

**JAGSONPAL**  
**41st ANNUAL REPORT**  
**2019-2020**



**JAGSONPAL**

**JAGSONPAL PHARMACEUTICALS LIMITED**

## **BOARD OF DIRECTORS**

R.P.S. Kochhar  
Jasbir Kaur Kochhar  
Bharat Singh  
Ishpal Singh Ghai  
Ashok Kuamr Pati  
Mammen Mathew

Chairman & Managing Director  
Non-Executive Director  
Independent Director  
Independent Director  
Additional Non-Executive Independent Director  
Additional Non-Executive Independent Director

## **CHIEF FINANCIAL OFFICER**

Sanjiv Kumar Dudeja

## **COMPANY SECRETARY**

Nandita Singh

## **AUDITORS**

H.L. Bansal & Co.  
Chartered Accountants

## **BANKERS**

Punjab & Sind Bank  
Central Bank of India

## **REGISTERED OFFICE**

T-210 J, Shahpur Jat  
New Delhi - 110 049  
Tel. : 011-46181100 & 46119900  
Fax : 011-26498341  
E-mail : [nandita.singh@jagsonpal.com](mailto:nandita.singh@jagsonpal.com)  
Website : [www.jagsonpal.com](http://www.jagsonpal.com)  
**CIN: L74899DL1978PLC009181**

## **Works**

20 K.M. Mathura Road, Post Office  
Amar Nagar Faridabad, Haryana - 121 003

## **REGISTRAR & SHARE TRANSFER AGENTS**

MCS Share Transfer Agent Limited  
F-65, 1st Floor, Okhla Industrial Area  
Phase - I, New Delhi – 110020  
Phone : 011-46106148

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**NOTICE**

**NOTICE** is hereby given that the 41<sup>st</sup> Annual General Meeting of the members of **JAGSONPAL PHARMACEUTICALS LIMITED** will be held on Wednesday, the 30<sup>th</sup> day of September, 2020 at 11.00 A.M. through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) however the meeting will be deemed to have been held at Registered Office of the Company to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2020 including the Audited Balance Sheet as at March 31, 2020 and the Statement of Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a final Dividend @ 10% on fully Paid-up Equity Share of Face value of Rs. 5/- each for the financial year ended March 31, 2020.

**SPECIAL BUSINESS**

3. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2021.

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

“**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 (Memb. 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, 2021, 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”.

4. To consider and approve the appointment of Dr. Ashok Kumar Pati (DIN: 08661819) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without any modification(s) as may deem fit the following as an Ordinary Resolution:-

“**RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 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 Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Ashok Kumar Pati (DIN: 08661819) who was appointed as an Additional Director of the company by the Board of directors on the Board Meeting held on 13<sup>th</sup> Day of November, 2019 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from him proposing his candidature for the office of Director as per section 160 of Companies Act, 2013, be and is hereby

appointed as an Independent Director of the Company to hold office for the period of 5 (Five) years, whose office shall not liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of section 149 of the Companies Act, 2013 and other applicable provisions of Listing Regulations, Dr. Ashok Kumar Pati (DIN: 08661819) has submitted a declaration to the company that he meets the criteria for independence as provided in Section 149(6) of the Act which was placed before the Board be and are hereby noted and taken on record.

**RESOLVED FURTHER THAT** Directors of the company be and are hereby authorized jointly or severally to sign and file all necessary forms and documents, as may be required with the Registrar of Companies, NCT of Delhi and Haryana and do all acts, deeds, things and matters as may be necessary to give effect to the foregoing resolution.”

5. To consider and approve the appointment of Mr. Mammen Mathew (DIN: 00425579) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without any modification(s) as may deem fit the following as an Ordinary Resolution:-

“**RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 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 Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Mammen Mathew (DIN: 00425579) who was appointed as an Additional

Director of the company by the Board of directors on the Board Meeting held on 14<sup>th</sup> Day of November, 2019 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from him proposing his candidature for the office of Director as per section 160 of Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for the period of 5 (Five) years, whose office shall not liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of section 149 of the Companies Act, 2013 and other applicable provisions of Listing Regulations, Mr. Mammen Mathew (DIN: 00425579) has submitted a declaration to the company that he meets the criteria for independence as provided in Section 149(6) of the Act which was placed before the Board be and are hereby noted and taken on record.

**RESOLVED FURTHER THAT** Directors of the company be and are hereby authorized jointly or severally to sign and file all necessary forms and documents, as may be required with the Registrar of Companies, NCT of Delhi and Haryana and do all acts, deeds, things and matters as may be necessary to give effect to the foregoing resolution.”

6. To reappoint Shri. Rajpal Singh Kochhar (DIN: 00059492) as a Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment



and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to re-appoint Shri. Rajpal Singh Kochhar (DIN: 00059492), as the Managing Director of the Company for a period of five (5) years with effect from June 01<sup>st</sup>, 2020 upto May 31<sup>st</sup>, 2025 on the terms and conditions and payment of such remuneration to Shri. Rajpal Singh Kochhar (DIN: 00059492), Managing Director, for a period of five (5) years with effect from June 01, 2020, as set out in the statement annexed to the Notice convening this Meeting with the liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the said terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

**RESOLVED FURTHER THAT** the Board or the Company Secretary be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By the Order of the Board

**JAGSONPAL PHARMACEUTICALS LIMITED**

**Place: New Delhi**

**NANDITA SINGH**

**Date: July 29, 2020**

**Company Secretary**

**ACS: 48520**

**NOTES:-**

1. 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. Information on all the Directors proposed to be appointed/re-appointed at the Meeting as required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 are provided in the Annexure - A to this Notice.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the AGM through VC/ OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and the relevant provisions of the Companies Act, 2013 (Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') the AGM of the Company is being held through VC/OAVM.
3. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their votes on all resolutions set forth in the Notice of the AGM using electronic voting system (remote e-voting), provided by NSDL.
4. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
5. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA 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 are not annexed to this Notice.

6. Attendance of the Members participating in the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Corporate Members are required to scan and send a certified true copy of the Board Resolution, pursuant to Section 113 of the Act, authorizing their representatives to attend and vote on their behalf at the Meeting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail through their registered e-mail address to [jagsonpal.bansal@gmail.com](mailto:jagsonpal.bansal@gmail.com) with a copy marked to the Company on [cs@jagsonpal.com](mailto:cs@jagsonpal.com).
8. Relevant documents as required by law and referred to in the accompanying Notice and in the Explanatory Statement shall be available for inspection through electronic mode. Members may write to the Company on [cs@jagsonpal.com](mailto:cs@jagsonpal.com) for inspection of said documents and the same will also be available for inspection by the members during the AGM, upon login at NSDL e-voting system at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
9. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
10. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(4) 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.
11. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed during the Book Closure period, i.e., from Thursday, September 24, 2020 to Wednesday, September 30, 2020 (both days inclusive) for the purpose of Annual General Meeting.
12. 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.
13. 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. 23<sup>rd</sup> Day of September, 2020. 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.
14. The Securities and Exchange Board of India vide its circular no. SEBI/HO/MIRSD/DOPI/CIR/P/2018/73 dated April 20, 2018, with a view to protect the interest of the shareholders, has mandated to all the members who holds securities of the Company in physical form, to furnish to the Company / its Registrar and Transfer Agent, the details of their valid Permanent Account Number (PAN) and bank account. To support the SEBI's initiative, the Members are requested to furnish the

details of PAN and bank account to the Company or RTA.

15. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mails to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the Company.
16. In compliance with the MCA Circulars and the Securities and Exchange Board of India ('SEBI') Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Notice of the 41<sup>st</sup> AGM along with the Annual Report for Financial Year 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / National Securities Depository Limited and Central Depository Services (India) Limited ('the Depositories').
17. Subject to the provisions of the Act, the final equity dividend as recommended by the Board of Directors, if declared at the AGM, will be paid on or after Monday, October 05, 2020 to those members whose names appear:
  - a) in the Register of members of the Company after giving effect to valid share transfers lodged with the Company on or before Wednesday, September 23, 2020 and
  - b) as beneficial owners as at the end of business hours on Wednesday, September 23, 2020 as per the list furnished by National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) in respect of shares held in dematerialized form.
18. 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.
19. 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.
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. 23<sup>rd</sup> September, 2020. 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. Queries on the Annual Report and operations of the Company, if any, may please be sent to the Company at least seven days prior to the date of the AGM so that answers may be provided at the Meeting.
23. Unclaimed dividend for the financial year 2011-12 has already been transferred to Investor Education and Protection Fund (IEPF). 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 2012-13 is due for transfer to IEPF by November, 2020. Members are required to claim their unencashed dividend, if any, for the financial year 2012-13.
24. 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.

## 25. Voting Options

### A. Voting through electronic means:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will

be provided by National Securities Depository Limited (NSDL).

- II. The remote e-Voting period commences at **9:00 A.M. (IST) on Sunday, September 27, 2020** and ends at **5:00 P.M. (IST) on Tuesday, September 29, 2020**. 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 23, 2020** ("Cutoff date"), may cast their vote by remote e-Voting. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in 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.
- 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.
- IV. The instructions for remote e-Voting are as under: Members whose email address is registered with the Company/ Depository Participant will receive an e-mail from NSDL. Open e-mail and open PDF file viz.; "Remote e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your User ID and Password for remote e-Voting. Please note that the password is an initial password. Members are requested to go through the following steps to cast votes through remote e-Voting.

**The procedure to login to e-Voting website consists of two steps as detailed here under:**

**I. The process and manner for remote e-voting are as under:**

- In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:
  - a. Open email and open PDF file viz; "Jagsonpal Pharmaceuticals Limited remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
  - b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - c. Click on Shareholder – [Login](#).
  - d. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - e. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - f. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles
  - g. Select "EVEN" of "**Jagsonpal Pharmaceuticals Limited**".
  - h. Now you are ready for remote e-voting as Cast Vote page opens.
  - i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - j. Upon confirmation, the message "Vote cast successfully" will be displayed.

- k. Once you have voted on the resolution, you will not be allowed to modify your vote.

**II. General Guidelines for shareholders:**

- i. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [jagsonpal.bansal@gmail.com](mailto:jagsonpal.bansal@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- ii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- iii. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- iv. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 23, 2020, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

- v. M/s H L Bansal & Co., Chartered Accountants, has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- vi. The Scrutinizer shall after the conclusion of voting at the AGM, would first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by the Board who shall countersign the Scrutinizer's Report. The result shall be declared by the Chairman or a person as authorised by him in writing.
- vii. The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.jagsonpal.com](http://www.jagsonpal.com) and on the website of NSDL immediately after declaration of result by the Chairman or a person so authorized by him and the results shall also be communicated to the Stock Exchange.

**B. Instructions for members for attending the AGM through VC / OAVM are as under:**

- i. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at

<https://www.evoting.nsdl.com> under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members 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 as above to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

- ii. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / 1800-222-990
- iii. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
- iv. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request 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) from **9:00 A.M. (IST) on Thursday, September 24, 2020** and ends at **5:00 P.M. (IST) on Saturday, September 26, 2020**. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

#### INSTRUCTIONS ON TAX DEDUCTIBLE AT SOURCE ON DIVIDEND:

- i. Members may note that pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).
- ii. **Resident Shareholders:** In case of resident Shareholders, section 194 of the I-T Act provides mandate for withholding tax @ 10% on dividend income. No TDS is required to be deducted, if aggregate dividend distributed or likely to be distributed during the financial year to individual Shareholder does not exceed ` 5,000. In absence of Permanent Account Number (PAN), TDS rate of 20% will apply.

The Central Board of Direct Taxes issued a Press Release dated May 13, 2020 stating that TDS rates on the amount paid or credited to residents during the period from May 14, 2020 to March 31, 2021 has been reduced by 25%. Thus, in case of resident Shareholders, withholding tax @ 7.5% (instead of 10%) on dividend income shall apply under Section 194 of the I-T Act. It is also clarified that there shall be no reduction in rates of TDS, where the tax is required to be deducted at higher rate due to nonfurnishing of PAN with the Corporation/ Depository Participant. Resident Shareholders, being an individual, whose total dividend income in a financial year exceed Rs. 5,000 and who wish to receive dividend without deduction of tax at source may submit a declaration in Form No. 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form No. 15H (for individual above the age of 60 years with no tax liability on total income), in original

to the Registrar of the Company or to the Company on [cs@jagsonpal.com](mailto:cs@jagsonpal.com). TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued u/s 197 of the Act, if such valid certificate is provided.

Any other entity entitled to exemption from TDS: Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the entity being entitled to exemption from TDS needs to be submitted. Shareholders are requested to note that while submission of original form / documentary evidence is mandatory, they may submit the said documents online, to the RTA or the company on or before September 21, 2020.

- iii. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [cs@jagsonpal.com](mailto:cs@jagsonpal.com). The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on September 21, 2020.

In respect of non-resident Shareholders (including foreign companies), the TDS rates as mentioned in the act, will be further subject to any benefits available under the Double Taxation Avoidance Agreement (DTAA) read with Multilateral Instrument (MLI) provisions, if any, between India and the country in which the non-resident is considered resident in terms of such DTAA read with MLI. In order to claim benefit under DTAA, the non-resident Shareholders would be required to submit the following documents each financial year on or before the record date fixed for determining the shareholders who are eligible to receive the final dividend, if so approved at the respective AGMs:

1. Self-Attested Permanent Account Number
2. Tax Residency Certificate (TRC) issued by the Tax / Government authority of the country in which the Non-Resident Shareholder is a resident of (valid for the relevant financial year);
3. Form 10F containing therein information to be provided under section 90(5) / 90A(5) of the I-T Act, if not so covered in TRC (Valid for the relevant financial year);
4. Declaration from Shareholders stating the following:
  - That the Shareholder did not at any time during the relevant year have a permanent establishment in India
  - That the Shareholder is the beneficial owner of the dividend
  - That the construct and affairs of the Shareholder is not arranged with the main or principal purpose of obtaining any tax benefits, directly or indirectly, under the Tax Treaty
  - That the arrangement of the Shareholder is not covered under impermissible avoidance arrangement
5. Permanent Account Number (PAN) – In absence of PAN, TDS rate of 20% plus applicable surcharge and health and education cess of 4% will apply.
6. Valid self-attested documentary evidence in support of the entity being entitled to exemption from TDS needs to be submitted. Shareholders are requested to note that while submission of original form / documentary evidence is mandatory, they may submit the said documents online to the RTA or the Company at [cs@jagsonpal.com](mailto:cs@jagsonpal.com) on or before September 21, 2020.



**Please note that the Company in its sole discretion reserves the right to call for any further information and/or to apply domestic law for TDS.**

**Explanatory Statement pursuant to section 102 of the Companies Act, 2013.**

Pursuant to Section 102(1) of the Act, the following Explanatory Statement sets out material facts relating to the business under item no.3, 4, 5 & 6 of the accompanying Notice dated 29<sup>th</sup> July, 2020 convening the 41<sup>st</sup> Annual General Meeting of the Company scheduled to be held on 30<sup>th</sup> September, 2020.

**ITEM NO. 3**

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<sup>st</sup>, 2021.

Remuneration of Rs. 1.75 lakh shall be payable to M/s. R. Krishnan Cost Auditors of the Company for the financial year ended 31 March, 2021, 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.

**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**

In terms of Section 149 (10), (11), (13) and Section 152 (6), (7) of the Companies Act, 2013 read with schedule IV of the said Act, an Independent Director shall hold office for not more than two consecutive terms of five years and the tenure of an independent Director on the date of commencement of this Act shall not be counted as a term under above mentioned sub sections. Further more the provisions relation to retirement by rotation shall not applicable to Independent Directors.

In the opinion of the Board, Independent Directors of the Company fulfill the conditions for their appointment as an Independent Director as specified in the Act and the Listing Regulations. The Board also opined that they all possess appropriate skill, experience and Knowledge as required to occupy the position of an Independent Director.

The Board has also received declaration from the Independent Directors that they meets the Criteria of Independence as prescribed under section 149(6) read with schedule IV of the Companies Act, 2013 and as per applicable provisions of SEBI(Listing Obligations and Disclosure Requirements) Regulation, 2015.

The Board recommends the appointment of Independent Director Dr. Ashok Kumar Pati and Mr. Mammen Mathew from 30<sup>th</sup> September, 2020 to 29<sup>th</sup> September, 2025.

**ITEM NO. 6**

Mr. Rajpal Singh Kochhar has been re-appointed as Managing Director of the Company on July 29, 2020 w.e.f. June 1, 2020 for a period of 5 years. The present proposal is to seek the Shareholders' approval for the re-appointment of Mr. Rajpal Singh Kochhar as the Managing Director in terms of the applicable provisions of the

Companies Act, 2013. The Board of Directors of the Company (the 'Board'), at its meeting held on July 29, 2020 has, subject to the approval of the Shareholders, re-appointed Mr. Rajpal Singh Kochhar for a further period of 5 years from June 01, 2020.

The payment of remuneration has already been approved by the Nomination & Remuneration Committee in its meeting held on July 29, 2020 & subsequently by the Board of Directors in its Board Meeting held on the same date. Therefore the Board proposes to seek approval of the Shareholders of the Company, approving the payment of remuneration of Mr. Rajpal Singh Kochhar as detailed here under:

**Remuneration Proposed:**

Salary	6.30 Lakhs/ month
HRA	3.78 Lakhs/month
Other	As per applicable provisions

**Perquisites and Allowances:**

a) For such amount as may be decided by the Board of Directors (which shall include HRA, Special Allowance & conveyance and reimbursement of Medical Expenses per month as per the rules and policy of the Company from time to time.)

b) Contribution to Provident fund, Superannuation fund and payment of gratuity as per the rules of the Company.

The Board recommends the Resolution as mentioned in the Notice for your approval.

Except for Mr. Rajpal Singh Kochhar and Mrs. Jasbir Kaur Kochhar, none of the other Directors and Key Managerial Personnel (KMP) of the Company or their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No 6.

By the Order of the Board  
**JAGSONPAL PHARMACEUTICALS LIMITED**  
**NANDITA SINGH**  
 Company Secretary  
 ACS: 48520

**Place: New Delhi**  
**Date: July 29, 2020**



## The Following additional detailed information as per Section II of Schedule V is as follows:

<b>I. General information:</b>							
Nature of industry	Manufacturing						
Date or expected date of commencement of commercial production	Business commenced in year 1978 and commercial production was being carried on since inception.						
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable						
Financial performance based on given indicators	Financial Year:2019-20 Gross Revenue: Rs. 15856.78 Lakhs Profit After Tax: Rs. 787.08 Lakhs Rate of Dividend: 10 % Earnings Per Share: Rs. 3.00						
Foreign investments or collaborations, if any.	The company has not made any foreign investment and neither entered into any foreign collaborations.						
<b>II. Information about the appointee:</b>							
Background details	Mr. Rajpal Singh Kochhar is a Graduate in Pharmacy from BITS Pilani, Rajasthan and Masters in Pharmacy from U.S.A. Mr. Kochhar has over a year 40 years experience in Pharmacy and is associated with company since 1978 and was appointed as Managing Director on 01 April, 2012 for three years and since then he has been performing as Managing Director. His last tenure was 01 <sup>st</sup> June, 2017 to 31 <sup>st</sup> May, 2020. During his regime, company indigenously invented numbers of intermediate drugs. The Nomination & Remuneration Committee revised his remuneration w.e.f. 01 <sup>st</sup> June, 2020. Board considered that his remuneration shall be commensurate in lines with duties and responsibilities which are being performed by Mr. Rajpal Singh Kochhar.						
Past remuneration	The remuneration drawn by Mr. Kochhar during the past year is Rs. 100.88 lakhs.						
Remuneration proposed	<table border="1"> <tbody> <tr> <td>Salary</td> <td>6.30 Lakhs/ month</td> </tr> <tr> <td>HRA</td> <td>3.78 Lakhs/month</td> </tr> <tr> <td>Other</td> <td>As per applicable provisions</td> </tr> </tbody> </table>	Salary	6.30 Lakhs/ month	HRA	3.78 Lakhs/month	Other	As per applicable provisions
Salary	6.30 Lakhs/ month						
HRA	3.78 Lakhs/month						
Other	As per applicable provisions						
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the responsibility shouldered by him of the business activities of the company, proposed remuneration commensurate with Industry Standards and Board level positions held in similar sized and similarly positioned business.						
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Does not have any pecuniary relationship with the company expect remuneration drawn as Managing Director						
<b>Other information:</b>							
Reasons of loss or inadequate profits	Not Applicable						
Steps taken or proposed to be taken for improvement	Not Applicable						
Expected increase in productivity and profits in measurable terms	Barring unforeseen circumstances, the Company hopes to increase the revenue in coming year						

**Information pursuant to 1.2.5 of Secretarial Standards on General Meeting (SS-2) regarding Directors seeking appointment / re-appointment**

**Mr. Rajpal Singh Kochhar**

Age	63 Years
Qualification	Bachelor of Pharmacy, BITS Pilani, Rajasthan. Masters in Pharmacy, USA
Experience	40 Years
Terms and Conditions of Appointment/ Re-appointment	<ol style="list-style-type: none"> <li>1. Tenure of this appointment shall be of five years with effect from 01<sup>st</sup> June, 2020.</li> <li>2. The Managing Director of the company is the Whole Time Director of the Company and shall not be liable to retire by rotation. The Managing Director would be employed on a whole time basis and will not be permitted to undertake any other business, work or Public Office expect with the written permission of the Competent Authority in every case.</li> <li>3. The Managing Director shall be entitled to such other privileges, allowance, facilities and other amenities in accordance with the rules as may be applicable to other employees of the company and as may be decided by the Board, within the overall limits prescribed under the Act.</li> <li>4. The appointment shall be governed by Section 196, 197, 203 read with Schedule V of the Companies Act, 2013 and rules made thereunder.</li> <li>5. The separation from this engagement could be effected by either side giving three month's advance notice in writing.</li> </ol>
Last Remuneration	Rs. 100.88 Lakhs
Date of First Appointment on the Board	17 <sup>th</sup> Day of August, 1978
No. of shares held	1212160
Relationship with Directors, Manager and KMP	Mrs. Jasbir Kaur Kochhar, Non-Executive Director
Number of Board Meeting Attended in the financial year 2019-20	Four
Other Directorship	I.K. ENTERPRISES PRIVATE LIMITED KILA TATARPUR HOTELS PRIVATE LIMITED ARESKO ESTATES PRIVATE LIMITED ARESKO RESTAURANTS PRIVATE LIMITED RAIPUR LODGE PRIVATE LIMITED BAGRI FORT RESORTS PRIVATE LIMITED MAHAR PALACE HOTEL & SPA PRIVATE LIMITED ARESKO FINANCIAL SERVICES LIMITED SUVINYS DEVELOPERS PRIVATE LIMITED RALLI COMMUNICATION SYSTEMS PRIVATE LIMITED COMET CONVERSION SERVICES (INDIA) PRIVATE LIMITED ARESKO FAMILY PRIVATE LIMITED ARESKO REALTORS PRIVATE LIMITED ARESKO PROGRESSIVE PRIVATE LIMITED SEWARA BUILDTECH PRIVATE LIMITED

### PROFILE OF INDEPENDENT DIRECTORS BEING APPOINTED

As required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the particulars of Independent Directors who are proposed to be appointed are given below:

Name	Ashok Kumar Pati	Mammen Mathew
Age	64 year old	65 year old
Qualification	Highest Qualification: Ph.D – Physics & Astrophysics.	B. Pharma from Birla Institute of Technology and Science from 1972-76, thereafter he has completed his MBA, Marketing from Cochin Institute of Science and Technology
Expertise	Professor Pati has over four decades of experience in Research in Astronomy & Astrophysics involving mainly observational data on different astronomical sources. Having served as a Senior Professor in Indian Institute of Astrophysics, Professor Pati has a flair for Administration, Management and Leadership.	Have a blend of both Pharmaceutical Science and Business Management. An entrepreneurial manager with international exposure, experience in managing subsidiary operations, distributors and agents. Also involved in general management, marketing sales, clinical research and manufacturing activities.
Other Directorship	NO Directorship in any other Company	Arcturus Pharma Private Limited.

**Director's 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 41<sup>st</sup> Board's Report, along with the Balance Sheet, Profit and Loss account and Cash Flow statements, for the financial year ended March 31, 2020.

**1. Financial Performance**

The standalone financial statements for the financial year ended March 31, 2020, 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 2019-20 are provided below:

(Rs. in Lakhs)

Particulars	Current Year	Previous Year
Revenue from Operations	15856.78	16682.56
Other Income	252.62	142.90
Operating Expenditure	15003.53	15749.05
Profit for the year before Interest, Depreciation & Amortization and Tax	1105.87	1076.41
Less:		
Financial Expenses	51.41	74.55
Depreciation	112.98	101.58
Profit before tax	941.48	900.28
Exceptional Items	-	-
Provision for taxation	157.15	185.28
Deferred Tax	(2.75)	(6.61)
Profit after Tax	787.08	721.61
Balance brought forward	4113.27	3470.62
Profit available for appropriation	4900.35	4192.23
<b>Appropriations:</b>		
Proposed Dividend	131	65.50
Additional Income Tax	0	13.46
Transfer to General Reserve	0	0.00
Balance carried forward	4769.35	4113.27

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

During the period ended 31<sup>st</sup> March, 2020, due to the pandemic of COVID-19, the sales of the Company has been affected and stood at Rs. 15856.78 lakhs as compared to the sales of previous year 31.03.2019 which was Rs. 16682.56 lakhs. The profit before tax barring exceptional items ~~increased~~ from Rs. 900.28 Lakhs to Rs. 941.48 Lakhs during the year.

**3. Dividend**

Your Directors are pleased to recommend a dividend of 10% per equity share of face value of 5/- each for the year ended 31<sup>st</sup> March, 2020. The Final Dividend, subject to the approval of Members at the Annual General Meeting on Wednesday, 30<sup>th</sup> Day of September, 2020, will be paid on or after Monday, 5<sup>th</sup> Day of October, 2020, to the Members whose names appear in the Register of members of the Company after giving effect to valid share transfers lodged with the Company on or before Wednesday, 23<sup>rd</sup> Day of September, 2020 and as beneficial owners as at the end of business hours on Wednesday, 23<sup>rd</sup> Day of September, 2020 as per the list furnished by National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) in respect of shares held in dematerialized form.

The proposed dividend will absorb a sum of Rs. 131 Lakhs. In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. Your Company shall, accordingly, make the payment of the Final Dividend after deduction of tax at source.

**4. Transfer to Reserve**

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

**5. 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.

**6. COVID-19**

The operation and the financial results of the Company during the quarter and year ended March 31, 2020 were marginally impacted due to the shutdown of the Company's plants under the lockdown announced by the state/central Government after the outbreak of Covid-19 pandemic in March, 2020. The Company has since resumed its operations since June, 2020 conforming to the guidelines of the Government. All necessary precautions relating to Hygiene, Sanitization, social distancing, care and protection of the employees would continue to be followed.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, Plants and Equipment, Inventories, Receivables and Other Current Assets. In developing the assumptions relating to the possible future uncertainties in the economic condition because of this pandemic, the Company as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Company. The Company has performed analysis on the assumptions used and based on current indicators of Future Economic conditions, the Company expects the carrying amount of these assets will be recovered and sufficient liquidity is available to fund the Business operations for at least another 12 months. Given the uncertainly because of COVID-19, the final impact of the Company's assets in future may differ from that estimated as at the date of approval of these Financial results.

**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**

- a. 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;
- b. 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, 2020.

**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 B" and 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.

The Auditor's Report for the financial year 2019-20 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, the Board has appointed. M/s Mukesh

Arora & Co., Practicing Company Secretaries as Secretarial Auditors to conduct Secretarial Audit for the financial year 2020-21.

The Secretarial Auditors' Report for the year 2019-20 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:**

The Board has appointed M/s. R. Krishnan as Cost Auditor for the year 2020-21. The remuneration of the cost auditor is subject to the approval by the members.

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**

In accordance with the provisions of Section 92 the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 the extract of the Annual Return in Form MGT - 9 is enclosed as "Annexure – D" to the Board 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 CS Nandita Singh as the Whole time Company Secretary of the company w.e.f. 10<sup>th</sup> Day of October, 2019 in place of CS R.K Kapoor, the retiring Company Secretary of the Company.

Further, the Board of Director based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of shareholders at the ensuing Annual General Meeting has appointed Mr. Ashok Kumar Pati and Mr. Mammen Mathew as the Non-Executive Additional Independent Director on 14<sup>th</sup> Day of November, 2019. Further, the Board is of the opinion that both the Independent Director possesses requisite qualification, experience, expertise and holds high standards of integrity.

None of the Directors of the Company is disqualified to act as director, as specified in section 164(2) of the Companies Act, 2013 and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The brief resume of the aforesaid directors and other information have been detailed in the Corporate Governance Section of this report.

**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. Sanjiv Kumar Dudeja, Chief Financial Officer (CFO) 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.

**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, 2020, four Board Meetings were held on:

1. 28<sup>TH</sup> Day of May, 2019
2. 13<sup>TH</sup> Day of August, 2019
3. 14<sup>TH</sup> Day of November, 2019
4. 13<sup>TH</sup> Day of February, 2020

The maximum time gap between any two meetings was less than 120 days as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 13<sup>th</sup> February, 2020 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 Singh, Chairman, Dr. Ishapl Singh Ghai, Mr. Ashok Kuamr 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.

**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 2019-2020.

**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 Statement1**

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, 2020, 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, 2020 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.

**34. 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 organisation for 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

**RAJPALSINGH KOCHHAR**  
Chairman & Mg. Director  
(DIN 00059492)

Place: New Delhi  
Dated: 29/07/2020

**Management Discussion and Analysis Report**

Indian pharmaceutical sector supplies over 50 per cent of the global demand for various vaccines, 40 percent of the generic demand for the US and 25 percent of all medicines for the UK. India contributes the second largest share of the pharmaceutical and biotech workforce in the world. India's domestic pharmaceutical market turnover reached Rs 1.4 lakh crore (US\$ 20.03 billion) in 2019, up 9.8 per cent Y-O-Y from Rs 1.29 lakh crore (US\$ 18.12 billion) in 2018. In May 2020, pharmaceutical sales grew 9 per cent Y-O-Y to Rs 10,342 crore (US\$ 1.47 billion).

During December 2019, on a moving annual total (MAT) basis, industry growth was at 9.8 per cent, price growth was at 5.3 per cent, new product growth was at 2.7 per cent, and volume growth was at two per cent y-o-y.

Indian drugs are exported to more than 200 countries in the world, with the US being the key market. Generic drugs account for 20 per cent of the global export in terms of volume, making the country the largest provider of generic medicines globally. It is expected to expand even further in the coming years. Pharmaceutical exports from India, which include bulk drugs, intermediates, drug formulations, biologicals, Ayush & herbal products and surgical, reached US\$ 20.70 billion in FY20.



Medical devices industry in India has been growing 15.2 per cent annually and is expected to reach US\$ 8.16 billion by 2020 and US\$ 25 billion by 2025.

Affordable medicines under Pradhan Mantri Bhartiya Jan Aushadhi Kendra's (PMBJKs) achieved an impressive sale of Rs 100.40 crore (US\$ 14.24 million) in the first two months of FY21.

'Pharma Vision 2020' by the Government's Department of Pharmaceuticals aims to make India a major hub for end-to-end drug discovery. The sector received cumulative Foreign Direct Investment (FDI) worth US\$ 16.50 billion between April 2000 and March 2020. Under Union Budget 2020-21, allocation to the Ministry of Health and Family Welfare stands at Rs 65,012 crore (US\$ 9.30 billion), whereas, Rs 6,429 crore (US\$ 919 million) has been allocated to health insurance scheme, Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (AB-PMJAY). In November 2019, the cabinet approved the extension/renewal of extant Pharmaceuticals Purchase Policy (PPP) with the same terms and conditions, while adding one additional product, namely Alcoholic Hand Disinfectant (AHD), to the existing list of 103 medicines till the final closure/strategic disinvestment of pharma CPSUs.

Government expenditure on healthcare increased to Rs 3.24 lakh crore (US\$ 45.96 billion) in FY20, growing at a CAGR of 18 per cent from FY16. As per Economic Survey 2019-20, Government expenditure (as a percentage of GDP) increased to 1.6 per cent in FY20 from 1.2 per cent in FY15 for health. FDI increased to 74 per cent in existing pharmaceutical companies and 100 per cent in new projects.

India plans to set up a nearly Rs 1 lakh crore (US\$ 1.3 billion) fund to provide a boost to companies to manufacture pharmaceutical ingredients domestically by 2023.

#### 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, 2020.

##### 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

	2019-20	2018-19
Consumption - per unit of production	Not Applicable	Not applicable

#### Consumption

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 2020	Mar 2019
a) Capital Expenditure	22.34	1.55
b) Revenue Expenditure	15.41	12.09
<b>TOTAL</b>	<b>37.75</b>	<b>13.64</b>

- The R & D Centre carries out Research and Development in the area of Bulk Drugs, Drugs Intermediates and Pharmaceuticals.
- 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 2020	Mar 2019
Earnings	447.63	329.08
Outgo	37.84	23.50

For and on behalf of the Board of Directors

**RAJPAL SINGH KOCHHAR**  
Chairman & Mg. Director  
(DIN 00059492)

Place: New Delhi  
Dated: 29/07/2020

**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).

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 (38 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****Form No. MR-3****Secretarial Audit Report**

FOR THE FINANCIAL YEAR ENDED 31st March, 2020

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

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

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.

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, 2020 ('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 :

1. 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, 2020 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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable on the company during the financial year under review.)
- (h) 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;

2. 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

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

4. We further report that:

- (i) The Board of Directors of the Company is duly constituted

with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- (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.

5. 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: F004819B000485552

Date: 21<sup>st</sup> July, 2020

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 of Form No. MR-3

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.

- 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.
- 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.
- We have not verified the correctness and appropriateness of financial records and books of Accounts of the company.
- Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
- 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.
- 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

F.C.S No. 4819

C.P No. 4405

Date: 21<sup>st</sup> July, 2020

Place: New Delhi

**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, 2020 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.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	RAJPAL SINGH KOCHHAR	00059492	17/08/1978
2	BHARAT SINH	00347364	19/03/2013
3	JASBIR KAUR KOCHHAR	01460798	13/02/2015
4	ISHPAL SINGH GHAI	06551659	20/03/2013
5	MAMMEN MATHEW	00425579	14/11/2019
6.	ASHOK KUMAR PATI	08661819	14/11/2019

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

Date: 01.09.2020  
Place: New Delhi

UDIN: F004819B000642544



**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31-3-2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i) CIN	<b>L74899DL1978PLC009181</b>
ii) Registration Date:	<b>17-08-1978</b>
iii) Name of the Company	<b>JAGSONPAL PHARMACEUTICALS LTD</b>
iv) Category / Sub-Category of the Company	<b>Public Limited Company</b>
v) Address of the Registered office and contact details	<b>T-210 J, Shahpur Jat, New Delhi-110049 011-46181100 Email: cs@jagsonpal.com</b>
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase-1, New Delhi-110020</b>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY****Manufacturer of Pharmaceuticals & Intermediate Drugs**

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Capsule	30041020	28.33
2	Tablet	30041030	28.33
3	Ampoule	30042042	23.60

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	N.A.	N.A.	N.A.	N.A.	N.A.
2	N.A.	N.A.	N.A.	N.A.	N.A.

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)*****i) Category-wise Share Holding***

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	1190357	0	1190357	4.54	1212160	0	1212160	4.63	0.09
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) BodiesCorp.	17215254	0	17215254	65.71	17215254	0	17215254	65.71	0
e) Banks / FII)	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A)</b>	<b>18405611</b>	<b>0</b>	<b>18405611</b>	<b>70.25</b>	<b>18427414</b>	<b>0</b>	<b>18427414</b>	<b>70.34</b>	<b>0.09</b>

**B. Public Shareholding**

<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	600	200	800	.00305	1300	200	1500	0.0057	0.0026
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt (s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total(B)(1)</b>	<b>600</b>	<b>200</b>	<b>800</b>	<b>.00305</b>	<b>1300</b>	<b>200</b>	<b>1500</b>	<b>0.0057</b>	<b>0.0026</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) BodiesCorp.									
i) Indian	771156	880	772036	2.95	441130	880	442010	1.69	-1.26
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	4938049	300007	5238056	19.99	5149027	270001	5419028	20.68	0.69
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1409539	0	1409539	5.38	1484968	0	1484968	5.67	0.29
c) Others									
IEPF	1143114	880	1143994	4.37	864210	880	865090	3.30	-1.07
Non Resident	379350	0	379350	1.45	409975	0	409975	1.56	0.11
Indians	115412	0	115412	0.440	115699	0	115699	0.441	0.001
Overseas									
Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	13903	0	13093	0.05	41814	0	41814	0.16	0.11
HUF	242643	0	242643	0.93	265567	0	265567	1.01	0.08
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies-DR	0	0	0	0	0	0	0	0	0
<b>Sub-total(B)(2)</b>	7490702	301087	7791589	29.74	7498205	270881	7769086	29.66	0.08
Total Public Shareholding (B)=(B)(1)+(B)(2)	7491302	301087	7792389	29.74	7499505	271081	7770586	29.66	0.08
<b>C. Shares held by Custodian for GDRs&amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>GrandTotal (A+B+C)</b>	25896913	301087	26198000	100	25926919	271081	26198000	100	0

**B) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Rajpal Singh Kochhar	1190357	4.54	0	1212160	4.63	0	0.09
2	Aresko Progressive Pvt. Ltd.	17215254	65.712	0	17215254	65.712	0	No change during the year

**(D) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): As Per Annexure****(E) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year i.e. 01.04.2019		Date	Increase/Decrease	Reason for Increase/Decrease	Cumulative Shareholding during the Year		Shareholding at the end of the year i.e. 31.03.2020	
		No. of Shares	% of total shares of the company				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Rajpal Singh Kochhar	1190357	4.54	03.04.2019	8414	Purchase	1198771	4.58	1212160	4.63
				24.06.2019	1573	Purchase	1200344	4.58		
				26.06.2019	984	Purchase	1201328	4.58		
				28.06.2019	8635	Purchase	1209963	4.61		
				20.09.2019	1503	Purchase	1211466	4.62		
				24.09.2019	694	Purchase	1212160	4.63		
2	Sanjiv Kumar Dudeja	370544	1.414	No Change	No Change	No Change	No change	370544	1.414	

**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding Deposits Rs. lacs	Unsecured Loans	Deposits Rs Lacs	Total Indebtedness Rs. Lacs
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-229.02	607.56		378.54
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	-229.02	607.56		378.54
<b>Change in Indebtedness during the financial year</b>				
• Addition	0.00	32.8		32.8
• Reduction	55.14	0.00		55.14
<b>Net Change</b>	-173.88	640.36		466.48
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-173.88	640.36		466.48
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	-173.88	640.36		466.48

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL***A. Remuneration to Managing Director, Whole-time Directors and/or Manager:*

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager Rajpal Singh Kochhar Rs. Lacs			Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	100.88			100.88
2.	Stock Option				
3.	Sweat Equity				
4.	Commission- as % of profit- others, specify...				
5.	Others, please specify				
	Total (A)	100.88			100.88
	Ceiling as per the Act	120			120

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors Rs. Lacs		Total Amount
		Bharat Sinh	Dr. I.S. Ghai	
1.	Independent Directors· ● Fee for attending board committee meetings ● Commission ● Others, please specify	0.575 2	0.575 2	1.15 4
	Total (1)	2.575	2.575	5.15
2.	Other Non-Executive Directors ● Fee for attending board committee meetings ● Commission ● Others, please specify			
	Total (2)			
	Total (B)=(1+2)			
	Total Managerial Remuneration	2.575	2.575	5.15
	Overall Ceiling as per the Act	7.00	7.00	7.00

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel Rs. Lacs			
		Company Secretary* <sub>1</sub>	Company Secretary* <sub>2</sub>	CFO	Total
	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section17(3) Income-taxAct, 1961	3.51	2.90	56.80	63.21
	Stock Option				
	Sweat Equity				
	Commission- as % of profit- others, specify...				
	Others, please specify				
	Total	3.51	2.90	56.80	63.21

Changes during the year:

\*1: Retirement of Mr. R K Kapoor from the post of Company Secretary w.e.f. 09<sup>th</sup> October, 2019.\*2: Appointment of Ms. Nandita Singh as the Company Secretary w.e.f. 10<sup>th</sup> October, 2019.

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

Type	Section of the Companies Act	Brief Description	Details of Penalty	Authority (IRD/NCLT)	Appeal made
------	------------------------------	-------------------	--------------------	----------------------	-------------

**Punishment/ Compounding fees imposed / COURT]**  
**if any (give Details)**

<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>N.A.</b>					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>N.A.</b>					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					



**JAGSONPAL PHARMACEUTICALS LIMITED**  
**Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

S.No.	Member ID	Name of the Shareholder	Category	Opening Balance	% of shares	Record Date	Sale/ Purchase	Cumulative Shares	% of Shares
1	N-IN300020/30163609	Ronak Securities and Credits Private Limited	Top Public	156873	0.599	31-03-2019 31-03-2020	0 0	156873 156873	0.599 0.599
2	N-IN300020/30163625	Wave Securities and Credits Private Limited	Top Public	144800	0.553	31-03-2019 31-03-2020	0 0	144800 144800	0.553 0.553
3	N-IN300142/10033480	Lincoln P Coelho	Top Public	300703	1.148	31-03-2019	0	300703	1.148
						16/07/2019	-300703	0	-1.148
						19/07/2019	300703	300703	1.148
						31-03-2020	0	300703	1.148
4	N-IN300142/10069472	Sanjiv Kumar Dudeja	Top Public	370544	1.414	31-03-2019	0	370544	1.414
						31-03-2020	0	370544	1.414
5	N-IN300214/10354993	Gnanesh Lakhia	Top Public	126544	0.483	31-03-2019	0	126544	0.483
						12/04/2019	1200		
						10/05/2019	-350		
						17/05/2019	-1250		
						24/05/2019	1000		
						31/05/2019	-3350		
						07/06/2019	-200		
						14/06/2019	-100		
						28/06/2019	300		
						05/07/2019	200		
						12/07/2019	400		
						16/07/2019	-125694		
						19/07/2019	124494		
						02/08/2019	400		
						23/08/2019	300		

## JAGSONPAL PHARMACEUTICALS LIMITED

### Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S.No.	Member ID	Name of the Shareholder	Category	Opening Balance	% of shares	Record Date	Sale/Purchase	Cumulative Shares	% of Shares
						23/08/2019	300		
						06/09/2019	200		
						13/09/2019	-300		
						27/09/2019	1300		
						18/10/2019	204		
						25/10/2019	1298		
						01/11/2019	430		
						08/11/2019	6500		
						15/11/2019	5100		
						22/11/2019	1200		
						29/11/2019	600		
						13/12/2019	200		
						20/12/2019	1301	143227	0.547
						31-03-2020		143227	0.547
6.	N-IN301276/30218829	SAIFUDDIN FAKHRUDDIN MIYAJIWALA	Top Public	0	0	05/04/2019	30000		
						12/07/2019	5000		
						16/07/2019	-35000		
						19/07/2019	35000		
						26/07/2019	5000		
						27/09/2019	10000	50000	
						31/03/2020	0	50000	.19
7.	N-IN301549/33967977	KALPANA GUPTA	Top Public	0	0	05/04/2019	39000		
						19/04/2019	1000		
						10/05/2019	371		

**JAGSONPAL PHARMACEUTICALS LIMITED**  
**Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

S.No.	Member ID	Name of the Shareholder	Category	Opening Balance	% of shares	Record Date	Sale/Purchase	Cumulative Shares	% of Shares
						17/05/2019	2275		
						31/05/2019	1646		
						28/06/2019	2001		
						16/07/2019	-41001		
						19/07/2019	41001		
						26/07/2019	999		
						20/09/2019	1		
						11/10/2019	-1000		
						01/11/2019	-16036		
						29/11/2019	1438		
						13/12/2019	1597		
						20/12/2019	1893		
						31/01/2020	-5814		
						14/02/2020	921		
						28/02/2020	-10269		
						06/03/2020	2769		
						13/03/2020	2000	19500	0.74
						31/03/2020	0	19500	0.74
8.	N-IN302679/36766923	Pinky Ventures Private Limited	Top Public	83955	0.32	31-03-2019	0	83955	0.32
						12/04/2019	-15075	68880	0.263
						31-03-2020	0	91715	0.35
9.	N-IN302814/11877202	Atul A Sheeth	Top Public	47400	0.18	31-03-2019	0	47400	0.18
						31-03-2020	0	47400	0.18
10.	C-010900/1201090006214778	Chhaganbhai Parsottambhai Patel HUF	Top Public	115763	0.442	31-03-2019	0	115763	0.442
						26/07/2019	-115763	0	0
						02/08/2019	115763	115763	0.442
						31/03/2020	0	115763	0.442

**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**

- a. 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 two are Independent Directors and other two are the Additional Directors and are professionals and have expertise in their respective fields.
- 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	4	Yes	1	-
Capt. Bharat Singh	Independent Director	4	Yes	-	4
Dr. Ishpal Singh Ghai	Independent Director	4	Yes	-	4
Mrs. Jasbir Kaur Kochhar	Non-Executive Director	3	No	-	4
Mr. Ashok Kumar Pati	Non-Executive Additional Independent Director	2	No	-	1
Mr. Mammen Mathew	Non-Executive Additional Independent Director	1	No	-	0

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

May 28, 2019

August 13, 2019

November 14, 2019

February 13, 2020

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

During the year under review, the company has appointed Mr. Ashok Kumar Pati and Mr. Mammen Mathew as Non-Executive Additional Independent Director on 14<sup>th</sup> Day of November 2019. This appointment shall be subject to the approval of shareholders at the ensuing Annual General Meeting.

**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
- Code of Conduct for Prohibition insider Trading
- Vigil Mechanism and Whistle Blower policy
- Treatment of Related Party Transaction
- 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 two Non-Executive Independent Directors and two Non Executive directors as members:

- Capt. Bharat Sinh, Dr. Ishpal Singh Ghai, Mr. 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 four times during the financial year in May, August, November and February months of 2019- 2020.

### 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 given below:

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 not 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 fulfil 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 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020 was as follows:

**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. 5000/- each for attending board meeting for the month of May and August and Rs. 10,000/- for the month of November and February 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 and when 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. Lacs)
Mr. Bharat Sinh	Rs. 0.575	2
Mrs. Jasbir Kaur Kochhar	Nil	Nil

Dr. Ishpal Singh Ghai	Rs. 0.575	2
Mr. Ashok Kumar Pati	Rs. 0.225	Nil
Mr. Mammen Mathew	Rs. 0.1	Nil

#### 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	0	0
Resolved during the quarter	0	0	0	0	0
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
31.03.2017	29.09.2017 10.00 am	Vanita Samaj, 13, Institutional Area, Lodi Road, New Delhi 110003	O - 5 S - 4
31.03.2018	28.09.2018 10.00 am	Vanita Samaj, 13, Institutional Area, Lodi Road, New Delhi 110003	O - 2 S - 5
31.03.2019	30.09.2019 10.00 am	Vanita Samaj, 13, Institutional Area, Lodi Road, New Delhi 110003	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 31.3.2020 are as under:

	Dividend A/c	Balance as on 31.03.2020
2012-2013	-	868970.00
2013-2014	-	419344.50
2014-2015	-	97254.10
2015-2016	-	128785.80
2016-2017	-	1137121.10
2017-2018	-	92949.20
2018-2019	-	94837.50

**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.

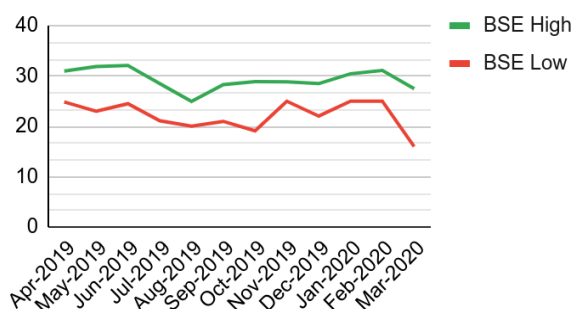
**18. General Shareholder Information**

- a. Annual General Meeting : Wednesday, 30<sup>th</sup> September, 2020.  
Through Video Conferencing or Other Audio Visual Means
- Dates of Book Closure : September 24<sup>th</sup> to September 30<sup>th</sup>, 2020 (both days inclusive)
- Dividend Payment Date : Within Stipulated Time, if declared.
- Financial Calendar (tentative)  
Results for the quarter ending  
June 2020 29<sup>th</sup> July, 2020  
September 2020 2nd week of November, 2020  
December 2020 2nd week of February 2021  
March 2021 4th week of May 2021

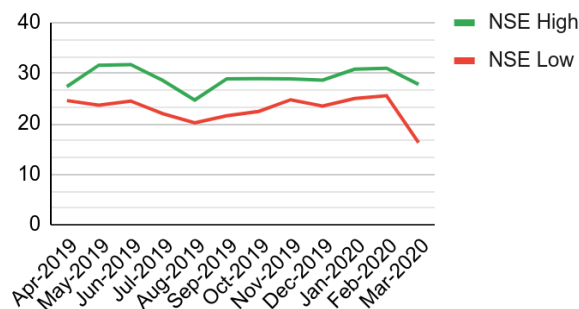
High/Low of market price of the Company's shares traded along with the volumes on Bombay Stock Exchange, Mumbai and on the National Stock Exchange during the April 2019 to March 2020 is furnished below:

Period	BSE High (Rs.)	BSE Low (Rs.)	Volume No of Share	NSE High (Rs.)	NSE Low (Rs.)	Volume No of Share
Apr-2019	31	24.85	33796	27.35	24.60	149060
May-2019	31.9	23	193158	31.60	23.70	865993
Jun-2019	32.1	24.5	92495	31.70	24.50	272770
Jul-2019	28.5	21.1	55404	28.60	22	180772
Aug-2019	24.95	20.05	32776	24.70	20.20	122545
Sept-2019	28.3	21	113235	28.90	21.60	314577
Oct-2019	28.9	19.1	56270	28.95	22.45	313824
Nov-2019	28.85	25	43460	28.90	24.75	208491
Dec.-2019	28.5	22.05	60935	28.65	23.50	257789
Jan-2020	30.45	25	103195	30.80	25	509964
Feb-2020	31.1	25	60557	31	25.55	309605
Mar-2020	27.5	16	54273	27.80	16.25	312980

**BSE High: Low**  
2019-2020



**NSE High: Low**  
2019-2020



- 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 2020-21.
- Scrip Code : JAGSNPHARM 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**  
**Jagsonpal Pharmaceuticals Ltd.**  
T-210 J, Shahpur Jat,  
New Delhi 110049.

MCS Share Transfer Agent Limited  
Unit: Jagsonpal Pharmaceuticals Ltd.  
F-65, Okhla Industrial Area, Ph. -I  
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 31.03.2020**

Range (Shares)	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shareholding
1-500	6637	73.362	1078918	4.118
501-1000	1409	15.575	1151377	4.394
1001-10000	935	10.334	2643184	10.090
10001-20000	40	0.442	576225	2.199
20001 & above	26	0.287	20748296	79.199

• **Dematerialisation 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 2018-19	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.

**Plant Location**

20 K. M. Mathura Road, Post Office Amar Nagar Faridabad,  
Haryana – 121 003

**Address for Correspondence**

The Company Secretary

Jagsonpal Pharmaceuticals Limited

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

Phone : 011-46181100 & 46109900, Fax : 011 – 26498341, E-mail : [cs@jagsonpal.com](mailto:cs@jagsonpal.com)

**Other facilities:**

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

- i. Any change in their address / mandate / bank details; and
- ii. 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.

For and on behalf of the Board of Directors

**For JAGSONPAL PHARMACEUTICALS LIMITED**

**RAJPALSINGH KOCHHAR**

*Chairman & Mg. Director*

(DIN 00059492)

Place: New Delhi

Dated: 29/07/2020

## CERTIFICATE OF CHIEF FINANCIAL OFFICER

To,  
The Board of Directors,  
**Jagsonpal Pharmaceuticals Limited,**

I, **Sanjiv Kumar Dudeja**, Chief Financial Officer of **Jagsonpal Pharmaceuticals Limited**, on the basis of the review of the financial statements and cash flow statement for the year ended 31<sup>st</sup> March 2020 and to the best of my knowledge and belief, hereby certify that:

These statements do not contain any materially untrue statements or omits any material fact or contain statements that might be misleading.

These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March 2020 which, are fraudulent, illegal or in violation of the Company's Code of Conduct.

I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors' and the Audit Committee those deficiencies in the design or operations of such internal controls of which, I am aware and the steps taken and/ or proposed to be taken to rectify these deficiencies.

I have indicated to the Auditors and the Audit Committee:

There have been no significant changes in the internal control over financial reporting during this year.

There have been no significant changes in the accounting policies during the year.

To the best of our knowledge and belief, there is no instance of significant fraud of which I have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Place: New Delhi

Dated: 29 July, 2020

**Sanjiv Kumar Dudeja**  
Chief Financial Officer

## **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 2020, 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 : 29/07/2020

**INDEPENDENT AUDITORS' REPORT****To the members of Jagsonpal Pharmaceuticals Limited****Report on the Indian Accounting Standards (Ind AS) Financial Statements**

1. We have audited the accompanying Ind AS financial statements of Jagsonpal Pharmaceuticals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, Statement of changes in Equity and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Ind AS Financial Statements**

2. 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 Ind AS financial statements to 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 accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. 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 accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made there under including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that

give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

**Opinion**

8. 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 Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March, 31, 2020, and its total comprehensive income (comprising of Profit and other comprehensive income), its cash flows, the changes in Equity of the company and a summary of significant accounting policies and other explanatory information for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

9. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 changes in Equity Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
  - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and

according to the information and explanations given to us:

- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2020 on its financial position in its Ind AS financial statements - Refer Note 24
- ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2020.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.

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

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

Place : Delhi  
Date : 29/07/2020

#### ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10(f) of the Independent Auditors' report of even date to the Members of Jagsonpal Pharmaceuticals Limited on the Ind AS financial statements for the year ended March 31, 2020

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Jagsonpal Pharmaceuticals Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

2. 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 Act.

#### Auditors' Responsibility

3. 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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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.

4. 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 and 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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

6. 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

7. 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 control over financial reporting to future periods are subject to the risk that the internal financial controls 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**

8. 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 March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place : Delhi

Date : 29/07/2020

**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT**

**Referred to in paragraph 9 of the Independent Auditors' report of even date to the Members of Jagsonpal Pharmaceuticals Limited on the Ind AS financial statements as of and for the year ended March 31, 2020**

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed 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 fixed assets 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,
- ii. 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. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act. The company has complied with the provisions of section 186 of the Act in respect of investments made to the parties covered under section 186 of the Act.
- v. The Company has not accepted any 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.
- 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 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 and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise value added tax as at March 31, 2020 which have not been deposited on account of a dispute, are as follows:
- viii. The Company has neither availed any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. 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.
- xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- 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 (IndAS) Note 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, the provisions of Clause 3(xv) of the Order are 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. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

**HIRA LAL BANSAL**  
**Partner**  
**(Membership No. 086990)**  
 UDIN: 20086990AAAABT1471

Place : Delhi  
 Date : 29/07/2020

**ANNEXURE OF CASE PENDING WITH VAT/SALES TAX AND OTHER LAWS**

<b>Nature of the statute</b>	<b>Nature of dues</b>	<b>Amount</b>	<b>Period to which the amount relates</b>	<b>Forum where the dispute is pending</b>
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 Kolkata	----do----	29,04,851	2008-2009	----do----
----do----	----do----	21,31,250	2008-2009 (CST)	----do----
----do----	----do----	16,70,707	2009-2010	----do----
Vat/Sale Tax Cochin	----do----	2,73,632	2014-2015	----do----
		10,53,344	2015-16	
		2,40,722	2016-17	
<b>Total</b>		<b>6,05,57,432</b>		

**Balance Sheet as at 31<sup>st</sup> March, 2020**

Particulars	Note No.	31.03.2020 Rs. Lakhs	31.03.2019 Rs. Lakhs
<b>ASSETS</b>			
1. Non Current assets			
(a) Property Plant and Equipment	3	2206.02	2,161.39
(b) Capital Work in Progress	4	190.34	189.15
(c) Goodwill	5	3.00	3.00
(d) Intangible assets under development	5	234.53	206.27
(e) Financial Assets			
(i) Investments	6	1138.68	0.05
(f) Other non current assets	7	1431.91	1,262.72
<b>Total Non-Current Assets</b>	<b>A</b>	<b>5,204.48</b>	<b>3,822.58</b>
2. Current Assets			
(a) Inventories	8	2,932.50	3,269.26
(b) Financial Assets			
(i) Trade Receivables	9	2,145.34	2,075.02
(ii) Cash and Cash Equivalents	10	27.75	35.70
(iii) Bank balances other than (ii) above	10	3,779.67	3,817.76
(c) Other Current Assets	11	605.75	558.09
<b>Total Current Assets</b>	<b>B</b>	<b>9,491.01</b>	<b>9,755.83</b>
<b>Total Assets</b>	<b>A+B</b>	<b>14,695.49</b>	<b>13,578.41</b>
<b>EQUITY AND LIABILITIES</b>			
Equity Share Capital	12	1,309.90	1,309.90
Reserve & Surplus	13	9,793.49	9,137.41
<b>Total Equity</b>	<b>C</b>	<b>11,103.39</b>	<b>10,447.31</b>
<b>Liabilities</b>			
(1) Non Current Liabilities			
(a) Deffered Tax Liability	14	309.16	311.91
<b>Total Non Current Liabilities</b>	<b>D</b>	<b>309.16</b>	<b>311.91</b>
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	15	1,170.93	1,186.04
(ii) Short Term Borrowings	16	466.48	378.54
(b) Other Current Liabilities	17	815.56	559.97
(c) Provision for Tax		829.97	694.64
<b>Total Current Liabilities</b>	<b>E</b>	<b>3,282.94</b>	<b>2,819.19</b>
<b>Total Liabilities</b>	<b>D+E</b>	<b>3,592.10</b>	<b>3,131.10</b>
<b>Total Equity and Liabilities</b>	<b>C+D+E</b>	<b>14,695.49</b>	<b>13,578.41</b>
See accompanying notes forming part of financial statements	1 to 24		

In terms of our report attached  
**For H L Bansal and CO.**  
Chartered Accountants  
FRN. NO. 008563N  
**Hira Lal Bansal**  
**Partner**  
M.No. 086990  
Place : New Delhi  
Date : 29.07.2020

For and on behalf of the Board of Directors  
**For Jagsonpal Pharmaceuticals Limited**  
**R.P.S Kochhar** DIN 00059492  
Chairman & Managing Director  
  
**S.K. Dudeja**  
Chief Financial Officer

**Nandita Singh**  
Company Secretary

## Statement of Profit and Loss Account for the year ended 31<sup>st</sup> March 2020

Particulars	Note No.	01.04.2019 to 31.03.2020 Rs. Lakhs	01.04.2018 to 31.03.2019 Rs. Lakhs
<b>1. Income from Operations</b>			
a. Gross Sales/Revenue from Operations		15,856.78	16,682.56
b. Other Operating Income	18	252.62	142.90
<b>Total Income from Operations</b>	<b>A</b>	<b>16,109.40</b>	<b>16,825.46</b>
<b>Expenses</b>			
(a) Cost of Materials Consumed	19a	3,678.48	3,878.66
(b) Purchases of Stock-in-Trade	19b	1,815.19	1,464.08
(c) Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	20	124.99	1,941.82
(d) Excise Duty		-	-
(e) Employee benefits Expenses	21	5,037.42	4,661.10
(f) Finance Cost	22	51.41	74.55
(g) Depreciation and Amortisation Expense	3	112.98	101.58
(h) Other Expenses	23	4,347.45	3,803.39
<b>Total Expenses</b>	<b>B</b>	<b>15,167.92</b>	<b>15,925.18</b>
Profit Before Exceptional Items and Taxes	<b>A-B</b>	941.48	900.28
Exceptional Items		-	-
Profit Before Tax	C	941.48	900.28
Tax Expense	D	157.15	185.28
Deffered Tax	E	(2.75)	(6.61)
Net Profit for the period	C-D-E	787.08	721.61
Other Comprehensive Income			
(i) Items that will not be classified to profit or loss			
(ii) Income tax relating to items that will not be reclassified to profit and loss			
Total Other Comprehensive Income		787.08	721.61
Total Comprehensive Income		787.08	721.61
Earning per Equity Share:			
Face Value Rs. 5/- each			
Basic Earning Per Share		3.00	2.75
Diluted Earnings Per Share		3.00	2.75
See accompanying notes forming part of financial statements	1 to 24		

In terms of our report attached  
**For H L Bansal and CO.**  
Chartered Accountants  
FRN. NO. 008563N  
**Hira Lal Bansal**  
**Partner**  
M.No. 086990  
Place : New Delhi  
Date : 29.07.2020

For and on behalf of the Board of Directors  
**For Jagsonpal Pharmaceuticals Limited**  
**R.P.S Kochhar**      DIN 00059492  
Chairman & Managing Director  
  
**S.K. Dudeja**  
Chief Financial Officer

**Nandita Singh**  
Company Secretary

## Cash Flow Statement for the year ended 31<sup>st</sup> March 2020

Particulars	Note No.	For the year ended 31.03.2020 Rs. Lakhs	For the year ended 31.03.2019 Rs. Lakhs
<b>A. Cash Flow from Operating Activities</b>			
Net Profit / (Loss) before extraordinary items and tax		941.48	900.28
Adjustments for:			
Depreciation and Amortisation		112.98	101.58
(Profit) / Loss on Sale / write off of Assets		1.60	-
Finance Costs		51.41	74.55
Misc Income		(251.02)	(142.90)
Operating profit / (loss) before working capital changes	(i)	<b>856.45</b>	<b>933.51</b>
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories		(336.76)	(1,874.12)
Trade Receivables		70.32	(440.34)
Other Current Assets		47.66	206.77
Other Non-Current Assets		169.19	178.49
	(ii)	<b>49.59</b>	<b>1,929.20</b>
Adjustments for increase / (decrease) in operating liabilities:			
Trade Payables		15.11	(276.78)
Other Current Liabilities		(255.59)	49.66
Other Long-Term Liabilities		-	-
Short-Term Provisions		(135.33)	185.28
	(iii)	<b>(375.81)</b>	<b>(41.84)</b>
	(ii)-(iii)	<b>425.40</b>	<b>1,971.04</b>
Cash Flow from Extraordinary Items			
Cash generated from Operations	(i)+(ii)-(iii)	<b>1,281.85</b>	<b>2,904.55</b>
Net Income Tax (paid) / refunds	(iv)	(157.15)	185.28
<b>Net Cash Flow from / (used in) Operating Activities (A)</b>	<b>(i) to (iv)</b>	<b>1,124.70</b>	<b>3,089.83</b>
<b>B. Cash Flow from Investing Activities</b>			
Capital Expenditure on Fixed Assets	(v)	-206.80	(225.49)
Proceeds from Sale of Fixed Assets	(vi)	18.14	-
Investments	(vii)	-1138.63	-
Misc Income	(viii)	251.02	142.90
<b>Net Cash Flow from / (used in) Investing Activities (B)</b>	<b>(v) to (viii)</b>	<b>(1,076.27)</b>	<b>(82.59)</b>
<b>C. Cash Flow from Financing Activities</b>			
Net Increase / (Decrease) in Working Capital Borrowings	(ix)	55.14	(231.43)
Proceeds from other Short-Term Borrowings	(x)	32.80	(220.08)
Repayment of other Short-Term Borrowings	(xi)	-	-
Finance Cost	(xii)	(51.41)	(74.55)
Dividends Paid	(xiii)	(131.00)	(65.50)
Tax on Dividend	(xiv)	-	(13.46)
<b>Net Cash Flow from / (used in) Financing Activities (C)</b>	<b>(ix) to (xiv)</b>	<b>(94.47)</b>	<b>(605.02)</b>



## Significant Accounting Policies

### 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

The Company has elected to continue with the carrying value of all of its capital work in progress measured as per the previous GAAP ( Indian GAPP) and use that carrying value as the deemed cost of the capital work in progress.

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 intangible assets measured as per the previous GAPP ( Indian GAPP) and use that carrying value as the deemed cost of the intangible 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.

**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, excise duty, 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 are accounted on the basis of both, payments made in respect of goods cleared as also provision made for goods lying in bonded warehouses, if any.

**L. Employee Benefits**

- (i) Short-term employee benefits 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 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.

**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**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from timing difference between taxable and accounting income is accounted for using 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 forming part of the Financial Statements

Particulars	31.03.2020 Rs. Lakhs	31.03.2019 Rs. Lakhs	
<b>Statement of Changes in Equity for the year ended March 31, 2019</b>			
<b>A. Equity Share Capital</b>			
Description			
As at March 31, 2019	1,309.90	1,309.90	
Changes in Equity Share Capital	-	-	
As at March 31, 2020	1,309.90	1,309.90	
<b>B. Other Equity</b>			
<b>Reserve and Surplus</b>			
<i>Description</i>	<i>Profit &amp; Loss</i>	<i>Securities Premium Account</i>	<i>General Reserve</i>
<b>Balance at April 1, 2019</b>	<b>4,113.27</b>	<b>60.00</b>	<b>4,180.22</b>
Profit for the year	787.08	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	4,900.35	60.00	4,180.22
Dividends Paid	131.00	-	-
Transfers	-	-	-
<b>Balance at March 31, 2020</b>	<b>4,769.35</b>	<b>60.00</b>	<b>4,180.22</b>

### 3. Property, Plant and Equipment

Particulars	Freehold Land Rs.Lakhs	Buildings Rs.Lakhs	Plant and equipments Rs.Lakhs	Vehicles Rs.Lakhs	Other Assets Rs.Lakhs	Total Rs.Lakhs
<b>GROSS BLOCK</b>						
Balance as at April 1, 2019	875.94	1,386.83	1,313.67	292.70	1,628.26	5,497.40
Additions during the year	-	31.49	-	60.82	85.04	177.35
Discarded/disposed off during the year	-	-	-	80.89	14.15	95.04
Balance as at March 31, 2020	875.94	1,418.32	1,313.67	272.63	1,699.15	5,579.71
Accumulated depreciation						
Balance as at April 1, 2019	-	638.73	1,123.43	224.78	1,349.07	3,336.01
Depreciation for the year	-	19.37	23.88	11.56	58.17	112.98
Accumulated depreciation on Discard/disposals	-	-	-	75.30	-	75.30
Balance as at March 31, 2020	-	658.10	1,147.31	161.04	1,407.24	3,373.69
Net carrying amount						
Balance as at March 31, 2020	875.94	760.22	166.36	111.59	291.91	2,206.02
Notes forming part of financial statements ( contd.)						

Particulars	31.03.2020 Rs. Lakhs	31.03.2019 Rs. Lakhs
<b>4. Capital Work-In-Progress</b>		
<b>Gross Block</b>		
Balance as at April 1, 2019	189.15	
Additions during the year	1.19	
Capitalisation during the year	-	
<b>Balance as at March 31, 2020</b>	<b>190.34</b>	
<b>5. Intangible Assets</b>		
<b>Particulars</b>	<b>Goodwill</b>	<b>Product Development</b>
<b>Gross Block</b>		
Balance as at April 1, 2019	3.00	206.27
Additions	-	28.26
Discard/disposals	-	-
<b>Balance as at March 31, 2020</b>	<b>3.00</b>	<b>234.53</b>
<b>6. Investments</b>		
Investment in Equity of Sun Pharmaceuticals Ltd 1043 fully paid shares	0.05	0.05
Investment in Equity of Naari Pharma Private Limited 20439 Equity Shares of Face value of Rs.10 (2.93%)	1,004.43	-
Investment in 10.5 % Perp Bond of Indusind Bank Tata Healthcare Fund	101.79	-
1000 Class B Units	12.41	-
Artwork	20.00	-
	<b>1,138.68</b>	<b>0.05</b>
<b>7. Non-Current assets - others</b>		
Unsecured-Considered Good		
Security Deposits	51.74	62.72
Total Other Financial Assets-Non Current		
Advance Income Tax and	1,380.17	1,200.00
<b>Total Non-Current Tax Assets</b>	<b>1,431.91</b>	<b>1,262.72</b>
<b>8. Inventories</b>		
Raw Materials	126.32	338.09
Work in Progress	595.63	482.33
Finished Goods	2,210.55	2,448.84
<b>Total Inventories</b>	<b>2,932.50</b>	<b>3,269.26</b>
<b>9. Trade Receivables</b>		
Trade Receivables		
Receivables Outstanding for a period of over six months	49.51	186.37
Secured, Considered Good		
Receivables from Others	2,095.83	1,888.65
Less: Allowance for Doubtful Debts	-	-
<b>Total Trade Receivables</b>	<b>2,145.34</b>	<b>2,075.02</b>
<b>10. Cash and Cash Equivalents</b>		
Cash in hand	27.75	35.70
Balances with Banks		
on Current Accounts	499.30	722.30
on Deposit Accounts	3,280.37	3,095.46
<b>Total Cash and Cash Equivalents</b>	<b>3,807.42</b>	<b>3,853.46</b>

Particulars	31.03.2020 Rs. Lakhs	31.03.2019 Rs. Lakhs
<b>11. Other Current Assets</b>		
Unsecured Considered Good		
Loan to Employees	68.40	52.09
Advances to Employees	0.58	33.10
Others Assets	89.22	94.01
Balances with Statutory / Government Authorities	447.55	378.89
<b>Total Other Current Assets</b>	<b>605.75</b>	<b>558.09</b>
<b>12. Equity Share Capital and Other Equity</b>		
Authorised:		
3,00,00,000 Equity Shares of Rs.5/- each with Voting Rights	1,500.00	1,500.00
2,00,00,000 Equity Shares of Rs.5/- each with Differential Voting Rights	1,000.00	1,000.00
Issued, Subscribed and fully paid up		
26198000 equity shares of Rs.5/-each with voting rights	1,309.90	1,309.90
<b>Details of each shareholder holding more than five percent</b>		
<b>Shareholder</b>	<b>March 31 2020</b>	<b>March 31 2019</b>
	<b>No. of shares</b>	<b>% holding</b>
	<b>No. of shares</b>	<b>% holding</b>
Body Corporate		
Aresko Progressive Pvt Ltd	1,72,15,254.00	65.71
	1,72,15,254.00	65.71
<b>Total</b>	<b>1,72,15,254.00</b>	<b>65.71</b>
<b>13. Reserves and Surplus</b>		
Securities Premium Account		
At the beginning of the year	60.00	60.00
Revaluation Reserve		
At the beginning of the year	783.92	783.92
General Reserve		
At the beginning of the year	4,180.22	4,180.22
Amount transferred from surplus		
Amount utilised in round off		
At the end of the year	4,180.22	4,180.22
Retained Earnings		
At the beginning of the year	4,113.27	3,470.62
Profit for the year	787.08	721.61
Other comprehensive income for the year		
Dividend Paid (including taxes thereon)	131.00	78.96
Transferred to General Reserve	00	00
	4,769.35	4,113.27
<b>Total Reserves and Surplus</b>	<b>9,793.49</b>	<b>9,137.41</b>
<b>14. Deffered Tax (Assets) / Liabilities</b>		
Deffered Tax Liabilities	311.91	318.52
Tax Difference between depreciation as per Income tax act and depreciation as per Company Law	(2.75)	(6.61)
<b>Total Deffered Tax Liabilities</b>	<b>309.16</b>	<b>311.91</b>
<b>15. Trade Payables</b>		
(i) total outstanding dues of micro enterprises and small enterprises	275.98	99.00
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	894.95	1,087.04
<b>Total</b>	<b>1,170.93</b>	<b>1,186.04</b>

Particulars	31.03.2020 Rs. Lakhs	31.03.2019 Rs. Lakhs
<b>16. Short Term Borrowings</b>		
Short term loan as cash credit facility from bank, secured by hypothecation of book debts and stocks	(173.88)	(229.02)
Unsecured loans- From directors	640.36	607.56
<b>Total</b>	<b>466.48</b>	<b>378.54</b>
<b>17. Other Current Liabilities</b>		
Security Received	18.00	35.00
Statutory Liabilities:		
Goods and Services Tax payable	58.03	86.50
Tax Deducted at Source payable	32.70	26.08
Other Liabilities	706.83	412.39
<b>Total Other Current Liabilities</b>	<b>815.56</b>	<b>559.97</b>
<b>18. Other Income</b>		
Miscellaneous Income		
Interest Income	216.80	129.67
Export Incentive	-	-
Other Receipt	37.38	13.21
Dividend	0.04	0.02
Profit(loss) on Sale of Assets	(1.60)	-
<b>Total Other Income</b>	<b>252.62</b>	<b>142.90</b>
<b>19a. Cost of Materials Consumed</b>		
Inventory of raw, packing materials at the beginning of the year	338.09	270.39
Purchases	3,466.71	3,946.36
	3,804.80	4,216.75
Less: Inventory of raw, packing materials at the end of the year	126.32	338.09
<b>Total Cost of Materials Consumed</b>	<b>3,678.48</b>	<b>3,878.66</b>
<b>19b. Purchase of Stock-in-Trade</b>		
Capsules	483.85	387.85
Tablets	833.79	731.89
Syrups	320.02	304.85
Ampoules	44.90	3.91
Ointments	68.03	16.41
Dry Powder	64.60	
Infusion	-	19.17
<b>Total Purchase of Stock-in-Trade</b>	<b>1,815.19</b>	<b>1,464.08</b>
<b>20. Change in Inventory of Work in Process and Finished Goods</b>		
Inventories at the end of the year		
Finished Good	2,210.55	2,448.84
Work in Process	595.63	482.33
	2,806.18	2,931.17
Inventories at the beginning of the year		
Finished Good	2,448.84	4,188.74
Work in Process	482.33	684.25
	2,931.17	4,872.99
<b>Net Increase\Decrease</b>	<b>124.99</b>	<b>1,941.82</b>
<b>21. Employee Benefits Expenses</b>		
Salaries, Wages and Bonus	4,523.00	4,302.18
Contribution to Provident and other funds (refer note)	485.32	319.78
Staff Welfare Expenses	29.10	39.14
<b>Total Employee Benefits Expenses</b>	<b>5,037.42</b>	<b>4,661.10</b>

<b>Employee Benefit Plans</b>		
<b>a. Defined contribution plans</b>		
The Company makes Provident Fund and Pension fund contributions to defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 485.32 Lakhs (Rs. 319.78 Lakhs for the prior ended 31 March 2019) for Provident Fund, pension and other fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the schemes.		
<b>b. Defined benefit plans</b>		
The Company offers the following employee benefit schemes to its employees:		
<b>i. Gratuity</b>		
The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:		
Particulars	Year ended 31.03.2020 Rs. Lakhs	Year ended 31.03.2019 Rs. Lakhs
<b>Components of Employer Expense</b>		
Current Service Cost	82.93	46.44
Interest cost	41.50	37.68
Expected return on plan assets	(43.50)	(44.86)
Actuarial losses/(gains)	(5.84)	(53.39)
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>75.09</b>	<b>(14.13)</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	5.62	2.82
Actual contributions	16.09	69.03
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	611.92	498.95
Fair value of plan assets	699.54	645.57
Funded status [Surplus / (Deficit)]	87.62	146.62
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>87.62</b>	<b>146.62</b>
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	498.95	471.04
Current service cost	82.93	46.43
Interest cost	41.50	37.68
Actuarial (gains) / losses	(5.84)	(53.39)
Benefits paid	5.62	2.82
Present value of DBO at the end of the year	611.92	498.95
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	645.57	534.50
Expected return on plan assets	43.50	44.86
Actual company contributions	16.09	69.03
Benefits paid	5.62	2.83
Plan assets at the end of the year	699.54	645.57
Actual return on plan assets	43.50	44.86
<b>Actuarial assumptions</b>		
Discount rate	0.07	0.08
Expected return on plan assets		
Salary escalation	0.08	0.06
<b>22. Finance Cost</b>		
Interest on Borrowing	-	-
Interest on Deposits	38.31	44.43
Bank Charges/interest	13.10	30.12
<b>Total</b>	<b>51.41</b>	<b>74.55</b>

Particulars	31.03.2020 Rs. Lakhs	31.03.2019 Rs. Lakhs
<b>23. Other Expenses</b>		
Consumption of stores and spares	4.45	8.65
Power and fuel	64.46	141.24
Rent	206.53	164.36
Repairs to:		
Buildings	0.81	3.04
Machinery	0.06	0.03
Others	39.20	61.12
Insurance	80.73	140.70
Rates and taxes	25.99	99.66
Travelling and conveyance expenses	1,727.43	1,489.62
Freight and forwarding	420.75	348.43
Sales Administration Expenses	1,363.71	971.34
Donations and contributions	0.62	0.61
Auditor's Remuneration [refer note below]	8.95	8.95
Miscellaneous Expenses	395.91	365.64
CSR Expenses	7.85	-
<b>Total other expenses</b>	<b>4,347.45</b>	<b>3,803.39</b>
<b>Note: Auditor's Remuneration</b>		
Statutory audit	3.00	3.00
Tax Audit	1.20	1.20
Cost Audit	1.75	1.75
Reimbursement of expenses	3.00	3.00
	<b>8.95</b>	<b>8.95</b>
<b>24. Disclosures under Accounting Standards</b>		
Continuing operations		
Net profit / (loss) for the year from continuing operations	787.08	721.61
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	787.08	721.61
Weighted average number of equity shares	261.98	261.98
Par value per share	5.00	5.00
Earnings per share from continuing operations - Basic	3.00	2.75
Total operations		
Net profit / (loss) for the year	787.08	721.61
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year attributable to the equity shareholders	787.08	721.61
Weighted average number of equity shares	261.98	261.98
Par value per share	5.00	5.00
Earnings per share - Basic	3.00	2.75
Basic (excluding extraordinary items)		
Continuing operations		
Net profit / (loss) for the year from continuing operations	787.08	721.61
(Add) / Less: Extraordinary items (net of tax) relating to continuing operations	-	-
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders, excluding extraordinary items	787.08	721.61
Weighted average number of equity shares	261.98	261.98
Par value per share	5.00	5.00
Earnings per share from continuing operations, excluding extraordinary items - Basic	3.00	2.75

Particulars	31.03.2020 Rs. Lakhs	31.03.2019 Rs. Lakhs
<b>Additional information to the financial statements</b>		
Contingent liabilities and commitments (to the extent not provided for)		
Contingent liabilities	605.57	69.00
(a) Claims against the Company not acknowledged as debt		
(b) Guarantees to govt authorities		
(c) Other money for which the Company is contingently liable (give details)		
Due to Corona 19, Inventories were taken and certified by management and third-party verification could not be done on as on 31.03.2020.		
The Balances in Receivable and Payable accounts as at 31st March 2020 are subject to confirmation/reconciliation. Adjustments, if any, upon due reconciliation 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.		
Balance in Bank Deposit accounts include deposits in excess of 3 months.		
<b>Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>		
Particulars	31.03.2020 Rs. Lakhs	31.03.2019 Rs. Lakhs
(i) Principal amount remaining due and unpaid to any supplier as at the end of the accounting year	275.98	99.00
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Dues to Micro and Small Enterprises have 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.		
The accounting policies set out in note 1 and 2, have been applied in preparing the financial statements for the year ended March 31,2020, the comparative information presented in these financial statements are for the year ended March 31, 2019.		
<b>Fair value measurement IND AS</b>		
Financial Assets & Liabilites are stated at carrying value which is approximately equal to it's fair value. The loans and security deposits are stated at actual value which is equal to its fair value as on the balance sheet date.		
<b>Estimates</b>		
An entity's estimates in accordance with Ind As at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP		
Disclosure as per Reg. 34(3) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.		
Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:		
<b>Investment</b>	<b>Relationship</b>	<b>Amount as at 31 March, 2020</b>
<b>Name of the party</b>		
Naari Pharma Private Limited	Associate	1,004.42
20349 Equity shares of Face value of Rs. 10 each (2.93%)		
<b>Particulars</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
<b>Value of imports calculated on CIF basis :</b>		
Raw materials	472.77	505.99
<b>Expenditure in foreign currency :</b>		
Other matters	37.84	23.50



Details of consumption of imported and indigenous items	31.03.2020	31.03.2019
<b>Imported</b>	-	
Raw materials	530.17	510.14
Percentage	14%	13%
<b>Indigenous</b>		
Raw material	3,148.31	3,368.53
Percentage	86%	87%
<b>Total</b>	<b>3,678.48</b>	<b>3,878.67</b>
Particulars	31.03.2020 Rs. Lakhs	31.03.2019 Rs. Lakhs
<b>Earnings in foreign exchange:</b>		
Export of goods calculated on FOB basis	447.63	329.08
<b>Segment information</b>		
The Company has identified Pharmaceutical business segment as its primary segment		
	<b>31.03.2020</b>	<b>31.03.2019</b>
Revenue	16,109.40	16,825.46
Profit before taxes	941.48	900.28
Tax expense	154.40	178.67
Net profit for the year	787.08	721.61
Key Management Personnel (KMP)	Mr. Rajpal Singh Kochhar	
Note: Related parties have been identified by the Management.		
<b>Details of related party transactions during the year ended 31 March, 2020</b>	KMP	Relative of KMP
Remuneration	100.88	42.08
Interest	-	36.45
Associate Companies M/s Naari Pharma Private Ltd.		
Purchase of products	102.46	-
<b>Details of related party transactions during the year ended 31 March, 2019</b>	KMP	Relative of KMP
Remuneration	100.88	42.08
Interest	0.62	42.06
Associate Companies M/s Naari Pharma Private Ltd.		
Purchase of products	221.35	
<b>Detail of Corporate Social Responsibility:</b>		
As per Companies Act 2013, Company is required to spend 2% of the average profit of last three years for CSR activities. Detail of the same are as follows:		
Amount required to be spent as per section 135 of the act	7.85	-
Total CSR Expenditure provided in the books*	7.85	-
Unspent amount	-	-
* The company has made provision for CSR expenditure for the current year to be spent in the subsequent year.		
<b>Note on COVID:</b>		
The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Our company's performance for the month of March was effected as the Quarter end activities relating to sales and revenue could not be completed. Further, there was effect also in the ensuing months as the entire field force was unable to perform in field and generate the secondary demand to the desired levels. However, company took immediate steps to counter the impact and has been able to salvage the situation. Third party verifications of Inventories and debtors could not be carried out at the end of year and are based on management certification.		

# Past Record

(Rs. in Lakhs)

Particulars	Financial Year Ending												
	12/1994 (12 mths)	12/1995 (15 mths)	03/1997	03/1998	03/1999	03/2000	03/2001 (6 mths)	09/2001 (6 mths)	12/2002 (6 mths)	03/2004	03/2005 (15 mths)	03/2006 (15 mths)	03/2007
Fixed Assets	1101.01	1173.10	1424.40	1475.95	1583.51	1659.45	2816.91	2794.12	2845.60	3076.20	3154.82	3669.37	4372.50
Investments	9.71	299.10	299.10	0.10	0.10	0.10	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Net Current Assets	763.59	915.50	1196.60	1952.59	2744.99	3689.50	4465.56	4790.28	4223.88	4031.09	4320.64	4326.69	4516.88
Total Capital Employed	1874.98	2387.70	2921.10	3428.63	4328.60	5349.05	7282.52	7584.45	7069.53	7107.16	7475.51	7738.05	7836.79
Shareholders' Funds	1434.17	2018.50	2361.80	2810.68	3256.16	4066.42	6023.78	5919.38	6157.61	6601.21	6814.25	7023.54	7249.80
Sales	4125.75	5970.90	7561.20	7908.75	9146.08	111846. 29	13651.87	5690.26	15446.93	17278.09	14800.11	17213.43	14252.62
Other income	29.81	10.50	12.60	28.27	35.65	43.26	21.74	28.11	63.23	81.46	25.86	48.82	77.28
Operating Profit	558.28	984.90	1251.40	1216.83	1314.23	1852.59	1975.24	606.31	1435.74	1710.50	1288.11	1463.41	1193.76
Interest	139.20	283.60	541.00	403.11	458.68	444.81	509.19	283.77	570.34	405.12	329.80	469.87	563.02
Depreciation	18.82	30.20	52.00	55.15	67.32	78.34	89.95	50.57	129.74	144.66	131.71	150.93	165.19
Tax	107.29	150.00	188.00	190.00	217.00	388.00	361.00	90.00	220.00	366.00	280.14	282.36	161.86
Profit after Tax	292.97	431.10	470.40	568.57	571.22	941.44	1015.10	181.98	515.66	794.71	546.47	497.18	280.29
Retained Earnings	259.69	386.60	137.30	460.51	455.69	820.49	885.97	109.37	282.25	471.08	236.43	470.20	249.64
Dividend (including tax)	33.28	44.50	112.70	108.06	108.06	119.86	108.26	72.17	138.15	295.54	295.38	29.87	30.65
Dividend (%)	18.75	25.00	25.00	30.00	30.00	30.00	30.00	20.00	37.50	80.00	20.00	2.00	2.00
Earnings Per Share (Rs.)	16.50	13.17	14.35	17.36	17.44	28.75	31.00	5.56	15.75	23.45	2.03	1.89	1.07

# Past Record

(Rs. in Lakhs)

Particulars	Financial Year Ending												
	03/2008	03/2009	03/2010	03/2011	03/2012	03/2013	03/2014	03/2015	03/2016	03/2017	03/2018	03/2019	03/2020
Fixed Assets	4652.85	5348.63	5318.80	5768.28	5911.54	5831.67	5638.08	5193.03	5158.41	2156.47	2226.63	2350.54	2396.36
Investments	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Net Current Assets	4392.98	3253.95	4204.95	4388.25	4746.65	4561.95	5566.10	5648.27	5178.87	8860.60	6603.00	6936.64	6208.07
Total Capital Employed	7956.61	8346.40	9214.23	9819.81	10356.13	10211.93	10580.24	10190.66	10650.36	11784.16	10634.71	10759.22	11412.55
Shareholders' Funds	7503.37	8016.83	8756.97	9291.39	9846.94	9837.14	9858.87	9542.56	9836.45	10991.39	9804.66	10447.31	11103.36
Sales	15779.95	14201.48	14318.55	16535.26	18066.51	17037.53	14540.57	13909.10	14418.92	14507.00	12660.42	16682.56	15856.78
Other income	25.50	27.06	36.30	26.02	36.92	32.31	6.07	11.10	65.64	46.89	45.68	142.90	252.62
Operating Profit	1323.04	1572.76	1608.13	1479.08	1698.39	1037.73	1073.86	883.72	1246.58	623.74	-1162.67	900.28	941.48
Interest	635.14	457.93	349.62	332.18	435.82	513.35	538.19	445.86	529.70	264.48	65.72	74.55	51.41
Depreciation	168.72	124.98	208.50	220.90	253.58	270.76	282.54	270.69	309.38	199.40	31.98	101.58	112.98
Tax	188.74	319.30	72.46	208.85	263.30	70.36	41.06	50.06	82.10	-2.76	-7.61	185.28	157.15
Profit after Tax	307.60	617.23	924.20	717.96	745.69	183.26	212.07	117.11	325.42	157.10	-1155.06	721.61	787.08
Retained Earnings	276.69	540.16	771.45	565.73	593.44	31.02	58.52	85.67	293.89	125.57	0.00	642.65	656.08
Dividend (including tax)	30.65	76.63	152.75	152.25	152.25	152.25	153.25	31.44	31.53	31.53	31.54	78.96	131
Dividend (%)	2.00	5.00	10.00	10.00	10.00	10.00	10.00	2.00	2.00	2.00	2.00	5.00	10
Earnings Per Share (Rs.)	1.17	2.36	3.53	2.54	2.85	0.70	0.81	0.45	1.24	0.48	-4.41	2.75	3.00