



**FOURTEENTH
ANNUAL
REPORT
2007-2008**

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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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 Transfer 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 areas	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

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

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 law 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 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 othre irregularities.



* 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.

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
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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:

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 Hasmmukh 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

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'08 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 ** (upto 01-03-2008)	326000	—	—	—do—

Note:

- * The agreement with each of Managing Director is for a period of five year (25.04.05 to 24.04.10).
 - ** 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 Hasmukh C. Chavda	Nil
Dr. Chetan O. Thakker	Nil
Shri Jyotindra S. Patel	Nil

5) General Body Meetings

The last three Annual General Meetings were held as under:

Financial year	Date	Time	Location
2005-2006	05.09.2006	4.30 PM	Khali Char Rasta, State Highway, Sidhpur-384151 (N.G.)
2006-2007	25.09.2007	4.00 PM	—do—
2007-2008	15.09.2008	4.00 PM	—do—

6) Disclosure

- There were no transaction of material nature that have been entered into by the company with the promoters.
- There were no instances of non-compliance nor have any penalties strictures have imposed by Stock Exchanges or SEBI or any other statutory authority during the last three year on any matter related to capital market.
- Means of Communication
 - Half yearly reports sent to each household of shareholders : No, as the result of the company are Published in the newspapers.
 - Quarterly results : —do—
 - Any website where displayed : No
 - Newspapers, in which results are normally published : Western Times Gujarati Edition
Western Times English Edition
 - Whether Management Discussion & Analysis is a part of Annual Report : Yes
- General Shareholders Information
 - AGM Date, Time & Venue : Monday, 15th September, 2008 at 4.00 p.m. at Registered Office situated at Khali Char Rasta, State Highway, Sidhpur - 384151 (N.G.)
- Financial Calendar
 - First Quarter Results : April, 2008 to March, 2009
 - Half Yearly Results (September'2006) : On or before 31st July'2008.
 - Third Quarter Results : On or before 31st October, 2008
 - Audited Results for year ending as on 31.03. 08 : On or before 31st January, 2009
 - Date of Book Closure : On or before 30th June'2009
 - Dividend payment date : 8th Sept, 2008 to 15th September, 2008
 - Listing on Stock Exchanges : N.A.
 - Stock code : Ahmedabad Stock Exchange Ltd., Bombay Stock Exchange Limited
 - Demat ISIN Number for NSDL & CDSL : 531762 on Bombay Stock Exchange Ltd., Mumbai.
INE576D01015

Distribution of Shareholding as on 31.03.2008.

DISTRIBUTION SCHEDULE AS ON 31.03.2008
UNJHA FORMULATIONS LIMITED

Distribution of shareholding		Shareholders		No. of Shares held	
No. of Shares		Numbers	% tage	Numbers	% tage
1	to 500	2867	70.51	295011	6.58
501	to 1000	744	17.54	924251	20.62
1001	to 2000	232	5.47	373584	8.33
2001	to 3000	66	1.55	171006	3.81
3001	to 4000	40	0.96	143756	3.20
4001	to 5000	38	0.94	179278	4.00
5001	to 10000	40	0.96	307585	6.86
10001	& Above	39	0.95	2086029	46.55
Total		4066	100	4480500	100
Physical Mode				664400	14.82
Electronic		1921	82.00	3816100	85.18

Shareholding pattern as on 31.03.2008

Sr	Category	No. of shares held	% of holding
1	Promoters	1386897	30.96
2	Non-promoters		
3	Financial Institutions/Mutual Fund	Nil	Nil
4	FII, NRI, OCBs	3200	0.007
5	Bodies Corporate	250191	5.58
6	Indian Public	2840212	63.39
	Total	4480500	100.00

Dematerialization of Shares

As on 31.03.2008 – 83.56% of the paid up share Capital has been dematerialized.

Outstanding GDRs/ADRs/warrants

Not issued

Plant Locations

Khali Char Rasta, State Highway,
Sidhpur - 384151 (N. Guj.) India

Address for correspondence

: Unjha Formulations Limited
Khali Char Rasta, State Highway,
Sidhpur - 384151 (N. Guj.) Dist. Patan.

Telephone Nos.

: 02767-282395 Fax No. 02767-282396

E-mail address

: unjfor@sancharnet.in

Share Transfer System

: Transfer are approved every fortnightly basis/ Monthly basis.

Registrar & Share Transfer Agents & Depository (Common Agency)

: Pinnacle Shares Registry Pvt. Ltd.
Near Ashok Mills, Naroda Road,
Ahmedabad – 380025.
Tel: 079-22204242/22200591 Fax: 079-2202963
Email : gautam.shah@psrpl.com

1) Non – mandatory requirements

The company has presently not adopted the non – mandatory requirements in regard to maintenance of non – executive Chairman's office, Remuneration Committee and sending of half yearly financial performance to the shareholders to their residence, etc.

CERTIFICATE

We have reviewed the report of the Directors' of Unjha Formulations Limited on Corporate Governance for the period ended March 31, 2008 and as per information and explanation given to us and on the basis of examination of relevant documents. We certify that the report of the Directors' on Corporate Governance, read along with the Management Discussion and Analysis Report, appropriately reflect company's compliance with mandatory and other conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

Mehsana
May 31, 2008

for Kantilal Manilal Shah & Co.
Chartered Accountants
(Dipak K. Shah)
Partner

To,

The Members of UNJHA FORMULATIONS LTD.,

1. We have audited the attached balance sheet of UNJHA FORMULATIONS LTD.,

as at **31st March 2008**, and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.

4. Further to our comments in the Annexure referred to above, we report that: (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

(ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;

(iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;

(iv) In our opinion, the balance sheet profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

(v) On the basis of written representations received from the directors, as on **31st March 2008** and taken on record by the Board of Directors, we report that none of the directors is disqualified as on **31st March 2008** from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the balance sheet, of the state of affairs of the company as at **31st March 2008**;

(b) in the case of the profit and loss account, of the profit/ loss for the year ended on that date; and

(c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Date : 31-05-2008

Place: Mehsana

For, Kantilal Manilal Shah & Co.

Chartered Accountants

(D.K.SHAH)

PARTNER

M.NO.46226

MANAGEMENT DISCUSSION & ANALYSIS REPORT

We are pleasure to submitting here a Management discussion and analysis report on the business of the company. The overall performance of the Company has been encouraging during the year under review. We have covered to include discussions on all specified matters to the extent relevant or either limit that in our opinion are imposed by the company own competitive position. The company completed the year with decreased sales value by about 9% at Rs.3.56 Crores against Rs.3.91 Crores previous year, due to competitive pressure on selling price. We believe that our business is backed up by necessary skills and expertise. Our financial performance is generally representatives in our core operations and quality of products.

COMPANY & INDUSTRY STRUCTURE:

Our operations are structures into following sub-divisions (pharma) and managerially to performs its own duties and functions and support is provided that a corporate level as required, data on volumes and turnover, a summary is given below:

Pharma sub-divisions	F. Y. 2007-08	F. Y. 2006-2007
	Sales Rs.	Sales Rs.
Human & Veterinary Medicines	15,10,906	3,55,19,692
Anchor Items	17,84,356	11,27,833
Ayurvedic Items	2,75,43,356	Nil
Isabgol Husk	3,75,000	7,82,389
Injectables	Nil	11,43,475
Packing materials	48,714	5,629
DEPB Licence A/c.	Nil	50,340
Raw Materials	60,295	Nil
Total	3,08,98,913	3,86,29,358

We recognize that customer satisfaction is the key to our success. Our aim is to build sound customer relationships through creation of value for them, and in the process to earn an equitable return for ourselves. Quality is built into products through appropriate manufacturing technology and work methods.

The prospects for the Pharma Industry appear to be bright in the long term as well as short term.

The Sales Isabgol and Isabgol based formulations was 75% of total Turnover in 2006-07. The company has Manufacturing Agreement with Nicholas Piramal India Limited. The company has also continued manufacturing agreement with Karnataka Antibiotics & Pharmaceuticals Limited for sales of Isabgol Husk based products and other veterinary products on Loan Licence basis.

MARKET SHARE & DISTRIBUTION:

Ayurvedic Division (Isabgol based products)

Continued revamping and widening of distribution of network help the division in garnering a greater market share.

Overseas Market

Your company has chalked up an aggressive plan to explore the wide overseas market. Owing to this efforts company is hopeful of adding new customers in the current year.

Product Development

As a result of consistent product development efforts, various new innovative medicines were introduced major highlight of which were – Fibrone – SF Orange Powder.

During the current year under review, your company has developed three new products in Pharma Division.

UFL is quality conscious providing latest technology for improved performance and this trend will continue keeping a step ahead of competition.

ENVIRONMENT & SAFETY:

We believe that safe and healthy working conditions in factory and offices are as necessary and important as production, productivity and quality.

HUMAN RESOURCES:

You company considers its human resources as on of its most important assets & potential. It is only through motivated creative and employees, that we can achieve our aims. Involvement commitment, teamwork and continuous updating of skills and knowledge, training of personnel are integral to our objectives of advancing highly professionals, productive culture. Permanent employment totals 20 of which officers and workers account.

OTHER MATTERS:

There are no further areas of risks or concerns outside the usual course of business. The company has introduced a detailed Internal Control System and continuously reviewed with a view to improvement. We here taken all care to comply with all applicable laws and regulations. Our sincere thanks are due to all employees and team – mates, particularly to Division Heads, whose dedicated and hard work allowed these results to be achieved. We are grateful to our bankers and concern authorities, for their continued support and to our customers for their faith and confidence. We commit ourselves to their fullest satisfaction.

CAUTIONARY STATEMENT:

Statement in the Management Discussion and Analysis Report which seek to describe the company's objective, projections, expectations or predictions may be considered to be "forward – looking statements", within the meaning of applicable securities, laws and regulations. Actual results could differ materially from any expressed or implied.

For and on behalf of the management team.

Mayank Patel, Managing Director/CEO

ANNEXURE TO THE AUDITOR'S REPORT

Re: UNJHA FORMULATIONS LTD. Referred to in paragraph 3 of our report of even date.

- 1(a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on verification.
- 2.(a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- 3(a) The company had taken loan from four other concerns covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.30122471/- and the year end balance of loans taken from such parties was Rs.30945450/-.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loans have been taken from/granted to companies, firms or other parties listed in the registers maintained under section 301 are not prima facie prejudicial to the interest of the company.
- (c) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest. The parties have repaid the principal amounts as stipulated and have been regular in the payment of interest.
- (d) There is no overdue amount of loans taken from or granted to companies, firms or other parties listed in the registers maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchase of inventories and fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. To the best of our knowledge and belief and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.
6. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market prices are available.
7. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the National Company Law Tribunal.
8. In our opinion, the company has no internal audit system commensurate with the size of the company and nature of its business.
9. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete. The Central Govt. has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
- 10(a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, custom duty, excise-duty, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amount payable in respect of income tax, sales tax, customs duty & excise duty were in arrears as at 31-3-2008 for a period of more than six months from the date they became payable.
- (c) According to the records of the company, there are no dues of sales tax, income-tax, customs tax, excise duty/cess which have not been deposited on account of any dispute.
11. The accumulated losses of the company are more than fifty percent of its net worth. The company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding year.
12. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank etc.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. In our opinion and according to the information and explanations given to us, the company had not given any guarantee for loans taken by others from bank or financial institutions.
16. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised other than amounts pending utilisation of the funds for the intended use.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment and vice-versa.
18. According to information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
20. During the period covered by our audit report, the Company has not raised any money by public issues.
21. Based on the audit procedures performed and according to the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

Place: Mehsana.
Date: 31-05-2008

For, Kantilal Manilal Shah & Co.
Chartered Accountants
(D.K.SHAH) PARTNER M.NO.46226

BALANCE SHEET AS AT 31.03.2008

PARTICULARS	SCHEDULE	AS AT	
		31.03.2008	31.03.2007
A. SHARE HOLDER FUNDS :			
Share Capital	(1)	4,48,05,000	4,48,05,000
Share Application Money		NIL	NIL
Reserve & Surplus	(2)	19,50,000	19,50,000
B. LOAN FUNDS :			
Secured Loan	(3)		
(Full secure againsts stock		58,52,619	71,49,144
Unsecured Loans	(4)	3,09,45,450	2,95,17,252
		<u>8,35,53,06</u>	<u>8,34,21,396</u>
APPLICATION OF FUNDS :			
A. Gross Block	(5)	3,50,40,483	3,53,61,836
Less : Depreciation		2,13,24,164	2,04,77,282
Net Block		1,37,16,319	1,48,84,554
B. Preliminary & Pre Operative Expenses not written off (To be capitalised)	(6)	42,31,545	42,31,545
B1 Profit & Loss A/cs. not written off	(6a)	4,94,54,627	4,65,47,186
C. DEPOSITS	(7)	125	125
D. CURRENT ASSET, LOANS & ADVANCES			
		31.03.2008	31.03.2007
1. Inventories		31,20,934	54,47,357 8(a)
2. Receivables		1,72,82,259	1,61,11,282 8(b)
3. Cash & Bank Ba		1,14,036	1,32,646 8(c)
4. Duties & taxes			
G.S.T.		2,75,813	13,61,173
		<u>2,07,93,042</u>	<u>2,30,52,458</u>
Less: CURRENT LIABILITIES & PROVISIONS	(9)		
Sundry Creditors		46,03,845	41,78,125
Othe liabilities		—	—
Duties & Taxes			
C.S.T. EXCISE		38,744	11,16,347
		<u>46,42,589</u>	<u>52,94,472</u>
Net Current Asset		<u>1,61,50,453</u>	<u>1,77,57,986</u>
		<u>8,35,53,069</u>	<u>8,34,21,396</u>

As per our report attached.

For, **Kantila Manila Shah & Co.**
Chartered Accountants
(D.K.Shah)
Partner

Place : Sidhpur
Date : 31-05-2008

Shri Shambhubhai A. Patel
(Chairman)
Shri Mayankbhai S. Patel
(Managing Director)
M.No.46226
~~Shri Manubhai F. Patel~~
(Executive Director)

PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED ON 31.03.2008.

PARTICULARS	SCHEDULE	AS AT	AS AT
		31.03.2008	31.03.2007
INCOME			
1. Net Sales	10	3,55,76,09	3,85,79,01
2. Other Income	11	45,025	5,71,12
		<u>3,56,21,115</u>	<u>3,91,50,145</u>
EXPENSES			
3. Material Consumed	12	2,47,81,246	3,03,70,535
4. Operating Expenses	13	7,61,46	8,45,463
5. Employees Remuneration & other Benefits	14	11,85,37	15,49,127
6. Administrative Expenses	15	15,71,102	13,75,494
7. Selling Expenses	16	57,01,36	63,98,350
8. Director Salary		5,84,740	5,73,000
9. SUB TOTAL		3,45,85,289	4,11,11,969
10. Interest	17	27,75,032	27,82,051
11. Total Expenses		3,73,60,321	4,38,94,020
12. Depreciation	5	11,68,235	13,53,565
13. Profit		(-) 29,07,441	(-)60,97,440
14. Notes on Accounts	18		

For, **Kantila Manila Shah & Co.**
Chartered Accountants
(D.K.Shah)
Partner
M.No.46226.

Shri Shambhubhai A. Patel
(Chairman)
Shri Mayankbhai S. Patel
(Managing Director)

Place : Sidhpur
Date : 31-05-2008

~~Shri Manubhai F. Patel~~
(Executive Director)

SCHEDULES ANNEXED TO THE BALANCE-SHEET AS ON 31.03.2007
SCHEDULE 1

	AS AT	AS AT
	31.03.2008	31.03.2007
SHARE CAPITAL		
Authorised 1,00,00,000 Equity Shares of Rs. 10 each issued & Subscribed Capital	10,00,00,000	10,00,00,000
	<u>10,00,00,000</u>	<u>10,00,00,000</u>
Issued Capital 52,01,700 Equity Shares of Rs. 10 each.		
Subscribed & Paid up Capital		
Less: 52,01,700 Equity Shares		
7,21,200 Forfeited shares		
	<u>44,80,500</u>	<u>4,48,05,000</u>
44,80,500 Equity Shares of Rs.10 Each	4,48,05,000	4,48,05,000

SCHEDULE 2		
RESERVE & SURPLUS		
Share Forfeiture Reserve A/c	19,50,000	19,50,000
	<u>19,50,000</u>	<u>19,50,000</u>

Note:

721200 Equity shares have been forfeited w.e.f. 01-10-2001 which was approved in Board Meeting. The same has been approved by Regional Stock Exchange, Ahmedabad vide their Notice / Bulletin No.25/2001-02 (Company Section) dated 16-01-2002 & the Stock Exchange Mumbai vide notice No. 120/18 dated 16-04-2002.

SCHEDULE 3		
SECURED LOANS		
Den Ban C PCC(Full secure against Stock)	58,52,619	71,49,144
	<u>58,52,619</u>	<u>71,49,144</u>

SCHEDULE 4		
UNSECURED LOANS		
Ashok Industries	53,82,873	49,38,661
Rajratna Isabgol Industries	1,65,59,496	1,64,98,403
Urvesh Psyllium Ind.Ltd.	83,27,235	68,55,370
Gangotri Isabgol Industries	6,75,846	12,24,818
	<u>3,09,45,450</u>	<u>2,95,17,252</u>

SCHEDULE 5		
DEPRECIATION		
(As given separately)		
SCHEDULE 6		
PRELIMINARY & PREOPERATIVE EXPENSES NOT WRITTEN OFF		
Pre Operative Expenses	16,37,646	16,37,646
Preliminary Expenses	1,97,500	1,97,500
Share issue expenses	23,96,399	23,96,399
	<u>42,31,545</u>	<u>42,31,545</u>
	31.03.2008	31.03.2007

SCHEDULE 6 (a)		
PROFIT & LOSS A/c.		
Previous year Balance (2006-07)	46547186	
Add : Current year Loss (2007-08)	2907441	
	<u>4,94,54,627</u>	<u>4,65,47,186</u>

SCHEDULE 7		
DEPOSITS		
Investment in shares	125	125
	<u>125</u>	<u>125</u>

SCHEDULE 8		
SCHEDULE 8a		
CURRENT ASSET		
Inventories		
Raw materials	7,79,415	8,83,360
Work in process	-	10,47,250
Finished goods	12,37,629	25,30,533
Packing material	11,03,890	9,86,214
	<u>31,20,934</u>	<u>54,47,357</u>

		SCHEDULE 8b	
RECEIVABLES		1,72,82,259	1,61,11,282
		SCHEDULE 8c	
CASH & BANK BALANCES			
Cash on hand 31.03.2008		58,623	38,893
Balance in Den Ban Unjh		9,034	5,175
Balance in Dena Bank, Ahmedabad		6,903	41,018
Balance in State Bank of Saurashtra		22,413	29,426
Balance in The Mehsana Urban Co-op. Bank Ltd.,Unjha			
Current Account		3,821	3,067
H.D.F.C. Bank		13,242	15,067
		<u>1,14,036</u>	<u>1,32,646</u>
		SCHEDULE 9	
Sudry Creditors		46,03,845	41,78,125
C.S.T. EXCIS DUTY		38,744	11,16,347
Othe liabilities		—	—
		<u>46,42,589</u>	<u>52,94,472</u>
		SCHEDULE 10	
NET SALES			
Human & Veterinary Medicines		15,10,906	3,07,04,660
Anchor items		17,84,356	11,27,833
Ayurvedi Items		2,75,43,356	NIL
Injections		NIL	11,43,475
Isabgu Hus		3,75,000	7,82,389
Packin Material		48,714	5,629
Excis Duty		41,29,576	47,15,904
Ra Materia		60,29	—
Educatio Cess		1,23,887	99,128
		<u>3,55,76,09</u>	<u>3,85,79,018</u>
		SCHEDULE 11	
OTHER INCOME			
Import Licence Premiun Income		—	7,594
Dep Licenc A/c.		45,025	50,340
Sale Ta Refund		NIL	4,05,217
Jo Wor		NI	49,500
Sale o Santro		NIL	58,476
		<u>45,025</u>	<u>5,71,12</u>
		SCHEDULE 12	
MATERIAL CONSUMED			
1. OPENING STOCK			
	31.03.2008	31.03.2007	
Raw material	8,83,360	16,90,963	
Finished goods	25,30,533	92,52,509	
Work in process	10,47,250	7,85,788	
Packing material	9,86,214	16,28,418	1,33,57,678
	<u>54,47,357</u>	<u>16,28,418</u>	

PURCHASES

Human & Veterinary medicines	25,86,177		33,69,577	
Isabgu Husk	1,32,85,618		1,41,71,599	
Injections	NIL		1,27,192	
Ra Materia	11,64,446		NIL	
Packing materials	54,18,582	2,24,54,823	47,91,846	2,24,60,214
Less : STOCK AS ON 31.03.2008				
Raw material	7,79,415		8,83,360	
Work in process	NIL		10,47,250	
Finished goods	12,37,629		25,30,533	
Packing materials	11,03,890	31,20,934	9,86,214	54,47,357
Material Consumed				
	2,47,81,246	31.03.2008 3,03,70,535		31.03.2007

SCHEDULE 13

31.03.2008 31.03.2007

OPERATING EXPENSES

1. Laboratory expenses		31,078	10,199
2. Electrical expenses		2,94,198	3,52,391
3. Machine repairing expenses		1,74,719	1,20,245
4. Freight expenses		56,399	39,274
5. Licence fee expenses		16,200	3,600
6. Plant expenses	1,88,871	3,19,754	
		7,61,46	8,45,463

SCHEDULE 14**EMPLOYEES REMUNERATION & OTHER BENEFITS**

1. Salary expenses		10,64,905	13,11,264
2. Employer's contribution to P.F.		77,405	1,91,694
3. Canteen expenses		39,815	46,169
4. Staff welfare expenses		3,250	-
		11,85,37	15,49,127

SCHEDULE 15**ADMINISTRATIVE EXPENSES**

1. Office expenses		1,02,047	1,05,069
2. Professiona tax		14,358	NI
3. Vehicle maintenance expenses		2,46,332	3,07,339
4. Commission expenses		82,240	2,03,632
5. Stationary expenses		35,998	63,042
6. Postage Telephon exp.		44,070	55,905
7. Insurance expenses		73,095	76,566
8. Donation		1,000	-
9. Audit Fee		84,270	75,000
10. Consultation Fee	1,35,438	1,40,600	
11. Kasar A/c.		NIL	-774
12. Advocat Fee		NIL	5,000
13. Sale Ta exp.		5,38,246	
14. Telephon		52,670	64,585
15. RT Regi.exp		32,584	30,305
16. Listing Fees		25,000	25,000
17. Kharajat		4,657	38,539
18. Annual Issuer Fee		13,686	16,001

19. Service tax		2,402	18,372
20. Exchange Rate Diff.		NIL	2,755
21. Fringe Benefit Tax.		70,500	1,14,059
22. Octroi Noor		12,509	9,499

	<u>15,71,102</u>	<u>13,75,494</u>
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SLELING EXPENSES*

1. Sales promotion expenses		8,09,356	7,66,434
2. Central excise	44,72,221	43,31,702	
3. Advertisement expenses		18,180	23,230
4. Travelling expenses		2,88,608	8,36,877
5. Shipping Expenses		92,545	3,56,858
7. Consignment sales expenses		NIL	83,249
8. Cash Discount exp		20,451	NIL
		<u>57,01,361</u>	<u>63,98,350</u>

SCHEDULE 17**INTEREST EXPENSES**

Interest on working capital loan		9,76,962	9,89,003
Interest on other credits		17,98,070	17,93,048
		<u>27,75,032</u>	<u>27,82,051</u>

SCHEDULE 18**NOTES ON ACCOUNTS**

(As given separately)

NOTES FORMING PART OF ACCOUNTS:

- 1) Accounting Policies
 - a) Basis of Accounting: Accounts are prepared under the historical cost conversion and on the basis of a going concern
- 1) Accounting Policies
 - a) Basis of Accounting: Accounts are prepared under the historical cost conversion and on the basis of a going concern obligations and amounts determined as payable or receivable during the year.
 - b) Sales: Sales comprises sale of goods net of trade discount.
 - c) Fixed Assets & Depreciation: Fixed assets are stated at historical cost less depreciation.
 - d) Inventories: Inventories are valued as under.
 - i) Raw materials are valued at historical cost.
 - ii) Work in process and finished goods are valued at lower of cost or net realisable value.
 - iii) Packing material and product literature are at cost.
 - e) i) Amortisation of Misc. Expenditure like preliminary and share issue expenses will be written off over a period of 10 years.
Accordingly, no such expenditure has been written off during the year.

Year Ended
31-03-2008

- | | |
|------------------------------------|---------------|
| 2) Contingent Liabilities | NIL |
| 3) Managerial Remuneration | Rs.5,84,740 |
| 4) Expenditure in foreign currency | NIL |
| 5) Earning in foreign currency | US\$ 25732.80 |
- 6) The company has commenced commercial production and at its own from 01/12/1994. Accordingly, expenditure incurred during the pre-operative period (as per schedule No.6) has been shown in balance sheet.
 - 7) In view of carried forward loss admissible under The Income- Tax Act. 1961, provision from income tax has not been made for the year.
 - 8) In the opinion of the management Current Assets, Loans and Advances are approximately of the value stated if realised in the ordinary course of

business.

- 9) Debit & Credit balances are subject to confirmation Additional information pursuant to provisions of Part 2 of Schedule VI of The Companies Act 1956. (Including information relating to preoperative period).
- 10) No separate account is kept for Central Excise recovered, it ultimately included in sale.
- 11) Additional information pursuant to provisions of Part 2 of Schedule VI to The Companies 1956.
- 12) Import Licence Premium received Rs45,025/-
- 13) The figures of previous period have been re-grouped/re-arranged whenever necessary to confirm to the current year classification.
- 14) Ather i carrie forwarde lose an unabsorbe depreciatio,ther i n certain o liabilitie of deferre taxatio.W hav no made provisio to deferre taxatio durin th year

A) Material consumed in production is 100% indigenous

B) PRODUCTION :

SR.	PARTICULARS	UNIT PER ANNUM	INSTALLED (PER SHIFT)	CAPACITY UTILISED	CAPACITY
1	LIQUID	K.L.	19.20	Lacs ltrs.	NIL
2	POWDER	K.G.	14.40	Lacs Kg.	110689
3	CAPSULES	Nos.	3.84	Crores Caps.	NIL
4	INJECTABLES	Vials	75.00	Lacs vials	NIL
5	TABLETS	Nos.	17.88	Crores Tabs.	120000

PARTICULARS OF OPENING STOCK, PRODUCTION, SALES AND CLOSING STOCK

SR.	PARTICULARS	OPENING QTY.	STOCK VALUE (Rs)	PRODUCTION QUANTITY
1	LIQUID	25276.00	6,08,149	NIL
2	POWDER	10456.00	5,31,830	110689
3	CAPSULES	1882.00	2,45,288	NIL
4	INJECTABLES	-	-	NIL
5	TABLETS	13120.00	9,39,341	120000
	SAMPLE	62055.00	2,05,925	—

SR.	PARTICULARS	CLOSING STOCK VALUE (Rs)	
NO.	QTY.		
1	LIQUID	10589.00	2,52,389
2	POWDER	18006.00	4,89,440
3	CAPSULES	NIL	NIL
4	INJECTABLES	NIL	NIL
5	TABLETS	8901.00	3,20,946
6	SAMPLES	46954.00	1,74,854

For, **Kantila Manila Shah & Co.**
Chartered Accountants
(D.K.Shah)
Partner

Place : Sidhpur
Date : 31-05-2008

Shri Shambhubhai A. Patel
(Chairman)
Shri Mayankbhai S. Patel
(Managing Director)
M.No.46226
~~**Shri Manubhai F. Patel**~~
(Executive Director)

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31-03-2008

PARTICULARS	31-03-2008	31-03-2007
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax and extra ordinary items.	(-29,07,441	(-60,97,440
Add: Depreciation	11,68,235	13,53,565
Interes pai	27,75,032	27,82,051
Operating profit before working capital changes	10,35,826	(-)19,61,824
Add: Decrease in Current Assets :		
Decrease in Dutie Taxes	10,85,36	NIL
Decrease in Inventories	23,26,423	79,10,32
Increase in Current Liabilities	NIL	NIL
	44,47,609	59,48,497
Less:Decrease in Current Liabilities	6,51,883	24,93,793
Increase in Current Assets:		
Increase in Inventories	NIL	NIL
Increase i Loa Advance	NIL	NIL
Increase in Receivables	11,70,977	3,56,059
Increase in Duties & Taxes	NIL	9,444
Cash generated from operation	26,24,749	30,89,201
Less: Interest Paid	27,75,032	27,82,051
Net cash flow from operating activities (A)	(-)1,50,283	3,07,150
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Decrease in deposit(Investment)	NIL	16,100
Add :Decrease in Fixed Assets	NIL	NIL
Less:Increase in fixed assets	NIL	4,66,357
Net cash flow from investing activities (B)	NIL	-4,50,257
C) CASH FLOW FROM FINANCIAL ACTIVITIES:		
Add: Increase in Reserve	NIL	NIL
Increase in Unsecure loans	14,28,198	NIL
Others	NIL	2,57,239
	14,28,198	2,57,239
Less:Decrease in Secure Loans	12,96,525	2,95,249
Increase in Preliminary Expenses	NIL	NIL
Decrease in Capital	NIL	NIL
Decrease in Unsecured Loans	NI	NI
Net cash generated in financial activities(C)	1,31,67	(38,010)
Net increase/(decrease) in cash & cash equivalents (A+B+C+)	-18,610	-1,81,117
Add: Opening Balance	1,32,646	3,13,763
Closing Balance	1,14,036	1,32,646
Closing Balance	1,32,646	3,13,763

Place : Sidhpur
Date : 31-05-2008

For and on behalf of the Board
(MAYANK S.PATEL)
Managing Director

AUDITOR'S CERTIFICATE

We have verified the above cash flow statement of **UNJHA FORMULATIONS LIMITED** derived from the audited annual financial statements for the year ended March 31, 2008 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the listing agreements with stock exchanges.

For, **Kantila Manila Shah & Co.**

Chartered Accountants

(D.K.Shah)

Partner

Shri Shambhubhai A. Patel

(Chairman)

Shri Mayankbhai S. Patel

(Managing Director)

M.No.46226

Shri Manubhai F. Patel

(Executive Director)

Place : Sidhpur

Date : 31-05-2008

ANNEXURE OF ANNUAL REPORT

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1.	Registration Details Registration No. 22932 Balance Sheet Date 31-03-2007	State Code 04
2.	Capital Raised during the year(Amt. in Thousands)	
	Public Issue	Right Issue
	NIL	NIL
	Bonus Issue	Private Placement
	NIL	NIL

ANNEXURE OF ANNUAL REPORT

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1.	Registration Details Registration No. 22932 Balance Sheet Date 31-03-2008	State Code 04
2.	Capital Raised during the year(Amt. in Thousands)	
	Public Issue	Right Issue
	NIL	NIL
	Bonus Issue	Private Placement
	NIL	NIL
3.	Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)	
	Total Liabilities	Total Assets
	83553	83553
	Sources of Funds	
	Paid-up Capital	
	Reserve & Surplus	
	44805	1950
	Secured Loans	Unsecured Loans
	585	30945
	Application of Funds	
	Net Fixed Assets	Investments(Deposit)
	13716	0.125
	Net Current Assets	Misc. Expenditure
	16150	177
	Accumulated Losses	4945
4.	Performance of Company (Amt.in Rs.Thousands) *1	
	Turn over	Total Expenditure
	35621	3852
	Profit/Loss Before Tax	Profit/Loss After Tax
	(2907)	(2907)
	Earning Per Share in Rs.Dividend Rate %	
	-0.65	NIL
5.	Generic Names of Three principal Products/Services of the Company (As per Monetary Terms)	
	Item Code No. (ITC Code)	300410.03
	Product Description	POWDER, TABLETS, SYRUP
	Item Code No. (ITC Code)	300490.72
	Product Description	VETERINARY MEDICINAL FORMULATION NOT FOR HUMAN
	Item Code No. (ITC Code)	300410.03
	Product Description	D1 CAPSULES
	*Inclusive Other Income	

STATEMENT OF DEPRECIATION

PARTICULARS	PREV. GROSS	ADDITION	SALE	GROSS BLOCK	DEPRECIATION	DEPRECIATION	DEPRECIATION	NET BLOCK
				AS ON	UP TO	FOR THE YEAR	UP TO	AS ON
				31-03-2008	31-03-2007	2007-2008	31-03-2008	31-03-2008
GOODWILL	5000000	—	—	5000000	—	—	—	5000000
LAND	339302	—	—	339302	—	—	—	339302
BUILDING	14359798	—	—	14359798	8874830	548496	9423326	4936472
MACHINERY	11836850	—	—	11836850	8655497	442526	9098023	2738827
FURNITURE	279445	—	—	279445	221976	10402	232378	47067
LAB.EQUIPMENTS	375331	—	—	375331	208354	23226	231580	143751
TYPE MACHINE	14063	—	—	14063	11859	306	12165	1898
AIRCONDITIONER	148250	—	—	148250	108678	5504	114182	34068
JEEP A/C.	442875	—	—	442875	422702	5223	427925	14950
SCOOTER	51674	—	—	51674	48588	799	49387	2287
INTERCOM TELE.	90067	—	—	90067	78203	1650	79853	10214
METADOR	321932	—	—	321932	313034	2304	315338	6594
ELE.FITTING	405741	—	—	405741	332676	10163	342839	62902
PACKING MAT.								
DIE	505790	—	—	505790	418943	12080	431023	74767
COMPUTER	303200	—	—	303200	296533	2667	299200	4000
LUNA	27060	—	—	27060	20123	1796	21919	5141
REFRIGERATOR	19590	—	—	19590	9431	1413	10844	8746
MARUTI ETEEM	519515	—	—	519515	134502	99680	234182	285333
TOTAL	35040483	—	—	35040483	20155929	1168235	21324164	13716319

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UNIHA FORMULATIONS LIMITED



UNJHA FORMULATIONS LIMITED

PROXY FORM

Regd. Folio No./DPID/Client ID No. _____ No. of Shares held _____

I/We _____

of _____

being a member/members of UNJHA FORMULATIONS LIMITED hereby appoint _____

of _____ or failing him _____

of _____ as my/
our proxy to vote for me/us on my/our behalf at the FOURTEENTH ANNUAL GENERAL MEETING of the
company to be held on Monday the 15th September, 2008 at 4.00 p.m. and at any adjournment thereof.

Singed this _____ day of _____ 2008 Signature _____

Affix 1 Rupee Revenue Stamp

Note : This form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.

UNJHA FORMULATIONS LIMITED

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

Twelfth Annual General Meeting - 15th September, 2008

I hereby record my presence at the FOURTEENTH ANNUAL GENERAL MEETING of the Company at the Registered Office of the Company situated at Khali Char Rasta, State Highway, Khali, Sidhpur 384151 (N.G.), Dist. Patan, at 4.00 p.m.

Full name of member (in BLOCK LETTERS) _____

Regd. Folio No. / DPID / Client ID _____ No. of Shares held _____



Full Name of Proxy (in BLOCK LETTERS) _____

Member's/Proxy's Signature _____

Note : As a measure of economy, Members are requested to bring a copy of the Annual Report at the meeting hall.

BOOK - POST
(Printed matter)

To

<p>Rx CHLORPHENIRAMINE MALEATE, DEXTROMETHORPHAN HYDROBROMIDE AND PHENYLEPHRINE HYDROCHLORIDE</p> <h1 align="center">BERICOF</h1> <p align="center">60ml.</p>	<p>A Natural Fibre Laxative IA Herbal product for the treatment of constipation, Morning Sickness, cholesterol level, Diarrhoea, and Dietary Fibre. Fibres are bowel distress. Palatable (Sugar Free Powder) Non-habit forming.</p>	 <p>100 GMS. INOSITOLIC SUCRULOSID</p>
<p>Rx IBUPROFEN & PARACETAMOL TABLETS</p> <p align="right">20 X 10 TABLETS</p>	<p>IBROS is a natural non-habit forming fibre, forming a gel which absorbs water to form a mucilaginous mass. It exerts osmotic action and has a laxative effect in 2 to 3 days. May be needed for optimal relief to constipation.</p> <p>STORE IN A COOL & DRY PLACE</p> <p>Made by  UNJHA FORMULATIONS LTD. (Ayurvedic Division) Khali Char Rasta, 1A, Solapur-354 151 (N. Guj.) India.</p>	<p align="center">BOWEL REGULATOR</p> <p align="center">Orange Flavour (Elder-veincent)</p>



If undelivered, please return to :

The Share Department
UNJHA FORMULATIONS LIMITED
 Khali Char Rasta, State Highway,
 Khali, Sidhpur 384151
 Dist. Patan (N. Gujarat)
 Telephone : 02767-282395
 Fax : 02767-282396
 E-mail : unjfor@sancharnet.in

