

JENBURKT

CERTIFIED TRUE COPY
 For JENBURKT PHARMACEUTICALS LIMITED,

[Signature]
OFFICIAL SECRETARY

MD		BKC	
CS		DPY	
RO		DIV	
TRA		AC	
AGM		SHI	
PS			

Report  JUNCTION.COM

Annual Report 1997-98

Jenburkt Pharmaceuticals Ltd.

One Step Ahead In Medicare

★ JENBURKT

QUALITY POLICY

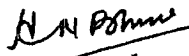
Our strong conviction in quality is not only limited to conformance to requirements, but is aimed at maximising the value of the product to the consumer. It is our endeavour to develop inbuilt quality by using good product design, best available resources, time tested techniques, through tireless quality assurance.

Our Quality objectives are :

- (i) To create an organisation culture which promotes quality consciousness and continuous improvement at all levels.*
- (ii) To provide safe, hygienic working conditions.*

We are committed to implement and maintain a quality system which is in line with ISO-9002

Jenburkt Pharmaceuticals Ltd.



Hemendra N. Bhuta.
MANAGING DIRECTOR

JENBURIT

BOARD OF DIRECTORS

Harshad N. Bhuta
Hemendra N. Bhuta
Uttam N. Bhuta
Bharat V. Bhate
Dr. Chimanlal A. Shah
Rameshchandra J. Vora

MANAGEMENT TEAM 13TH ANNUAL REPORT 1997-98

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REGISTERED OFFICE

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

PLANT

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

ANNUAL GENERAL MEETING

Friday, 18th September, 1998
at 4.30 p.m. at Juhu Jagruti Audio
Visual Centre, Shri Bhaidas
Maganlal Sabhagriha, 2nd Floor,
Vile Parle (W), Mumbai - 400 056.

BANKERS

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

AUDITORS

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

SOLICITORS & ADVOCATES

Dhiman 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 THIRTEENTH ANNUAL GENERAL MEETING OF JENBURKT PHARMACEUTICALS LIMITED will be held on Friday, the 18th September, 1998 at 4.30 p.m. at Juhu Jagruti Audio-Visual Centre, Shri Bhaidas Maganlal Sabhagrih, 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, 1998 and the Profit & Loss Account for the year ended on that date together with the Director's and Auditor's Report thereon.
2. To appoint a Director in place of Shri Hemendra N. Bhuta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Uttam N. Bhuta, 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 1998-99, 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.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification, the following resolution :

AS AN ORDINARY RESOLUTION :

"RESOLVED THAT in partial modification of the Resolution passed at the Ninth Annual

General Meeting of the Company held on 27th May, 1994 and subject to the provisions of Sections 198, 309, Schedule XIII & other applicable provisions, if any, of the Companies Act, 1956 the Company hereby approves the revision in the limits of remuneration payable to Shri Hemendra N. Bhuta, Managing Director with effect from 1st July, 1998 for the remaining period of his agreement i.e. upto 14th April 1999, as set out in the supplementary deed of Agreement dated 29th June, 1998 entered into by the Company with Shri Hemendra N. Bhuta and placed before this Meeting."

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

AS AN ORDINARY RESOLUTION :

"RESOLVED THAT in partial modification of the Resolution passed at the Ninth Annual General Meeting of the Company held on 27th May, 1994 and subject to the provisions of Sections 198, 309, Schedule XIII & other applicable provisions, if any, of the Companies Act, 1956 the Company hereby approves the revision in the limits of remuneration payable to Shri Uttam N. Bhuta, Joint Managing Director with effect from 1st July, 1998 for the remaining period of his agreement i.e. upto 14th April 1999, as set out in the supplementary deed of Agreement dated 29th June, 1998 entered into by the Company with Shri Uttam N. Bhuta and placed before this Meeting."

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

AS A SPECIAL RESOLUTION :

"RESOLVED THAT the Articles of Association of the Company be and is hereby altered by inserting a new clause 4A

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immediately after the existing clause 4 of the Articles of Association :

Clause 4A :

If it is permitted by law and subject to such limits, terms, conditions and consent as may be prescribed and laid down for this purpose, the Company shall have the power to buy back its own shares whether or not there is any consequent reduction in the share capital and that if to the extent permitted by law, the Company shall also have the power to re-issue such shares so bought back, if so desirable."

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

AS A SPECIAL RESOLUTION :

"RESOLVED THAT subject to all the applicable provisions of the Companies Act, 1956 including any statutory modifications or amendment thereto or re-encashment thereof, from time to time, and subject to other approvals, permissions and sanctions as may be necessary and subject to such

conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company "(Board)", the consent of the Company be and is hereby accorded to the Board, to Acquire/Purchase any of its own shares on such terms and conditions including price and upto such limits as may be prescribed by law or otherwise by the Board, from time to time, either from the existing Shareholders on a proportionate basis and/or from the open market and/or through negotiation or other arrangement from specific Shareholder(s), provided however that purchase/acquisition of such own Equity Shares by the Company be not construed as reduction of Equity Share Capital which is subject to the provisions as stipulated in the Sections 100 to 104 and Section 402 of the Companies Act, 1956 for the time being in force.

RESOLVED FURTHER THAT the Board of Directors of the Company be and they are hereby authorised to do all such acts, deeds, matters and things as may be necessary or expedient to give effect to this Resolution "

By Order of the Board of Directors
For JENBURKT PHARMACEUTICALS LTD.

NIMESH SHAH
Company Secretary

Mumbai 29th June, 1998

Registered Office :

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

Annual Report 1997-98**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 Tuesday, the 1st September, 1998 to Friday the 18th September, 1998 (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 folios 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.
- ix) Pursuant to Section 205A(5) of the Companies Act, 1956 all unclaimed dividends for the accounting year 1994-95 will be deposited by the Company with the Central Government on or before 8th November, 1998. Members who have not encashed their Dividend Warrants of this year are requested to kindly encash the same at the earliest.

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 :

At the Ninth Annual General Meeting of the Company held on 27th May, 1994 the members had approved, inter alia, the terms of remuneration of Shri Hemendra N. Bhuta,

Managing Director and Shri Uttam N. Bhuta, Joint Managing Director of the Company. In accordance with the relaxed guidelines for managerial remuneration, in force and having regard to the experience, duties and responsibilities and also taking into account that the remuneration payable to them should be commensurate with the remuneration paid to such senior managerial personnel in the Company and in the



Industry as a whole, it is thought fit to pass resolutions enabling the Board to revise the remuneration payable to Shri Hemendra N. Bhuta & Shri Uttam N. Bhuta, by their basic salary has been revised to Rs. 7,500/- per month and accordingly as a consequence other allowance also go up according to the rules of the Company.

A copy of the Supplementary Deed of Agreement dated 29th June, 1998 showing necessary changes, is available for inspection by the members at the Registered Office of the Company between 10.30 a.m. and 12.30 p.m. on all working days except Saturday.

The Board accordingly recommends the resolutions in these items of the Notice for approval of the members.

Shri Hemendra N. Bhuta, Shri Uttam N. Bhuta and Shri Harshad N. Bhuta Directors of the Company are interested in the respective resolutions pertaining to them.

The above may also be treated as an abstract of the variation in the Agreement between the Company and Shri Hemendra N. Bhuta & Shri Uttam N. Bhuta respectively, pursuant to Section 302 of the Companies Act, 1956.

2. Item No. 7 :

It is proposed to add Clause (A) to the existing Article 4 as set out in the Item No. 7 of the accompanying notice. This will enable the Company to Purchase any of its own shares in accordance with the law as may be then prevailing.

As per the Provisions of Section 31 of the Companies Act, 1956 a Company may by special resolution, alter its Articles of Association and accordingly this resolution is proposed.

Your Directors recommend the passing of this resolution.

None of the Directors of the Company are concerned or interested in this resolution.

3. Item No. 8 :

Presently, Section 77 of the Companies Act, 1956 prohibits the Company from buying its own shares unless the same is done with a view to reduce its capital in accordance with the provisions of Section 100 to 104 and Section 402 of the Companies Act, 1956 for the time being in force.

The new Companies Bill, 1997, recently published include the provision enabling the Company to buy its own shares.

Your Directors feels that it would be desirable to have an enabling resolution passed by the Shareholders for this purpose. Should the provisions of the existing Companies Act, 1956 be modified or amended permitting such purchase of our own shares, your Company may implement this power at the appropriate time, within the frame work of law as may be stipulated for this purpose.

It must be clearly understood that the buy back of its own shares by the Company should not be construed as reduction of capital which is subject to the provisions of Sections 100 to 104 and Section 402 of the Companies Act, 1956 for the item being in force.

None of the Directors of the Company are presently in any way concerned or interested in this resolution.

By Order of the Board of Directors
R. JENBURKT PHARMACEUTICALS LTD.

Mumbai,
29th June, 1998

NIMESH SHAH
Company Secretary

Registered Office :
Nimisha Apartments,
93, Sayprakash Road, Andheri (W),
Mumbai - 400 058

Annual Report 1997-98

**DIRECTORS' REPORT**

TO,

THE MEMBERS,

JENBURKT PHARMACEUTICALS LTD.,
MUMBAI.

Your Directors have pleasure in presenting the Thirteenth Annual Report together with the Audited Accounts therein for the year ended 31st March, 1998.

FINANCIAL RESULT :

PARTICULARS	(Rs. in lacs)	
	Year ended 31.03.1998	Year ended 31.03.1997
Sales & Other income	1176.53	987.35
Profit before depreciation & Interest	60.56	76.32
Less: Interest	26.50	25.03
Depreciation	26.21	28.11
Gross Profit	7.85	23.18
Provision for taxation	3.50	5.00
Net Profit after tax	4.35	18.18
Add: Excess provision of earlier years, now written back	0.42	7.22
Add: Balance b/f from previous year	44.19	25.09
Profit available for appropriation	48.96	50.49
APPROPRIATIONS :		
Transferred to General Reserves	-	6.30
Surplus balance c/f to balance sheet	48.96	44.19
	48.96	50.49

DIVIDEND :

Since the expansion plan is yet to be completed in important markets of North, South Parts of India, it would be prudent to plough back the profits, which will be to the best interest of the Company and the benefits of which can be reaped by the members in future. Hence your

Directors are not recommending any dividend for the Financial year 1997-98.

OPERATIONS :

The Company's Financial year 1997-98 has shown reasonable trend in growth of turnover which has gone up by 20% compared to the previous year. The sales have reached to Rs. 1176.56 lacs, as compared to last year Sales of Rs. 987 lacs. The Profit after tax has shown to Rs. 4.35 lacs as compared to the previous year Rs. 18.18 lacs.

During the year, some of our products were brought under the Drug Price Control Order (DPCO) and accordingly, we were forced to reduce the price of those products which caused the major drain on our profitability.

During the year, Company's operations were successfully launched in entire state of Tamil Nadu, to improve market share. We also improved operational strength in lucrative areas of Uttar Pradesh, Madhya Pradesh, Andhra Pradesh, Karnataka, Chandigarh, Himachal Pradesh, and Jammu & Kashmir, by appointing number of new marketing executives, which will increase our sales and build Company's Image in coming years and yield good results. The total outlay of the aforesaid had cause a drain on our profitability.

The Reserves & Surplus now stands to Rs. 64.26 lacs as on 31st March, 1998 against Rs. 59.49 lacs as on 31st March, 1997.

NEW MARKET DEVELOPMENTS :

To improve our product mix, we have plan to introduce new products in Cough Syrup, Anti-amoebic, Anti-biotic and Anti-inflammatory drugs.

We have no expansion plan in this financial year, till we consolidate our position in our existing territories.

SIHOR UNIT :

Company's State of the Art of the Plant at Sihor is doing very well. Production Department is making continuous efforts to give high quality products of the Company.

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PROSPECT FOR THE CURRENT FINANCIAL YEAR :

Your Company is concentrating in 60 to 80 (North India & Tamil Nadu) Head Quarters which we launched during last financial year, in various States as reported last year.

We are confident that all these 60 Head Quarters will be brought above breakeven sales in next few months.

We are confident that in this financial year our sales growth will be more than 30% compared to last year.

INSURANCE :

The Properties and Assets of the Company are adequately insured.

DIRECTORS :

The Company deeply mourns the sad demise of Late Dr. Chimanlal A. Shah, Director, on Wednesday, the 21st January, 1998 and puts on record its highest appreciation of the most valuable services rendered by him in past 4 years, during his tenure as Director of the Company.

We pray to the Almighty to give eternal peace to the departed Noble Soul.

Pursuant to Section 262 of the Companies Act, 1956 and Article 135 of the Articles of the Company, Shri Rameshchandra J. Vora was appointed as Director with effect from 31st March, 1998 to fill casual vacancy caused by the death of Dr. Chimanlal A. Shah.

Shri Hemendra N. Bhuta & Shri Uttam N. Bhuta, Directors of the Company, retire by rotation at the ensuing Thirteenth Annual General Meeting, being eligible, offer themselves for re-appointment.

AUDITORS :

M/s. D. L. Arora & Co., Chartered Accountants Mumbai, 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 :

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 - 3, forming part of this report.

PERSONNEL :

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

Information as per Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, forms part of this Report. However, as per the provisions of Section 214(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all shareholders excluding the statement of particulars of employees under Section 217(2A). Any shareholder, interested in obtaining a copy of this statement, may write to the Company Secretary at the Registered Office of the Company.

ACKNOWLEDGMENT :

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, 29th June, 1998