

NOTICE

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

ORDINARY BUSINESS

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

SPECIAL BUSINESS

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

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. R. Krishnan, Cost Accountants (Memb. No. 7799), appointed by the Board on the recommendation of the Audit Committee of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting;

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

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

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Ashok Kumar Pati (DIN: 08661819) who was appointed as an Additional Director of the company by the Board of directors on the Board Meeting held on 13th Day of November, 2019 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from him proposing his candidature for the office of Director as per section 160 of Companies Act, 2013, be and is hereby

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

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

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

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

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Mammen Mathew (DIN: 00425579) who was appointed as an Additional

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

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

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

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

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

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

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

By the Order of the Board

JAGSONPAL PHARMACEUTICALS LIMITED

Place: New Delhi

NANDITA SINGH

Date: July 29, 2020

Company Secretary

ACS: 48520

NOTES:-

1. Explanatory Statement setting out the material facts concerning each item of Special Businesses to be transacted at the Annual General Meeting pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of the Notice. Information on all the Directors proposed to be appointed/re-appointed at the Meeting as required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 are provided in the Annexure - A to this Notice.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the AGM through VC/ OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and the relevant provisions of the Companies Act, 2013 (Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') the AGM of the Company is being held through VC/OAVM.
3. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their votes on all resolutions set forth in the Notice of the AGM using electronic voting system (remote e-voting), provided by NSDL.
4. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
5. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members

has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

6. Attendance of the Members participating in the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Corporate Members are required to scan and send a certified true copy of the Board Resolution, pursuant to Section 113 of the Act, authorizing their representatives to attend and vote on their behalf at the Meeting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail through their registered e-mail address to jagsonpal.bansal@gmail.com with a copy marked to the Company on cs@jagsonpal.com.
8. Relevant documents as required by law and referred to in the accompanying Notice and in the Explanatory Statement shall be available for inspection through electronic mode. Members may write to the Company on cs@jagsonpal.com for inspection of said documents and the same will also be available for inspection by the members during the AGM, upon login at NSDL e-voting system at www.evoting.nsdl.com.
9. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
10. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(4) of Companies (Share Capital and Debentures) Rules, 2014, members of the Company may nominate a person in whom the shares held by him/ them, shall vest in the event of his/ their unfortunate death. Accordingly, members holding shares in physical form, desirous of availing this facility may submit nomination in Form SH-13 to RTA of the Company. In respect of shares held in dematerialised form, the nomination form may be filed with the concerned Depository Participant.
11. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed during the Book Closure period, i.e., from Thursday, September 24, 2020 to Wednesday, September 30, 2020 (both days inclusive) for the purpose of Annual General Meeting.
12. Members are requested to intimate change, if any, in their address (with PIN Code), E-mail ID, nominations, bank details, mandate instructions, National Electronic Clearing Service ("NECS") mandates, etc. under the signature of the registered holder(s) to M/s MCS Share Transfer Agent Limited, Registrar and Transfer Agent ("RTA") of the Company (email id admin@mcsregistrars.com); Or the Company and their respective Depository Participants.
13. The members who have not yet registered their e- mail ids with the Company may contact on (e-mail cs@jagsonpal.com) for registering their e- mail ids on or before the cut- off date fixed for entitling the members to cast their vote i.e. 23rd Day of September, 2020. The Company shall send the Notice to such members whose e-mail ids get registered within the aforesaid time enabling them to participate in the meeting and cast their votes.
14. The Securities and Exchange Board of India vide its circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, with a view to protect the interest of the shareholders, has mandated to all the members who holds securities of the Company in physical form, to furnish to the Company / its Registrar and Transfer Agent, the details of their valid Permanent Account Number (PAN) and bank account. To support the SEBI's initiative, the Members are requested to furnish the

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

15. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mails to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the Company.
16. In compliance with the MCA Circulars and the Securities and Exchange Board of India ('SEBI') Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Notice of the 41st AGM along with the Annual Report for Financial Year 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / National Securities Depository Limited and Central Depository Services (India) Limited ('the Depositories').
17. Subject to the provisions of the Act, the final equity dividend as recommended by the Board of Directors, if declared at the AGM, will be paid on or after Monday, October 05, 2020 to those members whose names appear:
 - a) in the Register of members of the Company after giving effect to valid share transfers lodged with the Company on or before Wednesday, September 23, 2020 and
 - b) as beneficial owners as at the end of business hours on Wednesday, September 23, 2020 as per the list furnished by National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) in respect of shares held in dematerialized form.
18. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Share Transfer Agents of the Company for consolidation into a single folio.
Non-Resident Indian Members are requested to inform to the Registrar and Share Transfer Agents of the Company, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company/Registrar & Transfer Agents i.e. M/s MCS Share Transfer Agent Limited.
20. The facility of e-voting through the same portal provided by NSDL will be available during the Meeting through VC also to those Members who do not cast their votes by remote e-voting prior to the Meeting. Members, who cast their votes by remote e-voting, may attend the Meeting through VC but will not be entitled to cast their votes once again.
21. Voting rights of the members (for voting through remote e-voting or e-voting system provide in the Meeting itself shall be in proportion to shares of the paid-up equity share capital of the Company as on the cut-off date i.e. 23rd September,

2020. A person, whose name is recorded in the Register of Members or in the Register of Beneficial owners (as at the end of the business hours) maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting or e-voting system provide in the Meeting.

22. Queries on the Annual Report and operations of the Company, if any, may please be sent to the Company at least seven days prior to the date of the AGM so that answers may be provided at the Meeting.
23. Unclaimed dividend for the financial year 2011-12 has already been transferred to Investor Education and Protection Fund (IEPF). Members are hereby informed that pursuant to Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, as may be amended from time to time (IEPF Rules), dividend which is remaining unpaid/ unclaimed by shareholders for a period of seven consecutive years shall be transferred to IEPF. IEPF Rules mandate the companies to transfer the shares of members whose dividends remain unpaid/ unclaimed for a period of seven consecutive years, to the dematerialization account of IEPF Authority. The details of unclaimed dividends and its due dates for transfer to IEPF are available on the website of the Company. Members who have not claimed their dividend(s) so far in respect of the unclaimed dividend(s) and which is due for transfer to IEPF, are requested to write to the Company's R&T Agent, well in advance before the respective due dates. The Members whose dividend(s) and/or shares have been transferred to IEPF Authority can now claim their dividend(s) and/or shares from the IEPF Authority by following the 'Procedure to claim Refund' as detailed on the website of IEPF Authority www.iepf.gov.in/IEPF/refund.html. Unclaimed final equity dividend for the financial year 2012-13 is due for transfer to IEPF by November, 2020. Members are required to claim their uncashed dividend, if any, for the financial year 2012-13.
24. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to corporate governance report which is a part of this Annual Report.

25. Voting Options

A. Voting through electronic means:

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

be provided by National Securities Depository Limited (NSDL).

- II. The remote e-Voting period commences at **9:00 A.M. (IST)** on **Sunday, September 27, 2020** and ends at **5:00 P.M. (IST)** on **Tuesday, September 29, 2020**. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-off date **Wednesday, September 23, 2020** ("Cutoff date"), may cast their vote by remote e-Voting. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- III. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- IV. The instructions for remote e-Voting are as under:
Members whose email address is registered with the Company/ Depository Participant will receive an e-mail from NSDL. Open e-mail and open PDF file viz.; "Remote e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your User ID and Password for remote e-Voting. Please note that the password is an initial password. Members are requested to go through the following steps to cast votes through remote e-Voting.

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

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

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

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

II. General Guidelines for shareholders:

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

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

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

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

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

<https://www.evoting.nsdl.com> under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned as above to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

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

INSTRUCTIONS ON TAX DEDUCTIBLE AT SOURCE ON DIVIDEND:

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

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

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

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

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

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

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

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

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

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

ITEM NO. 3

The Board of Directors of the Company has appointed M/s. R. Krishnan Cost Accountants as Cost Auditors of the Company to audit the accounts relating to drug formulations for the financial year ending March 31st, 2021.

Remuneration of Rs. 1.75 lakh shall be payable to M/s. R. Krishnan Cost Auditors of the Company for the financial year ended 31 March, 2021, which was recommended by the Audit Committee to the Board of Directors and subsequently, was considered and approved by the Board of Directors.

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

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

ITEM NO. 4 & 5

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

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

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

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

ITEM NO. 6

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

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

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

Remuneration Proposed:

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

Perquisites and Allowances:

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

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

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

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

By the Order of the Board
JAGSONPAL PHARMACEUTICALS LIMITED
Place: New Delhi
Date: July 29, 2020
NANDITA SINGH
Company Secretary
ACS: 48520

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

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