



**THIRTEENTH
ANNUAL
REPORT
2006-2007**

UNJHA FORMULATIONS LIMITED



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 Hasmukh C. Chavda
DIRECTOR	:	Dr. Chetan O. Thakker
DIRECTOR	:	Shri Jyotindra S. Patel
AUDITORS	:	M/s. Kantilal Manilal Shah & Co. Chartered Accountants, G-3, Indraprashtha Flat, Jail Road, Near Gurudwara, Mehsana-384002 (N.G.)
COMPANY LAW CONSULTANTS	:	M/s. Ajay Parikh & Associates Company Secretaries, C-4, Yaspal Apartment, Navrangpura, Ahmedabad
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 THIRTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF UNJHA FORMULATIONS LIMITED WILL BE HELD AS SCHEDULED BELOW :

Day & Date : Tuesday, 25th September, 2007
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, 2007 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 Jyotindra S. 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.

Place: Sidhpur

Date : 31.05.2007

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 Transfer Books of the company shall remain closed from Tuesday, the 18th September 2007 to Tuesday, the 25th September, 2007 (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.

Place : Sidhpur

Date : 31.05.2007

By Order of the Board
 Sd/-
Shambhubhai A. Patel
 [CHAIRMAN]

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 Directors	Shri Hirabhai A. Patel	Shri Jyotindra S. Patel
Date of Birth		
Date of Appointment	02.09.1994	01.12.2005
Expertise in Specific function areas	50 yr. experience in Isabgol processing, mktg. & exporting	Administration, Accounts & Finance Activities
Qualification	--	B.Com.
List of other Cos. in which Directorship held on 31.3.06	None	None
Chairman/member of the committee of other public Cos.	None	None

UNJHA FORMULATIONS LIMITED**DIRECTOR'S REPORT**

To the Members,

Your Directors have pleasure in presenting this Thirteenth Annual Report together with audited Statement of Accounts of the Company for the year ended 31st March 2007.

FINANCIAL RESULTS :

The highlights of the financial results are as under :

	(Rupees in lacs)	
	2006-2007	2005-2006
Turnover	386.29	426.08
Other Income	5.20	2.92
Total Income	391.49	429.00
Profit before Depreciation and Taxation Less : Depreciation	(-) 47.44 13.53	(-)226.54 14.16
Profit before tax	(-) 60.97	(-)250.70
Less : Provision for Taxation	NIL	NIL
Profit for the year	(-) 60.97	(-)250.70
Balance as per last Balance Sheet	(-) 404.49	(-)153.79
Total Profit/Loss	(-) 465.46	(-)404.49

BUSINESS OPERATIONS & PROSPECTS :

During the year under review your company has achieved a sales turnover of Rs.3.91 Crores (In respect of its existing activities) with decrease of 10% over the previous year.

The Company is thinking in the core business of Isabgol-base products. Further the Company in the direction of communicating many others domestic as well as multinational company having key interest of developing and launching of Isabgol-base products. The environment of globalisation the company is going in specific product specialisation in the field of pharmaceuticals.

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 31.03.07 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.0.46 crore. The company continued its focus on development of Export Markets, for Albendazole Bolus, Injectables like Oxytetracycline Inj. to supplement the present low domestic demand situation. Your company has also received a confirm export order worth Rs.25 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:

1. In the preparation of annual account, the applicable accounting standards have been followed.
2. The Directors have selected such accounting policies, applied them consistently, made judgement and estimates that

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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.

3. 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 othere irregularities.

4. The company has prepared the attach annual statement of accounts for the year ended 31st March, 2007 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 and Shri Jyotindra S. Patel 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, 2007 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 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 2007-2008 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, 2007

By order of the Board

Sd/-

Shambhubhai A. Patel

CHAIRMAN

Registered Office :

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

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**REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2006-07**

Pursuant to Clause 49 of the Listing Agreement, a report on Corporate Governance is given below:

1. A brief statement on Company's philosophy on code of governance:

The Company always strives to achieve optimum performance of all levels by adhering to corporate governance practices, such as:

- Fair and transparent business practices.
- Effective Management Control by Board.
- Adequate representation of promoters, executive and independent directors on the Board.
- Accountability for performance and fully compliance of law.
- Monitoring of executive performance by the Board.
- Transparent and timely disclosure of financial and management information.
- U-For quality policy for ISO: 9001:2000 is 'to satisfy customer needs and manufacturing & supplying quality products.
- Company has already completed provisions for Schedule M as per FDI, India norms.

1) Board of Directors (As on 31.05.2007)

The board of directors comprises of a non-executive chairman, a Managing Director, Executive Director and three other non-executive directors.

During the financial under review six board meetings were held on 29.04.06, 31.05.06, 30.07.06, 30.10.06, 29.11.06, 30.12.06, 31.01.07.

Attendance of each director at the board meetings and last annual general meeting and the no. of companies and committees where he is director/member as on 31.05.07 :

Name of Director	Category of Directorship	No. of Board Meeting Attended	Attendance At last AGM Held on 5.09.2006	No. of other Companies In which Director	No. of Comm. (other than UFL in which Member)
Shri Shambhubhai A. Patel	Promoter Non-Executive Chairman	7	Yes	1	Nil
Shri Mayankbhai S. Patel	Managing Director	7	Yes	1	Nil
Shri Manubhai F. Patel	Executive Director	7	Yes	Nil	Nil
Shri Hirabhai A. Patel	Independent non-Executive Director	7	Yes	Nil	Nil
Shri Chandrakant V. Modh*	Independent non-Executive Director	7	Yes	Nil	Nil
Shri Hasamukh C. Chavda	Indep. Non-ED	4	No	Nil	Nil
Dr. Chetan O. Thakker	Independent non-Executive Director	7	No	Nil	Nil
Mr. Jyotindra S. Patel	Independent non-Executive Director	7	No	Nil	Nil

* Employee of Group companies

2) Audit Committee

Terms of reference and composition, name of members and chairman.

The audit committee comprises under the Chairmanship of Shri Hirabhai A Patel, committee comprises other members than him as Shri Chandrakant V Modh and Shri Hasamukh C. Chavda & Mr. Jyotindra S. Patel.

Five meeting were held during the year ended 31st March, 2007, Mr. Modh and Mr. Patel have attended all the meetings.

During the financial under review six meetings were held on 31.05.06, 31.07.06, 30.10.06, 29.11.06 & 31.01.07.

Name of Directors	Category	No. of meetings held during the year	No. of meeting Attended
Shri. Hirabhai A. Patel	Independent & Non-Executive	5	5
Shri Chandrakant V. Modh	Independent & Non-Executive	5	5
Shri Jyotindra S. Patel	Independent & Non-Executive	5	5

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**3) Share Transfer & Share Holders' Grievances Committee:**

1) The Board of Directors of the company has constituted share transfer & share grievances committee of directors in order to meet the requirement of Clause 49 of the Listing Agreement of the stock exchange. The committee has been constituted with the objective of over seeing redressal of investors complaint pertaining to share transfer/transmission of share, interest, dematerialization (Demat) of shares and related matters.

2) Share transfer & share holders' grievances committee met on 29.04.06, 31.05.06, 29.06.06, 30.07.06, 14.08.06, 30.08.06, 30.09.06, 16.10.06, 30.10.06, 30.11.06, 30.12.06, 15.01.2007, 30.01.07, 27.02.07 & 30.03.2007.

Composition of committee and attendance of directors at their meeting are given below:

Name of Directors	Category	No. of meetings held during the year	No. of meeting Attended
Shri Manubhai F. Patel	Executive Director	15	15
Shri. Hirabhai A. Patel	Independent & Non-Executive	13	13
Shri Chandrakant V. Modh	Independent & Non-Executive	14	14
Dr. Chetan O. Thakker	Independent & Non-Executive	14	14

Share Transfer System:

Status of complaints for the period 1st April'2006 to 31st March, 2007

1 No. of complaints received	8
2 No. of complaints resolved	7
3 No. of complaints not solved to the satisfaction of shareholders as at 31.03.2006	1
4 Complaints pending as at 31.03.2006	1
5 No. of share transfers pending for approval as at 31.03.07	Nil

4) Remuneration Committee

The company has not formed a remuneration committee.

Remuneration of Directors'

The details of remuneration paid to the directors during the financial year from April'06 to March'07 are given below:

a) Executive Director

Name of Directors	Salary & Allowances Rs	Commission/ PLR (Provision Made) R	Perquisites Rs	Retirement Benefits Rs.
Shri Mayank S Patel *	247000	—	—	As per statutory rules
Shri Manubhai F. Patel **	326000	—	—	—do—

Note:

1) * The agreement with each of Managing Director is for a period of five year (25.04.05 to 24.04.10).

2) ** The agreement with each of Executive Director is for a period of three year (06.02.06 to 05.02.09).

Presently the company does not have a scheme for grant of stock option either to the Executive Directors or employee.

b) Non - Executive Directors

Name of Directors	Sitting Fees Paid Rs.
Shri Hirabhai A. Patel	Nil
Shri Chandrakant V Modh	Nil
Shri Has Mukh C. Chavda	Nil
Dr. Chetan O. Thakker w.e.f.01.12.05	Nil
Shri Jyotindra S. Patel w.e.f. 01.12.05	Nil

5) General Body Meetings

The last three Annual General Meetings were held as under:

Financial year	Date	Time	Location
2004-2005	16.09.2005	4.00 PM	Khali Char Rasta, State Highway, Sidhpur-384151 (N.G.)
2005-2006	05.09.2006	4.00 PM	—do—
2006-2007	25.09.2007	4.00 PM	—do—