



**ANNUAL
REPORT
1999-2000**

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Jenburkt Pharmaceuticals Ltd.

One Step Ahead In Medicare

Volume 1





Certificate of Registration

KPMG Quality registrar (A business unit of KPMG Peat Marwick LLP) Hereby Registers:

Jenburkt Pharmaceuticals Limited

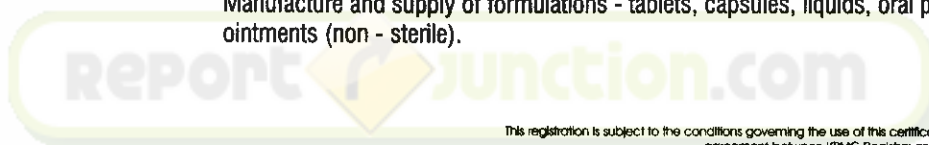
Office : Nirmala Apartments, 93, J.P. Road, Andheri (W), Mumbai - 400 058, India
Work : Plot number 11-12, G.I.D.C., Phase -I, Bhavnagar Road, Sihor - 364 240, Gujarat, India

For its quality system described below under the American National Standards Institute
American Society for quality

Q9002 (ISO9002: 1994) Standard

The quality system is applicable to:

Manufacture and supply of formulations - tablets, capsules, liquids, oral powders and ointments (non - sterile).



This registration is subject to the conditions governing the use of this certificate as set forth in the agreement between KPMG Registrar and the holder thereof.

Registration does not assure the effectiveness of or produced by a quality system.

KPMG
Quality Registrar



Certificate Number: 1894
Effective Date: October 08, 1999
Issue Date : January 6, 2000
Expiration Date: October 07, 2002

Robert Harcourt, Partner
KPMG Peat Marwick LLP

*One Step Ahead In Medicare***BOARD OF DIRECTORS**

Harshad N. Bhuta
 Hemendra N. Bhuta
 Uttam N. Bhuta
 Bharat V. Bhate
 Rameshchandra J. Vora

Chairman
Managing Director
Joint Managing Director
Director
Director

COMPANY SECRETARY

Ashish R. Shah

AUDITORS

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

BANKERS

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

REGISTERED OFFICE

Nirmala Apartments,
 93, Jayprakash Road,
 Andheri (W), Mumbai - 400 058.
 Tel. No. : 623 80 11 (4 Lines)
 Fax No. : 623 07 66
 E-Mail : Info@jenburkt.com
 Web site : www.jenburkt.com

PLANT

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

MANAGEMENT COMMITTEE

Suresh M. Karnik
 Ashish U. Bhuta
 Nagesh D. Belvadi
 Jayshree K. Bhatt

Vice President - Marketing
Vice President
Plant Manager
Manager - Accounts

Annual Report 1999- 2000



NOTICE

NOTICE IS HEREBY GIVEN THAT THE FIFTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF JENBURKT PHARMACEUTICALS LIMITED will be held on Friday, the 22nd September, 2000 at 4.30 p.m. at SANTOKBA HALL, Ground floor, Shri Bhaidas Maganlal Sabhagriha, Swami Bhaktivedanta Marg, (N.S. Road No. 1), JVPD 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, 2000 and the Profit & Loss Account for the year ended on that date together with the Director's and Auditor's Report thereon.
2. To note and confirm payment of interim dividend on equity shares.
3. To appoint a Director in place of Shri Harshad N. Bhuta, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Hemendra N. Bhuta, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint M/s D.L.Arora & Co. Chartered Accountants, as Auditors of the company for the financial year 2000 - 2001 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.

SPECIAL BUSINESS:

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

AS SPECIAL RESOLUTION

"RESOLVED THAT the consent of Members be and is hereby accorded to get the equity shares of the Company DELISTED from the Jaipur Stock Exchange Ltd. Jaipur and from Madhya Pradesh Stock Exchange, Indore and the Board of Directors be and is hereby authorised to make necessary application to the concerned Stock Exchanges and Securities and Exchange Board of India (SEBI) and other authorities, as may be required, and to do all such acts, deeds and things as may be necessary and deemed fit, in this regard."

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. *Members / Proxies should bring the Attendance Slip duly filled in for attending the meeting.*
3. Members are requested to bring their copy of Annual Report to the Meeting.
4. All documents referred to in the Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company between 10.00 a.m. to 12.00 noon on any working day till Annual General Meeting.
5. Interim Dividend @10% (Rs.1/- per share) has been declared for the year 1999-2000 by the Board of Directors at its meeting held on 27th March, 2000. The said dividend has been paid on 24th May, 2000 to those members whose names appeared on the Register of Members of the Company on 10th May, 2000. At the Board Meeting held on 8th June, 2000 the Board has decided to treat the interim dividend as final dividend. Accordingly, shareholders would note and confirm the payment of interim dividend made on the shares of the Company (Ref. item No.2 of the notice).
6. 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.
7. The Company has already notified closure of Register of Members and the Transfer Books from Wednesday 10th May, 2000 to Friday 19th May, 2000 (both days inclusive), for payment of interim dividend on equity shares. The Company has already despatched all the interim dividend warrants on 23rd May, 2000.



One Step Ahead In Medicare

8. Members are requested to promptly intimate to the Company, changes if any, in their registered address along with name of City and Pin code number.
9. 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.
10. 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.
11. 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.

Mumbai, 8th June , 2000.

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

Regd. Office :
Nirmala Apartments, 93, J.P.Road,
Andheri (W), Mumbai 400 058.

ASHISH SHAH
Company Secretary

ANNEXUE TO THE NOTICE

EXPLANATORY STATEMENT

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

The Members of the Company in their Twelveth Annual General Meeting held on 22nd September 1997, have passed similar Resolution to delist the shares of the Company from Jaipur Stock Exchange Ltd., and Madhya Pradesh Stock Exchange, Indore, since Nil trading has taken place at the said exchanges. However, due to absence of any specific norms / guidelines, in this regard delisting of shares could not be considered by said exchanges. Meanwhile, SEBI had come out with the norms for voluntary delisting from stock exchange(s) other than Regional Stock Exchange vide their circular No. SMDRP/CIR-14/98 dated April 29, 1998. Following said norms, consent of members is sought for delisting of shares from Jaipur Stock Exchange Ltd., and Madhya Pradesh Stock Exchange, Indore.

However, the shares of the Company will remain listed and traded at The Stock Exchange, Mumbai (BSE - Regional Stock Exchange) and at Saurashtra Kutch Stock Exchange Ltd., Rajkot.

The Board accordingly recommends the special resolution for approval of the Members. None of the Directors of the Company is concerned or interested in this Resolution.

Mumbai, 8th June , 2000.

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

Regd. Office :
Nirmala Apartments, 93, J.P.Road,
Andheri (W), Mumbai 400 058.

ASHISH SHAH
Company Secretary

DIRECTOR'S REPORT

TO,

THE ESTEEMED MEMBERS,

JENBURKT PHARMACEUTICALS LTD.

MUMBAI.

Your Directors have pleasure in presenting the Fifteenth Annual Report together with the Audited Accounts therein for the year ended 31st March, 2000.

FINANCIAL PERFORMANCE:

PARTICULARS	(Rs. in lacs)	
	Year ended 31-3-2000	Year ended 31-3-1999
Sales & Other income	1639.57	1412.69
Gross Profit before providing for depreciation, Interest & Tax	141.48	188.67
Less : Interest	28.65	26.35
Depreciation	31.77	24.46
Provision for taxation	25.00	12.00
Net Profit after tax	56.06	25.86
Add : Excess provision of earlier years, now written back	1.93	0.74
Balance b/f from previous year	75.56	48.96
Profit available for appropriation	133.55	75.56

APPROPRIATIONS:

Interim Dividend	46.49	NIL
Corporate Dividend Tax	5.11	NIL
Surplus balance C/f to balance sheet	81.95	75.56
	133.55	75.56

DIVIDEND:

The Directors have declared an Interim Dividend of 10% on 4649300 Equity Shares of Rs 10/- each. The Interim Dividend has been paid on 24th May, 2000, to all those equity shareholders whose names appeared in the Register of Members as on 10th May, 2000.

As no final dividend has been recommended on the equity shares, the interim dividend shall be fully adjusted as final dividend for the financial year ended 31st March, 2000.

OPERATIONS:

Jenburkt has achieved a new height in production and Sales during the year as Selling figures has scaled a new high of Rs 161 lacs, an increase of 15.5% over the previous year figure of Rs. 139 lacs. While the profits of

the company has seen a tremendous growth, the net profit has been increased to Rs. 56.06 lacs, an increase of 116 % over the previous year figure of Rs. 37.86 lacs.

Though the business trend has largely remained unchanged, in India, during the year under review, Jenburkt has successfully launched seven new products. This has contributed to deeper market penetration, increase in Jenburkt's market share in highly competitive market. Jenburkt's wide range of products finds applicability in numerous therapeutic segments.

Jenburkt's extensive Marketing and Distribution net work, excellent product quality and competitive pricing approach have ensured a stable position in Indian Market and increase in future growth.

NEW PRODUCT INTRODUCTION:

During the year the Company has added seven new products in its wide range of formulations viz :

- i) Cartisafe Forte (Cartilage Rejuvenator) ,
- ii) Glumin - 5 Tab (an antidiabetic combination),
- iii) R.T.Cure Suspension (Anti-biotic),
- iv) Triben B Lotion (an antifungal and anti- inflammatory),
- v) Triben - F (Anti-fungal),
- vi) Triben MN (Anti-fungal and Anti-bacterial) and
- vii) Zenglobin Syrup and Tablet (Haematinic).

ISO 9002 CERTIFICATE:

Jenburkt is one of the few pharmaceuticals formulation Companies to be certified under ISO 9002 Certification (October 1999), Accredited by ANSI - RAB (American National Standards Institute American Society for Quality)

SIHOR UNIT:

Company's State of the Art Plant at Sihor is doing very well. Production Department is making continuous efforts to give high quality products of the Company, according to the set standards of GMP and ISO 9002. And now gearing to obtain WHO GMP.

TRAINING:

Training is an integral part of Jenburkt with a focus on training programme on technical aspects, quality system, total preventive maintenance and self development. Jenburkt has always believed that " Its employees are its Strength".

In order to keep the young employees, (whose average age is only 27) abreast with latest happenings, they are trained vigorously through extensive schedule of training round the year.

PROSPECTS FOR THE CURRENT FINANCIAL YEAR :

We have already stabilised our operations in almost all 261 Head Quarters, all over the Country with strengthening and widening our net in to rural market. We are quite confident to register 20% - 25% growth in sales compared to last year. During the first quarter of current year, i.e. for the quarter April to June 2000, we expect the sales to go above Rs.400 lacs, a rise by approximate of Rs. 40 lacs as compared to the said period of the previous year.

INSURANCE:

Properties and Assets of the Company are adequately insured.

DIRECTORS:

Shri Harshad N. Bhuta and Shri Hemendra N. Bhuta retires by rotation and being eligible offer themselves for re-appointment.

AUDITORS:

M/s D. L. Arora & Co. Chartered Accountants, Mumbai, Auditors of the Company will 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.

LISTING :

The Shares of the Company are listed at The Stock Exchange, Mumbai (BSE - Regional Stock Exchange), Saurashtra Kutch Stock Exchange Ltd. (Rajkot), Jaipur Stock Exchange Ltd. and Madhya Pradesh Stock Exchange, Indore. The Annual listing fees of The Stock Exchange, Mumbai and Saurashtra Kutch Stock Exchange Ltd., are paid. However, the same is not paid to Jaipur Stock Exchange and Madhya Pradesh Stock Exchange, since delisting is desired, due to non-trading of equity shares at the said exchanges, since 1995 - 96. The Board of Directors at their meeting held on 5th July 1997 and Members at their Annual General Meeting held on 22nd September 1997, had accorded their approval by passing Resolutions to delist the Equity Shares of the Company from the said two exchanges. The Company had communicated the said exchanges and SEBI thereafter,

regarding the Company's intention to delist the shares of the Company from both the Exchanges. The Company did not receive any feed back from both exchanges, in this regards, but was suggested to follow the voluntary delisting norms laid down by SEBI. Accordingly the Company proposes to approach both the exchanges, once again, for delisting the shares, in Compliance with said norms of SEBI.

The liquidity of shareholders and investors located in Rajasthan and Madhya Pradesh, is not going to be adversely effected, since accessibility to BSE is ensured through the BOLT (BSE online trading terminals), which is spreaded across the India. The Company will abide by the said norms of SEBI, interalia, providing exit route to the shareholders of the said regions.

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 - I forming part of this report.

None of the employee of the Company 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.

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.

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 LIMITED**

HEMENDRA N. BHUTA

Mumbai : 8th June, 2000.

Managing Director

Annual Report 1999- 2000

**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 continues to receive top priority in the Company. Energy audits are carried out, consumption monitored, maintenance systems improved and distribution losses are reduced.

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 and repair of the defective ones.
8. Use of soft starts for large size motors to improve energy efficiency.

(b) Impact of the measures at (a) 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.

(c) 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 2000	Year ended 31st March 1999
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
a) Purchased Units	163292	173860
Total Amount (Rs. in Lakhs)	735320	695201
Rate / Unit (in Rs.)	4.50	4.00
b) Own Generation		
(i) Through diesel generator	26451	16758
Units per litre of diesel oil	3	3
Cost / Unit (in Rs.)	3.09	3.66
(ii) Through steam turbine / generator	Nil	Nil
2. Coal	Nil	Nil
3. Furnace Oil	Nil	Nil
4. Others / internal generation	Nil	Nil