



**FOURTEENTH
ANNUAL
REPORT
2007-2008**

UNJHA FORMULATIONS LIMITED

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UNJHA FORMULATIONS LIMITED



BOARD OF DIRECTORS

CHAIRMAN	:	Shri Shambhubhai A. Patel
MANAGING DIRECTOR	:	Shri Mayankbhai S. Patel
EXECUTIVE DIRECTOR	:	Shri Manubhai F. Patel (Up to 1/03/2008)
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 380 009
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

TWELTH ANNUAL REPORT 2007-2008

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UNJHA FORMULATIONS LIMITED**NOTICE :**

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

Day & Date : Monday, 15th September, 2008
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, 2008 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 Shambhubhai A. Patel who retires by rotation and being eligible, offer him self for re-appointment.
- 3) To appoint a Director in place of Dr. Chetan O. Thakker 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 : 31.05.2008

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 Monday, the 08th September 2008 to Monday, the 15th September, 2008 (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 : 31.05.2008

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 Shambhubhai A. Patel	Dr. Chetan O. Thakker
Date of Birth		
Date of Appointment	02.09.1994	01.12.2005
Expertise in Specific function ares	50 yr. experience in Isabgol processing, mktg. & exporting	Administration, Accounts & Finance Activities
Qualification	--	M. D.
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 FOURTEENTH Annual Report together with audited Statement of Accounts of the Company for the year ended 31st March 2008.

FINANCIAL RESULTS :

The highlights of the financial results are as under :

	(Rupees in lacs)	
	2007-2008	2006-2007
Turnover	355.76	386.29
Other Income	0.45	5.20
Total Income	356.21	391.49
Profit before Depreciation and Taxation Less : Depreciation	(-) 17.39 11.68	(-) 47.44 13.53
Profit before tax	(-) 29.07	(-) 60.97
Less : Provision for Taxation	NIL	NIL
Profit for the year	(-) 29.07	(-) 60.97
Balance as per last Balance Sheet	(-) 465.46	(-) 404.49
Total Profit/Loss	(-) 494.53	(-) 465.46

BUSINESS OPERATIONS & PROSPECTS :

During the year under review your company has achieved a sales turnover of Rs.3.56 Crores (In respect of its existing activities) with decrease of 10% 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 31.03.08 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 Reckitt Benckiser India Limited for sale of Isabgol Husk based product 'FYBOGEL' and Nicholas Piramal India Ltd. for sale of 'FABOLITE'. 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.0.10 crore.

The company continued its focus on development of Export Markets, for Albendazole Bolus and Fibermate (Isabgol based formulations) to supplement the present low domestic demand situation.

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 directors have taken 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.

UNJHA FORMULATIONS LIMITED

* The company has prepared the attach annual statement of accounts for the year ended 31st March, 2008 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.

LISTING FEES

Your Company has paid Listing Fee for the year 2008-09 at Bombay Stock Exchange Ltd., and Ahmedabad Stock Exchange Ltd.

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 Dr. Chetan O. Thakker by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment. Shri Manubhai F. Patel has resigned from the post of Executive Director as on 28-02-2008. The Board appreciate span of his services and board place on record and acknowledges the valuable contribution of Shri Manubhai F. Patel during their tenure as an Executive 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, 2008 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.

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, 2008

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 :

	2007-2008	2006-2007
A. POWER & FUEL CONSUMPTION		
1. Electricity Units consumed (Nos.)	73730	50310
Total Amount (Rs.)	319333	352391
Rate per Unit (Rs.)	5.31	7.00
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 \$ 24975.60 (Equivalent to Rs.0.10 crore).

Place : Sidhpur

Date : May 31-05-2008

By order of the Board

Sd/-

Shambhubhai A. Patel

CHAIRMAN

REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2007-08

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 31.05.2008)

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

During the financial under review six board meetings were held on 31.05.07, 30.07.07, 31.10.07, 30.11.07, 31.01.08, 01.03.08.

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 31.05.08:

UNJHA FORMULATIONS LIMITED



Name of Director	Category of Directorship	No. of Board Meeting Attended	Attendance At last AGM Held on 5.09.2007	No. of other Companies In which Director	No. of Comm. (other than UFL in which Member)
Shri Shambhubhai A. Patel	Promoter, Non-Executive Chairman	6	Yes	1	Nil
Shri Mayankbhai S. Patel	Managing Director	6	Yes	1	Nil
Shri Manubhai F. Patel (upto 01-03-2008)	Executive Director	5	Yes	Nil	Nil
Shri Hirabhai A. Patel	Independent non-Executive Director	6	Yes	Nil	Nil
Shri Chandrakant V. Modh*	Independent non-Executive Director	5	Yes	Nil	Nil
Shri Hasmukh C. Chavda	Indep. Non-ED	3	No	Nil	Nil
Dr. Chetan O. Thakker	Independent non-Executive Director	5	Yes	Nil	Nil
Mr. Jyotindra S. Patel	Independent non-Executive Director	5	Yes	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 Dr. Chetan O. Thakker & Mr. Jyotindra S. Patel.

Five meeting were held during the year ended 31st March, 2008, Mr. Modh and Mr. Patel have attended all the meetings.

During the financial under review six meetings were held on 31.05.07, 30.07.07, 31.10.07, 30.11.07 & 31.01.08.

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

3) Share Transfer & Share Holders' Grievances Committee:

- 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.

- Share transfer & share holders' grievances committee met on 31.05.07, 30.07.07, 31.10.07, 30.11.07 31.01.08 28.02.2008 & 30.03.2008.

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. Hirabhai A. Patel	Independent & Non-Executive	7	7
Shri Chandrakant V. Modh	Independent & Non-Executive	7	7
Dr. Chetan O. Thakker	Independent & Non-Executive	7	7

Share Transfer System: Status of complaints for the period 1st April'2007 to 31.03.08

1 No. of complaints received	5
2 No. of complaints resolved	4
3 No. of complaints not solved to the satisfaction of shareholders as at 31.03.2006	1
4 Complaints pending as at 31.03.2008	1
5 No. of share transfers pending for approval as at 31.03.08	Nil