

JAGSONPAL
32nd ANNUAL REPORT
2010-2011



JAGSONPAL PHARMACEUTICALS LIMITED

BOARD OF DIRECTORS

J. S. Kochhar - Chairman
A. C. Chakrabortti
S. Mukhopadhyay
Dr. S. K. Goyal
R.P.S. Kochhar - Managing Director

GENERAL MANAGER

S. K. Dudeja

BANKERS

Punjab & Sind Bank
Central Bank of India

AUDITORS

P. P. Thukral & Co.
Chartered Accountants

REGISTERED OFFICE

T-210J, Shahpur Jat
New Delhi - 110049

Index

Notice	1
Directors' Report	6
Auditors' Report.	16
Balance Sheet	18
Profit & Loss Account	19
Schedules to Accounts	20
Balance Sheet Abstract	27
Cash Flow Statement	28

Notice

NOTICE is hereby given that the 32nd Annual General Meeting of the members of JAGSONPAL PHARMACEUTICALS LIMITED will be held on Friday, the 30th day of September, 2011 at 10.00 A.M. at Vanita Samaj, 13, Institutional Area, Lodi Road, New Delhi - 110003 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date along with the reports of Auditors' and Directors' thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Dr. S. K. Goyal who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.
M/s. P.P.Thukral & Co., Chartered Accountants, Statutory Auditors of the Company, retires at this Annual General Meeting and being eligible, offer themselves for re-appointment.

Special Business

To consider and if thought fit to pass the following resolutions with or without modifications as Special Resolution:

5. RESOLVED that pursuant to Section 198, 269, 309, 310 and other applicable provisions of the Companies Act, 1956 and subject to the approval of Central Government, as may be required and such alterations and modifications, if any, that may be effected by the Central Government in granting such approvals, which the board of directors be and is hereby authorized to agree to, approval be and is hereby given for appointment of Mr. Rajpal Singh Kochhar as Managing Director (Whole Time Director) and payment of following Remuneration for a period of 3 years with effect from 01.04.2012 to 31.03.2015.

Basic Remuneration : In the pay scale of Rs. 4,00,000 -30,000 -4,90,000 p.m.

House Rent Allowance: 60% of the Basic Pay

Perquisites & other terms & conditions:-

- a) He will be entitled to Perquisites, allowances, benefits, facilities and amenities (Collectively "allowances & perquisites") such as utility allowance, quarterly allowance, holiday travel/Leave travel allowance/ reimbursement; membership fees for Clubs; Medical Reimbursement; personal accident insurance; any other expenses or allowance as per the policy/rules of the company in force and/or as may be approved by the Board from time to time provided that aggregate value of such allowance

& perquisites shall not exceed Rs. 12,00,000/- p.a. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules wherever applicable.

In addition to the above he will be entitled to (i) Company maintained car(s) with drivers(s), (ii) telephone at residence, (iii) Company's Contribution to provident fund, superannuation fund or annuity funds as per rules of the company. (iv) Gratuity and other retirement benefits (v) Encashment of annual unutilized Earned Leaves.

- b) Commission in addition to the above may be allowed up to a maximum of 3% per annum subject to the overall limit laid down in Section 198 and 309 of the Companies Act, 1956.
- c) Reimbursement of entertainment expenses incurred in the course of legitimate business of the company;

RESOLVED FURTHER that subject to the provisions of Section 198 and other applicable provisions, if any, of the Companies Act, 1956, the same remuneration and perquisites as set out above be paid and granted to Mr. Rajpal Singh Kochhar, Managing Director as minimum remuneration, notwithstanding that in any financial year the company has made no profits or the profits are inadequate.

RESOLVED FURTHER that the Board of Directors of the company be and is hereby authorised to take all necessary steps to give effect to the resolution.

6. RESOLVED that subject to approval of the Central Government under Section 314 and other provisions of the Companies Act, 1956, if any, Mr Prithipal Singh Kochhar, son of Mr. Rajpal Singh Kochhar, Managing Director of the Company, be and is hereby appointed to hold an office of profit under the Company as Vice President – International Business for a period of 5 years with effect from 1st October, 2011 as per the terms and conditions mentioned herein.
 - i) Basic Salary – In the pay scale of Rs. 2,50,000 – 20,000 – 3,50,000 p.m.
 - ii) House Rent Allowance - 60% of the Basic salary
 - iii) Contribution to provident and superannuation funds as per the rules of the company
 - iv) Group Personal Accident Insurance as per the rules of the company.
 - v) Leave travel concession as per rules of the Company.
 - vi) Medical Reimbursement as per rules of the company

- vii) Company car for official use.
- viii) Telephone at residence (including payment of long distance official calls)
- ix) Leave entitlement as per rules of the company.
- x) The Tenure will be subject to termination by three months notice in writing on either side.

RESOLVED further that the remuneration payable to Mr. Prithipal Singh Kochhar as aforesaid would be subject to such modifications as the shareholders / Central Government may suggest or require while granting their approval.

By Order of the Board

Place : New Delhi

S.K.Mata

Dated : 12.08.2011

Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT TIME OF THE MEETING.
2. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto and forms part of this notice.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 27th September, 2011 to 30th September, 2011 (both days inclusive).
4. The dividend, if declared at the meeting, will be payable on or after October 5, 2011.
5. In order to ensure safety against fraudulent encashment of dividend warrants, Members holding shares in physical form are requested to furnish to the Company or Company's R&T Agents bank account details which will be printed on the dividend warrants. In case you wish to receive dividend through Electronic Clearing Service (ECS), please provide your bank account details along with a photocopy of the cancelled cheque slip bearing the 9 digit MICR code number of the bank where the account is held so that the dividend can be remitted to the credit of your bank account through ECS facility, provided such facility is available in your locality.
6. Members holding shares in demat form are advised to inform their bank account details/confirm correctness of such details with their respective Depository Participants (DPs). In case 9 digit MICR code is also available with the bank account details, the same will be used for payment of dividend through ECS provided such facility is available in your locality.
7. Members who have not encashed or claimed their dividend for the financial year ended March 31, 2004, and/or subsequent financial years are requested to forward their claim immediately to the Company or to the R&T Agents for encashment of unclaimed dividend. Members are requested to note that dividends not encashed or claimed within 7 years from the date of transfer to the Company's unpaid dividend account will as per section 205 A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund, established under section 205 C of the Companies Act, 1956. Please note that the dividend for the year ended March 31, 2004 will be transferred to the Investors Education and Protection Fund in due course, hence Members are requested to claim the said dividend immediately.
8. Members are requested to notify immediately any change of address, quoting their folio number.
9. Members attending the meeting are requested to complete the enclosed Attendance slip and deliver the same at the entrance of the meeting place.
10. It will be appreciated that queries, if any, on Accounts and Operations of the Company are sent to the Company ten days in advance of the meeting so that the answer may be made readily available.
11. Members are requested to bring their copy of the Annual Report at the meeting.
12. Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" and allowed service of documents including Annual Report to shareholders by a Company through electronic mode. Keeping in view the underlying theme and to support this green initiative of Government in the right spirit, members who holds shares in electronic mode are requested to register their email address and changes therein from time to time, with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the prescribed form (refer page No. 3 of this Annual Report), giving their consent to receive the Notices calling general meetings, financial statements, auditors' report, directors' report, explanatory statement or any other communication in electronic mode, and register the said form with the Company.
13. Profile of Dr. S.K.Goyal, the director retiring by rotation.
Dr. S.K. Goyal, a Professor joined the Board on 30.12.2005. Dr. S.K. Goyal is an Economist of international repute. He is a Ph.D from the Delhi School of Economics and M.A. from Punjab

University. He is Vice-Chairman & Professor Emeritus of the Institute for Studies in Industrial Development, New Delhi. He has held various senior positions including Hon. Chairman of Research Advisory Committee, Planning Commission, Govt. of India in the rank of Cabinet Minister.

Dr. Goyal has vast experience in the area of Economics and Finance. He has contributed many research reports and articles at National and International level.

None of the Director except Dr. S.K.Goyal is interested in the resolution.

Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956.

Item no. 5

The company had in its General Meeting held on 29.09.2008 fixed the salary, perquisites and managerial remuneration of Mr. Rajpal Singh Kochhar, Managing Director with effect from 1st April, 2008 for a period of 4 years. The Remuneration Committee and the Board of Directors in their meeting held on 12.08.2011 have approved the contracts for appointment and remuneration payable to Mr. Rajpal Singh Kochhar for a period of three years with effect from 01.04.2012. This approval is subject to approval of General Meeting and prior approval of the Central Government.

The terms of appointment are as given in the resolution and are self explanatory. A copy of the draft contract containing terms and conditions of appointment is also available for inspection of the members at the registered office of the company between 11.00 a.m. and 2.00 p.m. on all working days.

The terms and conditions including remunerations may also be treated as an abstract of the terms of appointment as

required under Section 302 of the Companies Act, 1956.

The Directors consider that the services of Mr. Rajpal Singh Kochhar are extremely useful, considering the good performance of the company since his association as the Managing Director and it would be in the interest of the company to re-appoint Mr. Rajpal Singh Kochhar as Managing Director.

The Directors recommend the resolution for approval of the shareholders as contained in the notice.

Mr. Rajpal Singh Kochhar is deemed to be interested in this resolution.

Item no. 6

As per Section 314 of the Companies Act, 1956, approval of General Meeting by way of a special resolution and approval of Central Government is required for an appointment of the Director and/or a relative to an office or place of profit. The Shareholders in their General Meeting held on 30.09.2006 had initially approved the appointment of Mr. Prithipal Singh Kochhar, son of Mr. Rajpal Singh Kochhar, Managing Director of the Company. Mr. Prithipal Singh Kochhar is also related to the Chairman of the Company.

Mr. Prithipal Singh Kochhar, aged 32 years holds a dual degree in Economics and International Relations from Syracuse University, USA.

He has rich experience in International Business and Multilateral trade practices. Mr. Kochhar will be looking after the Exports and International business of the company.

The Selection committee of independent directors and the board have approved his appointment on 12.08.2011. The Directors recommend the resolution for approval of the shareholders.

Email Address Registration Form
(For members who holds shares in Physical Form)

JAGSONPAL PHARMACEUTICALS LIMITED
Regd. Office : T-210J, Shahpur Jat, New Delhi - 110049

Ledger Folio No. _____ No. of Share(s) held _____

NAME OF THE SHAREHOLDER/JOINT HOLDER: _____

EMAILADDRESS:1. _____ 2. _____

CONTACT NO. (R) _____ (M) _____

I/We hereby give my/our consent to receive the Notices calling general meetings, financial statements, auditors' report, directors' report, explanatory statement and all other documents required by law to be attached thereto or any other communication in electronic mode at my/our above mentioned email ID.

Signed this _____ day of _____ 2011.

Signature of the shareholder(s)

Note :

- 1) Members are requested to send their duly completed form as above to the company.
- 2) Members are also requested to inform about any change in their email ID immediately to company.

Statement of information as required under Schedule XIII, Part II, Section II (C) (IV) of the Companies Act, 1956

I. General Information

1. Nature of industry

The company has operations in the pharmaceuticals sector, which saw relatively moderate growth rates in near past. The annual growth rates were below double digit figures. This phenomena is likely to be arrested soon. Notwithstanding, the pharmaceuticals industry is gearing for revolutionary changes with increasing investment in the R & D and new product launches in line with different life style and demographic changes of urban – rural population in India. The Company has taken all the right steps in this direction and added manufacturing facility at Uttarakhand to secure high growth and bottom line for the company.

2. Date or expected date of commencement of commercial production.

The Company was incorporated in 1978 and is already in commercial production. The manufacturing plant at Uttarakhand was set up with a total cost of Rs. 24.62 crores and commercial operation in the plant started in April 2009.

3. In case of new company, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Since the Company is not a new company and is already in production, this information is not applicable.

4. Financial performance:

Rs. In lacs

	2010-11	2009-10	2008-09	2007-08	2006-07
Effective Capital	7924.93	7359.20	6587.75	6047.14	5770.20
Turnover	16535.26	14318.55	14201.48	15779.95	14525.62
Profit before tax	926.81	1050.01	989.85	519.19	465.54
Profit after tax	717.96	924.20	617.23	307.60	280.29
Dividend declared	130.99*	130.99	65.50	26.20	26.20

* Recommended

5. Export performance and net foreign exchange collaborations

The company is making exports to different countries and has no foreign collaborations. The export performance is given below:

(Rs. in lacs)

	2010-11	2009-10	2008-09	2007-08	2006-07
Earnings in foreign exchange	473.06	484.88	694.69	474.53	457.41

6. Foreign Investments or Collaborators, if any.

The company has no foreign investments or collaborators.

II. Information about the appointee:

1. Background details

Mr. Rajpal Singh Kochhar is Promoter and Whole Time Director of the company. He is Managing Director of the company. He has been involved with the company since its inception and has successfully taken it to its current level. Under his leadership the company is poised to grow further.

He was re-appointed as Managing Director for a period of 4 years with effect from 01.04.2008 at Annual General Meeting held on 29.09.2008.

The Remuneration Committee and the Board of Directors in their meetings held on 12th August, 2011 have approved terms of appointment and remuneration payable to Mr. Rajpal Singh Kochhar, Managing Director subject to approval at General Meeting and prior approval of the Central Government under applicable provisions of the Companies Act, 1956.

Mr. Rajpal Singh Kochhar, Managing Director is interested in the matter and Mr. Jagmohan Singh Kochhar, Chairman may be deemed to be interested in the resolution. No other director is concerned with or interested in this resolution.

2. Past remuneration:

The following remunerations has been paid to Mr. Rajpal Singh Kochhar

2007-08	Rs. 28.80 lacs	2009-10	Rs. 59.61 lacs
2008-09	Rs. 57.68 lacs	2010-11	Rs. 57.68 lacs

3. Recognition:

The company is well known and established for over three decades. It has vast network of offices throughout the country. In Pharmaceutical industry Mr. Rajpal Singh Kochhar is widely known for his business acumen and vision.

4. Job profile and his suitability

As Managing Director of the Company, Mr. Rajpal Singh Kochhar is responsible for the overall management of the Company. He along with the Chairman of the company have steered the company to its current position. They work subject to superintendence of the Board of Directors of the Company. Mr. Kochhar is ideally placed to ensure that the company continues to remain in leading position in the Industry.

5. Remuneration proposed

The following per annum remuneration is proposed to be paid to Mr. Rajpal Singh Kochhar

Basic	:	In the pay scale of Rs. 4,00,000 - 30,000 - 4,90,000 p.m.
HRA	:	60% of the Basic Pay
Perquisites & other allowances	:	Rs. 12,00,000 p.a.
Commission	:	3% of profits subject to availability

6. Comparative remuneration profile

Company	Name of Person	Designation	Remuneration (excluding commission) (Rs. in Lacs)
Unichem Laboratories Ltd	Dr. Prakash A Mody	Chairman & MD	215.81
Torrent Pharmaceuticals Ltd	Dr. C.Dutt	Director (R & D)	203.64
Orchid Chemicals & Pharmaceuticals Ltd	Mr. K. Raghvendra Rao	Chairman & MD	320.20
Panacea Biotech Ltd	Mr. Soshil Kr. Jain	Executive Director	153.62
Panacea Biotech Ltd	Mr. Ravinder Jain	Executive Director	198.72
J.B.Chemicals & Pharmaceuticals Ltd	Mr. Jyotindra B Mody	Chairman & MD	269.64
J.B.Chemicals & Pharmaceuticals Ltd	Mr. Dinesh B Mody	Whole Time Director	269.64
J.B.Chemicals & Pharmaceuticals Ltd	Mr. Shirish B Mody	Whole Time Director	269.64

Note : The above information has been collated from publicly available information from the declared financial reports of the above companies.

As can be seen from the above list, the proposed fixed remuneration of the Chairman is comparable to the similar position of the pharmaceuticals industry.

7. Pecuniary relationship with the company or managerial personnel.

Mr. Rajpal Singh Kochhar, Managing Director is son of Mr. Jagmohan Singh Kochhar, Chairman.

III. Other information

1. Reasons of loss or inadequate profits

The company is a profit making company and is expanding its area of operations. There were lower profits due to more expenditure on personnel and marketing of products owing to the need for coverage of more area. The costs have also increased. The investments in the new plant for the future of the company had further pulled down the profitability of the Company.

2. Steps taken or proposed to be taken for improvement

The Company and its management have taken various steps to improve the performance. The company has launched/re-launched many products and increased the area of existing products so as to strengthen its top line. The benefit of launching new products and increased coverage would be seen in coming years.

The company has added a new manufacturing facility in the state of Uttarakhand with a project cost of Rs. 2462 lacs. The project has commenced commercial production during precious financial year and the benefit will be coming in coming years.

3. Expected increase in productivity and profits

The steps taken by the company will improve the top line and bottom line in a sustainable manner.

IV. Disclosures

1. Remuneration package of Mr. Rajpal Singh Kochhar is as per the proposed resolution.

2. (a) Corporate governance report gives information about different elements of remuneration package and fixed and performance linked incentive.

(b) The Company has not issued Stock options to any director.

Directors' Report

To the members of Jagsonpal Pharmaceuticals Limited

Your Directors have the pleasure in presenting their 32nd Annual Report of the Company and the Audited Accounts, for the period ended 31st March, 2011.

Financial highlights

The financial performance of the company is as under:

(Rs. in Lacs)

Particulars	Current Years	Previous Years
Sales	16535.26	14318.55
Operating Expenditure	15056.18	12710.42
Profit before interest, dep. and tax	1479.08	1608.13
Financial Expenses	332.18	349.62
Depreciation	220.09	208.50
Profit before Tax	926.81	1050.01
Provision for taxation	181.65	72.46
Deferred Tax	27.20	53.35
Profit after tax	717.96	924.20
Balance brought forward	2373.69	1802.24
Profit available for appropriation	3091.65	2726.44
Appropriations :		
Proposed Dividend	130.99	130.99
Additional Income tax on Dividend	21.25	21.76
Transfer to General Reserve	200.00	200.00
Balance carried forward	2739.42	2373.69

Operations

During the period ended 31st March, 2011 sales of the Company were Rs. 16535.26 lacs as compared to Rs. 14318.55 lakhs for the year ended 31st March, 2010. The profit before tax decreased from Rs. 1050.01 lacs to Rs. 926.81 lacs.

During the year 2010-11 the economy was in consolidation phase. The pharmaceutical industry has also shown promising future ahead. Your company has been able to increase its sales by 15%. However, the profits were lower due to increased expenditure on manpower and coverage of newer area, the fruits of which will be borne in ensuing years.

The Board is pleased to place on record that products from the new manufacturing facility at Pantnagar, Uttarakhand, are being well received in the market and your Company will reap the benefit in coming years.

Dividend

Your Directors are pleased to recommend for your consideration a dividend of 10%. This will absorb a sum of Rs. 1,30,99,000/- (Sum for previous period Rs. 1,30,99,000/- exclusive of Corporate tax thereon).

Directors

Dr. S K Goyal, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Corporate Governance

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

Auditors

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

Energy, Technology & Foreign Exchange

As stipulated under the provisions of Section 217 (1) (e) of the Companies Act, 1956, read with the (disclosure of particulars in the report of Board of Directors) rules, 1988, Annexure 'A' contains the particulars pertaining to Conservation of Energy, Technology absorption and Foreign Exchange earning and outgo.

Directors Responsibility Statement

Your Directors confirm that:

1. In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. The accounting policies are consistently applied and reasonable, prudent judgments and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the period.

3. Sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. The annual accounts have been prepared on a going concern basis.

Employees

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

Acknowledgment

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

For and on behalf of the Board of Directors

Place : New Delhi.
Dated : 12th August, 2011

J. S. Kochhar
Chairman

Annexure 'A' To The Directors' Report

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

FORM A

(See Rule 2)

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

A. Power and fuel consumption

	01.04.10 to 31.03.11	01.04.09 to 31.03.10
1. Electricity		
a) Purchased Units	21,70,500	14,51,488
Total amount Rs	1,00,69,788	71,21,335
Avg. Rate/Unit Rs	4.64	4.90
b) Own generation		
i) Through diesel Generation		
Units Kwh	4,34,230	5,03,145
Units / litre of diesel oil Kwh	3.95	4.02
ii) Through Steam turbine generator	N.A.	N.A.
2. Coal	N.A.	N.A.
3. Furnace oil		
Quantity K.Ltr.	1,50,000	1,40,000
Total cost Rs.	64,79,365	51,68,992
Average Rate Rs.	43.19	36.92
4. Others/Internal generation	N.A.	N.A.

B. Consumption

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

**Form B
(See Rule 2)**

Form for Disclosure of Particulars with respect to Technology Absorption.

Research and Development (R & D)

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

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

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

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.

This is likely to yield the following benefits in the months to come:

- Virtually nil product complaints owing to deterioration of capsules / tablets, as a result of entry of moisture in the strip packs
- Reduced Packing Material cost resulting in substantial savings

3. Future Plan of Action

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

4. Expenditure On R & D

	(Rs. in lacs)	
	Mar. 2011	Mar. 2010
a) Capital Expenditure	88.66	20.48
b) Revenue Expenditure	54.14	46.47
TOTAL	142.80	66.95
c) Total R & D expenditure as a percentage of total turn-over.	0.86%	0.47%

5. Foreign Exchange Earnings & Outgo

Earnings	473.06	484.88
Outgo	64.68	25.45

For and on behalf of the Board of Directors
Place : New Delhi. **J. S. Kochhar**
Dated : 12th August, 2011 Chairman

Annexure 'B' To The Directors' Report

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

S. No.	Name & Age of the Employee	Designation	Qualification & Experience	Gross Remuneration Rs.	Net Remuneration Rs.
1.	Mr. Jagmohan Singh Kochhar (82 years)	Chairman	Experience in Senior Management (61 Years)	57,68,400	32,48,400
2.	Mr. Rajpal Singh Kochhar (56 years)	Managing Director	M.Sc. (Pharmacy) USA (31 years)	57,68,400	32,48,400

1. Gross Remuneration includes : Salary, Bonus, Commission, Allowances and perquisites as per the Rules of the Company.
2. Net Remuneration excludes : Contribution towards Recognised Provident Fund, Income Tax deducted at source-value of taxable perquisites.
3. Mr. Jagmohan Singh Kochhar is the father of Mr. Rajpal Singh Kochhar.

For and on behalf of the Board of Directors

Place : New Delhi
Dated : 12th August, 2011

J. S. Kochhar
Chairman

3. Audit Committee

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

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

The Committee has met four times during the financial year in May, August, November and February months of 2010-11.

4. Remuneration Committee and remuneration of Directors

The managerial remuneration including perquisites thereof payable to Directors are determined by the Committee and shareholders. The remuneration of the directors during the period 1st April, 2010 to 31st March, 2011 was as follows:

a) Whole time Directors:

Name	Remuneration
Jagmohan Singh Kochhar	Rs. 57.68 lacs
Rajpal Singh Kochhar	Rs. 57.68 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 for attending board and 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:

Director	Sitting Fee	Commission
Mr. A.C.Chakrabortti	Rs. 25,500	2,00,000
Mr. S. Mukhopadhyay	Rs. 37,500	2,00,000
Dr. S.K.Goyal	Rs. 37,500	2,00,000

5. Shareholders'/Investors' Grievances Committee

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

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

	Received	Cleared
Non –Receipt of Share Certificates duly transferred	Nil	N.A
Non – Receipt of Dividend warrants	66	66
Miscellaneous queries/requests	67	67
Letter from Stock Exchanges, SEBI and Ministry of Corporate Affairs	Nil	N.A.

Share Transfer Committee

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

6. General Body Meetings

Detail of the last three years' General Meetings is given below:

Year ended	Date and time	Place	Resolutions passed
31.03.2010	25.09.2009 10.00 am	Vanita Samaj, 13, Institutional Area, Lodi Road, New Delhi 110003	O – 4 S – 1
31.03.2009	30.09.2009 10.00 am	Vanita Samaj, 13, Institutional Area, Lodi Road, New Delhi 110003	O – 4 S - 0
31.03.2008	29.09.2008 10.00 am	Vanita Samaj, 13, Institutional Area, Lodi Road, New Delhi 110003	O - 4 S – 2

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

7. Disclosures

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

The company has complied fully with the requirements of the regulatory authorities on capital market. There have been no instances of non-compliance by the company on any matter related to the capital markets nor has any penalty or stricture been imposed on the company by the stock exchanges, SEBI or any statutory authority.

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

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

The Chief Executive Officer and Managing Director and the Chief Financial Officer and General Manager of the company have furnished the requisite certificate to the board of directors under the Clause 49 of the Listing Agreement

8. Means of communications

As the quarterly results are published in one English daily newspaper (The Pioneer/Business Standard) and one Hindi newspaper (Veer Arjun) published from Delhi. The 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.

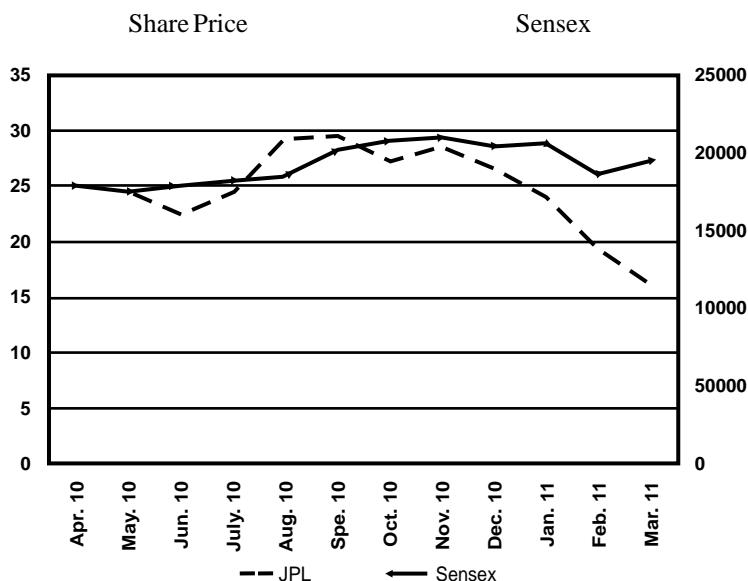
9. General Shareholder Information

- Annual General Meeting : Friday, 30th September, 2011
Vanita Samaj, 13, Institutional Area,
Lodi Road, New Delhi 110003
- Dates of Book Closure : September 27 to September 30, 2011 (both days inclusive)
- Dividend Payment Date : Within stipulated time, if declared.
- Financial Calendar (tentative)
Results for the quarter ending
June 2011 12.08.2011
September 2011 2nd week of November 2011
December 2011 2nd week of February 2012
March 2012 2nd week of May 2012

● Share Price :

Month	BSE				NSE			
	Share Price (Rs.)		Sensex		Share Price (Rs.)		Nifty	
	High	Low	High	Low	High	Low	High	Low
Apr. 10	25.15	19.50	18047.86	17276.80	25.20	19.25	5399.65	5160.90
May 10	24.65	19.50	17536.86	15960.15	24.45	19.60	5278.70	4786.45
Jun. 10	22.70	19.50	17919.62	16318.39	22.15	19.00	5366.75	4961.05
Jul. 10	24.70	21.05	18237.56	17395.58	24.70	21.20	5477.50	5225.60
Aug. 10	29.50	20.65	18475.27	17819.99	29.30	21.20	5549.80	5348.90
Sep. 10	29.70	24.60	20267.98	18027.12	27.70	24.85	6073.50	5403.05
Oct. 10	27.50	24.90	20854.55	19768.96	28.15	24.00	6284.10	5937.10
Nov. 10	28.75	21.25	21108.64	18954.82	29.00	20.80	6338.50	5690.35
Dec. 10	26.75	20.50	20552.03	19074.57	24.70	20.35	6147.30	5721.15
Jan. 11	24.20	18.00	20664.80	18038.48	24.95	17.95	6181.05	5416.65
Feb. 11	19.60	14.30	18690.97	17295.62	20.90	14.50	5599.25	5177.70
Mar. 11	16.00	14.20	19575.16	17792.17	16.75	14.15	5872.00	5348.20

- 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 2010-11 & 2011-12.
- Stock Code : JAGSNPHARMEQ at NSE and 507789 at BSE
ISIN No. for NSDL & CDSL : INE048B01027
- Stock Performance in comparison to Sensex index during 2010-11 is as under.



- Address for correspondence and Registrar and Transfer Agents

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

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

MCS Limited
 Unit: Jagsonpal Pharmaceuticals Ltd.
 F-65, Okhla Industrial Area, Ph. -I
 New Delhi 110020.

- Distribution of shareholding as on 31.03.2011

Range (Shares)	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shareholding
1 – 500	6666	66.39	1278680	04.88
501 – 1000	2208	21.99	1810986	06.91
1001 – 10000	1107	11.02	3079714	11.76
10001 – 20000	28	00.28	398584	01.52
20001 & above	32	00.32	19630036	74.93

- Dematerialisation of Securities

Shares of the Company are actively traded on the Stock Exchange, Mumbai and the National Stock Exchange of India Limited. Approximately 93.67% of the Company's total shares have been dematerialized.

- Plant Location

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

14-16, I.I.E, Pant Nagar, Rudrapur, Udam Singh Nagar, Uttarakhand

10. Reappointment/appointment of Directors

Name of Director : Dr. S. K. Goyal

Date of Birth : 13.10.1933

Date of Joining the Board : 30.12.2005

Expertise : Dr. S.K. Goyal, a Professor joined the Board on 30.12.2005. Dr. S.K. Goyal is an Economist of international repute. He is a Ph.D from the Delhi School of Economics and M.A. from Punjab University. He is Vice-Chairman & Professor Emeritus of the Institute for Studies in Industrial Development, New Delhi. He has held various senior positions including Hon. Chairman of Research Advisory Committee, Planning Commission, Govt. of India in the rank of Cabinet Minister. Dr. Goyal has vast experience in the area of Economics and Finance. He has contributed many research reports and articles at National and International level.

List of Outside

Directorships held : N.A.

For and on behalf of the Board of Directors

Place : New Delhi

Dated : 12th August, 2011

J. S. Kochhar

Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Developments

Today, the pharma industry is at the forefront amongst all sectors, with wide ranging capabilities in the fields of manufacturing and technology. Lifestyle-management drugs have come to the forefront, consistently recording double-digit growth rates. This, coupled with the increasing population of the higher-income group, opens up a vast potential.

Indian pharmaceutical market ranks at # 3 in volume terms (1% of the global pharma market), whereas in value terms it is at #14. This is also a reflection of the relatively low prices, at which medicines are sold in India.

In 2009 -10, the domestic pharma market reached an estimated Rs. 53,000 crores and by 2015, it is expected to touch Rs. 90,000 crores, considering a CAGR of 9.5%. (Source: Ministry of Commerce & Industry, Cygnus Research)

Major Therapeutic Segments

The growth of the domestic pharma industry is largely dependent on its therapeutic presence. In terms of end-use, the pharmaceutical industry is sub-divided into several therapeutic segments. These segments are broadly defined on the basis of therapeutic application. Some of these segments are low-volume, high-margin segments, while the others are high-volume with relatively low margins.

The new lifestyle categories like cardiovascular and anti-infectives are at double-digit growth rates. The key therapeutic segments include anti-infectives, cardiovascular and central nervous system drugs respiratory and pain/ analgesics. The upcoming segment is anti-diabetic, which contributes 4.9% to the industry total.

Growth drivers:

Exports

The Indian Pharma Industry ranks at # 17, for exports, which now account for almost 40% of the total production of pharmaceutical products in India (55% value as formulations; 45% as bulk drugs).

The US remains the top destination for exports, followed by Asia & Europe. Presently, Indian companies are targeting central & Eastern Europe, Latin America and Africa, owing to lower competition and low entry barriers.

Indian drugs continue to get increasing acceptance, largely driven by competitive pricing and today Indian has the largest number of USFDA-approved manufacturing facilities in any country, outside

Mergers & Acquisitions/Licensing

A great deal of sophistication has now come into the M&A/Licensing process, with objectives finally driving the same. The drivers include:

- Diversification of business
- Acquiring patents
- Entering a new line
- Acquiring a brand

Marketing of Generics

It is believed that in the coming years, the balance will finally tilt in favor of generics, with growth rate of the latter racing ahead. By 2012, patent-protected drugs worth Rs. 4,72,500 crores will go off-patent and Indian companies are gearing to have their 'slice-of-the-pie'.

Even in the years to follow, drugs will continue to go off-patent every year, representing a major outsourcing opportunity for Indian manufacturers. The government is in the process of setting up a VC fund of Rs. 3,000 crores to strengthen the pharma infrastructure and boost drug discovery. A special economic zone (SEZ) is proposed to come up in Vizag district for bulk drugs, APIs and formulation.

Opportunities – Sharp Focus on Growing Therapeutic Segments

The company will initiate concrete steps to strengthen its flagship brands:

- LycoRed
- Metadec
- Maintane
- JPTone
- Indocap SR
- Equirex

which cumulatively contribute a sizeable percentage of its formulations' business. The add-on variants of the Cardiac & Anti-inflammatory analgesic product range will also become significant contributors to the respective therapeutic group sale.

Product Performance

In 2010-11, the major growth has come from the above brands and it is expected that as a result of the intensive thrust, the trend will continue in the subsequent year.

The concept of using antioxidants is fast catching-up with the medical fraternity and with LycoRed holding the #1 position in this segment, the company expects a major jump from this product group in the coming year.

Outlook

The increased field representation has started to pay dividends, owing to a higher number of customers being contacted by the company.

The company proposes to augment the numbers further and this, coupled with an aggressive thrust, is expected to tremendously increased the top-line figures.

Internal Control systems and their adequacy

JPL has adequate internal control systems and processes to safeguard its assets and all the transactions are recorded and reported as per the generally accepted or prescribed norms. The internal control systems are well documented and rigidly implemented. There are clearly defined systems and authority and responsibilities in place which ensure accuracy and reliability of all financial and other data for effective and efficient management. The systems and processes are reviewed periodically and upgraded.

Financial performance with respect to operational performance

Results from operations

Particulars	(Rs. in Lacs)	
	2010-11	2009-10
Sales	16535.26	14318.55
PBT	926.81	1050.01

Net Profit

During the current year the Company achieved a profit after tax of Rs. 717.96 lacs as against Rs.924.20 lacs in the previous year.

Human Resources and Industrial relations

The human resource of JPL is one of its biggest assets. In order to achieve overall development of its people and to ensure greater accountability and responsibility continuous training with respect to work and other areas is imparted. The opportunities are created to encourage employees to develop multi functional skills and gear so as to meet the challenging assignments in the company. The industrial relations continue to be very cordial.

Cautionary Statement

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

For and on behalf of the Board of Directors

Place : New Delhi
Dated : 12th August, 2011

J. S. Kochhar
Chairman

Auditors' Report On Corporate Governance

To the members of Jagsonpal Pharmaceuticals Limited

We have examined the compliance of conditions of Corporate Governance by Jagsonpal Pharmaceuticals Limited for the year ended on 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

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

For P.P.Thukral & Company
Chartered Accountants

Place : New Delhi
Dated : 12th August, 2011

Suresh Sethi
Partner
M. No. 89318

Auditors' Report

To the members of Jagsonpal Pharmaceuticals Limited

1. We have audited the attached balance sheet of Jagsonpal Pharmaceuticals Limited as at March 31, 2011 and also the Profit and Loss account and the Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We carried out our examinations in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - c) The Balance Sheet and Profit and Loss Account and cash flow statement are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards under sub section (3C) of Section 211 of the Companies Act, 1956;
 - e) None of the Directors is disqualified as on March 31, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view

in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
- ii) in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date: and
- iii) in the case of Cash flow statement, of the cash flows for the year ended on that date.

For P.P.Thukral & Company
Chartered Accountants

Suresh Sethi
Partner

Place : New Delhi

Dated : 12th August, 2011

M. No. 89318

ANNEXURE TO THE AUDITORS' REPORT

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

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, physical verification of a major portion of fixed assets as at March 31, 2011 was conducted by the Management during the year. In our opinion, the frequency of physical verification is reasonable. Having regard to the size of the operations of the company and on the basis of explanations received, in our opinion, the net differences found on physical verification were not significant.
- (ii) (a) The inventory of the Company has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of records of inventory, in our opinion, the company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and the book records were not material in relation to the operations of the company.
- (iii) In our opinion, the company has neither granted nor taken any loans, secured or unsecured from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. As the Company has not granted/taken any loans, secured or unsecured,

to / from parties listed in the registers maintained under Section 301 of the Companies Act, 1956 clauses iii(b), iii(c) and iii(d) of paragraph 4 of the order are not applicable.

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

cess and other as applicable have been regularly deposited by the company during the year with the appropriate authorities.

- (b) As at 31st March, 2011 according to the records of the Company, there are no dues of wealth tax, service tax and cess which have not been deposited on account of any dispute.
- (x) The company has neither accumulated losses as at 31st March, 2011 nor it has incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by management, we are of the opinion that the company has not defaulted in repayment of its dues to any financial institution or bank during the year.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute as specified under clause (xiii) of paragraph 4 of the order are not applicable to the company.
- (xiv) In our opinion and according to the information and explanations given to us, the company is not a dealer or trader in securities.
- (xv) The company has not given any guarantees for loans taken by others from banks or financial institutions, the terms and conditions, whereof, in our opinion are prima facie, prejudicial to the interest of the Company.
- (xvi) The company has not obtained any term loans that were not applied for the purpose for which these were raised.
- (xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment, and vice versa.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xix) The Company has not raised any money by public issue during the year.
- (xx) According to the information and explanations given to us, during the year, no fraud by the company has been noticed or reported.

For P.P.Thukral & Company
Chartered Accountants

Suresh Sethi
Partner

Place : New Delhi
Dated : 12th August, 2011

M. No. 89318

Balance Sheet As on 31.03.2011			
PARTICULARS	SCHEDULE NO.	AS ON 31.03.2011 RS.	AS ON 31.03.2010 RS.
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	`1'	13,09,90,000	13,09,90,000
Reserves & Surplus	`2'	79,81,49,106	74,47,07,220
		92,91,39,106	87,56,97,220
Loan Funds			
Secured Loans	`3'	23,30,96,360	15,70,65,013
Unsecured Loans	`4'	5,28,42,379	4,57,25,879
Deferred Tax Liability (Net)		3,36,76,801	3,09,56,941
TOTAL		1,24,87,54,646	1,10,94,45,053
APPLICATION OF FUNDS			
Fixed Assets			
Net Block	`5'	57,68,28,279	53,18,80,005
Investments	`6'	5,031	5,031
Current Assets, Loans and Advances			
Inventories		22,55,31,436	22,42,80,287
Sundry Debtors		42,98,46,693	37,88,24,492
Cash & Bank Balances		7,32,56,768	5,63,47,870
Loans and Advances		6,17,12,817	4,10,49,869
		79,03,47,714	70,05,02,518
Less:			
Current Liabilities & Provisions	`8'	11,84,26,378	12,29,42,501
Net Current Assets		67,19,21,336	57,75,60,017
TOTAL		1,24,87,54,646	1,10,94,45,053
Notes to Accounts	`13'		
As per our report of even date for P. P. THUKRAL & CO. <i>Chartered Accountants</i> FRN : 000632N	J. S. Kochhar <i>Chairman</i>	A. C. Chakrabortti <i>Director</i>	S. Mukhopadhyay <i>Director</i>
Suresh Sethi <i>Partner</i> M. No. : 89318	R. P. S. Kochhar <i>Managing Director</i>	S. K. Dudeja <i>General Manager</i>	S. K. Goyal <i>Director</i>
Place : New Delhi Dated : 12th August, 2011			S. K. Mata <i>Company Secretary</i>

**Profit and Loss Account
for the year ending 31.03.2011**

PARTICULARS	SCHEDULE NO.	1.4.10 TO 31.03.11 RS.	1.4.09 TO 31.03.10 RS.
INCOME			
Sales		1,65,35,26,003	1,43,18,55,249
Less : Excise Duty		4,39,76,218	3,59,21,195
Net Sales		1,60,95,49,785	1,39,59,34,054
Other Income	`9'	26,02,121	36,30,064
Increase (decrease) in finished goods stock & work in progress		(1,92,46,072)	10,42,09,253
TOTAL		1,59,29,05,834	1,50,37,73,371
EXPENDITURE			
Cost of Materials	`10'	81,07,55,576	85,92,31,857
Other Expenditure	`11'	63,42,42,307	48,37,28,339
TOTAL		1,44,49,97,883	1,34,29,60,196
Profit before interest, Depreciation and Tax		14,79,07,951	16,08,13,175
Financial Expenses	'12'	3,32,17,819	3,49,62,387
Depreciation		2,20,08,864	2,08,49,811
Profit before Tax		9,26,81,268	10,50,00,977
Provision for Tax		1,81,64,973	72,46,450
Deferred Tax		27,19,859	53,34,933
Net profit after tax Carried Down		7,17,96,436	9,24,19,594
Balance brought forward from 31.03.10		23,73,69,298	18,02,24,284
Balance available for appropriation		30,91,65,734	27,26,43,878
Appropriation			
Proposed Dividend		1,30,99,000	1,30,99,000
General Reserve		2,00,00,000	2,00,00,000
Add. income tax on proposed dividend		21,24,658	21,75,580
Balance carried over to Schedule `2'		27,39,42,076	23,73,69,298
		30,91,65,734	27,26,43,878
Notes to Accounts	`13'		
As per our report of even date for P. P. THUKRAL & CO. <i>Chartered Accountants</i> FRN : 000632N	J. S. Kochhar <i>Chairman</i>	A. C. Chakrabortti <i>Director</i>	S. Mukhopadhyay <i>Director</i>
Suresh Sethi <i>Partner</i> M. No. : 89318	R. P. S. Kochhar <i>Managing Director</i>	S. K. Dudeja <i>General Manager</i>	S. K. Goyal <i>Director</i>
Place : New Delhi Dated : 12th August, 2011			S. K. Mata <i>Company Secretary</i>

Schedules		
Annexed to and forming part of the Accounts		
	31.03.11	31.03.10
	Rs.	Rs.
SCHEDULE `1'		
SHARE CAPITAL		
AUTHORISED		
3,00,00,000 Equity Shares of Rs. 5/- each	15,00,00,000	15,00,00,000
2,00,00,000 unclassified shares of Rs. 5/- each	10,00,00,000	10,00,00,000
ISSUED, SUBSCRIBED & PAID UP		
2,61,98,000 Equity Shares of Rs. 5/- each	13,09,90,000	13,09,90,000
TOTAL	13,09,90,000	13,09,90,000
SCHEDULE `2'		
RESERVES & SURPLUS		
Share Premium Account	60,00,000	60,00,000
Revaluation Reserve		
Balance as on 31.3.10	13,97,77,465	
Less : Excess amount of depreciation adjusted	<u>31,30,892</u>	13,97,77,465
General Reserve		
Balance as on 31.3.10	36,15,60,457	
Add : Additions during the year	<u>2,00,00,000</u>	36,15,60,457
Profit & Loss Account		
Balance as on 31.3.10	23,73,69,298	
Less : Transferred to Profit & Loss Account	23,73,69,298	
Add: Transferred from Profit & Loss Account	<u>27,39,42,076</u>	23,73,69,298
TOTAL	79,81,49,106	74,47,07,220
SCHEDULE `3'		
SECURED LOANS		
Short Term Loan as Cash credit facility from Banks, secured by hypothecation of Book Debts and Inventories comprising of raw materials, work in process and finished goods.		
	23,30,96,360	15,70,65,013
TOTAL	23,30,96,360	15,70,65,013
SCHEDULE `4'		
UNSECURED LOANS		
Fixed deposits	5,28,42,379	4,57,25,879
TOTAL	5,28,42,379	4,57,25,879

SCHEDULE `5' FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION AND IMPAIRMENT			NET BLOCK		
	Balance as at 31.03.10	Additions	Balance as at 31.03.11	Balance as at 31.03.10	For The Year	Balance as at 31.03.11	Balance as at 31.03.11	Depreciation And Impairment Without Revaluation	Balance Without Revaluation as at 31.03.11
Goodwill	3,00,000		3,00,000				3,00,000		3,00,000
Lease Hold Land	4,28,06,356		4,28,06,356				4,28,06,356		4,28,06,356
Free Hold Land	8,75,93,625		8,75,93,625				8,75,93,625		37,18,808
Building	27,73,55,309	81,32,830	28,54,88,139	4,06,99,756	93,14,851	5,00,14,607	23,54,73,532	75,91,096	19,78,74,227
Plant & Machinery	13,92,65,705	4,18,82,958	18,11,48,663	5,37,70,300	67,08,169	6,04,78,469	12,06,70,194	60,40,797	11,03,83,513
Vehicles	1,84,11,718	13,61,225	1,97,72,943	1,27,26,476	18,32,070	1,45,58,546	52,14,397	18,32,070	52,14,398
Other Assets	15,47,63,190	1,87,11,017	17,34,74,207	8,14,19,365	72,84,667	8,87,04,032	8,47,70,175	65,44,901	7,21,47,499
Total	72,04,95,903	7,00,88,030	79,05,83,933	18,86,15,897	2,51,39,757	21,37,55,654	57,68,28,279	2,20,08,864	43,24,44,801
Previous Year's	45,33,11,770	26,71,84,132	72,04,95,902	16,46,35,194	2,39,80,703	18,86,15,897	53,18,80,005	2,08,49,811	38,43,65,636

31.03.11
Rs.

31.03.10
Rs.

SCHEDULE `6'**INVESTMENTS**

Quoted (at cost)

5,031

5,031

(Refer notes on accounts in Schedule `13')

TOTAL**5,031****5,031****SCHEDULE `7'****CURRENT ASSETS, LOANS & ADVANCES****Stock-in-Trade**

(At cost or market price whichever is less as certified by one of the Directors).

Raw Materials

3,21,17,984

1,17,37,371

Work in process

9,65,45,104

7,62,37,491

Finished Goods

9,68,68,348

13,63,05,425

22,55,31,436**22,42,80,287****Sundry Debtors**

(unsecured but Considered good)

Debts outstanding for a period

87,96,536

74,87,669

exceeding 6 months

42,27,37,519

37,30,24,185

Other Debts

43,15,34,055

38,05,11,854

Less: provision for doubtful debts

16,87,362

16,87,362

42,98,46,693**37,88,24,492****Cash and Bank Balances**

Cash and Imprest in hand

37,02,809

21,13,746

Balances with Scheduled Banks

6,95,53,959

5,42,34,124

7,32,56,768**5,63,47,870****Loans & Advances**

(Unsecured but considered Good)

Advances recoverable in cash or in kind or for value to be received

2,98,24,383

3,60,37,809

Advance Income Tax

2,63,16,820

0

Security Deposit

55,71,614

50,12,060

6,17,12,817**4,10,49,869****TOTAL****79,03,47,714****70,05,02,518**

		31.03.11 Rs.	31.03.10 Rs.
CURRENT LIABILITIES & PROVISIONS			
Current Liabilities			
Sundry Creditors	4,61,18,721		5,66,85,837
Other liabilities	3,16,83,330		4,49,22,205
Interest Accrued but not due	<u>25,50,292</u>	8,03,52,343	13,74,474
Provisions			
Provision for taxation	2,49,75,035		68,60,985
Proposed Dividend	<u>1,30,99,000</u>	3,80,74,035	1,30,99,000
TOTAL		<u>11,84,26,378</u>	<u>12,29,42,501</u>
SCHEDULE `9'			
OTHER INCOME			
Miscellaneous Income		26,02,121	36,30,064
TOTAL		<u>26,02,121</u>	<u>36,30,064</u>
SCHEDULE `10'			
COST OF MATERIALS			
Opening Stocks		1,17,37,371	11,17,19,663
Add: Purchases		83,11,36,189	75,92,49,565
		84,28,73,560	87,09,69,228
Less: Closing Stocks		3,21,17,984	1,17,37,371
TOTAL		<u>81,07,55,576</u>	<u>85,92,31,857</u>
SCHEDULE `11'			
OTHER EXPENDITURE			
Power and Fuel		2,05,46,188	1,44,42,241
Rent		91,76,454	86,60,555
Repair and Maintenance		1,51,14,802	1,55,61,323
Personnel Expenses			
- Salaries, Wages, Bonus & Contribution to Provident and other funds		31,56,19,983	23,35,71,045
- Welfare		66,28,025	43,07,417
Insurance		31,28,915	61,00,608
Miscellaneous Expenses		5,21,83,496	4,43,33,827
Auditor's Remuneration		2,01,263	2,00,948
Travelling Expenses		6,18,25,811	5,68,56,373
Sales Administration Expenses		12,28,00,180	7,71,90,540
Freight outward		2,70,17,190	2,25,03,462
TOTAL		<u>63,42,42,307</u>	<u>48,37,28,339</u>
SCHEDULE `12'			
FINANCIAL EXPENSES			
Interest and charges		3,32,17,819	3,49,62,387
TOTAL		<u>3,32,17,819</u>	<u>3,49,62,387</u>

SCHEDULE '13'**NOTES TO ACCOUNTS**

Notes annexed to and forming part of the Balance Sheet as at 31st March 2011 and Profit & Loss Account for the year .

1. Significant Accounting Policies

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

- I. The Accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies' Act, 1956 and are in consonance with generally accepted accounting principles.
- II. Fixed assets are stated at cost of acquisition and subsequent improvements thereto including taxes, duties, freight and other incidental expenses to acquisition and installation. In case of write up due to revaluation, the fixed assets are shown at such higher amounts. The carrying amount of fixed assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. Where the carrying value exceeds the estimated recoverable amount, provision for impairment is made to adjust the carrying value to the recoverable amount. The recoverable amount is the greater of the assets estimated net realizable value and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discounting rate.
- III. The Company follows the straight line method (S.L.M.) of charging depreciation on all assets. Consequent to the insertion of schedule XIV in Companies Act, 1956 with effect from 2nd April, 1987, depreciation has been provided at the S.L.M. rates prescribed in schedule XIV in respect of additions to fixed assets from and after the said date and in respect of additions to fixed assets prior to said date, the depreciation has been provided at older rates. Pursuant to the notification of department of Company affairs dated 16.12.1993, depreciation on assets acquired on and after the said date is provided at new rates. Leasehold land is not amortised.
- IV. Capital work in progress, if any, is stated at cost.
- V. Long term investments are stated at cost.
- VI. Inventories are valued at the lower of cost and estimated net realisable value after providing for cost of obsolescence and other anticipated losses, wherever considered necessary. Finished goods and work in process include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
- VII. Revenue is recognised on completion of sale of goods.
- VIII. Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Current assets and current liabilities (other than relating to fixed assets) are restated at the rates prevailing at year end or at the forward rates where forward cover has been taken and the difference between the year end rates/forward rate and exchange rates at the date of transaction is recognised as income or expense.
- IX. Research and Development costs, (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred.
- X. Contribution to Provident Fund is made monthly at a pre-determined rate to the provident fund authorities and accounted on an accrual basis.
- XI. Company has affected an arrangement with Life Insurance Corporation of India under Group Gratuity cum Life Assurance Scheme so as to cover future payment of Gratuity to retiring and other employees and is making the contribution to them as per the premium sought.
- XII.
 - a) Sales comprise of sale of goods, net of trade discount, goods returns, breakages and expiry.
 - b) Dividend on Shares, Insurance and other claims as and when received.

	31.03.2011	31.03.2010
	Rs.	Rs.
2. Contingent Liabilities		
Bank guarantees	0	4,30,000
3. i) Provision for payment to whole time directors including Managing Director:		
Salary	1,15,36,800	1,15,36,800
Commission		3,85,000
ii) Payment to other Directors :		
Meeting Fees	1,00,500	1,03,000
Commission	6,00,000	6,00,000
4. Market Value of quoted long term (non - trade) investments:		
1304 Fully Paid Equity Shares of Ranbaxy Laboratories Ltd.	5,79,041	6,19,922
5. Repairs & Maintenance includes:		
Plant & Machinery	37,63,225	32,81,096
Building	15,36,283	20,33,671
Stores & Spares	41,45,964	71,13,392
Others	56,69,330	31,33,164
6. Computation of Net Profits in accordance with Section 198 of the Companies Act 1956 and commission payable to the Directors.		
	Rs. in lacs	Rs. in lacs
Profit before tax	926.81	1050.01
Directors' remuneration – Whole Time Directors	115.37	119.22
Directors' remuneration – Independent Directors	6.00	6.00
Provision for Bad & Doubtful Debts	0.00	16.87
Net Profit under Section 198	1048.18	1192.10
Commission payable to whole time directors @ 3%	-	3.85
Restricted to	-	3.85
Commission payable to independent directors @ 1%	10.48	11.92
Restricted to	6.00	6.00
7. Payment & provisions for Auditors relating to:	Rs.	Rs.
Audit Fee	1,50,000	1,20,000
Other Matters	51,263	80,948
8. The Tax assessment of the Company under the Income Tax Act, 1961 has been completed up to the accounting year ending 31.03.2009 and the demand of Rs. 21,000 during assessment was cleared. There are no tax dues standing against the Company in respect of the above.		
9. Balance with Scheduled Banks Include :	Rs.	Rs.
Current Accounts	6,23,01,431	4,63,66,642
Deposit Accounts	75,52,528	78,67,482
10. Payment of provident fund	78,10,942	65,72,205
11. Excise duty payable on finished goods is accounted in the year of manufacture. The treatment has no impact on the profit.		

12. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPHS 3 & 4 OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956 (As certified by a Director and accepted by the Auditors)

A. PARTICULARS OF GOODS MANUFACTURED :

Goods manufactured	Unit of Measure	Actual Production	
		01.04.2010 to 31.03.2011	01.04.2009 to 31.03.2010
Capsules	Millions	643.78	584.56
Tablets	Millions	165.63	161.01
Syrups	Kl Ltrs.	793.02	582.05
Ampoules	Kl Ltrs	10.30	8.26
Vials	Kl Ltrs	8.76	3.38
Ointments	M. Tonnes	33.72	35.02
Bulk Drugs & Intermediates	M. Tonnes	98.61	53.74
Dry Powder	M. Tonnes	0.19	0.20

B. STOCKS OF FINISHED GOODS.

(Rs. lacs)

Class of Goods	Unit of Measure	31.03.2011		31.03.2010	
		Qty.	Value	Qty.	Value
Capsules	Millions	8.24	165.57	53.59	554.69
Tablets	Millions	18.31	375.62	24.05	366.96
Syrups	Kl Ltrs.	54.95	110.48	46.26	76.07
Ampoules	Kl Ltrs	0.11	33.64	0.20	41.12
Vials	Kl Ltrs	0.76	13.97	0.004	0.01
Ointments	M. Tonnes	3.71	31.24	1.92	21.07
Bulk Drugs & Intermediates	M. Tonnes	0.43	228.53	4.30	293.84
Dry Powder	M. Tonnes	0.01	2.36	0.01	3.93
Infusion	Kl Ltrs.	1.92	7.27	2.03	5.36

C. TURNOVER OF FINISHED GOODS.

(Rs. lacs)

Class of Goods	Unit of Measure	01.04.2010 to 31.03.2011		01.04.2009 to 31.03.2010	
		Qty.	Value	Qty.	Value
Capsules	Millions	716.21	5765.37	554.66	6253.78
Tablets	Millions	210.74	3463.31	194.35	2570.36
Syrups	Kl Ltrs.	806.75	1805.38	606.00	1190.47
Injectables:					
Ampoules	Kl Ltrs	10.39	2337.79	10.02	1912.34
Vials	Kl Ltrs	17.98	49.61	10.91	29.95
Ointments	M. Tonnes	33.72	267.35	36.39	234.43
Bulk Drugs & Intermediates	M. Tonnes	102.48	2733.47	51.88	2051.71
Dry Powder	M. Tonnes	0.21	17.47	0.26	9.01
Infusion	Kl Ltrs.	12.11	95.51	16.47	66.51

D. PURCHASE OF FINISHED GOODS

(Rs. lacs)

Class of Goods	Unit of Measure	01.04.2010 to 31.03.2011		01.04.2009 to 31.03.2010	
		Qty.	Value	Qty.	Value
Capsules	Millions	27.08	362.04	19.43	509.61
Tablets	Millions	39.37	283.04	32.55	549.95
Syrup	Kl Ltrs	22.42	34.56	40.90	104.93
Ampoules	Kl Ltrs.			1.58	105.58
Vials	Kl Ltrs.	9.98	17.27	7.48	12.05
Ointment	M. Tonnes	1.79	4.47	2.70	55.99
Dry Powder	M. Tonnes	0.02	6.47	0.02	6.08
Infusions	Kl Ltrs.	12.00	20.10	16.00	28.74

E. INSTALLED CAPACITY

Class of Goods	Unit of Measure	31.03.11	31.03.10
Capsules	Millions	1610	1610
Tablets	Millions	2700	2700
Syrup	Kl Ltrs.	2400	2400
Injectables:			
Ampoules	Kl Ltrs	33	33
Vials	Kl Ltrs	406	406
Ointment	M. Tonnes	164	164

F. CONSUMPTION OF RAW MATERIAL			Rs. in lacs		
ITEM	Unit of Measure	01.04.2010 31.03.2011		01.04.2009 31.03.2010	
		Qty.	Value	Qty.	Value
D L Oxyphene	M. Tonnes	46.07	1323.68	37.00	1063.13
Others*	-		6783.87		7529.19
Total			8107.55		8592.32
* No single item constitutes more than 10% in value terms of total consumption					
G. BREAK-UP OF CONSUMPTION OF MATERIALS			(Rs lacs)		(Rs lacs)
Indigenous			6918.96		7260.60
As percentage of total			85.33		84.50
Imported			1188.59		1331.72
As percentage of Total			14.67		15.50
H. VALUE OF IMPORTS ON CIF BASIS					
Raw Materials			886.87		1088.69
I. VALUE OF FINISHED GOODS PURCHASED (Rs lacs)			727.95		1372.93
J. EXPENDITURE IN FOREIGN EXCHANGE					
Travelling			62.34		21.50
Subscription			0.36		0.19
Others			1.98		3.76
K. EARNINGS IN FOREIGN EXCHANGE					
Export FOB value			473.06		484.88
13. Deferred tax adjustment has been made up to 31.03.2011. No affect of Section 43 B liabilities of Income Tax Act, has been made as these are permanent differences.					
14. Segment Reporting					
The company operates in the Pharmaceutical segment. The segment results are as under:					
Sales			16535.26		14318.55
Profit after tax			717.96		924.20
15. Disclosure of Earning per Share :					
Basic and diluted Earning per Share			Rs. 2.74		Rs. 3.53
16. Related party disclosures – AS 18					
A) The company does not have any subsidiary and or related companies.					
B) Directors:-					
Jagmohan Singh Kochhar		57,68,400		Transaction	
Rajpal Singh Kochhar		57,68,400		-Remuneration	
Related parties:-					
C) Prithipal Singh Kochhar		15,56,400		-Remuneration	
Mr. Prithipal Singh Kochhar, Vice President – International Marketing is son of Mr.Rajpal Singh Kochhar Managing Director.					
17. Previous years figures have been regrouped and rearranged wherever necessary.					
18. The names of small scale industries to whom the Company owes dues outstanding for more than 30 days at the Balance Sheet date, computed on unit wise basis, are: Jay Kay Printers and Lasersec India Pvt. Ltd.; and Abhishek Printline.					
As per our report of even date for P. P. THUKRAL & CO. Chartered Accountants FRN : 000632N		J. S. Kochhar Chairman	A. C. Chakrabortti Director	S. Mukhopadhyay Director	
Suresh Sethi Partner M. No. : 89318		R. P. S. Kochhar Managing Director	S. K. Dudeja General Manager	S. K. Goyal Director	
Place : New Delhi Dated : 12th August, 2011				S. K. Mata Company Secretary	

Part IV of Schedule VI of the Companies Act, 1956**Balance Sheet abstract and Company's General Business Profile**

I	Registration Details			
	Registration No.	: U74899DL1978PLC009181	State Code	: 55
	Balance Sheet date	: 31.03.2011		
II	Capital Raised during the year (Amount Rs. In thousands)			
	Public Issue	: Nil	Rights Issue	: Nil
	Bonus Issue	: Nil	Private Placement/other	: Nil
III	Position of mobilization and Deployment of Funds (Amount In Rs. Thousands)			
	SOURCES OF FUNDS			
	Paid up Capital	: 130990	Reserves & Surplus	: 798149
	Secured Loans	: 233096	Unsecured Loans	: 52843
	Deferred Tax Liability	: 33677		
	APPLICATION OF FUNDS			
	Net Fixed Assets	: 576828	Investments	: 5
	Net Current Assets	: 671922	Misc. Expenditure	: Nil
	Accumulated Losses	: Nil		
IV	Performance of Company (Amount In Rs. Thousands)			
	Turnover	: 1653526	Total Expenditure	: 1560845
	Profit before Tax	: 92681	Profit After Tax	: 71796
	Earning per share	: Rs. 2.74	Dividend Rate	: 10%
V	Generic names of three principal products/services of Company (as per monetary terms)			
	Item Code No. (ITC Code)	: 294200		
	Product Description	: Dextropropoxyphene Hydrochloride		
	Item Code No. (ITC Code)	: 300410		
	Product Description	: Ampicillin		
	Item Code No. (ITC Code)	: 300490		
	Product Description	: Nandrolone Decanoate		

As per our report of even date
for **P. P. THUKRAL & CO.**
Chartered Accountants
FRN : 000632N

J. S. Kochhar
Chairman

A. C. Chakrabortti
Director

S. Mukhopadhyay
Director

Suresh Sethi
Partner
M. No. : 89318

R. P. S. Kochhar
Managing Director

S. K. Dudeja
General Manager

S. K. Goyal
Director

Place : New Delhi
Dated : 12th August, 2011

S. K. Mata
Company Secretary

**Cash Flow Statement
for the Year Ended 31st March, 2011**

(Pursuant to clause 32 of the listing agreement)

	31.03.11 (Rs.)	31.03.10 (Rs.)
A. Cash Flow From operating activities		
Net Profit before tax and extraordinary items	9,26,81,268	10,50,00,977
Add: Adjustment for Depreciation	2,20,08,864	2,08,49,811
Adjustment for provision for bad debts		(21,05,295)
Total	<u>11,46,90,132</u>	<u>12,37,45,493</u>
Add: Interest	3,32,17,819	3,49,62,387
Operating profit before working capital changes	<u>14,79,07,951</u>	<u>15,87,07,880</u>
Less: Increase in Inventories	12,51,149	42,26,962
Increase in Sundry Debtors	5,10,22,201	61,55,539
Increase in Loans & Advances	2,06,62,948	95,14,920
Increase in Balances with Scheduled Bank	15,319,835	(1,47,24,965)
	<u>5,96,51,818</u>	<u>15,35,35,424</u>
Add: Increase in Current Liabilities & Provisions	(17,96,264)	74,70,847
Increase in Short term borrowings from banks	7,60,31,347	(8,96,35,965)
	<u>13,38,86,901</u>	<u>7,13,70,306</u>
Less: Payment of Interest	3,32,17,819	3,49,62,387
Income & deferred tax	2,08,84,831	1,25,81,383
Dividend & Tax on Dividend	1,52,23,658	1,52,74,580
Cash flow before extra ordinary items	<u>6,45,60,593</u>	<u>85,51,956</u>
B. Cash Outflow for investing activities		
Purchase of fixed assets	7,00,88,030	2,09,97,447
	<u>(55,27,437)</u>	<u>(1,24,45,491)</u>
C. Cash Flow from financing activities		
Add: Proceeds from Fixed deposits	71,16,500	1,27,68,489
	<u>15,89,063</u>	<u>3,22,998</u>
Add: Cash & Imprest in hand as on 31.03.10	21,13,743	17,90,745
Balance of Cash & Imprest in Hand as on 31.03.11	<u>37,02,806</u>	<u>21,13,743</u>
We have verified the above Cash Flow Statement for the year ended 31st March 2011 with the audited accounts for the year ended on that date and found the same to be in agreement therewith		

As per our report of even date for **P. P. THUKRAL & CO.**
Chartered Accountants
FRN : 000632N

J. S. Kochhar
Chairman

A. C. Chakrabortti
Director

S. Mukhopadhyay
Director

Suresh Sethi
Partner
M. No. : 89318

R. P. S. Kochhar
Managing Director

S. K. Dudeja
General Manager

S. K. Goyal
Director

Place : New Delhi
Dated : 12th August, 2011

S. K. Mata
Company Secretary

**JAGSONPAL PHARMACEUTICALS LIMITED
PROXY**

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

I/Weof

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

..... or failing him

..... of

as my/our proxy in my/our absence to attend and vote for me/us, and on my/our behalf, at the 32nd Annual General meeting of the Company to be held on 30.09.2011

Signed by the said.....



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

----- Tear here -----

**JAGSONPAL PHARMACEUTICALS LIMITED
ATTENDANCE SLIP**

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

Name of the attending Member
(in Block Letters).....

Folio Number/Client ID No..... DPID No.....

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

No. of shares held

I hereby record my presence at the 32nd Annual General Meeting at Vanita Samaj, 13 Institutional Area, Lodi Road, New Delhi-110003 at 10.00 am on 30.09.2011

Member's/Proxy's Signature* _____

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

Past Record

(Rs. in Lacs)

Particulars	Financial Year Ending														
	03 / 1997 (15mths)	03 / 1998	03 / 1999	03 / 2000	03 / 2001	09 / 2001 (6 mths)	12 / 2002 (15 mths)	03 / 2004 (15 mths)	03 / 2005	3/2006	3/2007	3/2008	3/2009	3/2010	3/2011
Fixed Assets	1424.40	1475.95	1583.51	1659.45	2816.91	2794.12	2845.60	3076.02	3154.82	3669.37	4372.50	4652.85	5348.63	5318.80	5768.28
Investments	299.10	0.10	0.10	0.10	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	1196.60	1952.59	2744.99	3689.50	4465.56	4790.28	4223.88	4031.09	4320.64	4326.69	4516.88	4392.98	3253.95	4204.95	4388.25
Total Capital Employed	2921.10	3428.63	4328.60	5349.05	7282.52	7584.45	7069.53	7107.16	7475.51	7738.05	7836.79	7956.61	8346.40	9214.23	9819.81
Share Holdes' Funds\	2361.80	2810.68	3256.16	4066.42	6023.78	5919.38	6157.61	6601.21	6814.25	7023.54	7249.80	7503.37	8016.83	8756.97	9291.39
Sales	7561.20	7908.75	9146.08	11846.29	13651.87	5690.26	15446.93	17278.09	14801.11	17213.43	14525.62	15779.95	14201.48	14318.55	16535.26
Other income	12.60	28.27	35.65	43.26	21.74	28.11	63.23	81.46	25.86	48.82	77.28	25.50	27.06	36.30	26.02
Operating Profit	1251.40	1216.83	1314.23	1852.59	1975.24	606.31	1435.74	1710.50	1288.11	1463.41	1193.76	1323.04	1572.76	1608.13	1479.08
Interest	541.00	403.11	458.68	444.81	509.19	283.77	570.34	405.12	329.80	469.87	563.02	635.14	457.93	349.62	332.18
Depreciation	52.00	55.15	67.32	78.34	89.95	50.57	129.74	144.66	131.71	150.93	165.19	168.72	124.98	208.50	220.09
Tax	188.00	190.00	217.00	388.00	361.00	90.00	220.00	366.00	280.14	282.36	161.86	188.74	319.30	72.46	208.85
Profit After Tax	470.40	568.57	571.22	941.44	1015.10	181.98	515.66	794.71	546.47	497.18	280.29	307.60	617.23	924.20	717.96
Retained Earnings	137.30	460.51	455.69	820.49	885.97	109.37	282.25	473.08	236.43	470.20	249.64	276.96	540.61	771.45	565.73
Dividend (Including Tax)	112.70	108.06	108.06	119.86	108.26	72.17	138.15	295.54	295.38	29.87	30.65	30.65	76.63	152.75	152.25
Dividend (%)	25.00	30.00	30.00	30.00	30.00	20.00	37.50	80.00	20.00	2.00	2.00	2.00	5.00	10.00	10.00
Earning Per Share (Rs.)	14.35	17.36	17.44	28.75	31.00	5.56	15.75	23.45	2.03	1.89	1.07	1.17	2.36	3.53	2.74

Book Post

To,

.....

.....

.....

If undelivered, please return to :

Jagsonpal Pharmaceuticals Limited
T-210J, Shahpur Jat, New Delhi - 110049