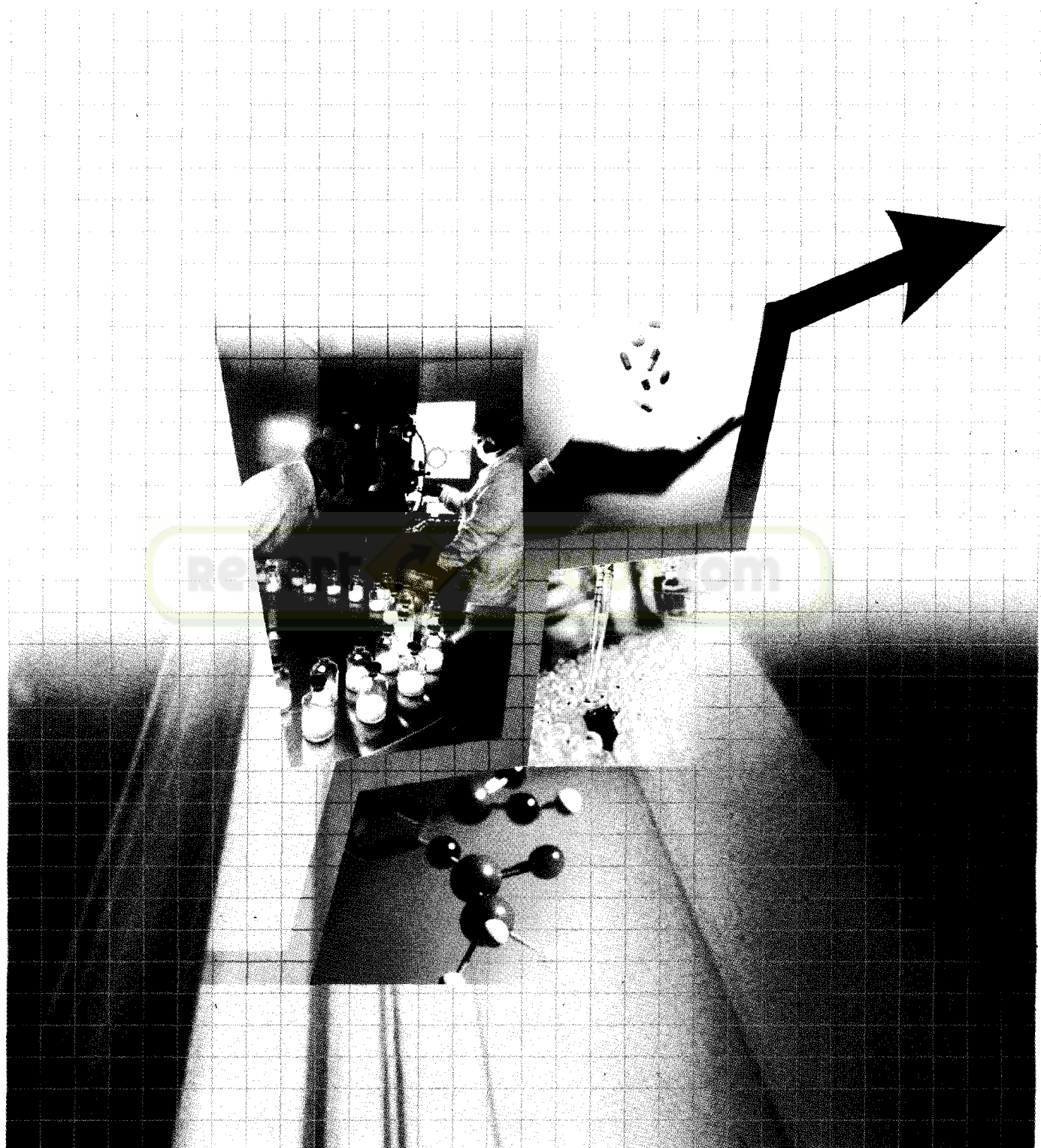


Jenburkt Pharmaceuticals Limited



 **JENBURKT**
ONE STEP AHEAD IN MEDICARE

Since its modest inception in 1985 with just 35 employees and 5 brands, Jenburkt has traversed an ambitious journey and today boasts 475 employees with 50 brands across many therapeutic areas.

As an arm of a traditional business family, Jenburkt has imbued its people with the realisation of its responsibilities as a professionally managed pharmaceutical company. Jenburkt possesses a progressive work environment that encourages professional development with a view to develop talent within the organisation. Personnel training is accorded a high priority while creating a more congenial and people oriented milieu across the organisation.

Jenburkt meets the highest quality requirements with ISO 9002 certification and is in process of WHO GMP certification. A dynamic organisation that is further supported by a fast growing network of over 1000 stockists and super stockists and over 35000 retailers.

Jenburkt products are also finding increasing recognition and acceptance in niche markets. The Company's presence in these key markets augurs well for its future aspirations. Coordinated efforts in R&D, international operations, marketing and global networking would see Jenburkt evolve into a research-oriented speciality Pharmaceutical Company.

Through good governance, high quality products and an extremely competent and able team of professionals, Jenburkt has achieved consistent growth scaling 45 ranks in just three and half years. Jenburkt endeavours to ascend greater heights in a short time, consolidating its position as a progressive Pharmaceutical Company.

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 Committee

Hemendra N. Bhuta	Managing Director
Uttam N. Bhuta	Joint Managing Director
Mahendra Paul Singh	Vice President - Marketing
Ashish U. Bhuta	Vice President
Kalyanaraman Raju	Plant Manager
Jayshree K. Bhatt	Manager - Accounts
Virendra Bangar	Manager - Q.C. / Q.A.

Auditors

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

Bankers

Bank of Baroda
State Bank of Saurashtra
Union Bank of India

Registered Office

Nirmala Apartments,
93, Jayprakash Road,
Andheri (W), Mumbai - 400 058
Tel. No. : 5694 3121 (8 Lines)
Fax No. : 5694 3127
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 Eighteenth Annual General Meeting of the members of **Jenburkt Pharmaceuticals Limited** will be held on Monday, the 29th September, 2003 at 4.30 p.m. at Juhu Jagruti Auditorium, A.J.College of Commerce & Economics, Opp. Shri Bhaidas Maganlal Hall, Swami Bhaktivedanta Marg, JVPD Scheme, Vile Parle (W), Mumbai - 400056 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2003 and Balance Sheet as on that date together with the Director's and Auditor's Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Hemendra N. Bhuta, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Rameshchandra J. Vora, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS :

6. To consider and if thought fit to pass with or without modifications, the following resolution as Special Resolution :

RESOLVED THAT pursuant to the provisions of Section 163 of the Companies Act, 1956, approval be and is hereby accorded to the Board of Directors to keep the Register of Members together with index of members, and copies of all returns prepared under section 159 of the Companies Act, 1956 as also copies of the certificates and documents required to be annexed thereto under section 161 of the said Act at the office of M/s.Bigshare Services Pvt. Ltd., E-2, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (E), Mumbai - 400 072, who are appointed as the Company's Share Registrar and Transfer Agent to handle both physical share transfer related works and for the electronic connectivity for shares dematerialisation related works.

7. To announce the result of the postal ballot in respect of Ordinary Resolution under Section 293(1)(a) under item Number 1 for the approval of creation of Mortgage/ Charge and Special Resolutions under section 372A of the Companies Act, 1956, under item Number 2 for providing guarantees / creation of securities to / in favour of the lender(s), as mentioned in the Notice of Postal Ballot, dated 28th June, 2003, circulated to the members.

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

Mumbai,
28th June, 2003.

ASHISH R. SHAH
Company Secretary

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. Explanatory Statement for the Special Business conducted through Postal Ballot were annexed to the draft Resolutions, copies of which were circulated to the shareholders with postal ballot letter, dated 28th June, 2003.
3. 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.
4. Members are requested to bring their copy of Annual Report to the Meeting.
5. 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.
6. The Register of Members and Share Transfer Books and Register of Beneficial Owners of the Company will remain closed from Saturday, 20th September, 2003 to Monday, 29th September, 2003 (both days inclusive).
7. The Shareholder's holding equity shares in Electronic form as on Friday, 19th September 2003, as per the details furnished by NSDL and CDSL, will be eligible for the dividend.
8. Pursuant to section 205A(5) of the Companies Act, 1956, as amended, any money transferred to the Unpaid Dividend Account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the unpaid dividend account shall be transferred by the Company to the Investor Education and Protection Fund of the central Government and the shareholders shall not be able to claim any unpaid dividend from the said fund or from the Company thereafter.
9. Information regarding the Directors being Re-appointed :

Name	:	Shri Hemendra N. Bhuta
Date of Joining	:	10.06.1985
Date of Birth	:	26.05.1936

Shri Hemendra N. Bhuta is the Promoter / Director of the Company. He is associated with the Company since its inception as Managing Director. Shri Hemendra N. Bhuta possesses vast experience in Chemical business and significant experience as industrialist and overall business management. He is Director in Bhuta Holdings Pvt. Ltd.

Shri Hemendra N. Bhuta is also a Trustee in various charitable organisations, in Healthcare and Educational sphere.

Name	:	Shri Rameshchandra J. Vora
Date of Joining	:	31.03.1998
Date of Birth	:	27.08.1949

Shri Rameshchandra J. Vora is a businessman, manufacturing various tobacco products and has a successful construction business. Having vast experience in the construction business with good business contacts, the company has benefitted immensely, especially in the modernisation and expansion activity of the Sihor Plant. Being stationed at Sihor is able to monitor the construction/development at the plant.

Shri Rameshchandra J. Vora is also involved in managing a charitable hospital and is also a trustee on various Charitable Education Trusts.



JENBURKT

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT

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

Item No. 6 :

Under Section 163 of the Companies Act, 1956, documents such as Register of Members and Index of Members which are normally required to be kept at the Registered Office of the Company may be kept at any other place, if such other place has been approved by a Special Resolution passed by the Company in General Meeting.

Securities and Exchange Board of India (SEBI) vide its circular dated 27th December, 2002 advised all the listed companies to have common agency for share registry work in terms of both physical shares and electronic connectivity to avoid delay in dematerialisation, non-reconciliation of share holding between different agencies, etc. Accordingly, the Company have appointed M/s.Bigshare Services Pvt. Ltd., E-2, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (E), Mumbai - 400 072 as the Registrar and Share Transfer Agent for physical shares transfer related work by entering into Agreement with them. M/s.Bigshare Services Pvt. Ltd. are already acting as Registrars for providing Electronic connectivity. They have the authorisation from SEBI to act as the Securities Registrar and Transfer Agent.

Approval of the members is sought in terms of Section 163 of Companies Act, 1956, to keep the Register of Members, Index of Shareholders and other returns, books, certificates and documents pertaining thereto at the Office of the said M/s.Bigshare Services Pvt. Ltd., E-2, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (E), Mumbai - 400 072.

None of the Directors of the Company is in any way concerned or interested in the resolution under Item No.6.

Copy of the Agreement dated entered into with M/s.Bigshare Services Pvt. Ltd. and copy of SEBI Circular as stated above are available for inspection at the Registered Office of the Company during business hours.

Item No. 7 :

Pursuant to the provisions of section 192A of the Companies Act, 1956, read with Companies (Passing of resolution by Postal Ballot) Rules, 2001, Ordinary Resolution u/s. 293 (1) (a) (for creation of mortgage/charge) and Special Resolution u/s 372A (for giving guarantee/providing securities) require the consent of shareholders through Postal Ballot. The notice of Postal Ballot, explanatory statement thereto alongwith Postal Ballot form are annexed to the Eighteenth Annual Report. The Chairman of the meeting shall declare the result of Postal Ballot in the Annual General Meeting.

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

Mumbai,
28th June, 2003.

ASHISH R. SHAH
Company Secretary



Directors Report

Your Directors have pleasure in presenting the Eighteenth Annual Report together with the Audited Accounts therein for the year ended 31st March, 2003.

FINANCIAL PERFORMANCE :

	Rs. (Lacs)	
Particulars	Year ended 31-3-2003	Year ended 31-3-2002
Sales & Other income	2509.52	2128.15
Profit before depreciation, interest and tax	165.11	148.12
Less : Interest	59.83	48.32
Depreciation	33.04	29.30
Profit before tax	72.24	70.50
Less : Provision for taxation	20.20	20.00
Provision for Deferred Tax	17.00	5.17
Net Profit after tax	35.04	45.33
Add : Excess provision of earlier years, now written back	8.15	19.23
Add : Balance b/f from previous year	94.47	96.40
Profit available for appropriation	137.66	160.96
Appropriations :		
Dividend	32.54	46.49
Dividend Tax	4.17	--
Transfer to General Reserves	--	20.00
Balance c/f to Balance Sheet	100.95	94.47
Total	137.66	160.96

DIVIDEND :

Your Directors recommend a Dividend of Rs 0.70 per Rs.10/- paid up equity shares of the Company for the Financial Year 2002-2003. An amount of Rs.32,54,510/- will be absorbed from the net profit of the Company, towards the dividend payment and Rs.4,17,000/- (approx.) will be paid as Dividend Tax and surcharge thereon.

OPERATIONS :

The year under review has displayed a sales growth of 18% with the sales turnover nearing the 25 crore mark. This marks a spectacular ascent in the ORG rankings by 45 ranks in the past 3 and a half years. A number of new products with innovative promotional programs were launched in line with the strategy of introducing select products in high growth therapeutic segments.

Your Company has implemented dynamic initiatives to achieve Quality Assurance and Control through investments made in acquiring sophisticated equipments. This is to ensure a strong emphasis on consistent quality through modern production process in a state of the art plant, which has been restructured to comply with international norms.

During the year under review your company achieved a turnover of Rs. 24.62 crores, as against Rs. 20.83 crores achieved in the previous year, translating into an 18% growth. Though the top line growth shows an increase, the bottom line has not grown at the same rate. This is due to the uncertainty prevailing over introduction of VAT, which has adversely affected the movement of finished goods in the last month affecting the profits.

PLANT :

Plant has been modernized to comply with the requirements of WHO and new schedule-M of Drug and Cosmetic Act, 1945. New change rooms for Staff / Workers, New lunch rooms, New BSR and Loading / Unloading bay have been put into operation during the end of 2002. Landscape of our garden was completed to have dust free atmosphere with greenery effect. New equipments / instruments in both Production and Quality control as per the regulatory requirements were installed.

An audit was carried by regulatory authorities for obtaining WHO GMP Certification after submission of the Site Master File. After commending the facility and documentation certain suggestions / advice were made by the Inspectors. The Company is in process to comply with their suggestion / advice and is confident of procuring the said certificate by October 2003.

All the above suggestions are being implemented.

NEW PRODUCTS INTRODUCED :

1. Nimesulide in β -cyclodextrin in both tablet & oral suspension forms (Analgesic) - **Zydol**
2. Terbutaline sulphate, Ambroxol hydrochloride, Guaiphenesin, Menthol combination in syrup form (Cough Syrup) - **Piritexyl BR Syrup**
3. Ornidazole with Ofloxacin tablets (Anti-infective) - **Ojen OZ Tablet**
4. Rabeprazole 10 mg & 20 mg enteric coated tablets (Anti Ulcerative, GERD) - **Rabera 10mg & 20mg Tablet**



5. Valdicoxib 10 mg & 20 mg tablets (NASAID COX2 Inhibitor) - **Powercoxib 10mg & 20mg Tablet**
6. Paracoxib Sodium 40 mg injection (NSAID COX2 Inhibitor) - **Powercoxib - P 40 Injection**
7. Levocetirizine Dihydrochloride 5 mg tablets (Anti allergic) - **Allerzine L Tablet**

TRAINING :

A. PLANT :

Inhouse training programmes are being conducted for all the Staff and Employees every month on topics ranging from Technical to improvement of productivity and management. Employees are also deputed regularly for Workshops and Seminars to keep abreast of latest developments in the Pharma field.

B. MARKETING :

Advanced training in respect of company's product and management skills was given to marketing / sales force as well as employees at head office and at plant. Exclusive training was imparted to the newly recruited field staff during the year.

DIRECTORS :

Shri Hemendra N. Bhuta and Shri Rameshchandra J.Vora, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

KEY POSITION :

Mr.Virendra Bangar was appointed as Quality Control / Assurance Manager w.e.f. 8th April, 2002. He is having vast experience in his field, having faced various technical audits including International Audits. His rich experience in Quality Assurance will help your Plant to manufacture quality products, to match the International standards.

Mr.Omprakash Prajapati was appointed as Asst. Manager - Quality Control / Assurance w.e.f. 14th July, 2002 to assist Q.C. / Q.A. Manager. He also possesses vast experience in his field, especially in Microbiology Department. He has also faced both international and local technical audits.

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 :

M/s.Jagdish Loliyani, Cost Accountants, Mumbai, Cost 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.

CORPORATE GOVERNANCE :

A brief report on corporate governance and the relative Auditors Certificate thereto are attached to this report. A Report on Management discussion and Analysis is also attached to this report.

FIXED DEPOSIT :

Since inception, 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 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 and no material departures have been made from the same;
- They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year under review, and of the profit of the company for that period;
- They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- They have prepared the Annual Accounts on a going concern basis.

SHARE TRANSFER / DEPOSITORY AGENCY :

M/s.Bigshare Services Pvt. Ltd., Mumbai is appointed during the year, as Registrar and Share Transfer Agent, to carry out the Share Transfer related activities, pursuant to SEBI's circular No.D&CC/FITTC/CIR-15/2002 dated 27th December 2002. They are already acting as our agent providing electronic connectivity for demat related work.

APPRECIATION :

Your Directors wish to place on record, their deep sense of appreciation for the co-operation and devoted services of the Marketing Executives, staff member of Office and Plant and Workers of the Company and for the continued support and co-operation received from shareholders, Bankers, Stockists and Suppliers during the year.

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

Mumbai,
28th June, 2003.

HEMENDRA N. BHUTA
Managing Director

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 :

- 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.
- Use of Fuel additives for improvement in combustion efficiency of boiler.
- Cooling water treatment.
- Rationalisation of transformer capacity.
- Minimised pressure fluctuations in air lines.
- Power capacitors used in the main sub-station and power factor improved to reduce the wastage of power.
- Periodic checking and monitoring of electrical loading of all motors and repair of the defective ones.
- 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 :

- Energy conservation measures as stated above have resulted in bringing down the cost of production.
- 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

A. POWER AND FUEL CONSUMPTION		Year ended 31st March, 2003	Year ended 31st March, 2002
1	Electricity		
	(A) Purchased Units	282351	175346
	Total Amount Rs.	1446686	975580
	Rate / Unit Rs.	5.00	5.56
	(B) Own Generation		
	(1) Through diesel generator	39246	37842
	Units per litre of diesel oil	3.23	3.09
	Cost / Unit Rs.	6.5	6.39
	(2) 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	
Electricity (Units)	There is no specific standard followed by the company for the current year as well as for previous year, as per the records and books of the company maintained in accordance with Companies Act, 1956.
Coal	
Others	

II. TECHNOLOGY ABSORPTION :**FORM - B**

Form for disclosure of particulars with respect to absorption :

(a) EFFORTS MADE IN TECHNOLOGY ABSORPTION :

1. Specific areas in which R & D carried out by the Company :
 - Development of new formulations.
 - Improvement in existing formulation to achieve better quality and meet the customer requirements.
 - New packing methods development.
2. Benefits derived as a result of the above R & D.
 - New products developed and the extension of the existing products.
 - Quality improvement of existing products.
3. Future Plan :
 - New Products development of Metmin - SR, Ojen - Suspension & Nervijen.
 - Energy Audit has been undertaken by Sihor Plant to identify the areas where energy conservation can be effected.
 - To conserve energy for the field Generator set, we are planning to use Light Diesel Oil in place of High Speed Diesel.

(b) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

1. Efforts in brief, made towards technology absorption, adaptation and innovation.
 - Continuous adaptation research and development of products and processes with the objective of import substitution and cost containment in an inflationary environment is carried out.
 - Extensive work was carried out, for the adaptation of process relating to formulation to suit local conditions.
 - Development of ancillary technology, for packaging materials and machinery is undertaken.
2. Benefits derived as the result of the above efforts:
 - Product improvement, cost reduction, import substitution, standardised analytical methods which are reflected in the productivity of resources and better quality and stability of products.
 - Development of new products/packaging materials/line extensions.
 - Quality improvement.
3. Imported technology :

The Company has not imported any technology on payment of consideration in the last five years.

(c) FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Activities relating to exports, initiatives taken to increase exports; development of new export markets for products : The Company is continuously exploring more of its products to different markets. The GMP Certification as per WHO, will provide major boost in the area of export.
2. The foreign exchange earnings by the Company : Rs. 18.61 lacs. The foreign exchange expenditure (which includes import of raw materials, spares) : Rs.29.39 lacs and dividend paid Rs.0.38 lacs. Aggregating to Rs.29.77 lacs.

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

HEMENDRA N. BHUTA
Managing Director

Mumbai,
28th June, 2003.