



ISO 9001 : 2000



**10TH
ANNUAL
REPORT
2003-2004**

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 & CORPORATE OFFICE	:	Khali Char Rasta, State Highway, Ta : Sidhpur - 384151, Dist : Patan (N.G.)
REGISTRAR & SHARE TRANSFER AGENT	:	Pinnacle Shares Registry Pvt. Ltd. Near Ashoka Mills, Naroda Road, Ahmedabad-380025

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UNJHA FORMULATIONS LIMITED

**NOTICE :**

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

Day & Date : Monday, 27th September, 2004
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, 2004 and the Profit & Loss Account for the year ended on that date, together with the Reports of Directors and Auditors thereon.
- 2) To appoint Director in place of Shri Shambhubhai A. Patel who retires by rotation and being eligible, offer himself for re-appointment.
- 3) To appoint Director in place of Shri Dahyabhai A. Patel who retires by rotation and being eligible, offer himself for re-appointment.
- 4) To appoint Auditors of the Company and to fix their remuneration. The retiring Auditors M/s. Dipak K. Shah & Co., Chartered Accountants are eligible for re-appointment.

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

Place : Sidhpur
Date : 31.05.2004

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 Tuesday, the 21st September, 2004 to Monday, the 27th September, 2004 (both days inclusive).
3. The members are requested to notify immediately of any change in their address in physical as well as demat form to Registrar & Share Transfer Agent - Pinnacle Shares Registry Pvt. Ltd., Ahmedabad.
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.

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

Place : Sidhpur
Date : 31.05.2004

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

Name of Director	Shri Shambhubhai A. Patel	Shri Dahyabhai A. Patel
Date of Birth	15.06.1931	11.06.1952
Date of Appointment	02.09.1994	21.05.2001
Expertise in Specific function areas	50 Yr. experience in Isabgol processing, mktg. & exporting	Accounting & Auditing
Qualification	--	S.S.C. (Old)
List of other Companies in which Directorship held on 31.3.04	Urvesh Psyllium Industries Ltd. Zam Zam Exports Ltd.	None
Chairman/member of the committee of other public Companies	None	None

UNJHA FORMULATIONS LIMITED

**DIRECTOR'S REPORT****To the Members,**

Your Directors have pleasure in presenting this Tenth Annual Report together with audited Statement of Accounts of the Company for the year ended 31st March 2004.

FINANCIAL RESULTS :

The highlights of the financial results are as under :

	(Rupees in lacs)	
	2003-2004	2002-2003
Turnover	566.19	705.05
Other Income	<u>6.06</u>	<u>2.00</u>
Total Income	<u>572.25</u>	<u>707.05</u>
Profit before Depreciation and Taxation	9.95	15.02
Less : Depreciation	<u>11.14</u>	<u>12.91</u>
Profit before tax	(-) 1.19	2.11
Less : Provision for Taxation	<u>NIL</u>	<u>NIL</u>
Profit for the year	(-) 1.19	2.11
Balance as per last Balance Sheet	<u>(-) 0.02</u>	<u>(-) 2.13</u>
Total Profit	<u>(-) 1.21</u>	<u>(-) 0.02</u>

BUSINESS OPERATIONS & PROSPECTS :

During the year under review your company has achieved a sales turnover of Rs.5.66 Crores (In respect of its existing activities) with decrease of 20% over the previous year.

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

DIVIDEND :

Your directors do not propose any dividend on Equity Shares for the year ended 31.03.04 as there is no profit during the period.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

A separate report of Management Discussion and Analysis is attached as a part of the annual report.

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. 0.33 crore during the year. Your company has also received a confirm export order worth Rs. 90.00 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 Directors have 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.

UNJHA FORMULATIONS LIMITED

- * 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.
- * The company has prepared the attach annual statement of accounts for the year ended 31st March, 2004 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 JNE576D01015.

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 pf the Companies Act, 1956 and the rules made thereunder.

DIRECTORATE :

Shri Shambhubhai A. Patel, Shri Dahyabhai A.: Patel retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves 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, 2004 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 Building, Plant & Machinery, Stock and Stores have been adequetly insured.

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 2004-2005 and there has been neither Delisting nor suspension of shares from trading during the period under review.

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.

By order of the Board,
Sd/-

Shambhubhai A. Patel
CHAIRMAN

Place : Sidhpur

Date : May 31, 2004

Registered Office :

Khali Char Rasta, State Highway,
Sidhpur - 384151, Dist, Patan.

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

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

	2003-2004	2002-2003
A. POWER & FUEL CONSUMPTION		
1. Electricity		
Units consumed (Nos.)	92762	87430
Total Amount (Rs.)	523619	566797
Rate per Unit (Rs.)	5.64	6.48
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.

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 \$ 71272.65 (Equivalent to Rs. 32.85 lacs).

UNJHA FORMULATIONS LIMITED

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

We are pleasure to submitting here a Management Discussion and Analysis report on the business of the company. The overall performance of the Company has been encouraging during the year under review. 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 decreased Sales value by about 20% at Rs.5.66 Crores against Rs.7.05 Crores previous year, but profitability maintained, due to competitive pressure on selling price. Profit before tax (-) Rs.1.19 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. 2003-2004	F. Y. 2002-2003
	Sales Rs.	Sales Rs.
Human & Veterinary Medicines	4,18,92,423	3,71,13,243
Anchor Items	1,33,67,629	3,22,65,236
Injectables	13,58,590	11,18,416
Packing materials	Nil	8,482
Total	5,66,18,642	7,05,05,377

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 Isabgol and Isabgol based formulations was 78% of total Turnover in 2003-04. 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.

MARKET SHARE & DISTRIBUTION:**Ayurvedic Division (Isabgol based products)**

Continued revamping and widening of distribution of network help the division in garnering a greater market share.

Overseas Market

Export were improved from Rs.0.27 crores to Rs.0.33 crores in 2003-04 owing, to severe prices competition in the market place.

Your company has chalked up an aggressive plan to explore the wide overseas market. Owing to this efforts company is hopeful of adding new customers in the current year.

Product Development

As a result of consistent product development efforts, various new innovative medicines were introduced major highlight of which were **Fibron – SF Orange Powder**.

During the current year under review, your company has developed three new products in Pharma Division.

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.