



**SIXTEENTH  
ANNUAL  
REPORT  
2009-2010**

**UNJHA FORMULATIONS LIMITED**

## BOARD OF DIRECTORS

CHAIRMAN	:	Shri Shambhubhai A. Patel
MANAGING DIRECTOR	:	Shri Mayankbhai S. Patel
DIRECTOR	:	Shri Hirabhai A. Patel
DIRECTOR	:	Shri Chandrakant V. Modh
DIRECTOR	:	Shri Hasmmukh C. Chavda
DIRECTOR	:	Shri Chetan O. Thakker
DIRECTOR	:	Shri Jyotindra S. Patel
AUDITORS	:	M/s. Kantilal Manilal Shah & Co. Chartered Accountants G-3, Indraprasth Flat, Jail Road, Mehsana-384002 (N. G.)
COMPANY LAW CONSULTANTS	:	M/s. Ajay Parikh & Associates Company Secretaries C-4, Yashpal Apartments, Navrangpura, Ahmedabad-380 009.
BANKERS:	:	DENA BANK Sidhpur Branch, Sidhpur (N. G.)
REGISTERED OFFICE & CORPORATE OFFICE	:	Khali Char Rasta, State Highway, Ta. Sidhpur-384151 (N. G.)
REGISTRAR & SHARE: TRANSFER AGENT	:	Link Intime India Pvt. Ltd. C-3, Pannalal Silk Mills Compound, L. B. S. Road, Bhandup (West), Mumbai-400078.
LISTING:	:	The Bombay Stock Exchange Ltd.
DEPOSITORIES	:	NSDL CDSL
ISIN :	:	INE576D01015
CIN	:	L99999GJ1994PLC022932

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### NOTICE:

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

Day & Date	:	Tuesday, 31 <sup>st</sup> August 2010
Time	:	4.30 pm
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 31<sup>st</sup> March, 2010 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 Chandrakant V. Modh who retires by rotation and being eligible, offer himself for re appointment.
- 3) To appoint a Director in place of Shri Chetan O. Thakker who retires by rotation and being eligible, offer himself for re appointment.

# UNJHA FORMULATIONS LIMITED



- 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 : 31.05.2010

By order of the Board  
Sd/-  
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 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 Transact Books of the Company shall remain closed from Wednesday, 25/08/2010 to Tuesday, 31/08/2010. (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 Register & Share Transfer Agent, Link Intime India Pvt. Ltd. Ahmedabad.
4. Members desirous of obtaining any information concerning the accounts of the company may write to the Company at least 10 days in

PLACE: Sidhpur  
DATE : 31.05.2010

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 Exchange)

Name of Directors	Shri Chandrakant V. Modh	Shri Chetan O. Thakker
Date of Birth	02/10/1955	12/04/1960
Date of Appointment	21/05/2001	01/12/2005
Expertise in specific function areas	More Than 20 Years in the field of Banking, Finance and Administration.	More than 10 years his specific area in Medical science
Qualification	B.Com	MD
List of other cos. In which Directorship held on 31.03.10	None	None
Chairman/member of the committee of other public cos.	None	None

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

Your directors have pleasure in presenting their Sixteenth Annual Report together with Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2010.

**FINANCIAL RESULTS:**

The Working results of the Company are as under:

<b>PARTICULARS</b>	<b>Rs. in Lacs</b>	
	<b>31.03.2010</b>	<b>31.03.2009</b>
<b>TURNOVER</b>	<b>488.32</b>	<b>527.72</b>
<b>OTHER INCOME</b>	<b>1.82</b>	<b>2.04</b>
<b>TOTAL INCOME</b>	<b>490.14</b>	<b>529.74</b>
<b>PROFIT BEFORE DEPRECIATION AND</b>	<b>2.28</b>	<b>31.63</b>
<b>TAXATION LESS: DEPRECIATION</b>	<b>8.40</b>	<b>10.69</b>
<b>PROFIT/LOSS BEFORE TAX</b>	<b>(6.12)</b>	<b>20.94</b>
<b>LESS: PROVISION FOR TAXATION</b>	<b>NIL</b>	<b>NIL</b>
<b>PROFIT FOR THE YEAR</b>	<b>(6.12)</b>	<b>20.94</b>
<b>BALANCE AS PER LAST BALANCE SHEET</b>	<b>(473.59)</b>	<b>(494.53)</b>
<b>TOTAL PROFIT/LOSS</b>	<b>(479.72)</b>	<b>(473.59)</b>

**BUSINESS OPERATIONS & PROSPECTS:**

During the year under review your company has sales turnover of Rs. 4.90 Crores (in respect of its existing activities) with decreased of 8 % over the previous year.

**DIVIDEND:**

Your Directors do not propose any dividend on Equity Shares for the period ended 31<sup>st</sup> March, 2010 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 Reckit Benckiser India Ltd. for sales of Isabgol Husk based product 'FYBOGEL', Nicolas Piramal India Ltd., for sales of 'FABOLITE' & Apollo Hospitals Enterprise Ltd., for sales of 'LAXATIVE AP'. Your Company has also continued manufacturing agreement with Karnataka Antibiotics & Pharmaceuticals Limited for sale of Isabgol Husk based product on Loan Licence basis.

**EXPORT:**

During the period under review your company exported **Rs.71,08,443**. The Company continued its focus on development of Export Markets, for AL bendazole 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 Management Discussion and Analysis Report are annexed to this report.

**DIRECTOR'S 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 the annual accounts the applicable accounting standards had been followed.
2. The Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affair of the Company at the end of financial year and of the profit of the Company for that period.
3. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of The Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The company has prepared the attach annual statement for the year ended 31<sup>st</sup> March, 2010 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 &

# UNJHA FORMULATIONS LIMITED



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.

## **LISTING FEES:**

Your Company has paid Listing Fee for the year 2010-11 at Bombay Stock Exchange Ltd. The Company has started the procedure for De-Listing of Share from Ahmedabad Stock Exchange Limited, Ahmedabad during the year under review as per SEBI guideline.

## **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 Chetankumar O. Thakker and Shri Chandrakant V. Modh 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 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 (2A) of the Companies Act, 1956 read with the (Disclosures of particulars the Report of Board of Directors) Rules, 1988 and forming part of the Directors.

## **AUDITORS:**

M/s. Kantilal Manilal Shah & Co., (Chartered Accountants) Auditors, of the company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

## **INSURANCE:**

All the properties of the Company including Building, Plant & Machinery, Stock and Stores have been adequately insured.

## **CASH FLOW STATEMENT:**

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

## **APPRECIATION:**

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, Agents, Dealers and Consumers of the Company for their valuable support and continued confidence report in the company.

PLACE: Sidhpur  
DATE : 31.05.2010

BY ORDER OF THE BOARD

CHAIRMAN

## **ANNEXURE TO THE DIRECTOR'S REPORT:**

**FORM A** Form of disclosure of particulars with respect to conservation of energy:

### **A. POWER & FUEL CONSUMPTION**

PARTICULARS	31.03.2010	31.03.2009
Electricity Units Consumed (Nos.)	39720	52130
Total Amount (Rs.)	350019	371170
Rate per Unit (Rs.)	8.81	7.12

## 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 OUTGO:

Foreign Exchange earned during the year on account of export sales US \$ 149691.75 (equivalent to Rs.0.71 Crore)

PLACE: Sidhpur  
DATE : 31.05.2010

BY ORDER OF THE BOARD

CHAIRMAN

## UNJHA FORMULATIONS LIMITED

Sidhpur-384151 (N. Guj.)

### REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2009-10

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.
  - Company has already completed provisions for Schedule M as per FDI, India norms.
- 1) **Board of Directors (As on 31.05.2010):**  
The board of directors comprises of a non-executive chairman, a Managing Director, and three other non-executive directors. During the financial under review five board meetings were held on 31.05.09, 31.07.09, 31.10.09, 30.11.09, and 31.01.10. Attendance of each director at the board meetings and last annual general meeting and the no. of companies and committees were he is director/member as on 31.05.10:

Name of Director	Category of Directorship	No. of Board Meeting Attended	Attendance At last AGM Held on 24.08.09	No. of other Companies In which Director	No. of Committees (other than UFL in which Member)
Shri Shambhubhai A. Patel	Promoter Non-Executive Chairman	5	Yes	1	Nil
Shri Mayankbhai S. Patel	Managing Director	5	Yes	1	Nil
Shri Jyotindra S. Patel	Independent non-Executive Director	4	Yes	Nil	Nil
Shri Hirabhai A. Patel	Independent non-Executive Director	5	Yes	Nil	Nil
Shri Chandrakant V. Modh	Independent non-Executive Director	5	Yes	Nil	Nil
Shri Chetankumar O. Thakker	Independent non-Executive Director	4	Yes	Nil	Nil
Shri Hasmukh S. Chavda	Independent non-Executive Director	2	Yes	Nil	Nil

• Employees 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 31<sup>st</sup> March, 2010, Mr. Modh and Mr. Patel have attended all the meetings. During the financial under review five meetings were held on 31.05.09, 31.07.09, 31.10.09, 30.11.09, and 31.01.10.

Name of Directors	Category	No. of Meetings held during the year	No. of Meetings Attended
Shri Hirabhai A. Patel	Independent non-Executive Director	5	5
Shri Chandrakant V. Modh	Independent non-Executive Director	5	5
Shri Jyotindra S. Patel	Independent non-Executive Director	4	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 31.05.09, 31.07.09, 31.10.09, 30.11.09, 31.01.10, 28.02.10, & 31.03.10.

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 Meetings Attended
Shri Hirabhai A. Patel	Independent non-Executive Director	7	7
Shri Chandrakant V. Modh	Independent non-Executive Director	7	7
Shri Jyotindra S. Patel	Independent non-Executive Director	7	7

### Share Transfer System:

Status of complaints for the period 1<sup>st</sup> April, 2009 to 31<sup>st</sup> March, 2010

1. No. of complaints received	3
2. No. of complaints resolved	2
3. No. of complaints not solved to the satisfaction of Shareholders As at 31.03.2010	Nil
4. Complaints pending as at 31.03.2010	Nil
5. No. of Share Transfers pending for approval as at 31.03.2010	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'09 to March'10 are given below:

#### a) Executive Director

Name of Directors	Salary & Allowances Rs.	Commission/ PLR (Provision Made) Rs.	Perquisites Rs.	Retirement Benefits Rs.
Shri Mayank S. Patel*	2,47,000	---	---	As per statutory rules

Note:

- \*The agreement with each of Managing Director is for a period of five year (25.04.05 to 24.04.10). Presently the company does not have a scheme for grant of stock option either to the Executive Directors or Employees.

#### b) Non - Executive Directors

Name of Directors	Sitting Fees Paid Rs.
Shri Hirabhai A. Patel	Nil
Shri Chandrakant V Modh	Nil
Dr. Chetan O. Thakker	Nil
Shri Jyotindra S. Patel	Nil