



For, Unjha Formulations Limited

A handwritten signature in black ink, appearing to read "W. L. L.", enclosed within a circular stamp.

Managing Director

**EIGHTH
ANNUAL
REPORT
2001-2002**

UNJHA FORMULATIONS LIMITED



BOARD OF DIRECTORS

CHAIRMAN	:	Shri Shambhubhai A. Patel
MANAGING DIRECTOR	:	Shri Mayankbhai S. Patel
EXECUTIVE DIRECTOR	:	Shri Manubhai F. Patel
DIRECTOR	:	Shri Hirabhai A. Patel
DIRECTOR	:	Shri Chandrakant V. Modh
DIRECTOR	:	Shri Dahyabhai A. Patel
AUDITORS	:	M/s. Dipak K. Shah & Co. Chartered Accountants, G-3, Indraprashtha Flat, Jail Road, Near Gurudwara, Mehsana-384002 (N.G.)
BANKERS	:	Dena Bank Sidhpur Branch, Sidhpur, (N.G.)
REGISTERED OFFICE, WORKS & SHARE DEPARTMENT	:	Khali Char Rasta, State Highway, Ta : Sidhpur - 384151, Dist : Patan (N.G.)

8TH ANNUAL REPORT 2001-2002

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UNJHA FORMULATIONS LIMITED

**NOTICE :**

NOTICE IS HEREBY GIVEN THAT THE 8TH ANNUAL GENERAL MEETING OF THE MEMBERS OF UNJHA FORMULATIONS LIMITED WILL BE HELD AS SCHEDULED BELOW:

Day & Date : Friday, 20th September, 2002
Time : 4.30 P.M.
Place : **Registered Office :**
 Khali Char Rasta, State Highway,
 Khali, Sidhpur 384151 (N.G.)

TO TRANSACT THE FOLLOWING BUSINESS :**ORDINARY BUSINESS :**

- 1) To receive, consider and adopt the audited Balance Sheet as at 31st March, 2002 and the Profit & Loss Account for the year ended on that date, together with the Reports of Directors and Auditors thereon.
- 2) To appoint Directors in place of Shri Shambhubhai A. Patel and Shri Dahyabhai A. Patel, who retires by rotation and being eligible, offer himself for re-appointment.
- 3) To appoint Auditors of the Company and to fix their remuneration.

By order of the Board,
 Sd/-

Place : Sidhpur
Date : 24.06.2002

Shambhubhai A. Patel
CHAIRMAN

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
2. The Register of Members and the Share Transfer Books of the company shall remain closed from Friday, the 13th September, 2002 to Friday, the 20th September, 2002 (both days inclusive).
3. The members are requested to notify to the Company, immediately, of any change in their address in physical form. If the shares in Demat form they are requested to notify their change of address to their Depository Participants.
4. Members desirous of obtaining any information concerning the accounts of the Company may write to the Company atleast 10 days in advance before the date of the Annual General Meeting so that the information required may be made available at the Meeting.
5. **Re-appointment of Directors :**
 At the ensuing Annual General Meeting Shri Shambhubhai A. Patel and Shri Dahyabhai A. Patel retire by rotation and being eligible offer themselves for re-appointment. The information to be provided for aforesaid directors under the code of Corporate Governance as per Clause 49 are as under :

Shri Shambhubhai A. Patel : Who is a Director of the company since inception aged 71, is in director of Urvesh Psyllium Industries Ltd. and Zam Zam Exports Ltd. He has wide experience in business and Isabgol processing, manufacturing, trading and exporting for more than 50 years.

Shri Dahyabhai A. Patel : Who is a Director of the company since 21.05.2001 aged 50 years is a SSC (old), is in employment in M/s. Urvesh Psyllium Industries Ltd. He has wide experience in accounting and banking operations. He is not holding the office of Director in any other company.

By order of the Board,
 Sd/-

Place : Sidhpur
Date : 24.06.2002

Shambhubhai A. Patel
CHAIRMAN

UNJHA FORMULATIONS LIMITED**DIRECTOR'S REPORT**

To the Members,

Your Directors have pleasure in presenting this 8th Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March 2002.

FINANCIAL RESULTS :

The highlights of the financial results are as under :

	(Rupees in lacs)	
	<u>2001-2002</u>	<u>2000-2001</u>
Turnover	625.73	424.32
Other Income	<u>13.97</u>	<u>8.23</u>
Total Income	<u>639.70</u>	<u>432.55</u>
Profit before Depreciation and Taxation	18.19	17.96
Less : Depreciation	<u>13.31</u>	<u>13.90</u>
Profit before tax	4.88	4.06
Less : Provision for Taxation	<u>NIL</u>	<u>NIL</u>
Profit for the year	4.88	4.06
Balance as per last Balance Sheet	<u>(-) 7.01</u>	<u>(-) 11.07</u>
Total Profit	<u>(-) 2.13</u>	<u>(-) 7.01</u>

BUSINESS OPERATIONS & PROSPECTS :

During the year under review your company has achieved a sales turnover of Rs. 639.70 lacs (In respect of its existing activities) with an increase of 50% over the previous year.

Your Directors are confident of having high growth of your company in the coming years.

DIVIDEND :

The company has reported a loss of Rs. 2.13 lacs for the year. Hence, considering this, your directors are unable to pay any dividend for the year ended 31st March, 2002 on the paid up Equity Share Capital.

MARKETING :

Your Company has made manufacturing agreement with Nicholas Piramal India Limited for sale of Isabgol Husk based product 'FYBOGEL' and Morepen Laboratories Ltd. for sale of Dr. Morpen Sat Isabgol. Your company has also continued manufacturing agreement with Karnataka Antibiotics & Pharmaceuticals Limited for sale of Isabgol Husk based products and other Veterinary products on Loan Licence basis.

EXPORT :

The company continued its focus on development of Export Markets, for Ferrous Sulphate, Albendazole Bolus and Iron Folic Tablets and injectables like Lignocaine Injection, Magnesium Sulphate Injection and Oxytetracycline Inj. to supplement the present low domestic demand situation and achieved an export turnover of Rs. 0.36 crore during the year. Your company has also received a confirm export order worth Rs. 45 lacs.

CORPORATE GOVERNANCE :

The report on the Corporate Governance code along with a certificate from the Auditors of the Company regarding the compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement as also the Management Discussion and Analysis Report are annexed to this report.

DIRECTORS' RESPONSIBILITY STATEMENT :

As required by under section 217 (2AA) of The Companies Act, 1956, your directors confirmed and state that :

- In the preparation of annual account, the applicable accounting standards have been followed.
- The company has selected such accounting policies, applied them consistently, made judgement

UNJHA FORMULATIONS LIMITED

and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit of the company for that period.

- The director have been proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of The Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- The company has prepared the attach annual statement of accounts for the year ended 31st March, 2002 on a going concern basis.

DEPOSITORY SYSTEM :

Trading in shares of your company has commenced in Dematerialised form in B-2 group in terms of notification issued by Securities and Exchange Board of India (SEBI). Your Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable members to hold shares in Dematerialised form.

The ISIN Number allotted to the company is INE576D01015.

INDUSTRIAL RELATIONS :

Industrial relations remained cordial throughout the year. Your Directors place on record their deep appreciation of the contribution made by the employees at all levels.

DEPOSITS :

The company has not invited or accepted any Deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made thereunder.

DIRECTORATE :

Shri Shambhubhai A. Patel and Shri. Dahyabhai A. Patel, who retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

FORFEITURE OF SHARES:

During the year, 7,21,200 Equity Shares were forfeited for non-payment of Call Money arrears as a result of which company's Equity Share Capital stands reduced.

PERSONNEL :

There are no employees covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and hence no information is required to this Report.

PARTICULARS OF CONSERVATION OF ENERGY ETC. :

Particulars with respect to Conservation of Energy as per Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2002 are annexed to this Report.

AUDITORS :

M/s Dipak K. Shah & Co.; Chartered Accountants, statutory Auditors of the Company, retire by at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The observations of the Auditors read with the notes on accounts are self explanatory.

INSURANCE :

All the properties of the company including Plant & Machinery, Stock and Stores have been adequately insured.

ISO 9001-2000 :

During the current year, your company has applied for ISO 9001-2000 and pre-audit has been completed and hopeful to get certificate in due course.

LISTING OF THE COMPANY'S EQUITY SHARES:

The Equity Shares of your company continue to be listed during the year under review at the Ahmedabad Stock Exchange and Mumbai Stock Exchange. The company has paid the annual listing fees of each of these stock exchange for 2002-2003.

CASH FLOW STATEMENT :

As required by the amended clause 32 of the Listing Agreement, a Cash Flow Statement is appended.

UNJHA FORMULATIONS LIMITED**APPRECIATIONS :**

Your Directors express their sincere thanks for the co-operation and assistance received from Dena Bank. Your Directors also express their gratitude to the Investors, Employees at all levels, Marketing Agents, Dealers and Consumers of the company for their valuable support and continued confidence report in the Company.

Place : Sidhpur
Date : June 24, 2002

By order of the Board,
Sd/-
Shambhubhai A. Patel
CHAIRMAN

Registered Office :
Khali Char Rasta, State Highway,
Sidhpur - 384151, Dist : Patan

ANNEXURE TO THE DIRECTORS' REPORT**FORM A**

Form of disclosure of particulars with respect to conservation of energy :

	2001-2002	2000-2001
A. POWER & FUEL CONSUMPTION		
1. Electricity		
Units consumed (Nos.)	124452	95852
Total Amount (Rs.)	572479	431332
Rate per Unit (Rs.)	4.60	4.50
2. Coal		
Quantity (Tonnes)	NIL	NIL
Total Cost	NIL	NIL
Average Rate	NIL	NIL
3. Furnace Oil		
Quantity (K. Ltrs)	NIL	NIL
Total Cost	NIL	NIL
Average Rate	NIL	NIL
4. Other internal generation		
Quantity	NIL	NIL
Total Cost	NIL	NIL
Rate/Unit	NIL	NIL

FORM B

FORM DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC.

RESERACH & DEVELOPMENT (R&D)

The Company is in processing of identifying area in which research and developments activities can be carried out. Keeping in view the need in future, the company is planning to establish a separate Research & Development Division, for which the provision for creation of necessary infrastructure will be made.

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

The manufacturing process used in the plants is based on indigenous technology. The company has not entered into any contract or arrangement involving any foreign technology.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earned during the year on account of export sales is US \$ 74595 (Equivalent to Rs. 35.89 lacs).

Place : Sidhpur
Date : 24.06.2002

By order of the Board,
Sd/-
Shambhubhai A. Patel
CHAIRMAN



MANAGEMENT DISCUSSION & ANALYSIS REPORT

We are pleasure to submitting here a Management discussion and analysis report on the business of the company. We have covered to include discussions on all specified matters to the extent relevant or either limit that in our opinion are imposed by the company own competitive position. The company completed the year with improved Sales value was higher by about 49% at Rs.6.25 Crores against Rs.4.24 Crores previous year, but profitability maintained, due to competitive pressure on selling price. Profit before tax improved/decreased (+/-) Rs.4.88 Lacs, though in the face of competitive and cost pressures. We believe that our business are backed up by necessary skills and expertise. Our financial performance is generally representatives in our core operations and quality of products.

COMPANY & INDUSTRY STRUCTURE:

Our operations are structures into following sub-divisions (pharma) and managerially to performs its own duties and functions and support is provided that a corporate level as required, data on volumes and turnover, a summary is given below:

Pharma sub-divisions	F. Y. 2001-2002	F. Y. 2000-2001
	Sales Rs.	Sales Rs.
Human & Veterinary Medicines	3,59,61,745	2,91,33,596
Anchor Items	2,54,02,617	1,17,25,322
Injectables	10,53,888	15,33,932
Packing materials	1,54,478	39,727
Total	6,25,72,7287	4,24,32,577

PRODUCTS:

We recognize that customer satisfaction is the key to our success. Our aim is to build sound customer relationships through creation of value for them, and in the process to earn an equitable return for ourselves. Quality is built into products through appropriate manufacturing technology and work methods.

The prospects for the Pharma Industry appear to be bright in the long term as well as short term.

The Sales of Isabgol and Isabgol based formulations was 76% of total Turnover in 2001-02. The company has Manufacturing Agreement with Nicholas Piramal India Limited and Morepen Laboratories Ltd. The company has also continued manufacturing agreement with Karnataka Antibiotics & Pharmaceuticals Limited for sales of Isabgol Husk based products and other veterinary products on Loan Licence basis.

UFL is quality conscious providing latest technology for improved performance and this trend will continue keeping a step ahead of competition.

ENVIRONMENT & SAFETY:

We believe that safe and healthy working conditions in factory and offices are as necessary and important as production, productivity and quality.

HUMAN RESOURCES:

Your company considers its human resources as on of its most important assets & potential. It is only through motivated creative and employees, that we can achieve our aims. Involvement commitment, teamwork and continuous updating of skills and knowledge, training of personnel are integral to our objectives of advancing highly professionals, productive culture. Permanent employment totals 81 (eighty one) of which officers and workers account.

OTHER MATTERS:

There are no further areas of risks or concerns outside the usual course of business. The company has introduced a detailed Internal Control System and continuously reviewed with a view to improvement. We here taken all care to comply with all applicable laws and regulations. Our sincere thanks are due to all employees and team – mates, particularly to Division Heads, whose dedicated and hard work allowed these results to be achieved. We are grateful to our bankers and concern authorities, for their continued support and to our customers for their faith and confidence. We commit ourselves to their fullest satisfaction.

CAUTIONARY STATEMENT:

Statement in the Management Discussion and Analysis Report which seek to describe the company's objective, projections, expectations or predictions may be considered to be "forward – looking statements", within the meaning of applicable securities, laws and regulations. Actual results could differ materially from any expressed or implied.

For and on behalf of the Management Team.

Mayank Patel
Managing Director