



For, Unjha Formulations Limited

A handwritten signature in black ink, appearing to read "W. Kumar".

Managing Director



**NINTH
ANNUAL
REPORT
2002-2003**

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, Indraprastha 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.)

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NINTH ANNUAL REPORT 2002-2003

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UNJHA FORMULATIONS LIMITED**NOTICE :**

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

Day & Date : Tuesday, 9th September, 2003
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, 2003 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 Hirabhai A. Patel and Shri Chandrakant V. Modh who retires by rotation and being eligible, offer himself for re-appointment.
- 3) To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

- 4) To consider and if thought fit, to pass with or without modification, following resolution as special resolution:

"RESOLVED THAT pursuant to provisions of Section 198, 269, 309, 310 Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 Mr. Manubhai F. Patel is hereby re-appointed as an Executive Director of the Company for the period commencing from 06.02.2003 to 05.02.2006 on terms and condition as set out hereunder:

- 1) Salary: Rs.16500.00 (Rupees sixteen thousand five hundred only) per month in the grade of Rs.16500-19500. In addition to the salary, he shall be entitled to the perquisites listed in Category A, B and C below:

CATEGORY A

- A) Housing: The expenditure by the company on hiring furnished accommodation for you will be subject to ceiling of the salary over and above 10% payable by you. In case no accommodation is owned by the company, you shall be entitled to house rent allowances subject to ceiling laid down above.
- B) Medical Reimbursement: Expenses incurred by you and your family subject to ceiling of one month salary in a year.
- C) Leave Travel Concession: For you and your family once in a year in accordance with rules specified by the company. Explanation: The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per Income Tax Rule 1962. This shall, however, be subject to ceiling of 10% your salary.

CATEGORY B:

- A) Contribution to Provident Fund, super annuating Fund and Annuity Fund will not be include in the computation of ceiling on perquisites to the extent these singly or put together are not taxable under the Income Tax Act. Gratuity payable shall not exceed half a month's salary for each completed years of service.
- B) Encashment of leave at the end the tenure will not be included in the computation of ceiling on perquisites.

CATEGORY C:

Provision of telephone at residence will not be considered as perquisites, however, personal long distance call on telephone and use of car for private purpose shall be by the company to you.

Minimum Remuneration:

Notwithstanding anything herein, wherein the relevant financial year during the currency of the tenure of Mr. Manubhai F. Patel, the company has no profit or its profit are inadequate, the company will pay minimum remuneration at the same substantive salary and perquisites as specified above.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to revise the terms as appointment of and remuneration payable to Mr. Manubhai F. Patel, as an Executive Director of the company, within the overall ceiling laid down in Schedule XIII to the Companies Act, 1956 and to do all such acts, deeds, matters and thing as may considered necessary in their absolute discretion deem fit and proper to give effect to the above resolution."

Place : Sidhpur
Date : 30.05.2003

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

UNJHA FORMULATIONS LIMITED



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 Trasfer Books of the company shall remain closed from Tuesday, the 2nd September, 2003 to Tuesday, the 9th September, 2003 (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. An explanatory statment as required by Section 173(2) of the Companies Act, 1956 in respect of Item No.4 set out above is annexed hereto.

6. **Re-appointment of Directors:**

At the ensuing Annual General Meeting Shri Hirabhai A. Patel, Shri Chandrakant V. Modh and Shri Manubhai F. 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 Hirabhai A. Patel: Who is a Director of the company since inception aged 68, is a B. Sc., He has 4 Decades experience in trading business in Jeera and Isabgol etc. at Unjha. He is also Chairman of Audit Committee and Shareholders Grievances Committee. He is not holding the office of Director in any other company.

Shri Chandrakantbhai V. Modh: Who is a Director of the company since 21.05.2001 aged 46 years is a B. Com., is in employment in M/s. Urvesh Psyllium Industries Ltd. He has wide experience in accounting and banking operations for over 20 years. He is not holding the office of Director in any other company.

Shri Manubhai F. Patel: Who is a Executive Director of the Company from 06.02.1995 is B. Pharm aged 45. He has 24 years' experience in various department such as Tablet, Liquid and Powder in pharmaceuticals industry. He is not holding the office of Director in any other company.

By order of the Board,
Sd/-

Shambhubhai A. Patel
CHAIRMAN

Place : Sidhpur
Date : 30.05.2003

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF SPECIAL BUSINESS :

Item No. 4

Mr. Manubhai F. Patel, was appointed as an Executive Director of the company w.e.f. 06.02.2003 for a period of three year up to 05.02.2006. The Board of Directors at their meeting held on 05.02.2003 have re-appointed Mr. Manubhai F. Patel, as an Executive Director of company with effect from 06.02.2003 till 05.02.2006 on terms and conditions which set out in the resolution subject to approval of shareholders in the General Meeting.

The appointed and payment of remuneration including minimum remuneration in case of loss or inadequacy of profit payable to Mr. Manubhai F. Patel, as Executive Director during his tenure are being placed before the members in General Meeting for approval as required under Section 198, 269, 309 read with Schedule XIII of The Companies Act, 1956.

The appointment of and terms of remuneration to Mr. Manubhai F. Patel, Executive Director as stated in above item of the Notice may be treated as an abstract under Section 302 of the act.

During his tenure as Executive Director, the company has completed the expansion project. Keeping in view of his qualification experiences, during his tenure as the Executive Director of the company, the directors consider re-appointed and the remuneration including perquisites of Mr. Manubhai F. Patel, to be justifiable and recommended to the members to approve the same.

No Directors of the company other than Mr. Manubhai F. Patel is concerned or interested in the said resolution.

By order of the Board,
Sd/-

Shambhubhai A. Patel
CHAIRMAN

Place : Sidhpur
Date : 30.05.2003

UNHA FORMULATIONS LIMITED**DIRECTOR'S REPORT****To the Members,**

Your Directors have pleasure in presenting this Ninth Annual Report together with audited Statement of Accounts of the Company for the year ended 31st March 2003.

FINANCIAL RESULTS :

The highlights of the financial results are as under :

	(Rupees in lacs)	
	2002-2003	2001-2002
Turnover	705.05	625.73
Other Income	<u>2.00</u>	<u>13.97</u>
Total Income	<u>707.05</u>	<u>639.70</u>
Profit before Depreciation and Taxation	15.02	18.19
Less : Depreciation	<u>12.91</u>	<u>13.31</u>
Profit before tax	2.11	4.88
Less : Provision for Taxation	<u>NIL</u>	<u>NIL</u>
Profit for the year	2.11	4.88
Balance as per last Balance Sheet	<u>(-) 2.13</u>	<u>(-) 7.01</u>
Total Profit	<u>(-) 0.02</u>	<u>(-) 2.13</u>

BUSINESS OPERATIONS & PROSPECTS :

During the year under review your company has achieved a sales turnover of Rs. 705.05 lacs (In respect of its existing activities) with an increase of 13% 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. 0.02 lacs for the year. Hence, considering this, your directors are unable to pay any dividend for the year ended 31st March, 2003 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.Mopren 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, 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. 0.27 crore during the year. Your company has also received a confirm export order worth Rs. 20 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 has selected such accounting policies, applied them consistently, made judgement 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 othre irregularities.

UNJHA FORMULATIONS LIMITED

- * The company has prepared the attach annual statement of accounts for the year ended 31st March, 2003 on a going concern basis.

DEPOSITORY SYSTEM :

Trading in shares of your Company has commenced in Dematerialized form in B2 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 Dematerialized 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 Hirabhai A. Patel, Shri Chandrakant V. Modh and Shri Manubhai F. Patel retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

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, 2003 are annexed to this Report.

AUDITORS :

M/s. Dipak K. Shah & Co., Chartered Accountants, 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 received for ISO 9001-2000.

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 2003-2004.

CASH FLOW STATEMENT :

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

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 : 30.05.2003

Registered Office :

Khali Char Rasta, State Highway,

Sidhpur - 384151, Dist, Patan.

By order of the Board,
Sd/-

Shambhubhai A. Patel
CHAIRMAN

UNJHA FORMULATIONS LIMITED**ANNEXURE TO THE DIRECTORS' REPORT****FORM A**

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

	2002-2003	2001-2002
A. POWER & FUEL CONSUMPTION		
1. Electricity		
Units consumed (Nos.)	87430	12445
Total Amount (Rs.)	566797	572479
Rate per Unit (Rs.)	6.48	4.60
2. Coal		
Quantity (Tonnes)	NIL	NIL
Total Cost	NIL	NIL
Average Rate	NIL	NIL
3. Furnace Oil	NIL	NIL
Quantity (K. Ltrs)	NIL	NIL
Total Cost	NIL	NIL
Average Rate	NIL	NIL
4. Other internal generation	NIL	NIL
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.

RESEARCH & 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 \$ 55370 (Equivalent to Rs. 26.76 lacs).

Place : Sidhpur
Date : 30.05.2003

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