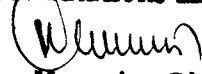


For, Unjha Formulations Limited


Managing Director

**EIGHTEENTH
ANNUAL
REPORT
2011-2012**

UNJHA FORMULATIONS LIMITED

BOARD OF DIRECTORS

CHAIRMAN & MANAGING DIRECTOR	:	Shri Mayankbhai S. Patel
DIRECTOR	:	Shri Hirabhai A. Patel
DIRECTOR	:	Shri Chandrakant V. Modh
DIRECTOR	:	Shri Hasmukh C. Chavda
DIRECTOR	:	Shri Chetan O. Thakker
DIRECTOR	:	Shri Jyotindra S. Patel
DIRECTOR	:	Shri Shambhubhai A. Patel (up to 19/01/2012)
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	:	Bombay Stock Exchange Ltd.
DEPOSITORIES	:	NSDL CDSL
ISIN	:	INE576D01015
CIN	:	L99999GJ1994PLC022932

EIGHTEENTH ANNUAL REPORT 2011-12

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UNJHA FORMULATIONS LIMITED



NOTICE:

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

Day & Date : Saturday, 18th August, 2012
Time : 4.00 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 31st March, 2012 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 Chetan O. Thakker, who retires by rotation and being eligible, offer himself for re-appointment.
- 3) To appoint a Director in place of Shri Chandrakant V. Modh, 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 : 30.05.2012

By order of the Board

Mayank S. 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 Transfer Books of the Company shall remain closed from Saturday, 11/08/2012 to Saturday, 18/08/2012 (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/Mumbai.
4. Members desirous of obtaining any information concerning the accounts of the company may write to the Company at least 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 : 31.05.2012

By order of the Board

Sd/-
Mayank S. 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 Chetan O. Thakker	Shri Chandrakant V. Modh
Date of Birth	12/04/1960	02/10/1955
Date of Appointment	01/12/2005	21/05/2001
Expertise in specific function areas	More than 12 years his specific area in Medical science	More Than 22 Years in the field of Banking, Finance and Administration.
Qualification	MD	B.Com.
List of other cos. In which Directorship held on 31.03.12	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 Eighteenth Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March, 2012.

FINANCIAL RESULTS:

The Working results of the Company are as under:

	31.03.2012	Rs. in Lacs 31.03.2011
PARTICULARS		
TURNOVER	590.60	439.41
OTHER INCOME	0.44	1.91
TOTAL INCOME	591.04	441.32
PROFIT BEFORE DEPRECIATION AND	14.98	19.40
TAXATION LESS: DEPRECIATION	6.83	7.80
PROFIT/LOSS BEFORE TAX	8.15	11.60
LESS: PROVISION FOR TAXATION	NIL	Nil
PROFIT FOR THE YEAR	8.15	11.60
BALANCE AS PER LAST BALANCE SHEET	(468.12)	(456.52)
TOTAL PROFIT/LOSS	(464.09)	(468.12)

BUSINESS OPERATIONS & PROSPECTS:

During the year under review your company has sales turnover of Rs. 5.91 Crores (in respect of its existing activities) with increased of 34.62% over the previous year.

DIVIDEND:

Your Directors do not propose any dividend on Equity Shares for the period ended 31st March, 2012 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.55,43,966 (US \$ 1,08,682). 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 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 31st March, 2012 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 & 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 2012-13 at Bombay Stock Exchange Ltd. The Company has already completed the procedure for De-Listing of Share from Ahmedabad Stock Exchange Limited as per amended 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 Chetan O. Thakker and Shri Chandrakant V. Modh retire by rotation at the ensuring Annual General Meeting and being eligible, offers themselves for re-appointment. The Board has deeply sorrowed for sad demise of our Chairman Late Shri Shambhubhai A. Patel on 19.01.2012.

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 ensuring 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 : 31.05.2012

BY ORDER OF THE BOARD
Mayank S. Patel

ANNEXURE TO THE DIRECTOR'S REPORT:

(CHAIRMAN & MD)

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

A. POWER & FUEL CONSUMPTION

PARTICULARS	31.03.2012	31.03.2011
Electricity Units Consumed (Nos.)	59180	58107
Total Amount (Rs.)	472757	500041
Rate per Unit (Rs.)	8.00	8.81

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 \$ 1,08,682 (equivalent to Rs.0.55 Crore)

PLACE: Sidhpur
DATE : 31.05.2012

BY ORDER OF THE BOARD

Mayank S. Patel
CHAIRMAN

UNJHA FORMULATIONS LIMITED

Sidhpur-384151 (N. Guj.)

REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2011-12

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 31.05.2012):**
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 30.05.11, 30.07.11, 31.10.11, 31.01.2012, and 16.02.2012. 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 31.05.2012

Name of Director	Category of Directorship	No. of Board Meeting Attended	Attendance At last AGM Held on 27.08.2011	No. of other Companies In which Director	No. of Committees (other than UFL in which Member)
Shri Shambhubhai A. Patel (Up to 19-01-2012)	Promoter Non-Executive Chairman	3	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	4	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	4	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, Dr. Chetan O. Thakker Mr. Jyotindra S. Patel & Mr. Hasmukh C. Chavda five meeting were held during the year ended 31st March, 2012, Mr. Modh and Mr. Patel have attended all the meetings. During the financial under review five meetings were held on 30.05.11, 30.07.11, 31.10.11, and 31.01.12. and 16.02.2012

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	5	4

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 30.05.11, 30.07.11, 31.10.2011,30.11.2011,31.01.12 ,16.02.12 and 30.03.2012.

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	6

Share Transfer System:

Status of complaints for the period 1st April, 2011 to 31st March, 2012

1. No. of complaints received	1
2. No. of complaints resolved	1
3. No. of complaints not solved to the satisfaction of Shareholders As at 31.03.2012	0
4. Complaints pending as at 31.03.2012	0
5. No. of Share Transfers pending for approval as at 31.03.2012	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'11 to March'12 are given below:

a) Managing Director

Name of Directors	Salary & Allowances Rs.	Commission/ PLR (Provision Made) Rs.	Perquisites Rs.	Retirement Benefits Rs.
Shri Mayank S. Patel*	4,80,000	----	----	As per statutory rules
Shri Shambhubhai. Patel (Up to19/01/2012)	6,00,000	----	----	As per statutory rules

Note:

- 1) * The agreement with each of Managing Director is for a period of three years (01.09.2011 to 31.08.2014). 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
Shri Hasmukh S. Chavada	Nil