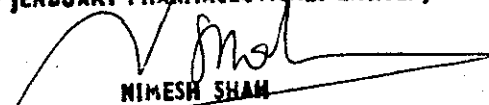


CERTIFIED TRUE COPY

For JENBURKT PHARMACEUTICALS LIMITED,


NIMESH SHAH
COMPANY SECRETARY

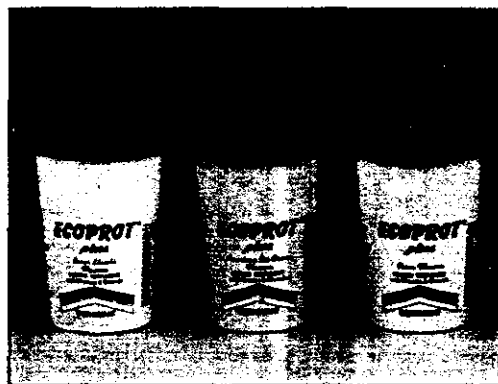
Report  Junction.com

—Annual Report 1998-99

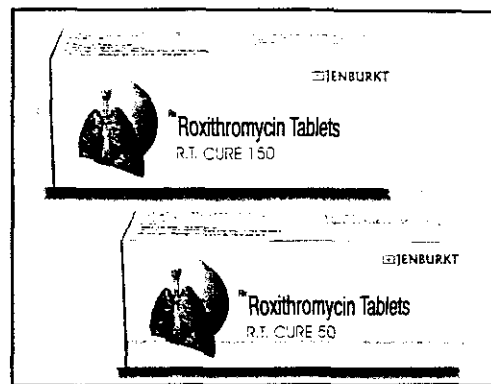
Jenburkt Pharmaceuticals Ltd.

One Step Ahead In Medicare

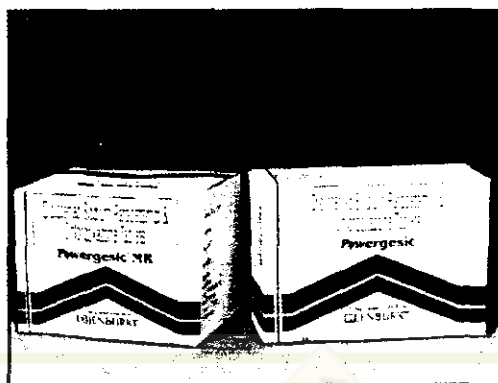
A Few Leading Brands Of Your Company



Protein Supplement



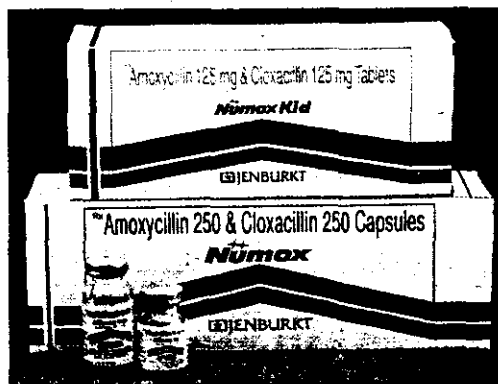
Anti-Biotic/Anti-Bacterial



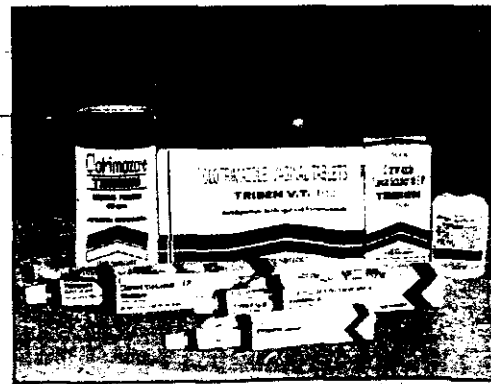
**Analgesic, Anti-Inflammatory
Muscle Relaxant**



Cough Syrup



Anti-Biotic



Skin Range

JENBURKT

BOARD OF DIRECTORS

| | | |
|-----------------------|---|-------------------------|
| Harshad N. Bhuta | - | Chairman |
| Hemendra N. Bhuta | - | Managing Director |
| Uttam N. Bhuta | - | Joint Managing Director |
| Bharat V. Bhate | - | Director |
| Rameshchandra J. Vora | - | Director |

MANAGEMENT COMMITTEE

| | |
|-------------------|-----------------------------------|
| Suresh M. Karnik | <i>Vice-President (Marketing)</i> |
| Ashish U. Bhuta | <i>Vice-President</i> |
| Nagesh D. Belvadi | <i>Plant Manager</i> |
| Jayshree K. Bhatt | <i>Manager Accounts</i> |
| Nimesh S. Shah | <i>Company Secretary</i> |

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REGISTERED OFFICE

Nirmala Apartments,
93, Jayprakash Road,
Andheri (W),
Mumbai - 400 058.
Tel. No. 623 8011
Fax No. 623 0766

PLANT

11-12, GIDC Phase-I
Bhavnagar Road,
Sihor, Gujarat - 364 240
Tel. No. 02846 - 22861
Fax No. 02846 - 22197

ANNUAL GENERAL MEETING

Friday, 30th July, 1999
at 4.30 p.m. at
Juhu Jagruti Audio Visual Centre,
Shri Bhaidas Sabhagriha,
II 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

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.

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**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE FOURTEENTH ANNUAL GENERAL MEETING OF JENBURKT PHARMACEUTICALS LIMITED will be held on Friday the 30th July, 1999 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, 1999 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 Bharat V. Bhate, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s D.L.Arora & Co. Chartered Accountants, as Auditors of the company for the financial year 1999 - 2000 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 :

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

AS AN ORDINARY RESOLUTION :

"RESOLVED THAT Shri Rameshchandra J. Vora be and is hereby appointed as a Director of the Company, liable to retire by rotation".

5. RE-APPOINTMENT OF SHRI HEMENDRA N. BHUTA AS A MANAGING DIRECTOR

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

AS A SPECIAL RESOLUTION :

"RESOLVED THAT Pursuant to the provisions of Sections 198, 269, 309, 314, and other applicable provisions, if any.

of the Companies Act, 1956, read with Schedule XIII to the said Act, and subject to such other consents/approvals as may be required Shri Hemendra N. Bhuta, be and is hereby reappointed as a Managing Director of the Company for a further period of three years with effect from 15th April, 1999 to 14th April 2002, whose term of office shall be liable to determination by retirement of directors by rotation at a remuneration and perquisites as per details given below :

1) Salary :

Basic Salary Rs. 10,000/- per month w.e.f. 15/4/1999.

Basic Salary in the scale of Rs. 10,000 - 2,500 - 17,500 with effect from 15th April, 1999 to 14th April, 2002.

The Annual Increments will be effective from 1st April of each year. If any changes are to be made will be decided by the Board.

2) House Rent Allowance :

Rs.2000/- per month. i.e. 20% of the Basic Salary.

3) Medical Reimbursement :

Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.

4) Leave Travel Concession :

For self and family once in a year as per the rules of the Company.

For the purpose of (3) & (4) above, family means, the spouse, the dependent children and dependent parents of the appointee.

5) Provident Fund, Superannuation benefits and Gratuity as per the rules of the Company subject to the ceilings as per the guidelines for Managerial remuneration in force from time to time.

6) Provision of Company's car with Driver.

7) Provision of free Telephone at Residence, but Personal long distance calls will not be reimbursed by the Company.

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6. REAPPOINTMENT OF SHRI UTTAM N. BHUTA
AS A JOINT MANAGING DIRECTOR

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

AS A SPECIAL RESOLUTION :

"RESOLVED THAT Pursuant to the provisions of Sections 198, 269, 309, 314, and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said act, and subject to such other consents/approvals as may be required Shri Uttam N. Bhuta, be and is hereby reappointed as a Joint Managing Director of the Company for a further period of three years with effect from 15th April, 1999 to 14th April 2002, whose term of office shall be liable to determination by retirement of directors by rotation at a remuneration and perquisites as per details given below "

1) **Salary :**

Basic Salary Rs. 10,000/- per month w.e.f. 15/4/1999.

Basic Salary in the scale of Rs. 10,000 - 2,500 - 17,500 with effect from 15th April, 1999 to 14th April, 2002.

The Annual Increments will be effective from 1st April of each year. If any changes are to be made will be decided by the Board.

2) **House Rent Allowance :**

Rs.2,000/- per month, i.e. 20% of the Basic Salary.

3) **Medical Reimbursement :**

Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.

4) **Leave Travel Concession :**

For self and family once in a year as per the rules of the Company.

For the purpose of (3) & (4) above, family means, the spouse, the dependent children and dependent parents of the appointee.

5) Provident Fund, Superannuation benefits and Gratuity as per the rules of the Company subject to the ceilings as per the guidelines for Managerial remuneration in force from time to time.

6) Provision of Company's car with Driver.

7) Provision of free Telephone at Residence, but Personal long distance calls will not be reimbursed by the Company.

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 31 and other applicable provisions, of the Companies Act, 1956, (including any Statutory modification or re-enactment thereof for the time being in force) the Articles of Association of the Company be and are hereby amended, altered and / or substituted in the manner and to the extent as is set out hereinbelow :

A. Article 2 of the Articles of Association shall include the following definitions in alphabetical order with marginal notes

Beneficial Owner: "Beneficial Owner" shall mean beneficial owner as defined in clause (a) of sub-section (1) of section 2 of the Depositories Act, 1956.

Depositories Act: "Depositories Act" means the Depositories Act, 1956 including any statutory modification or re-enactment thereof for the time being in force.

Depository: Depository shall mean a Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1956.

B. Article 2, of the existing Articles of Association, definition of "Member" be deleted and the following with the marginal note be substituted in its place:

Member: Member means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of Association of the Company and the beneficial

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★ JENBURKT

owner(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

- C. Article 15 of the Articles of Association be substituted by the following :

Register and index of Members : The Company shall cause to be kept a Register and Index of members in accordance with all applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996, with details of shares held in material and dematerialised forms in any media as may be permitted by law including in any form of electronic media.

- D. Article 18 of the Articles of Association be substituted by the following :

Shares to be numbered progressively and no share to be sub-divided: The shares in the Capital shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

- E. The following article with marginal note be inserted after the existing Article 18 and be numbered as Article 18A.

Dematerialised Shares: The Company shall be entitled to dematerialise its existing shares, dematerialise its shares held in the Depositories and/or to offer its fresh shares in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

- F. Article 25 of the Articles of Association be substituted by the following :

Company not bound to recognise any interest in share other than that of registered holder : Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any two or more persons or the survivor or survivors of them.

- G. Article 59 of Articles of Association be substituted by the following :

Register of Transfers: The Company shall keep a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share and debentures held in material form.

- H. Following Article shall be inserted as 76-A of the Articles of Association and shall read as follows :

Transfer and Transmission of shares held in Electronic form : In the case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply".

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

NIMESH SHAH
Company Secretary

Mumbai : 26th May, 1999

Registered Office:
Nirmala Apartments,
93, Jayprakash Road, Andheri (W),
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.4 to 7 of the Notice is annexed hereto.

The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 15th July, 1999 to Friday, 30th July, 1999 (both days inclusive).

- iv. Members are requested to promptly intimate to the Company, changes if any, in their registered address along with pin code numbers.
- v. 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.
- vi. 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.
- vii. 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.

EXPLANATORY STATEMENT :

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

Ref. : 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. 4 :

Shri Rameshchandra J. Vora was appointed as a Director of the Company by the Board of Directors with effect from 31st March, 1998 pursuant to Article 135 of the Articles of Associations of the Company to fill the Casual vacancy caused by the death of Dr. Chimanlal A. Shah. Under Section 262 of the Companies Act, 1956 Shri Rameshchandra J. Vora holds office only upto the date upto which Dr. Chimanlal A. Shah, in whose place he was appointed, would have held office.

A notice in writing and a deposit of Rs 500/- have been received from a Member under Section 257 of the Companies Act, 1956, signifying the intention to propose Shri Rameshchandra J. Vora as a candidate for the office of Director liable to retire by rotation.

2. Item No. 5 :

The Directors consider that his services will be useful to the Company and that it is in the interest of the Company and desirable that he be appointed as a Director of the Company.

Shri Hemendra N. Bhuta was appointed as a Managing Director of the Company on 15.04.1994 for a period of 5 years. In view of the significant contribution made by Shri Hemendra N. Bhuta for the growth and development of the Company and further steps to be taken for strengthening the present operations, the Board of Directors reappointed him for a further period of 3 years with effect from 15.04.1999 subject to the approval of the members on such terms and conditions as set out in the resolution.

Under the provisions of Sections 198, 269, 309, 314 and other applicable provisions read with Schedule XIII of the Companies Act, 1956, consent of the members of the Company is required for the reappointment and fixation of remuneration payable to the Managing Director.

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A copy of the Deed of Agreement dated 30th January, 1999 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, upto the date of the Annual General Meeting.

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

Shri Hemendra N. Bhuta himself, Shri Uttam N. Bhuta and Shri Harshad N. Bhuta Directors of the Company being his relatives are concerned or interested in the resolution at Item No.5 of the Notice.

The terms and conditions of Shri Hemendra N. Bhuta's appointment as set out above may also be treated as an abstract of the terms of draft Agreement between Shri Hemendra N. Bhuta and the Company under section 302 of the Companies Act, 1956.

3. Item No. 6 :

Shri Uttam N. Bhuta was appointed as a Joint Managing Director of the Company on 15.04.1994 for a period of 5 years. In view of the significant contribution made by Shri Uttam N. Bhuta for the growth and development of the Company and further steps to be taken for strengthening the present operations, the Board of Directors reappointed him for a further period of 3 years with effect from 15.04.1999 subject to the approval of the members on such terms and conditions as set out in the resolution.

Under the provisions of Sections 198, 269, 309, 314 and other applicable provisions read with Schedule XIII of the Companies Act, 1956, consent of the members of the Company is required for the reappointment and fixation of remuneration payable to the Joint Managing Director.

A copy of the Deed of Agreement dated 30th January, 1999 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, upto the date of the Annual General Meeting.

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

Shri Uttam N. Bhuta himself, Shri Hemendra N. Bhuta and Shri Harshad N. Bhuta Directors of the Company being his relatives are concerned or interested in the resolution at Item No.6 of the Notice.

The terms and conditions of Shri Uttam N. Bhuta's appointment as set out above may also be treated as an abstract of the terms of draft Agreement between Shri Hemendra N. Bhuta and the Company under section 302 of the Companies Act, 1956.

4. Item No. 7 :

With the introduction of the Depositories Act, 1996 and Depository System, some of the provisions of the Companies Act, 1956, relating to the issue, holding, transfer, transmission of shares and other securities have been amended to facilitate the implementation of the new system. The Depository System is a very safer and more convenient method for holding and trading in the securities of a Company. The Company has intentions to join the Depository System [OF MSE (MUMBAI) -CENTRAL DEPOSITORY SERVICES LTD.], and it is, therefore, proposed that the Company's Articles of Association be suitably altered as set out in Resolution at Item No.7 to reflect the provisions of the Depositories Act, 1996 and to indicate therein the rights of the beneficial owners of the securities in such a system.

The Board recommends the Resolution for acceptance by the Members.

A copy of the Memorandum and Articles of Association is available for inspection by the Members of the Company on all working days except Saturday, of the Company between 10.30 a.m. and 12.30 p.m. upto the date of the Annual General Meeting.

No Director is interested or concerned in the Resolution.

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

NIMESH SHAH
Company Secretary

Mumbai : 26th May, 1999

One Step Ahead in Medicare

☆ JENBURKT

DIRECTORS' REPORT

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

Your Director's have pleasure in presenting the Fourteenth Annual Report together with the Audited Accounts therein for the year, ended 31st March, 1999.

FINANCIAL RESULT :

| PARTICULARS | (Rs. in lacs) | |
|--|-----------------------|-----------------------|
| | Year ended 31-3-99 | Year ended 31-3-98 |
| Sales & Other income | 1412.69 | 1176.53 |
| Profit before depreciation & Interest | 88.67 | 60.56 |
| Less : Interest | 26.35 | 26.50 |
| Depreciation | 24.46 | 26.21 |
| Gross Profit | 37.86 | 7.85 |
| Provision for taxation | 12.00 | 3.50 |
| Net Profit after tax | 25.86 | 4.35 |
| Add: Excess provision of earlier years, now written back | 0.74 | 0.42 |
| Add: Balance b/f from previous year | 48.96 | 44.19 |
| Profit available for appropriation | 75.56 | 48.96 |
| APPROPRIATIONS : | | |
| Surplus balance C/f to Balance Sheet | 75.56 | 48.96 |
| | 75.96 | 48.96 |

DIVIDEND :

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 1998-99.

OPERATIONS :

The Company's Financial Year 1998-99 has shown a reasonable trend in growth. Turnover which has gone up

by 20% compared to the previous year. The sales have reached to Rs.1394.00 lakhs, as compared to last year Sales of Rs.1164.25 lakhs. The Profit after tax has shown major improvement. to Rs 25.86 lakhs as compared to the previous year Rs 4.35 lakhs, an increase of 595%.

During the months December 1998 and January 1999 of the year, Company was unable to meet increased prescription demand of major products like Powergesic MR, Powergesic, Ecoprot, Allerzine, etc. due to certain structural changes where carried out at Plant and to comply the procedures to obtain GMP Certificate from Department of FDA, Gandhinagar, Gujarat which caused the marginal drain on our sales and profitability.

During the year, under adverse situation, Pharmaceutical Industry has shown a growth of only 12% while your company have shown growth in sales of more than 20%.

The Reserves & Surplus now stands to Rs 90.86 lakhs as on 31st March, 1999 against Rs 64.26 lakhs as on 31st March, 1998, growth of 42 %.

NEW PRODUCT INTRODUCTION :

To improve our product mix, we have plan to introduce new products in antibacterial drugs R.T.Cure, Zydol (NSAID) , Tinor CP, new formula of Zenglobin Syrup (Haemaltonic) etc.

We have no expansion plan in this financial year, to consolidate our position in 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.

GMP CERTIFICATE (GOOD MANUFACTURING PRACTICE) :

We are pleased to inform you that the Company has received GMP Certificate from the Office of the Commissioner of FDA, Gandhinagar, Gujarat under Drugs & Cosmetic Act, 1940 for manufacturing and marketing formulation for domestic sales and exports.

During the year, Company got rank on all India basis by ORG from 165 to 133 in Pharmaceuticals industries, Shows good jumps of 32 position.

PROSPECTS FOR THE CURRENT FINANCIAL YEAR:

We are now on the way to stabilise our operations in almost all 261 Head Quarters, all over the Country and