.58
Legal and professional fees	859.95	282.02
Advertising and sales promotion	1,208.53	962.22

Freight and forwarding charges	323.22	336.79
Product registration expenses	8.72	6.80
Incentive and rebate	-	-
Payment to auditor (Refer note B below)	11.95	10.85
Charity and donation	-	0.00
Provision for doubtful debts and advances	4.21	43.48
Loss on exchange fluctuations (net)	-	-
Loss on sale of property, plant and equipment (net)	-	-
Miscellaneous expenses	129.20	76.65
	<b>4,684.27</b>	<b>3,410.98</b>

**A. Details of CSR expenditure**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Gross amount required to be spent by the Company during the year	26.86	2.36
Amount of Expenditure Incurred	11.43	2.36
Shortfall at the end of the year*	15.43	-
Total of Previous Year Shortfall	-	-
Reason for Shortfall: The company was not able to find avenues to spend the requisite amount prescribed under CSR guidelines.		
Nature of CSR Activities:		
<b>Promotion of Healthcare and Sanitation</b>	<b>11.43</b>	<b>2.36</b>

\*

**B. Payment to auditors**

	For the year ended 31 March 2022	For the year ended 31 March 2021
To auditor		
Audit fee	3.00	3.00
Tax audit fee	1.20	1.20
GST Audit Fees	2.40	1.50
In other capacity	0.40	0.40
Certification fees	0.20	
Reimbursement of expenses	3.00	3.00
To Cost Auditor	1.75	1.75
	<b>11.95</b>	<b>10.85</b>

**33. Income tax expense**

The major components of income tax expense for the years ended 31 March 2022 and 31 March 2021 are:

**(a) Profit or loss section**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Current income tax:		
Current income tax charge net of tax impact on OCI	796.13	610.93
Deferred tax:		
Relating to origination and reversal of temporary differences	32.88	(123.30)
Income tax expense reported in the statement of profit or loss	829.01	487.63

**(b) Other comprehensive income (OCI section)**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Deferred tax related to items recognised in OCI during in the year: Net loss/(gain) on remeasurements of defined benefit plans	(55.80)	(6.23)
<b>Income tax charged to OCI</b>	<b>(55.80)</b>	<b>(6.23)</b>

**(c) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate:**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Accounting profit before income tax	2,731.91	2,187.23
Indian tax rate as applicable to the Company	29.12%	29.12%
Tax at the tax rates as applicable to the Company	795.53	636.92
Adjustment in respect of current income tax of previous year	-	-
MAT credit Utilized	-	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Effect of Income not taxable	(2.48)	(7.29)
Effect of expenditure not allowed	43.05	28.99
Effect of different tax rate on certain items (depreciation)	13.92	3.99
Other	(53.89)	(51.68)
Benefit of previously unrecognised tax loss to reduce current tax expense	-	-
Other Comprehensive Income	(55.80)	(6.23)
Effect of remeasurement of Deferred Tax Liabilities	32.88	(123.30)
At the effective income tax rate of 29.12% (31 March 2021: 29.12%)	773.21	481.41
<b>Tax expense as recognised in statement of profit and loss</b>	<b>829.01</b>	<b>487.63</b>

The tax rate of 29.12% (25% + surcharge @12% and cess @4%) used for the year 2021-22 and FY 2020-21 is the corporate tax rate applicable on taxable profits under the Income-tax Act, 1961.

**34. Earnings per share (EPS)**

Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit attributable to equity holders for basic earnings	1,958.70	1,705.83
Effect of dilution	-	-
Profit attributable to equity holders for the effect of dilution	1,958.70	1,705.83
Weighted average number of equity shares for basic EPS	261.98	261.98
Effect of dilution	-	-
Weighted average number of equity shares adjusted for the effect of dilution	261.98	261.98
Basic EPS (absolute value in INR)	7.48	6.51
<b>Diluted EPS (absolute value in INR)</b>	<b>7.48</b>	<b>6.51</b>

-There are no extra-ordinary items/ exceptional items to consider for calculating basic and diluted earning per share.

-EPS for continuing operations and total operations are same.

**35. Commitments and contingencies****(a) Leases**

Operating lease commitments - Company as lessee

The Company has taken various office premises and warehouses under operating lease agreements. These leases are renewable by mutual consent on mutually agreed terms. The company has not entered into any long term lease rental contracts. The Company has recognised INR 242.72lacs (31 March 2021: INR 226.87lacs) in respect of such leases.

**(b) Capital and other commitments**

i. There are no contracts remaining to be executed on capital account and therefore are not provided for.

**(c) Contingent liabilities and commitments (to the extent not provided for)**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Goods and Services Tax	178.88	178.00
Income Tax	30.70	30.70
VAT/ Sale tax demands	<b>586.83</b>	<b>599.26</b>

**36. Gratuity and Leave Encashment**

a. Disclosures related to defined contribution plan

(Amount)

	For the year ended 31 March 2022	For the year ended 31 March 2021
Contribution to Provident and other funds	<b>283.67</b>	<b>279.22</b>

**b. Disclosures related to defined benefit plan**

The Company operates a defined benefit gratuity plan. The Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/resignation. The benefit vests on the employee completing 5 years of service. The company has taken a group gratuity scheme from an Insurance Company (LIC). The annual contributions as demanded by the Insurance Company (LIC) has been paid. The Company makes provision of gratuity asset/ liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method.

The components of the Gratuity plan benefit obligations are shown below:

**Present value of defined benefit obligation**

(Amount)

	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance as at the beginning of the year	868.96	920.08
Service cost	67.79	85.45
Interest cost	48.63	52.89
Benefits paid by LIC	-	(0.30)
Benefits paid by company	(152.09)	(177.15)
Actuarial loss	(183.26)	(12.01)
Balance as at the end of the year	<b>650.03</b>	<b>868.96</b>

**Fair value of plan assets**

(Amount)

	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance as at the beginning of the year	782.48	699.54
Expected return on plan assets	43.79	41.15
Contributions	58.15	32.71
Benefits paid	(0.81)	(0.30)
Actuarial (loss)/gain	8.37	9.38
<b>Balance as at the end of the year</b>	<b>891.98</b>	<b>782.48</b>

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

(Amount)

	For the year ended 31 March 2022	For the year ended 31 March 2021
Investments with Insurance Company (LIC)	100%	100%

The reconciliation of the present value of obligations and the fair value of plan assets to the assets and liabilities is as below:

(Amount)

	For the year ended 31 March 2022	For the year ended 31 March 2021
Fair value of plan assets as at the end of the year	891.98	782.48
Present value of defined benefit obligations as at end of the year	(650.03)	(868.96)
Liability recognised in the Balance Sheet as at the end of the year	241.95	(86.48)

The net gratuity cost for the below mentioned years is as follows:

(Amount)

	For the year ended 31 March 2022	For the year ended 31 March 2021
Service cost	67.79	85.45
Interest cost	48.63	52.89
Expected return on plan assets	(43.79)	(41.15)
Net actuarial loss	(191.62)	(21.39)
<b>Net gratuity cost</b>	<b>(118.99)</b>	<b>75.80</b>

Amount recognised in statement of profit and loss:

(Amount)

	For the year ended 31 March 2022	For the year ended 31 March 2021
Service cost	67.79	85.45
Net interest cost	4.84	11.74
<b>Amount recognised in statement of profit and loss</b>	<b>72.63</b>	<b>97.19</b>

Amount recognised in other comprehensive income:

(Amount)

	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial loss on obligations	(183.26)	(12.01)
Return on plan assets (excluding amounts included in net interest expense)	(8.37)	(9.38)
<b>Amount recognised in other comprehensive income</b>	<b>(191.62)</b>	<b>(21.39)</b>

The principal assumptions used in determining gratuity benefit obligations for the Company's plans are shown below:

**Actuarial assumptions**

(Amount)

	For the year ended 31 March 2022	For the year ended 31 March 2021
Discounting rate	6.85%	5.60%
Future salary increase	7.00%	7.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

**The maturity profile of defined benefit obligation (Undiscounted):**

	(Amount)
Within the next 12 months (next annual reporting period)	228.95
Between 2 and 5 years	251.11
Between 6 and 10 years	206.71
More than 10 years	288.36

**Leave Encashment:**

**Present value of defined benefit obligation**

		(Amount)	
		For the year ended 31 March 2022	For the year ended 31 March 2021
	Balance as at the beginning of the year	151.39	-
	Service cost and interest cost	63.78	-
	Benefits paid by company	(40.50)	-
	Actuarial loss	-	-
	<b>Balance as at the end of the year</b>	<b>174.67</b>	<b>-</b>

Amount recognised in statement of profit and loss:

		(Amount)	
		For the year ended 31 March 2022	For the year ended 31 March 2021
	Service cost and interest cost	63.78	-
	<b>Amount recognised in statement of profit and loss</b>	<b>63.78</b>	<b>-</b>

Amount recognised in other comprehensive income:

		(Amount)	
		For the year ended 31 March 2022	For the year ended 31 March 2021
	Actuarial gain/loss on obligations	-	-
	Amount recognised in other comprehensive income	-	-

The principal assumptions used in determining gratuity benefit obligations for the Company's plans are shown below:

**Actuarial assumptions**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Discounting rate	6.85%	0.00%
Future salary increase	7.00%	0.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The maturity profile of defined benefit obligation (Undiscounted):

	(Amount)
Within the next 12 months (next annual reporting period)	49.01
Between 2 and 5 years	64.49
Between 6 and 10 years	60.98
More than 10 years	119.39

**37. Related party transactions**

Names of related parties and related party relationship

The names of the related parties of the Company and the nature of relationship is as follows:

S.No.	Nature of relationship	Name of the party
1	Associates	Naari Pharma Pvt Ltd
2	Key management personnel	Mr. Rajpal Singh Kochhar Mrs. Jasbir Kaur Kochhar Mr. Bharat Sinh Mr. Ashok Kumar Pati Mr. Ishpal Singh Ghai Mr. Mammen Mathew Mr. Sanjiv Kumar Dudeja (CFO till 11.02.2022) Ms. Nandita Singh Mr. SV Subha Rao (CFO w.e.f 11.02.2022)
3	Relatives of KMP	Indepal Singh Kochhar

**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Disclosure of transactions between the Company and related parties and the status of outstanding balances are as under:

S.No.	Particulars	31 March 2022	31 March 2021
<b>A.</b>	<b>Associates - Naari Pharma Pvt Ltd</b>		
	-Purchases	180.81	51.77
	-Investments	799.91	-

**B. Key management personnel**

S.No.	Particulars	31 March 2022	31 March 2021
1	Mr. Rajpal Singh Kochhar <b>Transactions during the year</b> Compensation during the year Short-term employee benefits	121.06	117.71
2	Mrs. Jasbir Kaur Kochhar <b>Transactions during the year</b> Rent expense paid Interest	15.00 26.08	30.00 38.42
3	Mr. Bharat Sinh <b>Transactions during the year</b> Short-term employee benefits Professional fees and director sitting fees Managerial Commission	2.00 0.85 4.00	2.00 0.48 -

4	Dr. Ashok Kumar Pati <b>Transactions during the year</b>		
	Professional fees and director sitting fees	2.00	0.38
	Managerial Commission	0.60	
		4.00	
5	Dr. Ishpal Singh Ghai <b>Transactions during the year</b>		
	Short-term employee benefits	2.00	2.00
	Professional fees and director sitting fees	0.85	0.48
	Managerial Commission	4.00	
6	Mr. Mammen Mathew <b>Transactions during the year</b>		
	Short-term employee benefits	2.00	-
	Professional fees and director sitting fees	0.20	0.20
	Managerial Commission	4.00	-
7	Mr. Sanjiv Kumar Dudeja (CFO till 11.02.2022) <b>Transactions during the year</b>		
	Short-term employee benefits	99.24	58.94
8	Mr. S V Subha Rao <b>Compensation during the year</b>	42.15	-
9	Ms. Nandita Singh <b>Transactions during the year</b>		
	Compensation during the year		-
	Short-term employee benefits	6.98	6.43

### C. Relatives of KMP

S.No.	Particulars	31 March 2022	31 March 2021
1	Inderpal Singh Kochhar <b>Transactions during the year</b>		
	Compensation during the year		
	Short-term employee benefits	72.34	42.11
	<b>Balance outstanding at the year end</b>		
	Naari Pharma Pvt. Ltd.		
	-Trade Payables	50.02	20.35
	-Investments	1,804.34	1,004.43
	Unsecured Loan from Jasbir Kaur Kochhar	-	678.79

### 38. Segment information

In accordance with Indian Accounting Standard (Ind AS) 108 on Operating segments, company has identified pharmaceutical business as its primary segment and its information has been given in the standalone financial statements of the Company, and therefore no separate disclosure on segment information is given in these financial statements.

**39. Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

**(a) Determination of functional currency**

The determination of functional currency often requires significant judgement where the primary economic environment in which they operate may not be clear. In determining the functional currency, judgement is required to determine the currency that mainly reflects the economic substance of the underlying economic event.

**(b) Determining the lease term of contracts with renewal and termination options - the Company as lessee**

The Company determines the lease term as the non - cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

**(c) Taxes**

The Company based on its business plan along with supporting convincing evidence including future projections of profit believes that the used tax credits would be utilised within the stipulated time period as per the Income Tax Act, 1961.

**Estimates and assumptions****(a) Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed for impairment at each balance sheet date if there is any indication of impairment based on internal and external factors. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of the assets value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

**(b) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 42 for further disclosures.

**(c) Useful life of property, plant and equipment and intangible assets**

The carrying value of property, plant and equipment and intangible assets is arrived at by depreciating the assets over the useful life of assets. The management believes that the useful lives currently used fairly reflect its estimate of the useful lives and residual values. The estimate of useful life is reviewed at the end of each financial year and changes are accounted for prospectively.

**(d) Defined benefit plans**

The cost of the defined gratuity plan along with their present values are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from the actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 37.

**(e) Taxes**

In assessing the realisability of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the periods in which the deferred tax assets are deductible, management believes that it is probable that the Company will be able to realise the benefits of those deductible differences in future.

**(f) Provisions and contingencies**

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognised, if as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. There are certain obligations which the management has concluded, based on all available facts and circumstances, are not probable of payment and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Refer note 35 (c).

**(g) Leases - Estimating the incremental borrowing rate**

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available. Currently this is not applicable as the company does not have any long term lease agreements

**40. Fair values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

	Carrying value		Fair value	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>Financial assets</b>				
Investments	4,271.68	1,530.91	4,271.68	1,530.91
Loans	30.51	26.77	30.51	26.77
Trade receivables	1,557.74	1,266.40	1,557.74	1,266.40
Cash and cash equivalents	2,602.93	5,894.29	2,602.93	5,894.29
Other bank balances	12.43	128.69	12.43	128.69
Other financial assets	1.27	53.64	1.27	53.64
<b>Total</b>	<b>8,476.56</b>	<b>8,900.70</b>	<b>8,476.56</b>	<b>8,900.70</b>
<b>Financial liabilities</b>				
Borrowings	-	678.79	-	678.79
Lease Liabilities	-	-	-	-
Trade payables	1,628.62	1,804.99	1,628.62	1,804.99
Other financial liabilities	549.12	438.25	549.12	438.25
<b>Total</b>	<b>2,177.74</b>	<b>2,922.03</b>	<b>2,177.74</b>	<b>2,922.03</b>

**Fair values**

The management assessed that investments, cash and cash equivalents, other bank balances, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

**Quantitative disclosures fair value measurement hierarchy for financial assets as at 31 March 2022:**

(Amount)

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments in Mutual Funds	31 March 2022	2,214.13	2,214.13	-	-
Long term Investments	31 March 2022	2,057.55	-	-	2,057.55
Loans	31 March 2022	30.51	-	-	30.51
Trade receivables	31 March 2022	1,557.74	-	-	1,557.74
Cash and cash equivalents	31 March 2022	2,602.93	-	-	2,602.93
Other bank balances	31 March 2022	12.43	-	-	12.43
Other financial assets	31 March 2022	1.27	-	-	1.27

**Quantitative disclosures fair value measurement hierarchy for financial liabilities as at 31 March 2022:**

(Amount)

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Borrowings	31 March 2022	-	-	-	-
Trade payables	31 March 2022	1,628.62	-	-	1,628.62
Other financial liabilities	31 March 2022	549.12	-	-	549.12

There have been no transfers between any levels during the year ended 31 March 2022.

**Quantitative disclosures fair value measurement hierarchy for financial assets as at 31 March 2021:**

(Amount)

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments in Mutual Funds	31 March 2021	325.07	325.07	-	-
Long term Investments	31 March 2021	1,205.84	-	-	1,205.84
Loans	31 March 2021	26.77	-	-	26.77
Trade receivables	31 March 2021	1,266.40	-	-	1,266.40
Cash and cash equivalents	31 March 2021	5,894.29	-	-	5,894.29
Other bank balances	31 March 2021	128.69	-	-	128.69
Other financial assets	31 March 2021	53.64	-	-	53.64

**Quantitative disclosures fair value measurement hierarchy for financial liabilities as at 31 March 2021:**

(Amount)

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Borrowings	31 March 2021	678.79	-	-	678.79
Trade payables	31 March 2021	1,804.99	-	-	1,804.99
Other financial liabilities	31 March 2021	438.25	-	-	438.25

**41. Financial risk management objectives and policies**

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is exposed primarily to market risk, credit risk and liquidity risk. The Company's risk management assessment and policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies.

**(a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, prices, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk and interest rate risk.

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates because it borrows funds at both fixed and floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

As the Company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

**(i) Price risk**

The Company is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. The Company has diversified its investments to manage the price risk.

**(b) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals of credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, loans and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

**Trade receivables and other financial assets:**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also evaluates the factors that may influence the credit risk of its customer base, including the default risk and country in which the customers operate. The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if available, financial statements, credit agency information, industry information and in some cases bank references.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Company assesses at each reporting date whether a financial asset or a group of financial assets is impaired. The maximum exposure to credit risk at the reporting date is the carrying value of trade and other receivables.

Concentration of credit risk with respect to trade receivables is limited, since the majority of the Company's revenue is generated from group companies. All trade receivables other than from group companies are reviewed and assessed for default on a regular basis. The Company's receivables turnover is quick and historically, there was no significant default on account of trade and other receivables.

**(c) Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Company’s approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The table below summarises the maturity profile of the Company’s financial liabilities based on contractual undiscounted payments.

(Amount)

Financial liabilities	Carrying amount	Contractual cash flow	0-1 year	1 to 3 years	3 to 5 years
<b>31 March 2022</b>					
Borrowings	-	-	-	-	-
Lease liabilities	-	-	-	-	-
Trade payables	1,628.62	1,628.62	1,578.45	3.78	46.39
Other financial liabilities	549.12	549.12	549.12	-	-
	<b>2,177.74</b>	<b>2,177.74</b>	<b>2,127.57</b>	<b>3.78</b>	<b>46.39</b>
<b>31 March 2021</b>					
Borrowings	678.79	678.79	678.79	-	-
Trade payables	1,804.99	1,804.99	1,749.49	48.22	7.28
Other financial liabilities	438.25	438.25	438.25	-	-
	<b>2,922.03</b>	<b>2,922.03</b>	<b>2,866.53</b>	<b>48.22</b>	<b>7.28</b>

It is not expected that the cash flows included in the maturity analysis could occur at significantly different amounts.

**42. Capital management**

The Company’s objective when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value. The funding requirements are met through a mixture of equity, internal fund generation and borrowed funds. The Company monitors capital on the basis of the gearing ratio, which is net debt divided by total capital plus net debt.

(Amount)

	As at 31st March 2022	As at 31 March 2021
Borrowings	-	678.79
Equity	13,085.56	12,192.91
<b>Capital and net debt</b>	<b>13,085.56</b>	<b>12,871.70</b>
<b>Gearing ratio</b>	<b>0.00%</b>	<b>5.27%</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

<b>43. Reconciliation of liabilities arising from financing activities</b>							
					Non -cash changes		31 March 2022
	31 March 2021	Cash flows	Reclassification		Foreign exchange movement	Fair value changes	
Long-term borrowings	-	-	-	-	-	-	-
Short-term-term borrowings	678.79	(678.79)	-	-	-	-	-
Total liabilities from financing activities	678.79	(678.79)	-	-	-	-	-

**44. Ratios**

Particulars	Formulas		2021-22	2020-21
	Numerator	Denominator		
Current Ratio (in times)	Current assets	Current Liabilities	3.24	2.98
Total Debt equity ratio (in times)	Debt	Total Equity	-	0.06
Debt Service Coverage Ratio (in times)*	Earnings Before Interest, Tax, Depreciation and Ammortization	Interest + Principal	4.13	3.24
Return on Net Worth (Equity) (in times)	Net Profit After tax	Equity	0.15	0.14
Inventory Turnover Ratio (in times)	Cost of Goods Sold	Average Inventory	3.22	2.74
Trade Receivable Turnover Ratio (in times)**	Total Sales	Average Debtors	16.01	11.02
Trade Payable Turnover Ratio	Purchases	Average Trade Payable	5.58	5.46
Net Capital Turnover Ratio***	Revenue from Operations	Working Capital	2.95	2.35
Net Profit Margin (%)	Net Profit after Tax	Net Sales	8.66%	9.08%
Return on Capital Employed	EBIT	Capital Employed	20.54%	18.01%
Return on Investment (%)	EBIT	Total Assets	16.37%	13.58%

\* Profit has increased and interest has been minimized as borrowings have been paid during the year

\*\*Sales has increased during the year and better recoveries have been made during the year itself.

\*\*\*Sales has improved with corresponding decline in working capital as cash and cash equivalents have been efficiently invested in non current assets.

**45. Impact of COVID-19 and Ukraine Russia War on the Company - Management Views:**

COVID-19 has been declared a global pandemic by the World Health Organization with adverse impact on economy and business. However, this has not significantly impacted the operations of the Company as the operations of the Company are of essential goods and sale of these goods were exempt from the purview of any restrictions.

The company does not prognosticate any impact of Ukraine Russia War. However, there may be long term impacts like increase in fuel prices, plastic chemicals, air freight etc which would resemble the Indian Economy.

Further, the Company has assessed the possible effects that may result from COVID-19/ Ukraine Russia War on the carrying amounts of financial assets, advances, property plant and equipment, inventory etc. as well as liabilities accrued. Based on such assessment, the management expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. Further, as on the signing of these financial statements, based on the above facts, the management is confident that there will not be any negative impact of Covid-19 in its business and operations.

**46. Events after the reporting period**

There are no significant events that occurred after the reporting period.

**47. Long- term contracts**

The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

**48. Balance Confirmations**

i. Interest Income has been accounted for based upon the certificate issued by the banker.

ii. The balances in parties accounts as at 31st March 2022 are subject to confirmation/ reconciliation in some of the cases. Adjustments, if any, upon due recociliation thereof is proposed

to be accounted for in future. The management ,however, is of the view that the impact of adjustment entries ,if any, would not be significant.

**49. Inventories**

Inventories as at 31st March 2022 were taken and certified by the management.

50. Previous years figures have ben rearranged/ regrouped wherever necessary to make them comparable with that of current period figures.

**51. Approval of financial statements**

The standalone financial statements were approved by the board of directors and approved for issue on 30th May 2022.

As per our report of even date

**For H L Bansal and Co.**  
Chartered Accountants  
FRN. NO. 008563N

For and on behalf of the Board of Directors  
For Jagsonpal Pharmaceuticals Limited

**Hira Lal Bansal**  
Partner  
M.No. 086990

**R.P.S Kochhar**  
DIN 00059492  
Chairman & Managing Director

Place: Delhi  
Date: 30.05.2022

**SV Subha Rao**  
Chief Financial Officer

**Nandita Singh**  
Company Secretary