

☆ JENBURKT Going Global

Hello

Hola

Bonjour

Hallo

Aho

Salaam

Marhaba

Sawatdi

Aloha

Maido

Salve

Namaste





Late Shri Hemendra N. Bhuta

26-05-1936 + 25-11-2005

A great vision, unparalleled fighting spirit,
unmatched self confidence & pride...

These were some of the unique qualities
of our beloved leader.

In the endeavor of giving shape to his vision
of conquering new frontiers,
Jenburkt is fast expanding in the international markets
at the same time growing from strength to strength
in the domestic market.

Board Of Directors

Harshad N. Bhuta	Chairman
Hemendra N. Bhuta	Managing Director (upto 25/11/2005)
Uttam N. Bhuta	Managing Director
Bharat V. Bhate	Director
Rameshchandra J. Vora	Director
Arun R.Raskapurwala	Director

Company Secretary

Ashish R. Shah

Auditors

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

Bankers

Bank of Baroda
State Bank of Saurashtra
ICICI Bank

Report Junction.com

Registered Office

Nirmala Apartments,
93, Jayprakash Road,
Andheri (W),
Mumbai - 400 058.
Tel. No. 6694 31 21
Fax. No. 6694 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 21st Annual General Meeting of the members of JENBURKT PHARMACEUTICALS LIMITED will be held on Friday, the 28th July, 2006 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 (West), 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, 2006 and Balance Sheet as on that date together with the Directors' and Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Rameshchandra J. Vora, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Uttam N. Bhuta, 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 modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to such other approvals as may be required, the approval of the members of the Company be and is hereby accorded for the appointment of Shri Uttam N. Bhuta, as Managing Director of the Company for a period from 20th January 2006 to 31st March 2009, whose term of office shall be liable to retirement by rotation, at a remuneration and perquisites payable from 1st April 2006 as per details given below:

I. REMUNERATION: Basic Salary in the range of Rs.45,000/- to 90,000/- per month with effect from 01st April 2006 to 31st March 2009. The Board of Directors have the power, at their discretion, to increase and decide the remuneration within the above stated limit.

II. PERQUISITES:

- a) The Managing Director (MD) shall be entitled to House Rent Allowance at the rate of 20% of the basic Salary.
- b) Medical Expenses incurred for MD and his family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- c) Reimbursement of expenses on travelling for MD and his family once in a year incurred in accordance with the Company's Rules.
- d) Others: 1. The MD shall be entitled for Provident Fund, Gratuity, Encashment of Leave, Bonus, etc. as per the rules of the Company.
2. Provision of Company's Car along with telephones and Electricity at MD's Residences.

RESOLVED FURTHER THAT the Board of Directors or any Committee thereof be and is hereby authorised and empowered in its absolute discretion to change, alter or modify, the terms and conditions of his appointment and fix his Salary within the scale stated above, with his consent, subject to the provisions of section 310, 311, schedule XIII and any other applicable provisions of the Companies Act, 1956.

RESOLVED FURTHER THAT in the event of loss or inadequacy of Profit of the Company in any Financial Year during his tenure, the aforesaid remuneration and perquisites shall be paid to Shri Uttam N. Bhuta as minimum remuneration subject to Schedule XIII and any other applicable provisions of the Companies Act 1956.

RESOLVED FURTHER THAT the Board of Directors or any Committee thereof be and is hereby authorised to do all such acts, deeds, things, as they may in their absolute discretion deem necessary, to give effect to this Resolution."

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

"RESOLVED THAT Shri Arun R. Raskapurwala, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retire by rotation."

By Order of the Board of Directors
For JENBURKT PHARMACEUTICALS LTD

ASHISH R. SHAH
Company Secretary

Mumbai, 26th May, 2006.

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 Special Business is annexed hereto.
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 / Proxies 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, except Saturdays, till Annual General Meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 22nd July 2006 to Friday, 28th July 2006 (both days inclusive).
7. 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.
8. For profile of a) Shri Uttam N. Bhuta, b) Shri Rameshchandra J. Vora and c) Shri Arun R. Raskapurwala Directors being appointed/ re-appointed, kindly refer to the Corporate Governance Report, attached to the Directors' Report.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT

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

Item No.6 of the Notice:

The Members of the Company in their Annual General Meeting held on 30th July, 2004 approved the re-appointment of Shri Hemendra N. Bhuta as Managing Director and Shri Uttam N. Bhuta as Joint Managing Director of the Company and payment of remuneration to them. Shri Hemendra N. Bhuta, Managing Director of the Company expired, during the year and the Board of Directors at their meeting held on 20th January 2006 appointed Shri Uttam N. Bhuta as Managing Director of the Company for a period beginning from 20th January to 31st March 2009. He was serving as Joint Managing Director of the Company, the post he had occupied since inception of the Company.

Consent of Members of the Company is required under the provision of section 198, 269, 309 read with schedule XIII of the Companies Act, and other applicable provisions of the said act, for the appointment of the Managing Director, and payment of remuneration to him from 1st April 2006 to 31st March 2009. His term of appointment as set out in the draft agreement and as mentioned in the proposed resolution will be subject to approval of Members in the ensuing Annual General Meeting. The terms and conditions of Shri Uttam N. Bhuta's appointment as set out in the proposed resolution may also be treated as an abstract of the term of draft agreement between Shri Uttam N. Bhuta and the Company under section 302(2) of the Companies Act, 1956.

A brief resume of Shri Uttam N. Bhuta, as required under Clause 49 of the Standard Listing Agreement of Stock Exchange is set out in the section of Corporate Governance Report, appearing in this Annual Report.

The Board accordingly recommends the resolutions in item No.6 of the Notice for approval of the Members of the Company.

Except Shri Uttam N. Bhuta himself and Shri Harshad N. Bhuta being his relative, none of the Directors is to be considered as interested or concerned in the proposed resolution.

Item No.7 of the Notice:

The Board of Directors at their meeting held on 20th January, 2006 has appointed Shri Arun Rangildas Raskapurwala, as an Additional Director of the Company. Pursuant to Article 134 of Articles of Association of the Company and Section 260 of the Companies Act, 1956, Shri Arun R. Raskapurwala holds office up to this Annual General Meeting. The Company is in receipt of notice, in writing, pursuant to Section 257 of the Companies Act, 1956, from a shareholder alongwith requisite deposit of Rs.500/- signifying his intention to propose the candidature of Shri Arun R. Raskapurwala as director of the Company.

A brief resume of Shri Arun R. Raskapurwala, as required under Clause 49 of the Standard Listing Agreement of Stock Exchange is set out in the section of Corporate Governance Report appearing in this Annual Report.

The Board accordingly recommends the resolution in item No.7 of the notice for approval of the Members of the Company.

Except Shri Arun R. Raskapurwala none of the Directors is to be considered interested or concerned in the proposed resolution.

By Order of the Board of Directors
For JENBURKT PHARMACEUTICALS LTD

ASHISH R. SHAH
Company Secretary

Mumbai, 26th May, 2006.

Directors' Report

Your Directors have pleasure in presenting the 21st Annual Report together with the Audited Accounts for the year ended 31st March, 2006.

FINANCIAL PERFORMANCE: (Rs. in Lacs)

Particulars	Year ended 31-3-2006	Year ended 31-3-2005
Sales & Other income	3211.93	2662.57
Profit before depreciation, interest and tax	289.79	223.35
Less : Interest	68.98	67.38
Depreciation	53.83	41.38
Profit before tax	166.98	114.59
Less : Provision for taxation /Deferred Tax/ FBT	63.00	40.21
Net Profit after tax	103.98	74.38
Less : Excess provision of earlier years, now written off	3.68	0.08
Add : Balance b/f from previous year	151.16	129.86
Profit available for appropriation	251.46	204.16
Appropriations :		
Dividend	58.12	46.49
Dividend Tax	8.15	6.52
Transfer to General Reserves	2.60	-
Balance c/f to Balance Sheet	182.59	151.16
Total	251.46	204.17

DIVIDEND :

Your Directors recommend a Dividend of 12.5% or Rs.1.25 per equity share of Rs.10/- each, subject to approval of shareholders at the ensuing Annual General Meeting. Rs.66.30 lacs will be absorbed out of profits towards payment of dividend and tax thereon and Rs.2.60 lacs will be transferred to Reserves out of profits. The Dividend for the previous financial year i.e. 2004-05 was 10%. Your Company has policy to pay dividends at increasing rates, linked to its growth resulting to higher returns to the shareholders.

FINANCIAL PERFORMANCE :

The total income of the company stood at Rs. 3211.93 lacs, a jump of approx. 21% over previous year figure of Rs.2662.57 lacs. The Net Profit of the company has increased by over 40% to Rs.104 lacs, compared to Rs.74 lacs, posted in previous year.

Exports have grown over the previous year. However, the major effort was towards registering products, in several countries, which are currently under various stages of registration in many countries.

Your Company has filed nearly 25 products dossier's, for registration, some of them have already been registered, and others are under process. Substantial gains are expected from exports after registration.

Your Company is focusing on high value, speciality product segments only, and most of the competing companies will be from Western Countries.

In time to come, your company expects the International Business Division, to contribute substantially to the topline and bottomline of the Company's financial figures.

PLANT:

The Sihor Plant upgradation is continued with the addition of new equipment /instruments in the manufacturing/Quality Control Departments. The Plant has been audited by regulatory authorities of various countries and has been given accreditation for export of our products. The WHO GMP Certification for the Plant has been granted for another two years valid upto September 2007. The Plant also has been approved as per revised Schedule-M norms.

Various studies including stability studies have been completed to launch about 10 products from April 2006 for both domestic and international business. The dosage forms for new products include tablets, soft gelatin capsules, injectables.

DIRECTORS:

The Company was founded by Shri Hemendra N. Bhuta, along with his brothers. Today the Company consisting of thousands of stakeholders, who have gained economically and socially form the entrepreneurial spirit of Shri Hemendra N. Bhuta. He has left us, but with a strong foundation to build the company further. The Board owe him a lot for his valuable contribution.

The Board has appointed, at its meeting held on 20th January, 2006 Shri Uttam N.Bhuta as the Managing Directors of the Company for a period from 20th January 2006 to 31st March 2009. Members approval has been sought for his appointment and payment of Remuneration. The new salary structure with perquisites, as per draft agreement is effective from 1st April 2006. A Resolution has been recommended for members approval in the Notice convening the Annual General Meeting, for his appointment as Managing Directors of the company and payment of remuneration.

Shri Arun R. Raskapurwala was appointed as additional Director in the meeting of Board of Directors on 20th January 2006, pursuant to article No.134 of Articles of Association and section 260 of the Companies Act, 1956. Shri Arun R. Raskapurwala holds office till the date of ensuing Annual General Meeting. A Resolution has been recommended for members approval in the Notice convening the Annual General Meeting, for his appointment as Director of the Company, liable to retire by rotation.

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

All the above appointments are subject to Members approval at the ensuing Annual General Meeting.

Brief resume of the Directors proposed to be appointed / re-appointed are set out in the section of Corporate Governance, as stipulated under clause 49 of the listing agreement with Stock Exchange.

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 R. Loliyani, Cost Accountants has been appointed by the Central Government, for conducting the Cost Audit of the Company's Pharmaceutical formulations, for the Financial Year ended 31st March, 2006.

REPORT ON CORPORATE GOVERNANCE:

A brief report on corporate governance and the relative Auditors Certificate thereto is attached to this report.

REPORT ON MANAGEMENT DISCUSSION & ANALYSIS:

A Report on Management Discussion and Analysis is attached to this report.

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:

In terms of provision of section 217(2A) of the Companies Act, 1956 read with the Company (Particulars of Employees) rules 1975, as amended, the names and other particulars of the employees of the Company are required to be disclosed as annexure to Directors' Report. However, according to provision of section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report excluding above information is being sent to all the Members of the Company. Member who is interested in obtaining such particulars may write to Company Secretary at the registered office.

DIRECTORS RESPONSIBILITY STATEMENT:

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

- a) in the preparation of annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same.
- b) 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;
- c) 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;
- d) they have prepared the Annual Accounts on a going concern basis.

FIXED DEPOSIT:

The Company has not accepted any deposits from the public within the meaning of section 58-A of the Companies Act, 1956.

APPRECIATION:

Your Directors extend their gratitude and appreciation for assistance and co-operation extended by Government Authorities, Banks, Stockists and Members of the Company. Your Directors also would like to express their appreciation to all the employees of the Company.

For and on behalf of the Board
For JENBURKT PHARMACEUTICALS LTD

Mumbai, 26th May, 2006.

Uttam 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:

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

A. POWER AND FUEL CONSUMPTION		Year ended 31 st March, 2006	Year ended 31 st March, 2005
1	Electricity		
	(A) Purchased Units	4,03,228	3,85,631
	Total Amount Rs.	19,63,278	19,70,267
	Rate / Unit Rs.	4.86	5.11
	(B) Own Generation		
	(1) Through diesel generator	21,243	26,958
	Units per litre of diesel oil	2.57	3.29
	Cost / Unit Rs.	10.96	8.52
	(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) Coal Others	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.

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:

- Simplification of manufacturing process, hereby reducing cost of production of the existing formulations.
- Improvement in manufacturing and coating process for Cartisafe Forte MSM Tablets for export.
- Development of Antimalarial injections for Export.
- Analytical methods developed for new formulations.
- Simplification of packaging operations to contain the cost.

Benefits derived from R & D

- Launch of new products of different dosage forms.
- Cost reduction in packaging operations.
- Reduction of Cost of formulations.

Future Plans

- Dossiers are submitted to various Countries for Export and hence develop new formulations as per the requirements of importing countries.

(b) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

1. Efforts, in brief, made towards technology absorption, adaptation, and innovation.

- a) 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.
- b) Extensive work was carried out, for the adaptation of process relating to formulation to suit local conditions.
- c) Development of ancillary technology, for packaging materials and machinery is undertaken.

2. Benefits derived as the result of the above efforts:

- a) Product improvement, cost reduction, import substitution, standardised analytical methods which are reflected in the productivity of resources and better quality and stability of products.
- b) Development of new products/packaging materials/line extensions.
- c) 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:

- a) Activities relating to exports, initiatives taken to increase exports; development of new export markets for products: The Company is continuously exploring different markets, for its products. The GMP Certification as per WHO, has provided major boost in the area of export.

The foreign exchange earnings by the Company: Rs.129.03 lacs.

The foreign exchange expenditure of the Company: Capital Goods 2.90 lacs, Other Expenditures 19.92 lacs and dividend paid 0.11 lacs. Aggregating to Rs.22.92 lacs.

For and on behalf of the Board
For JENBURKT PHARMACEUTICALS LTD

Uttam N. Bhuta
Managing Director

Mumbai, 26th May, 2006.