

JAGSONPAL
25th ANNUAL REPORT



JAGSONPAL

JAGSONPAL PHARMACEUTICALS LIMITED

BOARD OF DIRECTORS

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

GENERAL MANAGER

S.K. Dudeja

BANKERS

Punjab & Sind Bank
Central Bank of India

AUDITORS

P.P. Thukral & Co.
Chartered Accountants

REGISTERED OFFICE

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

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Notice

NOTICE is hereby given that the 25th Annual General Meeting of the members of JAGSONPAL PHARMACEUTICALS LIMITED will be held on Wednesday, the 1st day of September, 2004 at 3.00 P.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, 2004 and the Profit and Loss Account for the period ended on that date alongwith the reports of Auditors' and Directors' thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Sh. A.C.Chakrabortti, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

Special Business

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

RESOLVED THAT in conformity with the Articles of Association of the Company and pursuant to the provisions of Section 309(4) of the Companies Act, 1956 and subject to all such other approvals or permissions as may be required in this regard, authority be and is hereby accorded to the Board of Directors for the payment of Commission to the existing/future Directors of the Company (other than a Managing / Whole time Director) not exceeding one per cent of the net profits of the Company (for each year or a part thereof) for a period of 5 years from the financial year 2004-05 up to and including the financial year 2008-09.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to determine the remuneration payable within the maximum limits as prescribed above and to decide all such things as may be required in this regard.

By order of the Board

Place : New Delhi
Dated : 15.07.2004

S.K. Mata
Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT TIME OF THE MEETING.
2. The explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hereto and forms part of this notice.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 31st August, 2004 to 1st September, 2004 (both days inclusive).

Explanatory Statement

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

As per provisions of Section 309 of the Companies Act, 1956 directors other than Whole Time Directors/Managing Directors may be paid remuneration by way of commission if the Company by way of Special Resolution authorises such payment. The payment to such directors shall not exceed one per cent of the net profits of the company, if the Company has a Whole Time Director/Managing Director.

In view of valuable guidance given by the directors it is proposed to remunerate Directors (other than Whole Time/Managing Director) by way of commission not exceeding one per cent profits of the Company, as determined under the prescribed laws. The Special Resolution authorises the Board of Directors to determine the suitable remuneration within the prescribed limits.

Mr. A.C.Chakrabortti and Mr. S.Mukhopadhyay, Directors, are interested in this resolution.

By order of the Board

Place : New Delhi
Dated : 15.07.2004

S.K. Mata
Company Secretary

Directors' Report

TO THE MEMBERS OF JAGSONPAL PHARMACEUTICALS LIMITED

Your Directors have the pleasure in presenting their Twenty Fifth Annual Report of the Company and the Audited Accounts, for the period ended 31st March, 2004.

Financial Highlights

The financial performance of the Company is as under:

(Rs. in Lacs)

Particulars	Current Year (15 months)	Previous Year (15 months)
Sales	18381.09	16248.05
Other Income	81.46	63.25
Operating Expenditure	16752.05	14875.56
PBIDT	1710.50	1435.74
Interest	405.12	570.34
Depreciation	144.66	129.73
Profit before Tax	1160.72	735.67
Provision for taxation	366.00	220.00
Deferred Tax	26.09	14.55
Profit after tax	768.63	501.12
Balance brought forward	292.87	175.18
Profit available for appropriation	1061.50	676.29
Appropriations:		
Proposed Dividend	261.98	122.80
Additional Income Tax on Dividend	33.57	15.35
Income tax for earlier years		95.27
Transfer to General Reserve	100.00	150.00
Balance carried forward	665.95	292.87

Operations

During the period ended March, 2004 sales of the Company grew by 13.14% to Rs. 18381.09 lacs as compared to 8.6% for the period ended December, 2002. The profit before tax increased from Rs.735.67 lacs to Rs1160.72 lacs. On an over all basis, the performance of the Company for the period under review can be considered satisfactory.

The Company has been able to achieve the above growth through grit, determination and hard labour put in by the management and staff despite severe competition, cut throat discounting and under cutting. Your company was able to sustain the pressures. The all round improvement in economy in general and the various steps for improvement initiated by the company during the period, in particular had contributed to the satisfactory performance. These measures are being further strengthened.

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

The marketing strategies deployed during the current year are flexible enough to with stand sudden demands, and are likely to yield still better results in future.

Dividend

Your Directors are pleased to recommend for your consideration a dividend of 80 %. This will absorb a sum of Rs. 2,95,54,619/- (Sum for previous period Rs. 1,38,15,352/- including tax thereon).

Sub Division of Shares

The shares of the company of the face value of Rs. 10/- each have been sub divided into two shares of Rs. 5/- each.

Bonus

Your directors have recommended a bonus issue of 3:1 by capitalising the free reserves. This will increase substantially the liquidity of the Company's shares.

The company's paid up share capital will increase to Rs. 1309.90 lakhs from the present 327.47 lakhs, consequent to the above. These measures are also likely to bring the share to affordable levels for the small investor.

Employees

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

Directors

Mr. A.C.Chakrabortti retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Corporate Governance

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

Auditors

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

Energy, Technology & Foreign Exchange

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

Directors Responsibility Statement

Your Directors confirm that:

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

Acknowledgment

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

For and on behalf of the Board of Directors

Place : New Delhi.

(J. S. Kochhar)

Dated : 15.07.2004

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.

Power and fuel consumption

	1.1.2003 to 31.3.2004	1.10.2001 to 31.12.2002
1. Electricity		
a) Purchased Units Kwh	17,53,101	17,29,061
Total amount Rs.	73,52,748	71,88,417
Avg. Rate/Unit Rs.	4.19	4.16
b) Own generation		
i) Through diesel Generation		
Units Kwh	9,23,254	9,35,540
Units / litre of diesel		
oil Kwh	3.23	3.16
ii) Through Steam turbine generator	N.A.	N.A.
2. Coal	N.A.	N.A.
3. Furnace oil		
Quantity K.Ltr.	4,56,000	4,20,000
Total cost Rs.	80,36,439	59,99,971
Average Rate Rs.	17.62	14.28
4. Others/Internal generation (Please give details)	N.A.	N.A.

Consumption

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

FORM B
(See Rule 2)

Form for Disclosure of Particulars with respect to Technology Absorption.

Research and Development (R & D)

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

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

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

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

Product	Application
Uterone	The natural micronized Uterine progesterone.
Pacyl / Pacyl - SR	Round the clock relief for restive mind.
Lycazid / Lycazid - M	For absolute glycaemic control with protection

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

3. Future Plan Of Action

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

4. Expenditure On R & D

(Rs. in lacs)

	Mar.2004	Dec. 2002
a) Capital Expenditure	3.51	00.85
b) Revenue Expenditure	75.65	58.60
TOTAL	76.16	59.45
c) Total R & D expenditure as a percentage of total turn-over.	0.41%	0.38%

5. Foreign Exchange Earnings 520.92 319.74

For and on behalf of the Board of Directors

Place : New Delhi
Dated : 15.07.2004

(J. S. Kochhar)
Chairman

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Annexure `B' To The Directors' Report

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

S.N.	Name & Age of the Employee	Designation	Qualification & Experience	Gross Remuneration Rs.	Net Remuneration Rs.
1.	Mr. Jagmohan Singh Kochhar (74 years)	Chairman	Experience in Senior Management (54 years)	64,62,750	39,49,750
2.	Mr. Rajpal Singh Kochhar (49 years)	Managing Director	M.Sc.(Pharmacy) USA (24 years)	64,62,750	38,71,750

- Gross Remuneration includes : Salary, Bonus, Commission, Allowances and perquisites as per the Rules of the Company.
- Net Remuneration excludes : Contribution towards Employees Provident Fund, Income Tax deducted at source, value of taxable perquisites.
- 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 : 15.07.2004

(J. S. Kochhar)
Chairman

Annexure to the Directors' Report

Corporate Governance

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 highest ethical values and morals and always striving for optimising Shareholders' value.

2. Board of Directors

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

Name of Director	Category	Attendance at		Membership of other Board (excluding Alternate Directorship & Directorship in Pvt. Companies)	No. of Committees in which member (excluding Pvt. Companies)
		Board Meetings	Last AGM		
Mr. Jagmohan Singh Kochhar	Chairman	5	Yes	3	2
Mr. Rajpal Singh Kochhar	Managing Director	5	Yes	2	1
Mr. A.C. Chakrabortti	Non-Executive	5	No	14	9
Mr. S. Mukhopadhyay	Non-Executive	5	Yes	2	1

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

March 5, 2003 April 30, 2003 July 29, 2003 October 30, 2003 January 31, 2004

3. Audit Committee

The terms of reference and the role of the Audit Committee include inter-alia reviewing with management the 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.

The Audit Committee was formed in January 2002. At present it has two Non-executive Independent Directors, Mr. A.C. Chakrabortti and Mr. S. Mukhopadhyay as members. 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 Statutory Auditors are invitees to the meeting. The quorum for the Committee meeting is two Directors.

The Committee has met thrice during the financial year in March 03, July 03 and January 04.

4. Remuneration Committee and Remuneration of Directors

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

5. Shareholders'/Investors' Grievances Committee

The Committee was constituted in January, 2002. At present Mr. S. Mukhopadhyay and Mr. Jagmohan Singh Kochhar are its members. Mr. S. Mukhopadhyay is Chairman of the Committee. Mr. S.K.Mata, Company Secretary, is the Compliance Officer of the Company.

The complaints/queries 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	1	1
Non - Receipt of Dividend warrants	79	79
Miscellaneous	192	192
Letter from Stock Exchanges, SEBI and Department of Company Affairs	2	2

Share Transfer Committee

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

6. General Body Meetings

Details of the last three Annual General Meetings and Extraordinary General Meeting held is given below:

Year ended	Date	Time	Location
31.3.2001	29.09.2001	10.00 a.m.	Vanita Samaj, 13, Institutional Area, Lodhi Road, N. Delhi
30.9.2001	20.03.2002	10.00 a.m.	Vanita Samaj, 13, Institutional Area, Lodhi Road, N. Delhi
31.12.2002	06.06.2003	10.00 a.m.	Vanita Samaj, 13, Institutional Area Lodhi Road, N. Delhi
EGM	16.06.2004	10.00 a.m.	Vanita Samaj, 13, Institutional Area Lodhi Road, N. Delhi

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.

8. Means of communications

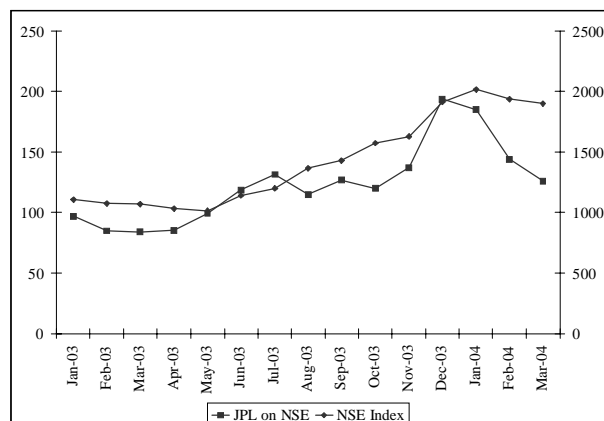
As the quarterly results are published in one English daily newspaper (The Pioneer) and one Hindi newspaper (Veer Arjun) published from Delhi the half yearly report was not sent to the shareholders. The quarterly results are available on Company's website www.jagsonpal.com. During the financial year the Company has not made any presentations to the institutional investors or analysts. The Management Discussion and Analysis Report forms a part of this Annual Report.

9. General Shareholder Information

- Annual General Meeting : Wednesday, 1st September, 2004
Vanita Samaj, 13, Institutional Area, Lodi Road, New Delhi 110003
- Dates of Book Closure : August 31, 2004 to September 1, 2004 (both days inclusive)
- Dividend Payment Date : Within stipulated time, if declared.
- Financial Calendar (tentative) Results for the quarter ending
 - June 2004 : 3rd Week of July 2004
 - September 2004 : 4th week of October 2004
 - December 2004 : 4th week of January 2005
 - March 2005 : 4th week of April 2005
- Listing on Stock Exchanges : The Delhi Stock Exchange Association Limited (Regional), The Stock Exchange, Mumbai, The National Stock Exchange, The Ludhiana Stock Exchange Association Limited. The Company has paid the listing fee for 2004-05 to the Stock Exchanges.
- Stock Code ISIN No. : JAGSNPHARM EQ at NSE and 507789 at BSE
INE048B01019ISIN No. for NSDL & CDSL

• Market Price Data at NSE :

Month	High (Rs.)	Low (Rs.)
January 2003	97.00	80.00
February 2003	84.65	63.00
March 2003	83.80	73.35
April 2003	85.55	74.15
May 2003	99.00	72.05
June 2003	118.55	86.80
July 2003	131.50	90.35
August 2003	114.80	97.00
September 2003	126.65	100.00
October 2003	120.00	104.10
November 2003	137.00	105.10
December 2003	193.85	140.00
January 2004	185.00	117.30
February 2004	143.80	117.00
March 2004	126.00	97.00



• 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 shares following may be contacted

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

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

• Distribution of shareholding as on 30.6.2004

Range (Shares)	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shareholding
1 - 500	5278	97.22	509476	15.56
501 - 1000	91	1.68	69432	2.12
1001 - 5000	38	0.70	80454	2.46
5001 - 10000	5	0.09	35618	1.09
10001 & above	16	0.29	2579770	78.78

• Dematerialisation of Securities

The company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation of its shares. As on 30.6.2004, 27.16% of the Company's total share capital representing 889546 shares are held in dematerialised form.

• Plant Location

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

10. Reappointment of Directors

Name of Director : Mr. A.C.Chakrabortti
Date of Birth : 02.10.1930
Date of Joining the Board : 27.04.1986
Expertise : Mr. A.C.Chakrabortti who retires by rotation at this Annual General Meeting is a fellow member of Institute of Chartered Accountants of India. He is fellow member of Chartered Accountants (Eng. & Wales). He was senior partner in S.R.Batliboi & Company, Chartered Accountants and was earlier President of ICAI.

List of Outside Directorships held : La Opala Glass Limited, Calcutta
Peerless Hospitex Hospital & Research Centre Ltd., Calcutta
GIS Limited, Calcutta
Binani Industries Limited, Mumbai
Ashok Leyland Finance Limited, Chennai
Grindwell Norton Limited, Mumbai
Rasoi Industries Limited, Calcutta
Texmaco Limited, Calcutta
Peerless General Finance & Investment Company Ltd., Calcutta
Calcutta Metropolitan Group Ltd., Calcutta
Chandras' Chemical Enterprise Ltd., Calcutta
First India Asset Management Ltd., Chennai
Denso India Limited, New Delhi
Madhya Pradesh Madhya Kshetra Vidyut Vitran Co. Ltd, Bhopal

Auditors' Report on Corporate Governance

TO THE MEMBERS OF JAGSONPAL PHARMACEUTICALS LIMITED

We have examined the compliance of conditions of Corporate Governance by Jagsonpal Pharmaceuticals Limited for the period ended on 31st March, 2004 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 and /or Board of Directors.

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 : 15.07.2004

Suresh Sethi
Partner

Management Discussion and Analysis Report

Industry Structure and developments

The development of Indian drugs and pharmaceutical industry has not been commensurate with the size of the country and the growing needs of her population but with planned economic expansion it has become one of the country's leading industries. India is now producing a large quantity of varied pharmaceutical products. During recent years the country has advanced in the production of basic chemicals and with all the heavy organic projects planned for execution the drug industry is looking forward to finding more and more of its basic raw materials from the indigenous sources.

The environment of growth is directly influenced by the consistency of government policies. There had been a huge gap between the expectations of the industry and the governing parameters laid out by the government, which is gradually filling up.

Opportunities and Threats

The fierce competition at the national level of the industry has seen many operators closing and many more to merge to sustain and develop. The post GATT scenario will also be very difficult unless we prepare ourselves in advance. More emphasis on drug quality, good manufacturing practices, most stringent process controls, developing and marketing newer and better medicines and extra expenditure on R&D are few important factors.

Your company is preparing for the post GATT period and will be ready to take it with pride with the concentrated efforts at strengthening the marketing and R&D areas.

Segment-wise or product-wise performance

The Company mainly operates in the Pharmaceuticals segment and the Company has increased its formulation sales.

Outlook

The company's focus is on the niche segments of pharmaceutical formulations and bulk drugs. Jagsonpal is in the 'branded segment' of the formulations' market. The key to market share success is the sharp focus on a select number of therapeutic groups, namely Anti-arthritics; Analgesics; Anti-inflammatories; Anti-spasmodics; Anabolic steroids; Progesterones; Anesthetics;

Anti-fungals. Efficient management of working capital and other resources of the company is given very high priority.

Risks and concerns

India will get a ten-year transition period, for the implementation of TRIPS. During this period, new molecules patented for the first time anywhere in the world will be given protection during the transition period ; provided a patent application is made in India. Marketing exclusivity will be provided for five years during the transition period. The patent application will be kept in a " black box " and given effect retrospectively, after the transition period is over.

Your company is gearing up to face the challenges and will be prepared for facing the patent regime.

Internal Control systems and their adequacy

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

Financial performance with respect to operational performance

Loans

The Company has been able to reduce its borrowings by more than Rs.313 lacs during the reference period.

Results from Operations

Particulars	(Rs. In Lacs)	
	Current Year (15 months)	Previous Year (15 months)
Sales	18381.09	16248.05
Other Income	81.46	63.25
Operating Expenditure	16752.05	14875.56
Profit before interest, depreciation and tax	1710.50	1435.74
Interest	405.12	570.34
Depreciation	144.66	129.73
Profit before Tax	1160.72	735.67
Provision for taxation	366.00	220.00
Deferred Tax	26.09	14.55
Profit after tax	768.63	501.12

Interest

The Company has been able to reduce it's interest cost considerably, both because of reduction in interest costs as well as reduction in borrowings.

Net Profit

There was substantial improvement in the net profit margin during the reference period.

Receivables

The Company was able to reduce its receivables by more than Rs.521 lacs as compared to the position as on 31.12.2002

Human Resources and Industrial relations

The human resources of JPL is its biggest assets and has 1500 strong, dedicated and motivated people in the team. In order to achieve overall development of its people and to ensure greater accountability and responsibility continuous training with respect to work and other areas is imparted. The opportunities are created to encourage employees to develop multi functional skills and gear upto meet the challenging assignments in the company. The industrial relations continue to be very cordial. The company has also devised reward system to keep the star performers and their teams highly motivated.

Cautionary Statement

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

Auditors' Report

TO THE MEMBERS OF JAGSONPAL PHARMACEUTICALS LIMITED

1. We have audited the attached balance sheet of Jagsonpal Pharmaceuticals Limited as at March 31, 2004 and also the Profit and Loss account and the Cash Flow Statement for the period 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, 2004 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 comply and 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, 2004;
- ii) in the case of the Profit & Loss Account, of the profit of the Company for the period ended on that date; and
- iii) in the case of Cash flow statement, of the cash flows for the period ended on that date.

For P. P. Thukral & Co.
Chartered Accountants

Place : New Delhi
Dated : 15.07.2004

Suresh Sethi
Partner

Annexure to the Auditors' Report

(Referred to in Paragraph (3) of our report of even date)

1. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, physical verification of a major portion of fixed assets as at March 31, 2004 was conducted by the Management during the year. In our opinion, the frequency of physical verification is reasonable. Having regard to the size of the operations of the company and on the basis of explanations received, in our opinion, the net differences found on physical verification were not significant.
2. a) The inventory of the Company has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of records of inventory, in our opinion, the company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and the book records were not material in relation the operations of the company.
3. In our opinion, the company has neither granted nor taken any loans, secured or unsecured from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. As the Company has not granted/taken any loans, secured

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

4. In our opinion and according to the explanations given to us, having regard to the 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.
5. a) In our opinion and according to information and explanations given to us, the transactions that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956 have been so entered.
b) In our opinion and according to the information and explanations given to us, there are no such transactions exceeding Rs. Five lakhs each which have been made at prices, which are not reasonable having regard to the prevailing market prices, for such goods, materials or services at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under, where applicable, with regard to deposits accepted from the public. As per the information and explanations given to us no order under the aforesaid sections has been passed by the Company Law Board on the company.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business
8. We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records has been prescribed under Section 209(1)(d) of the companies Act, 1956. We have not, however made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the undisputed statutory dues in respect of provident fund, employees' state insurance, income-tax, sales-tax, custom duty, excise duty, cess and other as applicable have been regularly

deposited by the company during the year with the appropriate authorities.

- b) As at 31st March, 2004 according to the records of the Company, the following are the particulars of disputed dues on account of Excise duty that have not been deposited :

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

10. The company has neither accumulated losses as at 31st March, 2004 nor it has incurred any cash losses during the financial period ended on that date or in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by management, we are of the opinion that the company has not defaulted in repayment of its dues to any financial institution, bank or to debenture holders during the year.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute as specified under clause (xiii) of paragraph 4 of the order are not applicable to the company.
14. In our opinion and according to the information and explanations given to us, the company is not a dealer or trader in securities.
15. The company has not given any guarantees for loans taken by others from banks or financial institutions, the terms and conditions, whereof, in our opinion are prima facie, prejudicial to the interest of the Company
16. The company has not obtained any term loans that were not applied for the purpose for which these were raised.
17. Based on the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment, and vice versa.
18. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
19. The Company has not raised any money by public issue during the year.
20. According to the information and explanations given to us, during the year, no fraud by the company has been noticed or reported.

For P. P. Thukral & Co.
Chartered Accountants

Place : New Delhi
Dated : 15.07.2004

Suresh Sethi
Partner

Balance Sheet As on 31.03.2004			
PARTICULARS	SCHEDULE NO.	AS ON 31.03.2004 Rs.	AS ON 31.12.2002 Rs.
SOURCES OF FUNDS			
Shareholders' funds			
Capital	'1'	3,27,47,500	3,27,47,500
Reserves & Surplus	'2'	62,73,74,173	<u>58,30,13,285</u>
		66,01,21,673	61,57,60,785
Loan Funds			
Secured loans	'3'	27,95,45,840	28,70,53,446
Unsecured Loans	'4'	5,05,94,926	<u>7,44,42,538</u>
TOTAL		<u>99,02,62,439</u>	<u>97,72,56,769</u>
APPLICATION OF FUNDS			
Fixed Assets			
Net Block	'5'	30,76,02,320	28,45,60,342
Investments	'6'	5,031	5,031
Current Assets, Loans And Advances			
Inventories	'7'	56,11,22,970	47,60,45,668
Sundry Debtors		22,77,79,484	27,98,80,907
Cash & Bank Balances		3,99,76,595	3,33,94,568
Loans and advances		8,83,25,589	<u>5,29,29,049</u>
		91,72,04,638	84,22,50,192
LESS:			
Current Liabilities & Provisions	'8'	23,45,49,550	14,95,58,796
Net Current Assets		<u>68,26,55,088</u>	<u>69,26,91,396</u>
TOTAL		<u>99,02,62,439</u>	<u>97,72,56,769</u>
NOTES TO ACCOUNTS	'13'		
As per our report of even date			
For P.P. Thukral & Co. <i>Chartered Accountants</i>	J.S. Kochhar <i>Chairman</i>	A. C. Chakrabortti <i>Director</i>	
Suresh Sethi <i>Partner</i>	R. P. S Kochhar <i>Managing Director</i>	S. Mukhopadhyay <i>Director</i>	
Place : New Delhi Dated : 15.07.2004	Sanjiv Kumar Dudeja <i>General Manager</i>	S.K. Mata <i>Company Secretary</i>	

Profit and Loss Account for the period ending 31.03.2004			
PARTICULARS	SCHEDULE NO.	1.01.03 TO 31.03.2004 Rs.	1.10.01 TO 31.12.2002 Rs.
INCOME			
Sales		1,83,81,09,100	1,62,48,04,562
Other Income	'9'	81,46,362	63,25,195
Increase (decrease) in finished goods stock & work in progress		8,79,58,596	3,27,15,009
TOTAL		1,93,42,14,058	1,66,38,44,766
EXPENDITURE			
Cost of Materials	'10'	98,31,51,059	80,17,03,669
Other Expenditure	'11'	78,00,12,896	71,85,66,937
TOTAL		1,76,31,63,955	1,52,02,70,606
Profit before interest, Depreciation and Tax		17,10,50,103	14,35,74,160
Interest	'12'	4,05,11,744	5,70,33,915
Depreciation		1,44,66,477	1,29,73,420
Profit before Tax		11,60,71,882	7,35,66,825
Provision For Tax		3,66,00,000	2,20,00,000
Deferred Tax		26,08,873	14,54,976
Net profit after tax Carried Down		7,68,63,009	5,01,11,849
Balance brought forward from 31.12.02		2,92,87,479	1,75,17,691
Balance Available for Appropriation		10,61,50,488	6,76,29,540
Proposed Dividend		2,61,98,000	1,22,80,313
General Reserve		1,00,00,000	1,50,00,000
Add. income tax on proposed dividend		33,56,619	15,35,039
Income tax for earlier years			95,26,708
Balance carried over to Schedule '2'		6,65,95,869	2,92,87,480
		10,61,50,488	6,76,29,540
NOTES TO ACCOUNTS	'13'		
As per our report of even date For P.P. Thukral & Co. <i>Chartered Accountants</i>	J.S. Kochhar <i>Chairman</i>	A. C. Chakrabortti <i>Director</i>	
Suresh Sethi <i>Partner</i>	R. P. S Kochhar <i>Managing Director</i>	S. Mukhopadhyay <i>Director</i>	
Place : New Delhi Dated : 15.07.2004	Sanjiv Kumar Dudeja <i>General Manager</i>	S.K. Mata <i>Company Secretary</i>	

Schedules			
Annexed to and forming part of the Accounts			
		31.03.2004	31.12.2002
		Rs.	Rs.
SCHEDULE '1'			
SHARE CAPITAL			
AUTHORISED			
1,00,00,000 Equity Shares of Rs.10/- each		10,00,00,000	10,00,00,000
1,50,00,000 Un-classified Shares of Rs. 10/- each		15,00,00,000	15,00,00,000
ISSUED, SUBSCRIBED & PAID UP			
32,74,750 Equity Shares of Rs.10/-each		<u>3,27,47,500</u>	<u>3,27,47,500</u>
TOTAL		<u>3,27,47,500</u>	<u>3,27,47,500</u>
SCHEDULE '2'			
RESERVES & SURPLUS			
Share Premium Account			
		60,00,000	60,00,000
Revaluation Reserve			
Balance as on 31.12.02	15,79,22,848		
Less : adjustment of depreciation on revaluation of assets	<u>29,47,501</u>	15,49,75,347	15,79,22,848
General Reserve			
Balance as on 31.12.02	41,00,00,000		39,50,00,000
Add : Additions during the year	1,00,00,000		1,50,00,000
Deferred Tax	<u>(2,01,97,043)</u>	39,98,02,957	(2,01,97,043)
Profit & Loss Account			
Balance as on 31.12.02	2,92,87,480		
Less : Transferred to Profit & Loss Account	2,92,87,480		
Add: Transferred from Profit & Loss Account	<u>6,65,95,869</u>	6,65,95,869	2,92,87,480
TOTAL		<u>62,73,74,173</u>	<u>58,30,13,285</u>
SCHEDULE '3'			
SECURED LOANS			
1. 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.		27,95,45,840	27,03,03,446
2. Deferred Credit from suppliers of machinery		-	1,00,000
3. Non Convertible Debentures		-	1,66,50,000
TOTAL		<u>27,95,45,840</u>	<u>28,70,53,446</u>
SCHEDULE '4'			
UNSECURED LOANS			
Fixed deposits		5,05,94,926	7,44,42,538
TOTAL		<u>5,05,94,926</u>	<u>7,44,42,538</u>

SCHEDULE '5' FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK			
	Balance as at 31.12.02	Additions	Deductions	Balance as at 31.03.04	Balance as at 31.12.02	For the Year	On Deductions	Balance as at 31.03.04	Balance as at 31.03.04	Depreciation without Revaluation	Balance without Revaluation as at 31.03.2004
Goodwill	3,00,000			3,00,000	0			0	3,00,000		3,00,000
Freehold Land	8,58,95,625			8,58,95,625	0			0	8,58,95,625		20,20,808
Building	9,73,06,105	2,29,84,886		12,02,90,991	53,41,500	43,31,128		96,72,628	11,06,18,363	21,70,789	6,10,14,250
Plant&Machinery	6,95,04,350	1,52,58,446		8,47,62,796	1,93,50,358	46,56,818		2,40,07,176	6,07,55,620	43,49,603	4,77,23,731
Vehicles	56,07,021	21,565	4,95,000	51,33,586	27,55,432	6,78,789	89,205	33,45,016	17,88,570	6,78,789	17,88,570
Other Assets	8,70,37,364	25,96,855		8,96,34,219	3,36,42,833	77,47,244		4,13,90,077	4,82,44,142	72,67,296	320,42,693
Total	34,56,50,465	4,08,61,752	4,95,000	38,60,17,217	6,10,90,123	1,74,13,979	89,205	7,84,14,897	30,76,02,320	1,44,66,477	14,48,90,052
Previous Year's	32,45,81,495	2,10,68,970	0	34,56,50,465	4,51,69,202	1,59,20,921	0	6,10,90,123	28,45,60,342	1,29,73,420	11,89,00,572

31.03.2004**31.12.2002****Rs.****Rs.****SCHEDULE '6'****INVESTMENTS**

Quoted (at cost)

(Refer Notes to Accounts in Schedule '13')

TOTAL**5,031**

5,031

5,031**5,031****SCHEDULE '7'****CURRENT ASSETS, LOANS & ADVANCES****Inventories**

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

Raw Materials

10,84,52,136

11,13,33,430

Work in process

9,78,51,798

10,40,49,250

Finished Goods

35,48,19,036

26,06,62,988

56,11,22,970**47,60,45,668****Sundry Debtors**

(Unsecured but Considered good)

Debts outstanding for a period

exceeding 6 months

33,42,170

94,60,266

Other Debts

22,44,37,314

27,04,20,641

22,77,79,484**27,98,80,907****Cash and Bank Balances**

Cash and Imprest in hand

30,48,512

99,90,421

Balances with Scheduled Banks

3,69,28,083

2,34,04,147

3,99,76,595**3,33,94,568****Loans & Advances**

(Unsecured but considered Good)

Advances recoverable in cash or in

kind or for value to be received

1,43,41,233

1,63,81,954

Advance Income Tax

7,03,92,774

3,36,89,113

Security Deposit

35,91,582

28,57,982

8,83,25,589**5,29,29,049****TOTAL****91,72,04,638****84,22,50,192**

	31.03.2004 Rs.	31.12.2002 Rs.
SCHEDULE '8'		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors	6,65,29,820	5,28,61,363
Other Liabilities	3,57,66,456	2,60,20,067
Interest Accrued but not due	<u>30,23,775</u>	39,81,769
Provisions		
Provision for taxation	7,87,70,607	3,27,63,265
Deferred Tax liability	2,42,60,892	2,16,52,019
Proposed Dividend	<u>2,61,98,000</u>	<u>1,22,80,313</u>
TOTAL	<u>23,45,49,550</u>	<u>14,95,58,796</u>
SCHEDULE '9'		
OTHER INCOME		
Miscellaneous Income	83,84,875	63,19,717
Dividend received from other companies	10,282	5,478
Profit (loss) on sale of Assets	<u>(2,48,795)</u>	<u>0</u>
TOTAL	<u>81,46,362</u>	<u>63,25,195</u>
SCHEDULE '10'		
COST OF MATERIALS		
Opening Stocks	11,13,33,430	11,03,88,049
Add: Purchases	<u>98,02,69,765</u>	<u>80,26,49,050</u>
	1,09,16,03,195	91,30,37,099
Less: Closing Stocks	<u>10,84,52,136</u>	<u>11,13,33,430</u>
TOTAL	<u>98,31,51,059</u>	<u>80,17,03,669</u>
SCHEDULE '11'		
OTHER EXPENDITURE		
Power and Fuel	2,06,18,008	1,57,43,242
Rent	78,78,568	73,84,119
Repair and Maintenance	2,41,36,598	2,60,84,503
Personnel Expenses		
– Salaries, Wages, Bonus & Contribution to Provident and other funds	19,26,77,978	14,50,32,553
– Welfare	59,58,149	44,43,337
Insurance	75,03,523	70,77,620
Excise Duty	20,63,58,714	19,38,50,293
Miscellaneous Expenses	3,17,04,138	3,52,15,932
Auditor's Remuneration	1,33,750	1,26,500
Travelling Expenses	9,32,01,942	9,22,77,971
Sales Administration Expenses	17,06,01,169	17,08,16,179
Freight Outward	<u>1,92,40,359</u>	<u>2,05,14,688</u>
TOTAL	<u>78,00,12,896</u>	<u>71,85,66,937</u>
SCHEDULE '12'		
FINANCIAL EXPENSES		
Working capital borrowings		
Fixed Rate Borrowings	23,61,746	68,74,432
Others	<u>3,81,49,998</u>	<u>5,01,59,483</u>
TOTAL	<u>4,05,11,744</u>	<u>5,70,33,915</u>

SCHEDULE '13'**NOTES TO ACCOUNTS**

Notes annexed to and forming part of the Balance Sheet as at 31st March 2004 and Profit & Loss Account for the period ended on that date.

	31.03.2004	31.12.2002
	Rs.	Rs.
1. Contingent Liabilities		
Bank guarantees	3,00,000	3,00,000

2. Significant Accounting Policies

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

- I. The Accounts have been prepared on historical cost basis except for certain assets revalued in earlier year.
- II. Accounting policies are consistent and are in consonance with generally accepted accounting principles.
- III. Fixed assets are stated at cost of acquisition and subsequent improvements thereto including taxes, duties, freight and other incidental expenses to acquisition and installation. In case of write up due to revaluation the fixed assets are shown at such higher amounts.
- IV. The Company follows the straight line method (S.L.M.) of charging depreciation on all assets. Consequent to the insertion of schedule XIV in Companies Act, 1956 with effect from 2nd April, 1987, depreciation has been provided at the S.L.M. rates prescribed in schedule XIV in respect of additions to fixed assets from and after the said date and in respect of additions to fixed assets prior to said date, the depreciation has been provided at older rates. Pursuant to the notification of Department of Company Affairs dated 16.12.1993, depreciation on assets acquired on and after the said date is provided at new rates.
- V. Capital work in progress, if any, is stated at cost.
- VI. Long term investments are stated at cost.
- VII. Inventories are valued at lower of cost and net realisable value. Valuation is as per accounting standard 2 of Institute of Chartered Accountants of India. Excise duty on finished goods, not cleared from factory is not included in finished goods valuation. The treatment does not have any impact on the profits.
- VIII. Revenue is recognised on completion of sale of goods.
- IX. Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Current assets and current liabilities (other than relating to fixed assets) are restated at the rates prevailing at year end or at the forward rates where forward cover has been taken and the difference between the year end rates/forward rate and exchange rates at the date of transaction. Transaction is recognised as income or expense.
- X. Research and Development costs, (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred.
- XI. Contribution to Provident Fund is made monthly at a pre-determined rate, to the provident fund authorities and accounted on an accrual basis.
- XII. Company has affected an arrangement with Life Insurance Corporation of India under Group Gratuity cum Life Assurance Scheme so as to cover future payment of Gratuity to retiring and other employees and is making the contribution to them as per the premium deposit memorandum.
- XIII. a) Sales comprise of sale of goods net of trade discount, goods returns, breakages and internal transfers Rs. 1103 lacs (previous year Rs. 801 lacs).
b) Dividend on Shares, Insurance and other claims as and when received.

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

Land	Rs. 6,00,00,000
Building	Rs. 4,00,00,000

(As on 31.3.2001)

An amount of Rs 29,47,501 has been debited to revaluation reserve in 2003-04 (previous year 29,47,501) on account of depreciation attributable to said appreciation in value of Revalued assets.

	31.03.2004	31.12.2002
	Rs.	Rs.
4. Payment to Whole time Directors including Managing Director:		
Salary	72,08,500	72,09,000
Commission	57,17,000	-
Payment to other Directors		
Meeting Fees	56,000	77,000
5. Market Value of quoted long term investments:		
408 Equity Shares of Ranbaxy Laboratories Ltd.	3,83,418	2,42,312
6. Repairs & Maintenance includes:		
Plant & Machinery	1,08,16,836	1,34,73,920
Building	54,52,684	28,48,880
Others	78,67,078	97,61,703
7. Computation of Net Profits in accordance with Section 198 of the Companies Act and the Commission payable to the directors.		(Rs. Lakhs)
Profit before tax	1160.72	-
Add : Loss on sale of assets	2.49	-
Directors' Remuneration	129.25	-
Net Profit U/s. 198	1292.46	-
Commission payable to Directors' @ 4% each	103.39	-
Eligible	57.17	-
8. Payment & provisions for Auditors relating to:		
Audit Fee	1,10,000	1,10,000
Other Matters	23,750	16,500
9. The Tax assessment of the Company under the Income Tax Act, 1961 has been completed upto the accounting year ending 31.03.2001 and there are no tax dues standing against the Company in respect of the above.		
10. Balance with Scheduled Banks Include :		
Current Accounts	2,85,57,728	1,58,17,993
Deposit Accounts	83,70,335	75,86,153
11. Payment of Provident Fund	64,55,685	36,45,145
12. As per practice consistently followed, excise duty payable on finished goods held in the works is neither included in expenditure nor included in such stocks, but is accounted for on clearance of the goods. The accounting treatment has no impact on profits. The amount of Excise Duty payable on finished goods not cleared as on 31st March, 2004 is Rs. 57,11,686 and as on 31st December, 2002 was Rs. 24,16,315.		

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

A. PARTICULARS OF GOODS MANUFACTURED:

Goods manufactured	Unit of Measure	01.01.2003 to 31.03.2004	01.10.2001 to 31.12.2002
Capsules	Millions	538.71	501.93
Tablets	Millions	295.67	321.28
Syrups	KLtrs.	578.92	700.64
Ampoules	KLtrs	5.85	5.35
Vials	KLtrs	80.64	114.31
Ointments	M. Tonnes	38.09	36.63
Bulk Drugs & Intermediates	M. Tonnes	73.29	64.92
Dry Powder	M. Tonnes	0.26	0.18

B. STOCKS OF FINISHED GOODS. (Rs. lacs)

Class of Goods	Unit of Measure	31.03.2004		31.12.2002	
		Qty.	Value	Qty.	Value
Capsules	Millions	126.53	1697.54	35.37	782.73
Tablets	Millions	78.68	685.05	88.76	735.57
Syrups	KLtrs.	120.11	213.27	116.85	229.98
Ampoules	KLtrs	1.62	761.04	1.50	639.15
Vials	KLtrs	23.47	82.55	23.36	110.40
Ointments	M. Tonnes	13.55	82.26	9.24	30.07
Dry Powder	M. Tonnes	0.11	22.07	0.15	29.85
Infusion	KLtrs.	1.27	4.41	14.09	48.87

C. SALES (Rs.lacs)

Class of Goods	Unit of Measure	01.01.2003 to 31.03.2004		01.10.2001 to 31.12.2002	
		Qty.	Value	Qty.	Value
Capsules	Millions	554.45	8521.47	555.69	6476.20
Tablets	Millions	420.00	3315.84	399.21	3332.64
Syrups	KLtrs.	646.28	935.59	766.98	911.53
Injectables:					
Ampoules	KLtrs	5.97	1702.63	5.47	1819.52
Vials	KLtrs	95.57	301.95	131.13	338.91
Ointments	M. Tonnes	68.19	394.41	58.20	253.07
Bulk Drugs & Intermediates	M. Tonnes	132.04	2932.61	103.85	2929.45
Dry Powder	M. Tonnes	0.841	139.52	0.51	63.20
Infusion	KLtrs.	42.21	137.07	39.05	123.53

D. PURCHASE OF FINISHED GOODS (Rs. lacs)

Class of Goods	Unit of Measure	01.01.2003 to 31.03.2004		01.10.01 to 31.12.2002	
		Qty.	Value	Qty.	Value
Infusions	KLtrs.	29.39	40.52	47.61	60.95
Ampoules	KLtrs.	0.24	121.64	1.09	413.33
Tablets	Millions	114.26	712.43	133.41	1474.57
Ointment	M.Tonnes	34.41	199.59	24.91	104.76
Vials	KLtrs.	15.04	63.27	36.26	121.75
Bulk Drugs	M.Tonnes	39.55	244.32	–	–
Capsules	Millions	106.90	1970.13	54.28	1112.37
Syrup	KLtrs	70.62	132.26	128.64	129.78
Dry Powder	M. Tonnes	0.54	54.43	0.41	44.99

E. INSTALLED CAPACITY			
Class of Goods	Unit of Measure	31.03.2004	31.12.2002
Capsules	Millions	1300	1000
Tablets	Millions	1300	1000
Syrup	Kl Ltrs.	2400	1800
Injectables:			
Ampoules	Kl Ltrs	33	25
Vials	Kl Ltrs	406	312
Ointment	M. Tonnes	164	126
F. CONSUMPTION OF RAW MATERIAL (Rs lacs)		9831.51	7215.91
No single item of raw material constitutes more than 10% of total consumption			
G. BREAK-UP OF CONSUMPTION OF RAW MATERIALS			
Indigenous (Rs lacs)		8904.05	6019.00
As % age of total		90.57	83.41
Imported (Rs lacs)		927.46	1196.90
As % age of Total		9.43	16.59
H. VALUE OF IMPORTS ON CIF BASIS			
Raw Materials (Rs lacs)		897.23	766.80
I. EXPENDITURE IN FOREIGN EXCHANGE			
Travelling (Rs lacs)		21.43	23.71
Dividend on 1,27,920 shares		4.80	2.56
Subscription		1.03	-
J. EARNINGS IN FOREIGN EXCHANGE			
Export FOB value (Rs lacs)		520.92	319.74
14. Deferred tax adjustment has been made upto 31.03.2004. No affect of liabilities as per Section 43 B of Income Tax Act., have been made as they are permanent differences.			
15. Segment Reporting			
The company operates in the Pharmaceutical segment. The segment results are as under:-			
		Current Year	Previous Year
Sales		Rs. 18381.09 lacs	Rs. 16248.05 lacs
Profit after tax		Rs. 768.63 lacs	Rs. 501.12 lacs
16. Disclosure of Earning per Share :			
Basic and diluted Earning per Share		Rs. 23.47	Rs. 15.30
17. Related party disclosures - AS 18			
A) The company does not have any subsidiary company and/or related Companies.			
B) Directors:- Related parties			
	Amount in Rs.	Transaction	
Jagmohan Singh Kochhar	36,04,250	Remuneration	
Rajpal Singh Kochhar	36,04,250	Remuneration	
Relative			
Prithipal Singh Kochhar	1,17,600	Remuneration	
18. Previous years' figures have been re-grouped and rearranged wherever necessary.			
19. The figures in the Profit & Loss account for the current and the previous period are for a period of fifteen months.			
As per our report of even date			
For P.P. Thukral & Co. Chartered Accountants	J.S. Kochhar Chairman	A. C. Chakrabortti Director	
Suresh Sethi Partner	R. P. S Kochhar Managing Director	S. Mukhopadhyay Director	
Place : New Delhi Dated : 15.07.2004	Sanjiv Kumar Dudeja General Manager	S.K. Mata Company Secretary	

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

I. Registration Details			
Registration No.	: 9181	State Code	: 55
Balance Sheet Date	: 31.03.2004		
II. Capital Raised During the year (Amount in Rs. thousand)			
Public Issue	: NIL	Rights Issue	: NIL
Bonus Issue	: NIL	Private Placement/Others	: NIL
III. Position of Mobilisation and Deployment of Funds (Amount in Rs. thousand)			
Total Liabilities	: 1224812	Total Assets	: 1224812
SOURCES OF FUNDS			
Paid-Up Capital	: 32747	Reserves & Surplus	: 627374
Secured Loans	: 279546	Unsecured Loans	: 50595
APPLICATION OF FUNDS			
Net Fixed Assets	: 307602	Investments	: 5
Net Current Assets	: 682655	Misc. Expenditure	: NIL
Accumulated Losses	: NIL		
IV. Performance of Company (Amount in Rs. thousand)			
Turnover	: 1838109	Total Expenditure	: 1722037
Profit/Loss Before Tax	: +116072	Profit/Loss After Tax	: +76863
Earning Per Share	: Rs. 23.47	Dividend Rate	: 80%
V. Generic names of three principal products/services of Company (As per monetary terms)			
Item Code No. (ITC Code)	: 294200		
Product Description	: Dextropropoxyphene Hydrochloride		
Item Code No. (ITC Code)	: 300410		
Product Description	: Ampicillin		
Item Code No. (ITC Code)	: 300490		
Product Description	: Nandrolone Decanoate		

As per our report of even date

For P.P. Thukral & Co.
Chartered Accountants

J.S. Kochhar
Chairman

A. C. Chakrabortti
Director

Suresh Sethi
Partner

R. P. S Kochhar
Managing Director

S. Mukhopadhyay
Director

Place : New Delhi
Dated : 15.07.2004

Sanjiv Kumar Dudeja
General Manager

S.K. Mata
Company Secretary

Cash Flow Statement
for the Period Ended 31st March, 2004

(Pursuant to Clause 32 of the Listing Agreement)

	31.03.2004 (Rs.)	31.12.02 (Rs.)
A. Cash Flow From operating activities		
Net Profit before tax and extraordinary items	11,60,71,882	7,35,66,825
Add: Adjustment for Depreciation	1,44,66,477	1,29,73,420
Adjustment for loss on sale of assets	2,48,795	-
Total	13,07,87,154	8,65,40,245
Add: Interest	4,05,11,744	5,70,33,915
Operating profit before working capital changes	17,12,98,898	14,35,74,161
Less: Increase in Inventories	8,50,77,302	3,36,60,390
Increase in Sundry Debtors	(5,21,01,423)	(9,32,51,641)
Increase in Loans & Advances	3,53,96,540	(2,17,25,825)
Increase in Balances with Scheduled Bank	1,35,23,936	(15,55,865)
	8,94,02,543	22,64,47,101
Add: Increase in Current Liabilities & Provisions	8,49,90,754	(7,33,57,855)
Increase in Short term borrowings from banks	92,42,394	5,08,49,386
	18,36,35,691	20,39,38,631
Less: Payment of Interest	4,05,11,744	5,70,33,915
Income Tax & deferred tax	3,92,08,873	3,29,81,684
Dividend & Tax on Dividend	2,95,54,619	1,38,15,352
Cash flow before extra ordinary items	7,43,60,455	10,01,07,680
B. Cash Outflow for investing activities		
Purchase of fixed assets	4,08,61,752	2,10,68,970
	3,34,98,703	7,90,38,710
C. Cash Flow from financing activities		
Add: Proceeds from sale of fixed assets	1,57,000	
Proceeds from long term borrowings	(1,67,50,000)	(3,62,73,765)
Proceeds from Fixed deposits	(2,38,47,613)	(3,90,40,374)
	(69,41,910)	37,24,571
Add: Cash & Imprest in Hand as on 31.12.02	99,90,421	62,65,851
Balance of Cash & Imprest in Hand as on 31.03.04	30,48,511	99,90,421

We have verified the above Cash Flow Statement for the year ended 31st March 2004 with the audited accounts for the year ended on that date and found the same to be in agreement therewith

As per our report of even date

For P.P. Thukral & Co.
Chartered Accountants
J.S. Kochhar
Chairman
A. C. Chakrabortti
Director
Suresh Sethi
Partner
R. P. S Kochhar
Managing Director
S. Mukhopadhyay
Director

Place : New Delhi
Dated : 15.07.2004

Sanjiv Kumar Dudeja
General Manager
S.K. Mata
Company Secretary

JAGSONPAL PHARMACEUTICALS LIMITED
PROXY

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

I/Weof

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

..... or failing him

..... of

as my/our proxy in my/our absence to attend and vote for me/us, and on my/our behalf, at the 25th Annual

General Meeting of the Company to be held on 01.09.2004



Signed by the said

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

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JAGSONPAL PHARMACEUTICALS LIMITED
ATTENDANCE SLIP

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

Name of the attending Member
 (in Block Letters)

Folio Number/Client ID No. DP ID No.

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

No. of shares held

I hereby record my presence at the 25th Annual General Meeting at Vanita Samaj, 13 Institutional Area, Lodi Road, New Delhi-110003 at 3.00 pm on 01.09.2004

Member's/Proxy's Signature*

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

Past Record

...13 Years of continuous dividend payment

(Rs. in Lacs)

Particulars	Financial Year Ending												
	03 / 1992	03 / 1993	03 / 1994	12 / 1994 (9 mths)	12 / 1995 (12 mths)	03 / 1997 (15 mths)	03 / 1998	03 / 1999	03 / 2000	03 / 2001	09 / 2001 (6 mths)	12 / 2002 (15 mths)	03 / 2004 (15 mths)
Fixed Assets	230.30	572.00	948.80	1101.01	1173.10	1424.40	1475.95	1583.51	1659.45	2816.91	2794.12	2845.6	3076.02
Investments	0.00	0.00	9.70	9.71	299.10	299.10	0.10	0.10	0.10	0.05	0.05	0.05	0.05
Net Current Assets	173.10	309.80	402.90	763.59	915.50	1196.60	1952.59	2744.99	3689.50	4465.56	4790.28	4223.88	4031.09
Total Capital Employed	403.30	881.80	1361.30	1874.98	2387.70	2921.10	3428.63	4328.60	5349.05	7282.52	7584.45	7069.53	7107.16
Share Holders' Funds	303.60	717.10	1183.20	1434.17	2018.50	2361.80	2810.68	3256.16	4066.42	6023.78	5919.38	6157.61	6601.21
Sales	2594.00	3448.00	4089.00	4125.75	5970.90	7561.20	7908.75	9146.08	11846.29	13651.87	5690.26	16248.05	18381.09
Other income	15.30	8.00	34.00	29.81	10.50	12.60	28.27	35.65	43.26	21.74	28.11	63.25	81.46
Operating Profit	171.00	343.40	501.90	558.28	984.90	1251.40	1216.83	1314.23	1852.59	1975.24	606.31	1435.74	1710.5
Interest	95.70	139.20	181.80	139.20	283.60	541.00	403.11	458.68	444.81	509.19	283.77	570.34	405.12
Depreciation	10.00	11.40	18.80	18.82	30.20	52.00	55.15	67.32	78.34	89.95	50.57	129.74	144.66
Tax	19.00	66.50	66.80	107.29	150.00	188.00	190.00	217.00	388.00	361.00	90.00	220	366.00
Profit After Tax	46.20	126.40	234.50	292.97	431.10	470.40	568.57	571.22	941.44	1015.10	181.98	515.66	794.71
Retained Earnings	19.70	95.40	199.00	259.69	386.60	137.30	460.51	455.69	820.49	885.97	109.37	282.25	473.08
Dividend (Including Tax)	26.50	31.00	35.50	33.28	44.50	112.70	108.06	108.06	119.86	108.26	72.17	138.15	295.54
Dividend (%)	15.00	17.50	20.00	18.75	25.00	25.00	30.00	30.00	30.00	30.00	20.00	37.50	80.00
Earning Per Share (Rs.)	2.61	7.13	13.22	16.50	13.17	14.35	17.36	17.44	28.75	31.00	5.56	15.75	23.45