

*Stability against adversities*



## **We aim above the mark to hit the mark.**

The global economic crisis, brewing for a while now, has really started to show its snow-balling effects in this financial year. This downturn has not spared the pharmaceutical industry either. Panic and extreme measures have become common to most companies across sectors. However, at Jenburkt, we are safely and surely persistent in this unhinged phase of the economic cycle.

In this volatile financial scenario, we have remained resolute on the strength of our core values. Our fundamental principles of consistency and ethics and our planned efforts to maintain a steady pace are now yielding effective positive results. With unwavering focus on our strategic business issues and having firmly held our ground, we see this as a time to capitalize on opportunities.

The future has a way of arriving unannounced. Thus, brimming with confidence and the wisdom of the last two decades we look ahead keeping the strong thread of discipline running through all the verticals of our organization. Synergizing our resources with optimum utilization and armed with a team of highly committed people we look forward to bring new products to the world of healthcare, explore new markets in the coming year and take our competitive edge to the next level.





### Jenburkt Pharmaceuticals Limited

Regd. Office : Nirmala Apts., 93, Jayprakash Road, Andheri (W), Mumbai 400 058.

#### ENTRANCE PASS

(To be presented at the entrance)

24<sup>TH</sup> ANNUAL GENERAL MEETING ON 31<sup>ST</sup> JULY, 2009 AT 3.30 P.M.  
at ISKCON Auditorium, Hare Krishna Land, Juhu, Mumbai - 400049

DP ID No : ....., Folio No. /Client ID No. : .....

Name of the Shareholder : .....

Signature of the Shareholder : .....

(only Shareholders / Proxies are allowed to attend the meeting)

#### PROXY FORM

I/We..... of..... being a member(s)  
of JENBURKT PHARMACEUTICALS LTD.hereby appoint .....of.....  
in the district of ..... as my /our proxy to attend and vote for me / us and on my / our  
behalf at the 24<sup>th</sup> Annual General Meeting of JENBURKT PHARMACEUTICALS LTD.to be held on Friday, 31<sup>st</sup> July,  
2009 and at any adjournment thereof.

DP ID No. : ..... Folio No. /Client ID No. : .....

No. of Shares held : .....

Signed this ..... day of July, 2009.

NOTE : The Proxy form must be deposited at the Registered Office of the Company at  
Nirmala Apartments, 93, J.P. Road, Andheri (W), Mumbai - 400 058 not less than 48  
hours before the time for holding the Meeting.



Signature  
across Revenue Stamp

#### BANK ACCOUNT PARTICULARS / ECS MANDATE FORM

I / We ..... do hereby authorise  
JENBURKT PHARMACEUTICALS LTD .to either print the following details on my / our dividend warrant or credit my  
/our dividend amount directly to my/ our Bank account by ECS.

DP ID No. : ..... Folio No. /Client ID No. : .....

#### Particulars of Bank Account :

- A. Bank Name : .....
- B. Branch Name : .....
- C. Address : .....
- D. 9 Digit Code number of the Bank & Branch  
as appearing on the MICR Cheque : .....
- E. Account Type (Saving / Current) : .....
- F. Account No. as appearing on the cheque book : .....
- G. STD Code & Telephone No. : .....

I / We shall not hold the Company responsible if the ECS could not be implemented or the Company discontinue(s)  
the ECS, for any reason.

.....  
Signature of the Shareholder

**In case you are holding shares in demat form, kindly advise your Depository Participant (DP) to take note of  
your Bank Account particulars / ECS mandate and Change of Address.**

**Board of Directors**

Uttam N. Bhuta  
 Bharat V. Bhate  
 Rameshchandra J. Vora  
 Arun R. Raskapurwala  
 Ashish U. Bhuta

Chairman and Managing Director  
 Director  
 Director  
 Director  
 Whole Time Director

**Company Secretary**

Ashish R. Shah

**Auditors**

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

**Bankers**

Bank of Baroda  
 ICICI Bank

**Registered Office**

Nirmala Apartments,  
 93, Jayprakash Road,  
 Andheri (W), Mumbai - 400 058  
 Tel. No. : 6694 3121 (8 Lines)  
 Fax No. : 6694 3127  
 e-Mail : investor@jenburkt.com  
 Web Site : www.jenburkt.com

**Plant**

11-12, GIDC Phase - I,  
 Bhavnagar Road,  
 Sihor, Gujarat - 364 240

**INDEX**

Notice	02
Directors' Report	08
Management Discussion & Analysis Report	14
Corporate Governance Report	15
Auditors' Report	22
Cash Flow Statement	25
Balance Sheet	26
Profit & Loss Account	27
Schedules	28
Balance Sheet Abstract	43

**NOTICE**

NOTICE is hereby given that the 24<sup>th</sup> Annual General Meeting of the Members of JENBURKT PHARMACEUTICALS LIMITED will be held on Friday, the 31<sup>st</sup> July, 2009 at 3.30 p.m. at ISKCON Auditorium, Hare Krishna Land, Juhu, Mumbai-400049 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2009 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 Arun R. Raskapurwala, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Bharat V. Bhate, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Statutory 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 provision of section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification or re-enactment thereof for the time being in force, the Shareholders be and are hereby provide their consent to the Board of Directors (the "Board" including any committee thereof) to Mortgage and/or Charge, in any form and with such terms and conditions as the Board may determine, all or any of the movable, immovable, tangible, intangible properties of the Company, both present or future, and/or whole or substantially whole or any part of the undertaking(s) of the company for securing borrowings of the Company in aggregate up to Rs.20 Crores (Rupees Twenty Crores only), availed / to be availed by way of loan(s) (in rupee currency and/or foreign currency) or any other mode from any lender(s), banker(s), financial institution(s) and/or any other body/ies together with interest, costs, charges, expenses, including expenses/charges on fluctuation in the exchange rate, in terms of the agreement by the company with the said agency/ies, in respect of said loans / borrowings.

"RESOLVED FURTHER THAT to give effect to this resolution, the Board be and is hereby authorised to finalise, settle and execute such documents, deeds, agreements etc. as may be required and to do, perform all such acts, things, deeds, etc. as it may in its absolute discretion deem necessary, on behalf and in best interest of the company, for creating mortgage/charge as aforesaid."

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

"RESOLVED THAT pursuant to Section 293(1)(d) of the Companies Act, 1956 and all other applicable provisions, if any, in addition to all borrowings made by the Board of Directors (the "Board" including any Committee thereof) for and on behalf of the Company, as authorised by a resolution passed at the Annual General Meeting of the Company held on 17<sup>th</sup> August 2005, namely borrowing up to Rs.10 Crores (Rupees Ten Crores), the consent of the members be and is hereby accorded to the Board to borrow such sum or sums of money in any manner from time to time, as may be required for the purpose of business of the Company with or without security and upon such terms and conditions as they may think fit, notwithstanding that money to be borrowed together with money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board and outstanding at any time shall not exceed a sum of Rs.20 Crores (Rupees Twenty Crores) only."



- \*8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of section 372A and all other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force, subject to approval of Members and such other approvals as may be required in that behalf, the Company may give any Guarantee or provide any security and/or collateral security for an aggregate amount of Rs.20 Crores (Rupees Twenty Crores only) to various Banks/Financial Institutions/ other parties in respect of loans and financial assistance availed / to be availed by the Company, notwithstanding that the aggregate of the loans given and investment made so far, the amounts for which guarantees or securities as provided so far along with the guarantees or securities proposed to be given exceeds 60 % of its paid up share capital and free reserves or 100 % of its free reserves whichever is more.

RESOLVED FURTHER THAT the Board or any committee thereof be and is hereby authorised to determine the actual sums of guarantee or security to be provided, to determine from time to time the manner of such guarantee or such security and to settle all or any of the matter pertaining to or arising of granting its approval to the proposed guarantee or security as they may deem fit and to do and perform all such acts, deeds, matters and things on behalf of the Company and to take all such steps as are necessary to expedite and desirable to give effect to this resolution.”

9. To announce the result of the postal ballot in respect of Resolution number 6, 7 & 8 above (marked as “\*”), as mentioned in the Notice of Postal Ballot, dated 20th June, 2009, circulated to the Members.
10. 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 Section 293(1)(e) and all other applicable provisions, if any, of the Companies Act, 1956, and subject to consent of Members, the Board of Directors of the Company be and is hereby authorized to contribute, from time to time, to charitable and other funds not directly related to the business of the company or the welfare of its employees, such amounts, as the Board may in its absolute discretion deem fit, provided that the total amount that may be contributed in any financial year not exceeding Rs.20,00,000/- (Rupees Twenty Lakhs only) or 5% of its average net profit as determined in accordance with the provision of Section 399 and 350 of the Companies Act, 1956, during the three immediately preceding financial years, whichever is greater.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, and things as it may, in its absolute discretion deem fit to give effect to the resolution”.

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

“RESOLVED THAT in supersession of all previous Resolutions of the appointment of Whole Time Director and pursuant to the provisions of section 198, 269, 309, read with Schedule XIII and all other applicable provisions of the Companies Act 1956, (including any alteration /modifications thereof for the time being in force) subject to the approval of Central Government and all such other approvals as may be required, consent of Members of the company be and is hereby accorded for the appointment and payment of remuneration of Shri Ashish U. Bhuta, as the Whole Time Director of the company for a period of 5 years commencing from 1<sup>st</sup> April 2010 till 31<sup>st</sup> March 2015, whose terms of office shall be liable to retire by rotation, at a remuneration and perquisites payable as under :

Remuneration:

- A. Salary up to maximum of Rs.10 lacs per month with annual increment effective from 1<sup>st</sup> April every year, at the discretion of Board of Directors, for five years from 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2015.
- B. Perquisites: In addition to Salary, the Whole Time Director shall be entitled to following perquisites: 1. House Rent Allowances at 30% of basic salary, 2. Allowances for utilisation of gas, electricity, 3. Telephones at Residence and mobile phone for official use, 4. Furnishing at house and repairs, 5. Medical reimbursement for self and family, 6. Car with service of driver for official use, 7. Leave travel allowances, 8. Club fees, 9. Medical insurance for self and family, 10. Contribution to P.F. and Super annuation fund and 11. All such other perquisites, benefits and allowances under the schemes / rules as applicable to the officials of the company and the total remuneration shall be within the ceiling prescribed by the provisions of the Companies Act 1956 and as may be approved by the Central Government, if required.

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 him as minimum remuneration, till the validity of his service agreement, subject to Schedule XIII and any other applicable provisions of the Companies Act 1956, or as may be approved by Central Government, if required.

RESOLVED FURTHER THAT the Board of Directors or any Committee thereof be and is hereby authorized and empowered in its absolute discretion to change, alter or modify the terms and conditions of his appointment and payment of remuneration mentioned herein and / or in the draft agreement with his consent, subject to section 310, 311, Schedule XIII and all other applicable provisions of the Companies Act 1956 or as may be approved by the Central Government, if required.

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

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

**ASHISH R. SHAH**  
Company Secretary

Mumbai, 23<sup>rd</sup> June, 2009.

**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 Businesses (item No.10 &11) is annexed hereto and to the Notice of the Postal Ballot for the resolutions (item No.6, 7 & 8) to be passed through Postal Ballot.
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. Shareholders are requested to complete the ECS form attached to the Annual Report and forward the same to the Company's Registrar M/s. Bigshares Services Pvt. Ltd.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 25<sup>th</sup> July 2009 to Friday, 31<sup>st</sup> July 2009 (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. The Company will transfer the unpaid or unclaimed amount for the dividend pertaining to Financial Year 2001-2002, to the Investors Education and Protection Fund of the Central Government, during the year.
9. For Profile of Shri Arun R. Raskapurwala and Shri Bharat V. Bhate, Directors being re-appointed, kindly refer to the Corporate Governance Report, attached to the Directors' Report. For the profile of Shri Ashish U. Bhuta, being appointed as Whole Time Director, kindly refer to the explanatory statement below.

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT**

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

**Item No.6, 7 & 8 of the Notice:**

Kindly refer to the detailed explanatory statement annexed to the Postal Ballot Notice dated 20<sup>th</sup> June 2009, circulated to the Members.

**Item No.10 of the Notice:**

As per the provisions of section 293(1)(e) of the Companies Act, 1956, the directors of the company can contribute to charitable or other institutions in excess of Rs.50,000/- or 5% of the Company's average of net profit during preceding three financial years, only if authorized by the Company in general meeting by a resolution which specifies the limit for such contribution. In view of the need to encourage works towards improving social, environmental and economic conditions of the society at large and as a Corporate Social Responsibility (CSR), your Company may be required to contribute amounts in excess of the limit set under the Companies Act, 1956, to various charitable bodies. Such bodies may be associations or institutions, having as their objects the undertaking of any of the above mentioned programme. This may amount to contribution to charitable and other funds not directly relating to the business of the Company or welfare of its employee's and would, therefore, attract the provisions of section 293(1)(e) of the Companies Act, 1956. The proposed resolution seeks to authorise the Directors to make such contributions, expenditure up to a limit of the greater of Rs.20 lacs (Rupees Twenty lacs only) in any one financial year or 5% of its average net profit as determined in accordance with the provision of Section 399 and 350 of the Companies Act, 1956.

Your Directors recommend the resolution for your approval. None of the Directors are concerned or interested in the proposed resolution.

**Item No.11 of the Notice:**

Shri Ashish U. Bhuta was appointed as a Whole Time Director by Resolution passed by the Board of Directors at their meeting held on 2<sup>nd</sup> June 2007 and by a Special Resolution passed by the Members at the 22<sup>nd</sup> Annual General Meeting held on 31<sup>st</sup> July 2007, including payment of his remuneration. Accordingly, his appointment as Whole Time Director was effective from 2<sup>nd</sup> June 2007 to 1<sup>st</sup> June 2012 for a period of five years and his remuneration was approved for a period of three years from 2<sup>nd</sup> June 2007 to 1<sup>st</sup> June 2010.

Subsequently, the Board of Directors at their meeting held on 23<sup>rd</sup> June 2009, have resolved to appoint Shri Ashish U. Bhuta as the Whole Time Director of the Company, in supersession of all earlier resolutions passed for his appointment, subject to the consent of Members at the ensuing Annual General Meeting and of the Central Government, for a period of five years from 1<sup>st</sup> April 2010 till 31<sup>st</sup> March 2015.

Shri Ashish U.Bhuta's appointment and terms of remuneration is pursuant to article 128 and 139 of the Articles of Association of the Company and Section 198, 269, 309, 310, 311 and Schedule XIII of the Companies Act 1956 and all other applicable provisions of the said Act. His terms of appointment and remuneration as set out in the draft agreement and as mentioned in the proposed resolution will be subject to consent of Members in the ensuing Annual General Meeting.

The terms and conditions of the appointment of Shri Ashish U. Bhuta, as set out in the resolution may also be treated as an abstract of the terms of draft agreement between Shri Ashish U.Bhuta and company under section 302(2) of the Companies Act 1956.

The Board accordingly recommends the resolution for the approval of the Members of the Company.

Except Shri Ashish U. Bhuta himself and Shri Uttam N. Bhuta none of the directors is to be considered concerned or interested in the proposed resolution.



**Information as required under Schedule XIII of the Companies Act 1956:**

## I. General Information:

- 1) Nature of Industry: The Company is manufacturer of Pharmaceutical formulations.
- 2) Date or expected date of commencement of commercial production: The Company was incorporated on 10/06/1985.
- 3) In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: N.A.
- 4) Financial performance based on given indicators:

PARTICULARS	(Rs. in lacs)	
	Financial Year Ended 31-3-2009	Financial Year Ended 31-3-2008
Sales	4,323.85	4,014.08
Net Profit after tax	163.56	130.29

- 5) Export performance and net foreign exchange collaborations:

For the financial year 2008-09: Rs.321.97 lacs

For the financial year 2007-08: Rs.275.19 lacs.

The Company has not entered in to any foreign collaboration.

- 6) Foreign investments or collaborators, if any: N.A.

## II. Information about the appointee:

1. Background details: Shri Ashish U. Bhuta is a Bachelor of commerce. He has done his masters degree in Finance Management and postgraduate diploma in Patent Law & Practice. He was appointed on 01.06.1994 and since has worked at several levels and across various departments of the company and was elevated as Vice President on 01.04.1997 and Senior Vice President on 01.04.2006. He has gained immense experience in operations, purchase, manufacturing, marketing, finance, etc. by working across all sectors and departments of the company since 1994. Shri Ashish U. Bhuta has many achievements to his credits like obtaining ISO 9002 and WHO GMP Certification of the Plant, setting up International Business Department and foray in to new countries and shouldering responsibilities of overall supervision of operations and departments of finance, purchase, manufacturing, marketing and human resources development along with developing various strategies and their implementation. He has coordinated commissioning of Sihor Plant and the formulation development centre at Sihor and has established Batch Costing System, precise MIS system at senior level, budgeting system in the company. He is also responsible for beginning export sales for the company and computerization of the organization including commissioning company's own developed Q-logie™ a supply chain software and setting up of ERP system. He is part of the team to decide new products, expansion of territories in India, appointment of Distributors / Agents in India and selecting talent for the company. He created and is still very active in the development of the cross functional team-QUEST TEAM.

Ashish U. Bhuta holds 1,80,831 equity shares of the Company as on 31.03.2009.

2. Past remuneration drawn (F.Y. 2008-09) Rs.22.49 lacs per annum.
3. Recognition / Awards / Achievements: Shri Ashish U. Bhuta has coordinated the commissioning of Sihor Plant, led the team to achieve ISO 9002 and WHO GMP Certification, was awarded the best mooter and also achieved moot court team award, at the moot court competition in Patent Law held by IIPS.
4. Job profile and his suitability: Shri Ashish U. Bhuta, exercises substantial executive power, under the control and direction of the Board of Directors of the company. He is responsible for overall operation and working affairs of the company. He is managing under his direct control the core departments of the company viz. production, marketing, accounts, information technology, human resource development and purchase. Considering his experience and ability to skillfully coordinate all the departments for the growth of the company, he is best suitable for the responsibility assigned by the Board as the Whole Time Director.

5. Remuneration proposed: Maximum up to Rs. 10 lacs per month with effect from 01.04.2010, subject to the terms of agreement and discretion of the Board of Directors or committee thereof with annual increment effective from 1<sup>st</sup> April every year. The perquisites, benefits, allowance shall be determined by the board and / or remuneration committee thereof. His terms of Remunerations are valid for a period of five years from 01.04.2010.
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: The proposed remuneration is comparatively lower than the similar designated / positioned employees in the industry and size of the company.
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Shri Ashish U. Bhuta does not have any direct or indirect pecuniary relationship with the company. However, he is the son of the Chairman and Managing Director Shri Uttam N. Bhuta.

### III. Other Information:

- 1) Reasons of loss or inadequate profits: The Company falls under SME group and is under a growing stage. The expenditure on training of manpower, marketing is costly but is important too as the Company is into promotion of branded formulation ethically. The company had to spend heavily on plant and product registration at various countries. Company is also spending money on Clinical Trials, Bioequivalence study and formulation study. Also dissemination of latest medical information to medical fraternity on a continuous basis, as we are in a knowledge based industry, is expensive. A few products of the Company are under DPCO, which has a cap on the selling price.
- 2) Steps taken or proposed to be taken for improvement: The Company has successfully certified its plant as WHO GMP compliant, the plant is also approved under Schedule-M. The Company is focusing in exports and has established an International Business Division and expects to register sizable bottom line growth in years to come. Company is launching novel concepts of fixed dose combinations, which in many countries is for the first time. The concept selling takes time but will deliver handsome bottomline. Further the company has adopted mechanism for rationalization of product and shifting of product to excise free zone.
- 3) Expected increase in productivity and profits in measurable terms: During the year the company reported an improvement in financial results, despite adverse conditions, globally. As mentioned above, with improvement in exports (which depends on the registration of products and plant by various Government authorities in different countries), the company shall expect a better and improved performance in years to come. The benefits of expenditures in product registration will be seen in years to come by way of increase in export turn over.

### IV. Disclosures:

- 1) A draft resolution and detailed explanatory statement about the appointment and remuneration package of Shri Ashish U. Bhuta is presented under the Notice convening the ensuing Annual General Meeting.
- 2) The details regarding remuneration package etc. of all the other directors, are produced in the Corporate Governance Report, annexed to Directors Report.

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

**ASHISH R. SHAH**  
Company Secretary

Mumbai, 23<sup>rd</sup> June, 2009.