



Report



TRUE COPY

For JENBURKT PHARMACEUTICALS LIMITED,



*Nimesh Shah*  
NIMESH SHAH  
COMPANY SECRETARY

Annual Report 1996-97

Jenburkt Pharmaceuticals Ltd.

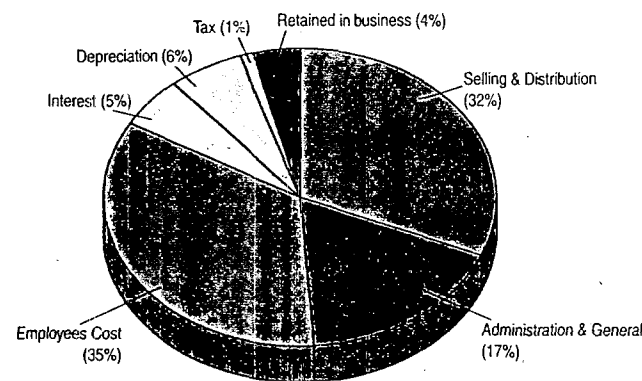
*One Step Ahead In Medicare*

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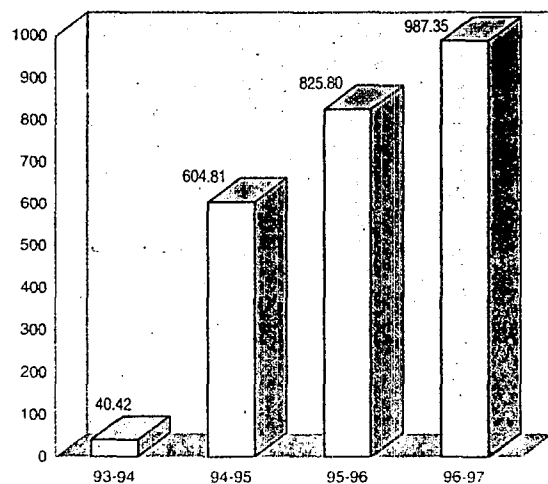
## HIGHLIGHTS

### I. Generation and Distribution of Value Added for 1996-97

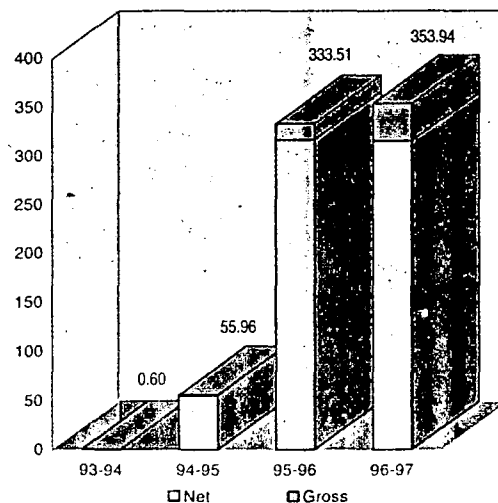
<i>Generation</i>	<i>Rs. in lacs</i>	<i>Distribution</i>	<i>Rs. in lacs</i>
Sales & Other Income	987.35	Selling & Distribution	143.75
Less : Cost of Materials & Manufacturing Charges	530.17	Administration & General	79.97
		Employees Cost	157.14
		Interest	25.03
		Depreciation	28.11
		Tax	5.00
		Retained in Business	18.18
	<u>457.18</u>		<u>457.18</u>



### II. Sales & Other Income (Rs. in lacs)



### III. Fixed Assets (Rs. in lacs)



# JENBURKT

## BOARD OF DIRECTORS

Harshad N. Bhuta	-	Chairman
Hemendra N. Bhuta	-	Managing Director
Uttam N. Bhuta	-	Joint Managing Director
Dr. Chimanlal A. Shah	-	Director
Bharat V. Bhate	-	Director

## MANAGEMENT COMMITTEE

Ashish U. Bhuta	Vice-President
Suresh M. Karnik	Vice-President (Marketing)
Rajendra C. Khanderia	Vice-President (Plant & Production)
Nimesh S. Shah	Company Secretary

## 12TH ANNUAL REPORT 1996-97

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## REGISTERED OFFICE

Nirmala Apartments,  
93, Jayprakash Road,  
Andheri (W),  
Mumbai - 400 058.

## BANKERS

State Bank of Saurashtra  
Indian Bank  
Union Bank of India  
Bank of India

## ANNUAL GENERAL MEETING

Monday, 22nd September 1997  
at 2.30 p.m. at Juhu Jagruti Audio-Visual  
Centre, Shri Bhaidas Maganlal Sabhagriha,  
2nd Floor, Vile Parle (W), Mumbai - 56.

## PLANT

11-12, GIDC Phase - I,  
Bhavnagar Road,  
Sihor, Gujarat - 364 240.

## AUDITORS

D.L. Arora & Co.  
Chartered Accountants,  
Mumbai.

## SOLICITORS & ADVOCATES

Dhimant K. Kapadia,  
Mumbai.

## REQUEST TO MEMBERS

1. All correspondence regarding transfer of Shares should be addressed to the Company Secretary.
2. Members are requested to bring their copy of the Annual Report to the Meeting.
3. Members requiring any information about the accounts are requested to write to the Company Secretary atleast one week before the date of the Meeting.



## NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWELTH ANNUAL GENERAL MEETING OF JENBURKT PHARMACEUTICALS LIMITED will be held on Monday, the 22nd September, 1997 at 2.30 P.M. at Juhu Jagruti Audio-visual Centre, Shri Bhaidas Maganlal Sabhagriha, 2nd Floor, Next to N.M. College, Juhu Development Scheme, Vile Parle (West), Mumbai-400 056 to transact the following business.

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997 and the Profit & Loss Account for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Shri Harshad N. Bhuta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. Chimanlal A. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s D.L. Arora & Co. Chartered Accountants, as Auditors of the company for the financial year 1997 - 98 to hold such office from the conclusion of this meeting, until the conclusion of the next Annual General Meeting, on such remuneration as may be determined by the Board of Directors of the Company; plus all out-of-pocket expenses, if any.
5. To consider and, if thought fit, to pass with or without modification(s), the following resolution:

#### AS AN ORDINARY RESOLUTION :

"RESOLVED THAT pursuant to Section 293(1)(d) of the Companies Act, 1956 and all other enabling provisions, if any, the consent of the members be and is hereby accorded to the Board of Directors of the Company to borrow such sum or sums of money in any manner from time to time, as may be required for the purpose of business of the Company with or without security and upon such terms and conditions as they may think fit, notwithstanding that money to be borrowed together with money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board of Directors and

outstanding at any time shall not exceed a sum of Rs.5 crores (Rupees five crores) only."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution :

#### AS AN ORDINARY RESOLUTION :

"RESOLVED THAT the members do hereby accord their Consent under Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the company for creating such mortgage/charges as the Board may deem fit, on the assets of the Company, both present and future, together with Powers to take over the business and concern of the company in certain events, for securing the sums of moneys aggregating Rs. 5 crores (Rupees five crores only) borrowed or to be borrowed by the Company from Banks, Financial Institutions and others.

RESOLVED FURTHER that the Board of Directors of the Company, be and is hereby authorised to finalise the documents for creating the aforesaid mortgage/charges, and to do on such acts and things as may be necessary for giving effect to the above resolution."

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

#### AS A SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to Section 314(1b) of the Companies Act, 1956 the members hereby give their consent & approve the appointment of Mr. Ashish U. Bhuta as Vice President, who is also a relative of the Joint Managing Director of the Company, of holding & continue to hold an office of profit as Vice President in the company under contract of service in the scale of Rs. 7500-10000 - 12500 together with the usual allowances and benefits, amenities, and facilities including Provident Fund, Gratuity Fund, & other perquisites, benefits as applicable to other employees occupying similar post or posts within the same salary scale or grade."

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to sanction at their discretion any increments within the grade as they may deem fit and proper and to sanction at their discretion any promotion to the next higher grade or grades together with the usual allowances and benefits as applicable to such grade or grades and to give increments within that grade or grades as they may deem fit and proper."





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

**AS AN ORDINARY RESOLUTION :**

“RESOLVED THAT in accordance with the provisions of section 293(1)(e) and other applicable provisions, if any, of the Companies Act, 1956 the members hereby authorises the Board of Directors of the Company to contribute and subscribe on behalf of the Company to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amount, the aggregate of which will in any financial year exceed Rs.50,000 (Rupees fifty thousand only) or 5% of the Company's average net profits as determined in accordance with the provisions of sections 349 and 350 of the said Act, during the three financial years immediately preceding subject to the maximum of Rs.1,00,000 (Rupees one lac only) or 5% of the Company's average net profits determined as aforesaid, whichever is greater.”

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

**AS A SPECIAL RESOLUTION:**

“RESOLVED THAT the Company shall delist its Equity Shares from the Stock Exchanges of Indore & Jaipur and the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things including execution of documents as may be necessary for this purpose.”

By Order of the Board of Directors  
For **Jenburkt Pharmaceuticals Ltd.**

**Nimesh Shah**  
Company Secretary

Mumbai : 5th July, 1997

Registered Office :  
Nirmala Apartments,  
93, Jayprakash Road,  
Andheri (West),  
MUMBAI - 400 058.

**NOTES**

- i. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- ii. Proxies, in order to be effective, must be received at the Registered Office of the Company, duly completed, not less than 48 hours before the scheduled time of the meeting.
- iii. The relative Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the business under item No. 5 to 8 of the Notice is annexed hereto.
- iv. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 1st September, 1997 to 22nd September, 1997 (both days inclusive).
- v. Members are requested to promptly intimate to the Company, changes if any, in their registered address along with pin code numbers.
- vi. Members desiring any information, as regards the Accounts are requested to write to the Company at least seven days before the meeting so as to enable the management to keep the information ready.
- vii. Members are requested to note that any correspondence they intend, shall be done to the Registered Office of the Company by quoting their respective Registered Folio Nos.
- viii. Members holding shares of the Company under more than one ledger folio are requested to send to the Company Secretary, details of all such folios together with the share certificates for consolidating the folios into one. The share certificates will be returned to the Shareholders after making the requisite endorsement thereon.

**EXPLANATORY STATEMENT**

As required by Section 173 (2) of the Companies Act, 1956.

Re : Special Business set out in the accompanying Notice.



## ANNEXURE TO NOTICE

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

### 1. Item No. 5 & 6 :

For the purpose of financing the long term incremental working capital of the Company and financing of proposed expansion of the Company, the company may have to resort to long term borrowings from Financial Institutions/ banks/ Bodies Corporate / Agencies etc. and while availing the financial assistance from them, the Company may have to create mortgages / charges / hypothecations to secure their funds. Since the creation of mortgage / charge / hypothecation in favour of the Financial Institutions/Banks/Bodies Corporates/Agencies etc., may be regarded as disposal of the Company's assets/ undertaking, it is necessary to pass a resolution pursuant to Section 293 (1) (a) of the Companies Act, 1956. The Board therefore seeks the members' approval.

None of the Directors, are concerned or interested in the resolution.

### 2. Item No. 7 :

Shri Ashish U. Bhuta was appointed as Vice President on the following Remunerations Perquisites & Benefits, as stated in the letter of appointment issued by the Company.

#### Salary

A monthly salary of Rs. 7,500/- (Rupees Seven Thousand Five Hundred Only).

#### Allowances

Shri Ashish U. Bhuta, shall be entitled to allowances like House Rent Allowance, Leave Travel Allowance, Medical Allowance, Bonus etc.

Since he is a relative of the Director, it requires consent of the shareholders by a Special Resolution under sub section (1b) of Section 314 of the Companies Act, 1956 for holding or continuing to hold office or place of profit under the Company in any such office.

Your Directors recommend the resolution at item no. 7 of the notice for approval.

Except Shri Uttam N. Bhuta,  
Shri Hemendra N. Bhuta &  
Shri Harshad N. Bhuta,

none of the other Directors of the company is in anyway concerned or interested in this resolution.

### 3. Item No. 8 :

The Company is authorised by its articles to subscribe to charitable and other funds not directly relating to the business of the Company or the welfare of its employees. By virtue of section 293(1)(e) of the Act, however, the maximum limit which can be so subscribed in any financial year is Rs.50,000 or 5% of the Company's average net profits as determined in accordance with sections 349 and 350 of the Companies Act, 1956 during the three immediately preceding financial years, whichever is greater. Section 293(1)(e) permits such subscriptions in excess of these limits if shareholders approve. As such, your Board seeks sanction to make such subscriptions in a financial year up to a limit of Rs.1,00,000 or 5% of the Company's average net profits as determined in accordance with sections 349 and 350 of the Companies Act, 1956 during the three immediately preceding financial years, whichever is greater. The Board recommends this resolution for acceptance.

None of the Directors is in any way concerned or interested in the resolution.

### 4. Item No. 9 :

The Equity Shares of the Company are listed in various Stock Exchanges across the country. It has been observed that in the Non-Regional Stock Exchanges of Indore & Jaipur, the shares of the Company are not being traded in a material way regularly. Hence it is proposed to delist the Equity Shares of the Company from these Stock Exchanges. The Company will continue to be listed in the Stock Exchanges of Bombay & Rajkot.

The Board accordingly recommends the resolution for the approval of the Members.

None of the Directors of the Company is concerned or interested in this Resolution.

By Order of the Board of Directors  
For Jenburkt Pharmaceuticals Ltd.

Mumbai : 5th July, 1997

Nimesh Shah  
Company Secretary

# JENBURKT

## DIRECTORS' REPORT

TO,  
THE MEMBERS,  
JENBURKT PHARMACEUTICALS LTD.,  
MUMBAI.

Your Director's have pleasure in presenting the Twelfth Annual Report together with the Audited Accounts therein for the year ended 31st March, 1997.

### FINANCIAL RESULT :

Particulars	Year ended 31-3-97 (Rs. in lacs)	Year ended 31-3-96 (Rs. in lacs)
Sales & Other income	<u>987.35</u>	<u>825.80</u>
Profit before depreciation & Interest	76.32	58.26
Less : Interest	25.03	14.60
Depreciation	<u>28.11</u>	<u>16.00</u>
Gross Profit	23.18	27.66
Provision for taxation	<u>5.00</u>	<u>11.00</u>
Net Profit after tax	18.18	16.66
Add : Excess provision of earlier years, now written back	7.22	—
Add : Balance b/f from previous year	<u>25.09</u>	<u>8.43</u>
Profit available for appropriation	<u>50.49</u>	<u>25.09</u>
<b>APPROPRIATIONS :</b>		
Transferred to General Reserves	6.30	—
Surplus balance C/f to balance sheet	<u>44.19</u>	<u>25.09</u>
	<u>50.49</u>	<u>25.09</u>

### DIVIDEND :

To conserve the resources for continuous expansion plan to put in important markets of North, South & West parts of India by Company in the year 1997-98, Directors have taken unpalatable decision of not recommending any dividend for the Financial Year 1996-97.

### OPERATIONS :

The Company's Financial year 1996-97 has shown satisfactory trend in growth of turnover, which has gone up by 20% compared to the previous year. The Sales have reached to Rs.987 lakhs, as compared to last year sales of Rs. 826 lakhs. The profit after tax has shown marginal improvement, to Rs 18.18 lakhs as compared to the previous year Rs 16.66 lakhs, an increase of 9%.

The reserves & surplus now stands at Rs. 59.49 lakhs as on 31st March, 1997 against Rs. 34.09 lakhs as on 31st March, 1996, a growth of 75%.

### NEW MARKET DEVELOPMENTS :

Your Company is making continuous efforts to improve its presence at Market Place and is working with a Single Handed Object to make it all India Company by mid 1998.

After successful launch of Products of the Company in Himachal Pradesh, Chandigarh, Punjab, Haryana, Delhi, Rajasthan, U.P., Kerala, etc., Company has improved its operational strength in Madhya Pradesh, Andhra Pradesh, Karnataka, Maharashtra. During the year Company has introduced many brand extension like TRIBEN V.T., TRIBEN D.P., ULTRA-LIV TABLETS.

### SIHOR UNIT :

Company's State of the Art of the plant at Sihor is attracting attention of Pharma industry due to high quality of production of various products, and getting market acceptability throughout North, West and Southern parts of India. The R&D Department is making continuous efforts to give high quality products.

Your Company would get, ISO 9002 Certificate and GMP and WHO Certificates very soon, which will create more weightage to the quality of products in International Market for export.

Company has received many enquiries from Srilanka, Nepal, Bangladesh and Zaire.

### PROSPECTS FOR THE CURRENT FINANCIAL YEAR :

By the time this report reaches in your hand, Company's operation in entire Tamil Nadu State would have launched and improved company's Market Share.

Management has decided to launch its Products in Bihar, Orissa, Bengal, Assam, Nepal, Sikkim, Manipur, Nagaland, Arunachal Pradesh, Mizoram, etc. and efforts have already started.

We have developed many new Molecules like Azithromycin, Lomofloxacin, Amlodopine and top of it for resistance care of malaria Mafloquine by trade name of Malarium.

During the year we expect 30 to 35 % growth in sales turnover.

# JENBURKT

## DIRECTORS :

Shri Harshad N. Bhuta & Shri Chimanlal A. Shah, Directors of the Company, retire by rotation at the ensuing Annual General Meeting, being eligible, offer themselves for re-appointment.

## AUDITORS :

M/s D. L. Arora & Co. Chartered Accountant, Auditors of the Company retire at the ensuing Annual General Meeting and have offered themselves for re-appointment. The Auditors have, furnished certificate under Section 224(1B) of the Companies Act, 1956 of their eligibility for re-appointment.

## FIXED DEPOSIT :

During the financial year under consideration, the Company has not accepted any deposits from the Public within the meaning of Section 58-A of the Companies Act, 1956.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO :

As required by the Companies (Disclosure of particulars in the Report Of Board of Directors) Rule, 1988 the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo is given in Annexure - I forming part of this report.

## PERSONNEL :

Your Directors wish to place on record, their deep sense of appreciation for the devoted services of their Executives, Staff members & Workers of the Company for the progress & performance of the Company.

Information pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 & disclosure under Section 217(1)(e) of the Companies Act, 1956 is given in Annexure-II forming part of this report.

However no employee is drawing salary in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975.

## ACKNOWLEDGEMENT :

Your Directors wish to place on record their deep appreciation for continued support and co-operation received from shareholders, Bankers, Stockists and suppliers during the year.

For and on behalf of the Board  
For Jenburkt Pharmaceuticals Ltd.

Hemendra N. Bhuta  
Managing Director

Mumbai : 5th July, 1997





## ANNEXURE - I TO THE DIRECTORS' REPORT

PARTICULARS PURSUANT TO SECTION 217(1)(E) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT

### I. CONSERVATION OF ENERGY :

#### (a) Energy conservation measures taken :

Energy conservation is top priority in the Company. Energy audits are carried out, consumption monitored, maintenance systems improved and distribution losses are reduced. Bench marking exercises were undertaken to compare performance with other efficient plant.

Specific energy conservation measures are :

1. Monitoring of boiler fuel gases, analysis and daily cleaning of burner block and improved quality of boiler feed water has helped in reducing the fuel consumption.
2. Use of Fuel additives for improvement in combustion efficiency of boiler.
3. Cooling water treatment.
4. Rationalisation of transformer capacity.
5. Minimised pressure fluctuations in air lines.
6. Power capacitors used in the main sub-station and power factor improved to reduce the wastage of power.
7. Periodic checking and monitoring of electrical loading of all motors.
8. Use of soft starts for large size motors to improve energy efficiency.

#### (b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy :

1. Energy monitoring Devices on motors.
2. Use of special types of lubricants for Diesel Generator Set.
3. Regular inspection and maintenance of power generating equipment for achieving maximum efficiency.

#### (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :

1. Energy conservation measures of the types mentioned above have resulted in savings which have been reflected in the cost of production.
2. Adoption of the above energy conservation measures has resulted in significant energy savings and has improved awareness among employees on the need for such measures.

#### (d) Total energy consumption and energy consumption per unit of production :

The information is given below in the prescribed Form - A.

#### FORM - A

#### Form for disclosure of particulars with respect to Conservation of Energy

		Year ended 31st March, 1997	Year ended 31st March, 1996
<b>A. POWER AND FUEL CONSUMPTION</b>			
1. Electricity			
(a) Purchased Units	'000KWH	125096	19936
Total Amount	Rs.	510896	96887
Rate/Unit	Rs.	4.08	4.85
(b) Own generation			
(i) Through diesel generator	'000KWH	75836	6678
Units per litre of diesel oil	KWH	3	3
Cost/Unit	Rs.	3.17	3.17
(ii) Through steam turbine/generator		Nil	Nil
2. Coal		Nil	Nil
3. Furnace Oil Quantity	KL	Nil	Nil
Total amount	Rs.	Nil	Nil
Average rate	Rs.	Nil	Nil
4. Others/internal generation		Nil	Nil