



ANNUAL
REPORT
2000-2001

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Jenburkt Pharmaceuticals Ltd.
One Step Ahead In Medicare





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
KPM G Peat M arwick LLP

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

COMPANY SECRETARY

Ashish R. Shah

MANAGEMENT TEAM

Mahendra Paul Singh	Vice President - Marketing (from 6/4/2001)
Ashish U. Bhuta	Vice President
Nagesh D. Belvadi	Plant Manager
Jayshree K. Bhatt	Manager - Accounts
Suresh M. Karnik	Vice President - Marketing (upto 31/3/2001)

AUDITORS

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

BANKERS

State Bank of Saurashtra
Union Bank of India

REGISTERED OFFICE

Nirmala Apartments,
93, Jayprakash Road,
Andheri (W), Mumbai - 400 058
Tel. No. : 623 80 11
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

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE SIXTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF JENBURKT PHARMACEUTICALS LIMITED will be held on Friday, the 20th July, 2001 at 4.30 p.m. at SANTOKBA HALL, next to Shri Bhaidas Maganlal Hall, Swami Bhaktivedanta Marg, JVPD Scheme, Vile Parle (West), Mumbai - 400 056 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2001 and Balance Sheet as on that date together with the Director's and Auditor's Report thereon.
2. To appoint a Director in place of Shri Rameshchandra J. Vora, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Uttam N. Bhuta, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s D.L.Arora & Co. Chartered Accountants, as Auditors of the company for the financial year 2001 - 2002 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 :

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:
 "RESOLVED THAT pursuant to the provisions of section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government and such other approvals as may be necessary, approval of the members be and is hereby given to the payment of remuneration to Mr.Ashish U. Bhuta, Vice President, a relative of Mr. Uttam N. Bhuta, Director of the Company, with effect from 1.08.2001, exceeding Rs.20,000/- per month, the details of which are given in the explanatory statement and Shri Ashish U. Bhuta's holding and continuing to hold office of profit as Vice President.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised and empowered to sanction and determine increments within the grades as it may deem fit and proper and in due course considering Mr.Ashish U. Bhuta's promotion to the next higher grade/s together with all other usual allowances and benefits applicable to such grade/s and sanction increments in those grade/s as it may deem fit and proper.

RESOLVED FURTHER THAT the remuneration payable to Mr.Ashish U. Bhuta will be subject to such modifications as the Central Government may suggest or require which the Directors are hereby authorised to accept on behalf of the Company and which may be acceptable to Mr.Ashish U. Bhuta".

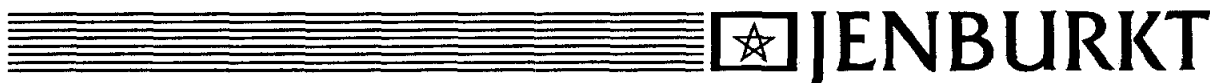
By Order of the Board of Directors
For JENBURKT PHARMACEUTICALS LTD

ASHISH SHAH
Company Secretary

Mumbai, 18th May, 2001.

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. An Explanatory Statement pursuant to the section 173(2) of the Companies Act 1956 in respect of the Special Business is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 09th July, 2001 to Friday, 20th July, 2001 (both days inclusive).
4. Members / Proxies should bring the Attendance Slip duly filled in for attending the meeting. 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.
5. Members are requested to bring their copy of Annual Report to the Meeting.
6. 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.



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT

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

ITEM No. 5

Mr. Ashish U. Bhuta is a Commerce graduate and has obtained his Master's degree in Financial Management from Narsee Monjee Institute of Management Studies (NMIMS), Mumbai. Since, his joining in 1994, he has worked at several levels and across various departments of the Company till 1997. He was elevated as Vice President thereafter, on 1.4.997. He was instrumental in obtaining the ISO 9002 Certificate. He is actively involved in obtaining WHO GMP Certificate at Sihor Plant, and also, constantly seeking other avenues of business development. Considering his capabilities and satisfactory performance and the job responsibilities, he is shouldering, your Directors recommend increment in his remuneration as set out below :

REMUNERATION :

I. SALARY	:	A Salary of	Rs. 17,500/- p.m.
II. House Rent Allowance	:		Rs. 3,500/- p.m.
III. Entertainment Allowance	:		Rs. 1,500/- p.m.

PERQUISITES:

- Medical Reimbursement : For self and family subject to the ceiling of one month salary in a year.
- Leave Travel Concession : For self and family subject to the ceiling of one month salary in a year.
- Contribution to Provident Fund and any further fund as may be made applicable from time to time to the employees of the company.
- Gratuity, encashment of leave and such other perquisites which may be made applicable from time to time to other Senior Executives of the Company.

Under the provisions of Section 314 (1B) of the Companies Act 1956 for payment of remuneration which is not less than Rs.20,000/- per month to the relative of a Director, prior approval of the members by means of a Special Resolution and approval of the Central Government is required. The resolution set out in item no.5 above is intended to obtain such approval of the members of the Company for Mr. Ashish U. Bhuta's holding and continuing to hold office of profit as Vice President. The resolution also seeks an authorisation to the Board of Directors to sanction increments and in due course promotion/s to Mr. Ashish U. Bhuta to the next higher grade/s together with the allowances and benefits as applicable in those grade/s. After the Special Resolution is approved by the members necessary application would be made to the Central Government.

The resolution is recommended to the members for their approval.

Except Mr. Uttam N. Bhuta, no other director may be regarded as concerned or interested in the resolution.

By Order of the Board of Directors
For JENBURKT PHARMACEUTICALS LTD

ASHISH SHAH
Company Secretary

Mumbai, 18th May, 2001.

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DIRECTOR'S REPORT

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

Your Director's have pleasure in presenting the Sixteenth Annual Report together with the Audited Accounts therein for the year ended 31st March, 2001.

FINANCIAL PERFORMANCE:

PARTICULARS	Year ended 31-3-2001 (Rs. in lacs)	Year ended 31-3-2000 (Rs. in lacs)
Sales & Other income	1889.72	1639.56
Profit before depreciation & Interest	89.39	141.48
Less : Interest	40.06	28.65
Depreciation	30.26	31.77
Gross Profit	19.07	81.06
Less : Provision for taxation	9.00	25.00
Net Profit after tax	10.07	56.06
Add : Excess provision of earlier years, now written back	4.37	1.93
Add : Balance b/f from previous year	81.95	75.56
Profit available for appropriation	96.39	133.55
APPROPRIATIONS :		
Interim Dividend	—	46.49
Corporate Dividend Tax	—	5.11
Surplus balance C/f to balance sheet	96.39	81.95
	96.39	133.55

OPERATIONS :

Despite the sluggish market conditions, during the year under review, your company could achieve the turnover of Rs.1890 lacs compared to Rs.1640 lacs for the last year, an increase of Rs.250 lacs. However, due to certain unfavourable reasons viz. tough competition from domestic as well multinational Companies have forced your Company to curtail margin, one of the company's prime brand and its extensions were covered under the DPCO

(Drug Price Control Order) in the first half of the year resulting into price cut by 30% of the product which has eroded the margin drastically and the recent recession in the Industry have affected severely the last quarter under review. These coupled with the expenditure incurred in promotion of newly introduced product of the Company has resulted in decline of net profit of the company by Rs.46 lacs at Rs.10 lacs from Rs.56 lacs posted last year. Hence, your Directors do not recommend any dividend.

FUTURE OUTLOOK :

An overall growth of appr. 22% in Sales, compared to last year, is planned for this year. The highly motivated and well disciplined field force of the company makes possible to set this target and provide confidence to achieve the same. Moreover, your company's range of products is wide enough to cover all major therapeutic segments. Our well designed marketing strategies coupled with wide distribution network strengthens our conviction of achieving the above target.

To register a reasonably good profit, besides the overall growth in sales, we are focusing on all those products which are having comparatively higher profit margins. Simultaneously, we have adopted all possible cost reduction measures across all the levels.

The Company has started exploring the export market for its prime products.

NEW PRODUCT INTRODUCTION :

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

- 1) OJEN (Antibiotic)
- 2) OJEN TZ (Antibiotic and Antiamoebicide)
- 3) CARTISAFE 750 (Osteoarthritis)
- 4) NUMOX LB (Antibiotic)
- 5) CEFIXIME / CEFPODOXIME (Antibiotic)

SIHOR UNIT :

Company's State of the Art Plant at Sihor is doing very well. Marching ahead to obtain prestigious WHO GMP, after receiving the certificate of GMP and ISO 9002. The production department's efforts are embarking on cost saving by reducing rejection levels and in improving the overall performance by providing training and inputs of valuable information to the employees at the Plant.

In the liquid department the capacity has been increased significantly due to installation of a new automatic line machine.

TRAINING :

The employees of Jenburkt are its strength. These young employees are trained throughout the year on various



aspects covering technical, quality control, self development etc. The focus on the training of these nature will improve the performance of the employees in long run.

INVESTOR SERVICES :

Your Company's shares are already been admitted to the National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for holding and trading of shares. Your Company's shares are traded in compulsory dematerialised form effective from 5th May 2001.

DIRECTORS :

Shri Rameshchandra J. Vora and Shri Uttam N. Bhuta retires by rotation in the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

KEY POSITION :

Mr. M. P. Singh has been appointed as Vice President - Marketing w.e.f. 6.4.2001. He has done his M.Sc. (Zoology), MBA & Diploma in Sales and Marketing Management and L.L.B. with diploma in labour laws. He had joined Wockhardt Ltd., as his first job, in 1983, ever since then, till joining your Company, Mr. Singh had served Wockhardt Ltd. in various capacities by rising in the ranks from Medical Representative to General Manager.

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.

COST AUDITORS :

Under direction of the Cost Audit Branch of Department of Company Affairs, Ministry of Law, Justice and Company Affairs, New Delhi to conduct audit of the records of cost accounts of the company, M/s. Jagdish R. Loliyani, Cost Accountants, Mumbai, were appointed as the Cost Auditors for the year under report. The Auditors have, furnished certificate under Section 224(1B) of the Companies Act, 1956 of their eligibility for 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.

INSURANCE:

All Properties and Assets of the Company are adequately insured.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION :

As required under section 217(1)(e) of the Companies Act 1956 and 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.

PARTICULARS OF THE EMPLOYEES :

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.

DIRECTORS RESPONSIBILITY STATEMENT :

Pursuant to the Section 217 (2AA) of the Companies Act, 1956, your directors state that :

- in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any ;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGMENT :

Mr.S. M. Karnik ,Vice President (Marketing) has retired with effect from 31/03/2001. During his tenure of 10 years Mr. Karnik made valuable contribution towards the growth of the company not only in terms of the sales but also in the image building of the company. Your directors wish all the best in his future plans.

Your Directors wish to place on record, their deep sense of appreciation for the co - operation and devoted services of the Marketing Executives, Office and Plant Staff members and Workers of the Company and for the 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**

UTTAM N. BHUTA
Joint Managing Director

Mumbai: 18th May, 2001.

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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 to remain more competitive.

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 as stated above have resulted in bringing down the cost of production.
2. Significant savings in energy consumption due to the above stated measures, has created awareness in the employees and workers of the company.

(c) Total energy consumption and energy consumption per unit of production :

FORM - A

Form for disclosure of particulars with respect to Conservation of Energy

	Year ended 31st March, 2001	Year ended 31st March, 2000
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
a) Purchased Units	1,64,050	1,63,292
Total Amount Rs. in Lakhs	9,11,023	7,35,320
Rate / Unit Rs.	5.55	4.50
b) Own Generation		
(i) Through diesel generator	26,964	26,451
Units per litre of diesel oil	3	3
Cost / Unit Rs.	3.05	3.09
(ii) Through steam turbine / generator	Nil	Nil
2. Coal	Nil	Nil
3. Furnace Oil	Nil	Nil
4. Others / internal generation	Nil	Nil

B Consumption per Unit of production :

	Standard	Current Year	Previous Year
Electricity (Units)	There is no specific standard	-	-
Coal	Nil	-	-