



ISO 9001 : 2000

UNJHA FORMULATIONS LIMITED

**ELEVENTH
ANNUAL
REPORT
2004-2005**



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 (Upto 25-02-2005)
DIRECTOR	:	Shri Hasmukh C. Chavda (wef 25.02.2005)
AUDITORS	:	M/s. Kantilal Manilal Shah & Co. Chartered Accountants, G-3, Indraprastha Flat, Jail Road, Near Gurudwara, Mehsana-384002 (N.G.)
COMPANY LAW CONSULTANTS	:	M/s. Ajay Parikh & Associates Company Secretaries, C-4, Yaspal Apt., Navrangpura, Ahmedabad-9.
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

ELEVENTH ANNUAL REPORT 2004-2005

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UNJHA FORMULATIONS LIMITED**NOTICE :**

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

Day & Date : Friday, 16th September, 2005
 Time : 4.00 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, 2005 and the Profit & Loss Account for the year ended on that date, together with the Reports of Directors and Auditors thereon.
- 2) To appoint a Director in place of Shri Hirabhai A. Patel who retires by rotation and being eligible, offer him self for re-appointment.
- 3) To appoint a Director in place of Shri Chandrakant V. 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. Kantilal Manilal Shah & Co., Chartered Accountants are eligible for re-appointment.

SPECIAL BUSINESS

- 5) 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. Mayankbhai S. Patel is hereby reappointed as an Managing Director of the Company for the period commencing from 25.04.2005 to 24.04.2010 on terms and condition as set out hereunder:

1) Salary: Rs. 20,000 (Rupees Twenty Thousand) per month in the grade of Rs.20,000-1000-25,000. 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 accomodation for you will be subject to ceiling of the salary over and above 10% payable by you. In case no accomodation 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 amily 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.
- D) Club Fee: Fees of club subject to maximum two clubs, excluding admission and life membership fees.
- E) Personal Accident Insurance: Premium not to exceed Rs.4000/- per annum.

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 puto gether 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 in cluded in the computation of ceiling on perquisites.

CATEGORY C:

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

Minimum Remuneration:

Notwithstanding anything herein, wherein the relevant financial yaer during the curreny of the tenure of Mr. Mayankbhai S. Patel, Managing Director 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. Mayankbhai S. Patel, as an Managing 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."

UNJHA FORMULATIONS LIMITED

- 6) To consider and though fit to pass, with or without modification, following resolution as an Special Resolution:
 "RESOLVED THAT Mr. Hasmukh C. Chavda who had been appointed an Additional Director of the company w.e.f. 25.02.2005 and who, in terms of Section 260 of the Companies Act, 1956 hold office up to the date of this Annual General Meeting and in respect of whom the company has received Notice from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose him as a candidate for the office of Director, be and is hereby appointed a Director of the company."

Place: Sidhpur
 Date : 31.05.2005

By order of the Board,

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 Trasfer Books of the company shall remain closed from Friday, the 9th September, 2005 to Friday, the 16th September, 2005 (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.
5. The explanatory statement pursuant to section 173 (2) of the Companies Act in respect of Item No. 5 & 6 is annexed hereto and forms part of the notice.

Place : Sidhpur
 Date : 31.05.2005

By Order of the Board
 Sd/-

Shambhubhai A. Patel
 [CHAIRMAN]

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 IN RESPECT OF SPECIAL BUSINESS.****ITEM NO. 5**

Mr. Mayankbhai S. Patel, was appointed as an Managing Director of the company w.e.f. 25.04.2005 for a period of five years up to 24.04.2010. The Board of Directors at their meeting held on 24.04.2005 have re-appointed Mr. Mayankbhai S. Patel, as an Managing Director of company with effect from 25.04.2005 till 24.04.2010 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 minumum remuneration in case of loss or inadequency of profit payable to Mr. Mayankbhai S. Patel, as Managing 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. Mayankbhai S. Patel, Managing 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 a Managing Director, the company has completed the expansion project. Keeping in view of his qualification experiences, during his tenure as the Managing Director of the company, the directors consider re-appointed and the remuneration including perquisites of Mr. Mayankbhai S. Patel, to be justifiable and recommended to the members to approve the same.

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

ITEM NO.6:

By a resolution passed by the Board of Directors at its meeting held on 25.02.2005, Mr. Hasmukh C. Chavda was appointed as an Additional Director of the company w.e.f. 25.02.2005. Under Section 260 of the Companies Act, 1956 Mr. Hasmukh C. Chavda hold the office of Director up to the date of this Annual General Meeting and the company has received Notice from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose him as a candidate for the office of Director.

Mr. Hasmukha C. Chavda has had wide experience in Administrative and Secretarial function as well as share transactions. The Directors are of the opinion that Mr. Hasmukh C. Chavda knowledge and experience will be of benefit to the company. The Board therefore recommends the acceptance of the resolution set out in the Notice conveying the meeting. No Director, excepting Mr. Hasmukh C. Chavda is interested or concern in the resolution.

UNJHA FORMULATIONS LIMITED

**DIRECTOR'S REPORT**

To the Members,

Your Directors have pleasure in presenting this Eleventh Annual Report together with audited Statement of Accounts of the Company for the year ended 31st March 2005.

FINANCIAL RESULTS :

The highlights of the financial results are as under :

	Rupees in lacs)	
	2004-2005	2003-2004
Turnover	691.34	566.19
Other Income	<u>2.41</u>	<u>6.06</u>
Total Income	<u>693.75</u>	<u>572.25</u>
Profit before Depreciation and Taxation	(-)141.45	9.95
Less : Depreciation	11.15	11.14
Profit before tax	(-)152.60	(-)1.19
Less : Provision for Taxation	NIL	NIL
Profit for the year	(-)152.60	(-)1.19
Balance as per last Balance Sheet	<u>(-) 1.19</u>	<u>(-) 0.02</u>
Total Profit/Loss	<u>(-)153.79</u>	<u>(-) 1.21</u>

BUSINESS OPERATIONS & PROSPECTS :

During the year under review your company has achieved a sales turnover of Rs. 6.91 Crores (In respect of its existing activities) with increase of 22% 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 period ended 31.03.05 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

During the period under review your company exported Rs.1.69 crore as against in the corresponding period registering an increase by five time over corresponding period of previous year.

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 law domestic demand situation. Your company has also received a confirm export order worth Rs. 60 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.
- * The director have taken proper and sufficient care for the main tenance 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, 2005 on a going concern basis.

UNJHA FORMULATIONS LIMITED**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 and Shri Chandrakant V. Patel retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment. Mr. Hasmmukh C. Chavda was appointed as an Additional Director of the company by the Board of Directors of the company w.e.f. 25.02.2005 in their meeting held on 24.02.2005. The company has received resignation from Mr. Dahyabhai A. Patel, Director of the company w.e.f. 25.02.05, which was approved by Board in their meeting held on 24.02.05. The Board has appreciated the service tendered by Mr. Dahyabhai A. Patel and welcome the appointment of Mr. Hasmmukh C. Chavda as an additional director.

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, 2005 are annexed to this Report.

AUDITORS :

M/s. Kantilal Manilal 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 adequately insured.

ISO 9001-2000

During the current year, our 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 2005-2006 and there has been neither De-listing 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.

Place : Sidhpur

Date : May 31, 2005

By order of the Board

Sd/-

Shambhubhai A. Patel

CHAIRMAN

Registered Office :

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

UNJHA FORMULATIONS LIMITED



ANNEXURE TO THE DIRECTORS' REPORT

FORM A

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

	2004-2005	2003-2004
A. POWER & FUEL CONSUMPTION		
1. Electricity		
Units consumed (Nos.)	98963	92762
Total Amount (Rs.)	557540	523619
Rate per Unit (Rs.)	5.75	5.64
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 \$ 371926/- (Equivalent to Rs.1.69 crore).

Place : Sidhpur

Date : May 31, 2005

By order of the Board

Sd/-

Shambhubhai A. Patel

CHAIRMAN