

**FIFTEENTH  
ANNUAL  
REPORT  
2008-2009**

For, Unjha Formulations Limited

A handwritten signature in black ink, appearing to read 'R. Kumar'.

Managing Director

**UNJHA FORMULATIONS LIMITED**

## BOARD OF DIRECTORS

<b>CHAIRMAN</b>	:	<b>Shri Shambhubhai A. Patel</b>
<b>MANAGING DIRECTOR</b>	:	<b>Shri Mayankbhai S. Patel</b>
<b>DIRECTOR</b>	:	<b>Shri Hirabhai A. Patel</b>
<b>DIRECTOR</b>	:	<b>Shri Chandrakant V. Modh</b>
<b>DIRECTOR</b>	:	<b>Shri Has Mukh C. Chavda</b>
<b>DIRECTOR</b>	:	<b>Shri Chetan O. Thakker</b>
<b>DIRECTOR</b>	:	<b>Shri Jyotindra S. Patel</b>
<b>AUDITORS</b>	:	<b>M/s. Kantilal Manilal Shah &amp; Co.</b> Chartered Accountants G-3, Indraprashta Flat, Jail Road, Mehsana – 384002 (N. G.)
<b>COMPANY LAW CONSULTANTS</b>	:	<b>M/s. Ajay Parikh Associates</b> Company Secretaries C-4, Yashpal Apartments, Navrangpura, Ahmedabad – 380 009.
<b>BANKERS</b>	:	<b>DENA BANK</b> Sidhpur Branch, Sidhpur (N. G.)
<b>REGISTERED OFFICE &amp; CORPORATE OFFICE</b>	:	<b>Khali Char Rasta, State Highway, Ta. Sidhpur – 384151 (N. G.)</b>
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	:	<b>Pinnacle Shares Registry Pvt. Ltd.</b> Near Asoka Mills, Naroda Road, Ahmedabad – 380025

## FIFTEENTH ANNUAL REPORT 2008-2009

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**NOTICE :**

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

Day & Date : Monday, 24<sup>th</sup> August'2009  
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 31<sup>st</sup> March'2009 and the Profit & Loss Account for the year ended on that date, together with the Reports of Directors and Auditors thereon.
- 2) To appoint a Director in place of Shri.Hirabhai A. Patel who retires by rotation and being eligible, offer himself for re-appointment.
- 3) To appoint a Director in place of Shri Jyotindra S. Patel who retires by rotation and being eligible, offer himself for re-appointment.
- 4) To appoint Auditors of the Company and to fix their remuneration. The retiring Auditors M/s. Kantilal Manilal Shah & Co., Chartered Accountants are eligible for re-appointment.

**SPECIAL BUSINESS**

- 5) To consider and if though fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION.

**"RESOLVED THAT** subject to such consents, permissions or sanctions as may be required from any authority, statutory or otherwise, particularly from the Securities and Exchange Board of India (SEBI) and pursuant to Section 61 and all other applicable provisions of the Companies Act, 1956 and Guidelines, Rules framed by SEBI in this regard, the Board of Directors of the Company be and is hereby authorized to seek Voluntary Delisting of its Equity Shares listed at the Stock Exchange, Ahmedabad at Ahmedabad and for that matter to apply the Stock Exchange Ahmedabad and / or any other concerned authority(ies) for Voluntary Delisting of the Equity Shares from the said Stock Exchange."

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to settle all questions, difficulties or doubts as may arise, with regard to the Voluntary Delisting of Shares, as it may in its absolute discretion deem fit."

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take all necessary steps in this regard in order to comply with all the legal and procedural formalities and further to authorize any of the Committee or Director(s) or Officers of the Company to do all such acts, deeds or things, as may be necessary, to give effect to this resolution."

Place: Sidhpur

Date : 30.05.2009

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 Transfer Books of the Company shall remain closed from Monday 17<sup>th</sup> August'2009 to Monday 24<sup>th</sup> August'2009. (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 and 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 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 : 30.05.2009

By order of the Board

sd/  
Shambhubhai A. Patel (CHAIRMAN)

**ANNEXURE TO THE NOTICE**

Explanatory Statement as required by Section 173(2) of the Companies Act, 1956

**Item No.5****EXPLANATORY STATEMENT:****VOLUNTARY DELISTING OF EQUITY SHARES FROM THE AHMEDABAD STOCK EXCHANGE LIMITED :**

Members are aware that equity shares of the company are listed at the Stock Exchange, Mumbai and the Stock Exchange, Ahmedabad. The Board of Directors of the Company have recommended for delisting of its shares from the Stock Exchange, Ahmedabad in terms of the guidelines laid down by the Securities Exchange Board of India viz. SEBI (Delisting of Securities) Guidelines 2003.

The trading volume in the company's shares on the Stock Exchange, Ahmedabad are Nil which does not justify the payment of considerable amounts of listing fees and other expenses which the company is presently incurring. The Board of Directors vide its meeting held on 31<sup>ST</sup> May , 2009 propose to voluntarily delist Company's equity shares from the Stock Exchange, Ahmedabad to save the recurring costs without affecting the interest of the investors of the Company and without affecting the liquidity of equity shares of the Company. The Equity Shares of the Company will continue to be listed in the Stock Exchange, Mumbai (BSE) which has the connectivity in most of the cities across the country and hence the proposed delisting from the Stock Exchange, Ahmedabad will not be prejudicial to the interest of the Shareholders / Investors.

Accordingly Board have recommended the Special Resolution for approval of members for delisting of Company's equity shares from the Stock Exchange, Ahmedabad in terms of the SEBI (Delisting of Securities) Guidelines 2003.

All material documents, copies of the listing agreements are open for inspection to the members till the conclusion of the meeting at the registered office of the Company.

None of the Directors of the Company is, in any way, concerned or interested in this resolution.

**Place: Sidhpur**

**Date : 30.05.2009**

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

Name of Directors	Shri Hirabhai A. Patel	Shri Jyotindra S. Patel
Date of Birth		
Date of Appointment	02.09.1994	01.12.2005
Expertise in specific function areas	51 yr experience in Isabgol processing mftg. & exporting	Administration, Accounts & Financial Activities
Qualification	B. Sc.	B. Com
List of other cos. In which Directorship held on 31.03.09	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 Fifteenth Annual Report together with audited statement of Accounts of the Company for the year ended 31<sup>st</sup> March'2009.

**FINANCIAL RESULTS**

The highlights of the financial results are as under:

	(Rupees in Lacs)	
	2008-2009	2007-2008
Turnover	527.72	355.76
Other Income	2.04	0.45
Total Income	529.74	356.21
Profit before Deprecation and Taxation Less: Depreciation	31.63	(-) 17.39
Profit before tax	10.69	11.68
Less: Provision for Taxation	20.94	(-) 29.07
Profit for the year	Nil	Nil
Balance as per last Balance Sheet	20.94	(-) 29.07
Total Profit/Loss	(-)494.53	(-) 465.46
	(-)473.59	(-) 494.53

**BUSINESS OPERATIONS & PROSPECTS**

During the year under review your company has achieved a sales turnover of Rs. 5.29 Crores (in respect of its existing activities) with increase of 48% over the previous year.

**DIVIDEND**

Your Directors do not propose any dividend on equity shares for the period ended 31.03.2009 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 Ltd. For sales of Isabgol Husk based product 'FYBOGEL', Nicholas Piramal India Ltd., for sale of 'FABOLITE' & Apollo Hospitals Enterprise Ltd., for sale 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. 0.24 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 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 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 other irregularities.
- The company has prepared the attach annual statement for the year ended 31<sup>st</sup> March'2009 pm 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 2009-10 at Bombay Stock Exchange Ltd., and Ahmedabad Stock Exchange Limited.

**INDUSTRIAL RELATIONS**

Industrial relations remained cordial throughout the year. Your Directors place on record their deep appreciation of the contribution made by the employees at all levels.

**DEPOSITS**

The Company has not invited or accepted any Deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made thereunder.

**DIRECTORATE**

Shri Hirabhai A. Patel and Shri Jyotindra S. Patel 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 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 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 the 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 : 30.05.2009

By order of the Board  
sd/

**Shambhubhai A. Patel**  
(CHAIRMAN)

Registered Office:

Khali Char Rasta, State Highway,

Khali, Sidhpur 384151 (N. G.)

Dist.: Patan.

**ANNEXURE TO THE DIRECTORS' REPORT****FORM A**

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

	2008-09	2007-08
<b>A. POWER &amp; FUEL CONSUMPTION</b>		
Electricity Units consumed (Nos.)	52130	73730
Total Amount (Rs.)	371170	352391
Rate per Unit (Rs.)	7.12	5.31

**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 is US \$ 53973 (equivalent to Rs.23,99,279 crore).

Place: Sidhpur

Date : 30.05.2009

By order of the Board  
sd/

**Shambhubhai A. Patel**  
(CHAIRMAN)

**REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2008-09**

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 30.05.2009)**

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 31.05.08, 31.07.08, 31.10.08, 29.11.08, 31.01.09. 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 30.05.09:

Name of Director	Category of Directorship	No. of Board Meeting Attended	Attendance At last AGM Held on 15.09.2008	No. of other Companies In which Director	No. of Comm. (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 Hirabhai A. Patel	Independent non-Executive Director	4	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	4	Yes	Nil	Nil
Mr. Jyotindra S. Patel	Independent non-Executive Director	4	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 31<sup>st</sup> March, 2009, Mr. Modh and Mr. Patel have attended all the meetings.

During the financial under review six meetings were held on 31.05.08, 31.07.08, 31.10.08, 29.11.08 & 31.01.09.

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:**

- 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 31.05.08, 31.07.08, 31.10.08, 29.11.08 31.01.09 27.02.2009 & 31.03.2009.

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 1<sup>st</sup> April'2008 to 31.03.09

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 31.03.2009	1
4 Complaints pending as at 31.03.2009	1
5 No. of share transfers pending for approval as at 31.03.09	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'07 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

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 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
2006-2007	25.09.2007	4.30 PM	Khali Char Rasta, State Highway, Sidhpur-384151 (N.G.)
2007-2008	15.09.2008	4.00 PM	—do—
2008-2009	24.08.2009	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.

**3) 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
- 4) General Shareholders Information
- AGM Date, Time & Venue : Monday, 24<sup>th</sup> August, 2009 at 4.00 p.m.  
at Registered Office situated at Khali Char  
Rasta, State Highway, Sidhpur - 384151 (N.G)
- 5) Financial Calendar : April, 2009 to March, 2010
- First Quarter Results** : On or before 31<sup>st</sup> July, 2009
- Half Yearly Results (September'2009)** : On or before 31<sup>st</sup> October, 2009
- Third Quarter Results** : On or before 31<sup>st</sup> January, 2010
- Audited Results for year ending as on 31.03. 09** : On or before 30<sup>th</sup> June, 2010
- Date of Book Closure** : 17<sup>th</sup> August, 2009 to 24<sup>th</sup> August, 2009
- Dividend payment date** : N.A.
- Listing on Stock Exchanges** : Ahmedabad Stock Exchange Ltd., Bombay Stock Exchange Limited
- Stock code** : 531762 on Bombay Stock Exchange Ltd., Mumbai.
- Demat ISIN Number for NSDL & CDSL** : INE576D01015

**Distribution of Shareholding as on 31.03.2009.**

**DISTRIBUTION SCHEDULE AS ON 31.03.2009  
UNJHA FORMULATIONS LIMITED**

Distribution of shareholding No. of Shares		Shareholders Numbers		% tage	No. of Shares held Numbers		% tage
1	to	500	2936	71.57	664390	14.83	
501	to	1000	709	17.28	656589	14.65	
1001	to	2000	221	5.39	353156	7.88	
2001	to	3000	79	1.93	203418	5.54	
3001	to	4000	38	0.93	136017	3.04	
4001	to	5000	42	1.02	198989	4.44	
5001	to	10000	42	1.02	324218	7.24	
10001	&	Above	35	0.86	1943723	43.38	
<b>Total</b>			<b>4102</b>	<b>100</b>	<b>4480500</b>	<b>100</b>	
<b>Physical Mode</b>					<b>671400</b>	<b>14.98</b>	
<b>Electronic</b>			<b>2327</b>	<b>82.00</b>	<b>3809100</b>	<b>.85.02</b>	

**Shareholding pattern as on 31.03.2009**

Sr	Category	No. of shares held	% of holding
1	Promoters	1374397	30.80
2	Non-promoters		
3	Financial Institutions/Mutual Fund	Nil	Nil
4	FII, NRI, OCBs	4200	0.09
5	Bodies Corporate	173325	3.56
6	Indian Public	2928758	65.631
	<b>Total</b>	<b>4480500</b>	<b>100.00</b>

**Dematerialization of Shares**

As on 31.03.2009 – 85.02% 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@bsnl.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

#### 6) 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.

#### Affirmation of compliance with the code of conduct for Directors & Senior Executives

I declare that Company has received affirmation of compliance with "Code of conduct for Directors & Senior Executives" laid down by the Board of Directors, from all the Directors and Senior Management personnel of the company, to whom the same is applicable, for the financial years ended March 31, 2009.

**Sidhpur**  
 May 30, 2009

**Mayank Patel**  
 Managing Director & CEO

#### CERTIFICATE

We have reviewed the report of the Directors' of Unjha Formulations Limited on Corporate Governance for the period ended March 31, 2009 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 30, 2009

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

#### 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 48% at Rs.5.27 Crores against Rs.3.55 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. 2008-09	F. Y. 2007-08
	Sales Rs.	Sales Rs.
Human & Veterinary Medicines	14,79,097	15,10,906
Anchor Items	21,98,846	17,84,356
Ayurvedic Items	3,55,15,188	2,75,43,356
Isabgol Husk	99,98,987	3,75,000
Packing materials	Nil	48,714
Raw Materials	28,381	60,295
<b>Total</b>	<b>4,92,20,499</b>	<b>3,08,98,913</b>

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 90% of total Turnover in 2008-09. The company has Manufacturing Agreement with

Nicholas Piramal India Limited & Reckitt Benckiser India Ltd. 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. During the year under review company has made new manufacturing contract for manufacturing of Isabgol based formulation LAXATIVE.AP with M/s. Apollo Hospitals Enterprise Limited.

**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 – Fibrin – SF. Orange Powder.

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 one 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

Auditor's Report

To,

The Members of UNJHA FORMULATIONS LTD.,

1. We have audited the attached balance sheet of UNJHA FORMULATIONS LTD., as at 31st March 2009, 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 2009** and taken on record by the Board of Directors, we report that none of the directors is disqualified as on **31st March 2009** 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:
- in the case of the balance sheet, of the state of affairs of the company as at **31st March 2009**;
  - in the case of the profit and loss account, of the profit/ loss for the year ended on that date; and
  - in the case of the cash flow statement, of the cash flows for the year ended on that date.

Date : 30-05-2009

Place: Mehsana

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

### ANNEXURE TO THE AUDITOR'S REPORT

Re: UNJHA FORMULATIONS LTD.

Referred to in paragraph 3 of our report of even date.

- The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - 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.
- 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.
  - 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.
  - 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.
- 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.22628215/- and the year end balance of loans taken from such parties was Rs.19025215/-.
  - 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.
  - 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.
  - 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.
- 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.
- 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.
- 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 31-3-2009 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 : 30-05-2009

For, Kantilal Manilal Shah & Co.

Chartered Accountants

(D.K. SHAH)

PARTNER

M.NO.46226

## BALANCE SHEET AS AT 31.03.2009

PARTICULARS	SCHEDULE	AS AT 31.03.2009	AS AT 31.03.2008
<b>A. SHARE HOLDER FUNDS :</b>			
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>B. LOAN FUNDS :</b>			
Secured Loans (Fully secured against stock)	(3)	45,22,097	58,52,619
Unsecured Loans	(4)	1,90,25,215	3,09,45,450
		7,03,02,312	8,35,53,069
<b>APPLICATION OF FUNDS :</b>			
A. Gross Block	(5)	3,54,55,615	3,50,40,483
Less : Depreciation		2,23,40,702	2,13,24,164
Net Block		1,31,14,913	1,37,16,319
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)	4,73,60,177	4,94,54,627
C. DEPOSITS	(7)	125	125
<b>D. CURRENT ASSET, LOANS &amp; ADVANCES</b>			
	(8)	31.03.2009	31.03.2008
1. Inventories		40,80,100	31,20,934
2. Receivables		1,03,68,552	1,72,82,259
3. Cash & Bank Bal.		61,340	1,14,036
4. Duties & taxes G.S.T.		2,75,813	2,75,813
		1,47,85,805	2,07,93,042
Less: CURRENT LIABILITIES & PROVISIONS	(9)		
Sundry Creditors		1,00,06,685	46,03,845
Other liabilities			
Duties & Taxes			
C.S.T. VAT		-8,16,432	38,744
EXCISE			
		91,90,253	46,42,589
Net Current Asset		55,95,552	1,61,50,453
		7,03,02,312	8,35,53,069

For, **Kantilal Manilal 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 : 30-05-2009  
As per our report attached.

**PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED ON 31.03.2009.**

PARTICULARS	SCHEDULE	AS AT	AS AT
		31.03.2009	31.03.2008
<b>INCOME</b>			
1. Net Sales	10	5,27,72,148	3,55,76,090
2. Other Income	11	2,04,186	45,025
		<u>5,29,76,334</u>	<u>3,56,21,115</u>
<b>EXPENSES</b>			
3. Material Consumed	12	4,19,34,244	2,47,81,246
4. Operating Expenses	13	10,32,337	7,61,465
5. Employees Remuneration & other Benefits	14	12,72,085	11,85,375
6. Administrative Expenses	15	9,09,375	15,71,102
7. Selling Expenses	16	35,88,012	57,01,361
8. Director Salary		2,47,000	5,84,740
9. SUB TOTAL		4,89,83,053	3,45,85,289
10. Interest	17	8,29,243	27,75,032
11. Total Expenses		4,98,12,296	3,73,60,321
12. Depreciation	5	10,69,588	11,68,235
13. Profit		20,94,450	(-)29,07,441
14. Notes on Accounts	18		
For, Kantilal Manilal Shah & Co. Chartered Accountants (D.K.Shah) Partner M.No.46226. Place : Sidhpur Date : 30-05-2009		<b>Shri Shambhubhai A. Patel</b> (Chairman) <b>Shri Mayankbhai S. Patel</b> (Managing Director)	

**SCHEDULES ANNEXED TO THE BALANCE-SHEET AS ON 31.03.2009**  
**SCHEDULE 1**

	AS AT	AS AT
	31.03.2009	31.03.2008
<b>SHARE CAPITAL</b>		
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		
52,01,700 Equity Shares		
Less: 7,21,200 Forfeited shares		
<u>44,80,500</u> Equity Shares of Rs.10 Each	<u>4,48,05,000</u>	<u>4,48,05,000</u>
<b>SCHEDULE 2</b>		
<b>RESERVE &amp; SURPLUS</b>		
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**

<b>SECURED LOANS</b>		
Dena Bank CC + PCC(Fully secured against Stock)	45,22,097	58,52,619
	<u>45,22,097</u>	<u>58,52,619</u>

## SCHEDULE 4

## UNSECURED LOANS

Ashok Industries	21,82,873	53,82,873
Rajratna Isabgol Industries	1,65,59,496	1,65,59,496
Urvesh Psyllium Ind.Ltd.	NIL	83,27,235
Gangotri Isabgol Industries	2,72,846	6,75,846
Jashodaben S.Patel	10,000	NIL
	-----	-----
	1,90,25,215	3,09,45,450

## SCHEDULE 5

## DEPRECIATION

(As given separately)

## SCHEDULE 6

## PRELIMINARY &amp; 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
	-----	-----
	42,31,545	42,31,545
	-----	-----
	31.03.2009	31.03.2008

## SCHEDULE 6 (a)

## PROFIT &amp; LOSS A/c.

Previous year Balance (2007-08)	49454627	
Add : Current year Loss (2008-09)	-2094450	
	4,73,60,177	4,94,54,627

## SCHEDULE 7

## DEPOSITS

Investment in shares	125	125
	-----	-----
	125	125

## SCHEDULE 8

## CURRENT ASSET

## SCHEDULE 8a

## Inventories

Raw materials	9,09,986	7,79,415
Work in process	---	---
Finished goods	20,91,294	12,37,629
Packing material	10,78,820	11,03,890
	-----	-----
	40,80,100	31,20,934

## SCHEDULE 8b

## RECEIVABLES

	1,03,68,552	1,72,82,259
--	-------------	-------------

## SCHEDULE 8c

## CASH &amp; BANK BALANCES

Cash on hand 31.03.2009	17,386	58,623
Balance in Dena Bana Unjha	7,439	9,034
Balance in Dena Bank, Ahmedabad	19,691	6,903
Balance in State Bank of Saurashtra	NIL	22,413
Balance in The Mehsana Urban Co-op. Bank Ltd., Unjha		
Current Account	3,198	3,821
H.D.F.C. Bank	13,626	13,242
	-----	-----
	61,340	1,14,036

## SCHEDULE 9

Sundry Creditors	1,00,06,685	46,03,845
C.S.T. & EXCISE DUTY,VAT	-8,16,432	38,744
Other liabilities	---	---
	-----	-----
	91,90,253	46,42,589



**SCHEDULE 10**

**NET SALES**

Ayurvedic Items Sales		3,55,15,188	NIL
Human Medicines		816	15,10,906
Anchor items		21,98,846	17,84,356
Ayurvedic Items Export		9,20,998	2,75,43,356
Veterinary Export		14,78,281	NIL
Isabgul Husk		99,98,987	3,75,000
Packing Material		NIL	48,714
Excise Duty		25,55,176	41,29,576
Raw Material		28,381	60,295
Education Cess		75,475	1,23,887
		-----	-----
		5,27,72,148	3,55,76,090

**SCHEDULE 11**

**OTHER INCOME**

Depr Licence A/c.		98,546	45,025
Profit of sales of Vehicle		53,050	NIL
Packing Charges		49,475	NIL
Kasar a/c		3,115	NIL
		-----	-----
		2,04,186	45,025

**SCHEDULE 12**

**MATERIAL CONSUMED**

**1. OPENING STOCK**

	<u>31.03.2009</u>		<u>31.03.2008</u>	
Raw material	7,79,415		8,83,360	
Finished goods	12,37,629		25,30,533	
Work in process	NIL		10,47,250	
Packing material	11,03,890	31,20,934	9,86,214	54,47,357

**PURCHASES**

Human & Veterinary medicines	NIL		25,86,177	
Isabgul Husk	3,14,91,958		1,32,85,618	
Anchor Goods return	4,203		NIL	
Raw Material	43,09,612		11,64,446	
Human Goods return	7,096			
Packing materials	70,80,541	4,28,93,410	54,18,582	2,24,54,823
	-----	-----	-----	-----

**Less : STOCK AS ON 31.03.2009**

Raw material	9,09,986		7,79,415	
Work in process	NIL		NIL	
Finished goods	20,91,294		12,37,629	
Packing materials	10,78,820	40,80,100	11,03,890	31,20,934
	-----	-----	-----	-----

**Material Consumed**

	<u>31.03.2009</u>		<u>31.03.2008</u>
	4,19,34,244		2,47,81,246

**SCHEDULE 13**

**OPERATING EXPENSES**

1. Laboratory expenses		38,507	31,078
2. Electrical expenses		3,71,170	2,94,198
3. Machine repairing expenses		1,89,594	1,74,719
4. Freight expenses		42,115	56,399
5. Licence fee expenses		7,700	16,200
6. Plant expenses		3,83,251	1,88,871
		-----	-----
		10,32,337	7,61,465

**SCHEDULE 14**

**EMPLOYEES REMUNERATION & OTHER BENEFITS**

1. Salary expenses		10,84,982	10,64,905
2. Employer's contribution to P.F.		1,39,331	77,405
3. Canteen expenses		44,572	39,815

4. Staff welfare expenses	3,200	3,250
	-----	-----
	12,72,085	11,85,375

**SCHEDULE 15****ADMINISTRATIVE EXPENSES**

1. Office expenses	1,21,223	1,02,047
2. Professional tax	2,040	14,358
3. Vehicle maintenance expenses	1,67,623	2,46,332
4. Commission expenses	1,30,591	82,240
5. Stationary expenses	27,693	35,998
6. Postage & Telephone exp.	35,762	44,070
7. Insurance expenses	37,552	73,095
8. Donation	nil	1,000
9. Audit Fee	55,150	84,270
10. Consultation Fee	1,24,094	1,35,438
11. Appeal fee	1,000	NIL
12. Advocate Fee	6,500	NIL
13. Sales tax exp.	NIL	5,38,246
14. Telephone	35,018	52,670
15. RTA Regi.exp.	32,584	32,584
16. Listing Fees	25,400	25,000
17. Kharajat	2,500	4,657
18. Annual Issuer Fee	20,237	13,686
19. Service tax	4998	2,402
20. Exchange Rate Diff.	NIL	NIL
21. Fringe Benefit Tax.	79,410	70,500
22. Octroi & Noor	NIL	12,509
	-----	-----
	9,09,375	15,71,102

**SCHEDULE 16****SELLING EXPENSES**

1. Sales promotion expenses	9,17,433	8,09,356
2. Central excise	21,19,613	44,72,221
3. Advertisement expenses	24,880	18,180
4. Travelling expenses	3,32,959	2,88,608
5. Shipping Expenses	1,55,201	92,545
6. Case Discount exp.	37,926	20,451
	-----	-----
	35,88,012	57,01,361

**SCHEDULE 17****INTEREST EXPENSES**

Interest on working capital loan	8,13,468	9,76,962
Interest on other credits	15,775	17,98,070
	-----	-----
	8,29,243	27,75,032

**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 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 31-03-2009

- 2) Contingent Liabilities NIL
- 3) Managerial Remuneration Rs.2,47,000
- 4) Expenditure in foreign currency NIL
- 5) Earning in foreign currency US\$ 53977.00
- 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 veiw 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 states 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 Rs. 98,545.28.
- 13) The figures of previous period have been re-grouped/re-arranged whenever necessary to confirm to the current year classification.
- 14) As there is carries forwarded losses and unabsorbed depreciation, there is no certainty of liabilities of deferred taxation. We have not made provision for deferred taxation during the year.

A) Material consumed in production is 100% indigenous

**B) PRODUCTION :**

SR.	PARTICULARS	UNIT	INSTALLED PER ANNUM	CAPACITY (PER SHIFT)	CAPACITY UTILISED
1	LIQUID	K.L.	19.20	Lacs ltrs.	NIL
2	POWDER	K.G.	14.40	Lacs Kg.	180150
3	CAPSULES	Nos.	3.84	Crores Caps.	NIL
4	INJECTABLES	Vials	75.00	Lacs vials	NIL
5	TABLETS	Nos.	17.88	Crores Tabs.	150000

**PARTICULARS OF OPENING STOCK, PRODUCTION, SALES AND CLOSING STOCK :**

SR.	PARTICULARS	OPENING	STOCK	PRODUCTION
1	LIQUID	10589.00	2,52,389	NIL
2	POWDER	18006.00	4,89,440	180150
3	CAPSULES	Nil	Nil	NIL
4	INJECTABLES	Nil	Nil	NIL
5	TABLETS	8901.00	3,20,946	150000
	SAMPLE	46954.00	1,74,854	--

SR. NO.	PARTICULARS	CLOSING STOCK	
		QTY.	VALUE (Rs)
1	LIQUID	10589.00	2,52,389
2	POWDER	81814.00	13,51,099
3	CAPSULES	NIL	NIL
4	INJECTABLES	NIL	NIL
5	TABLETS	8901.00	3,20,946
6	SAMPLES	43911.00	1,66,860

For, **Kantilai Manilai 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 : 30.05.2009

## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31-03-2009

PARTICULARS	31-03-2009	31-03-2008
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before tax and extra ordinary items.	20,94,450	(-)29,07,441
Add: Depreciation	10,69,588	11,68,235
Interest paid	8,29,243	27,75,032
	-----	-----
Operating profit before working capital changes	39,93,281	10,35,826
Add: Decrease in Current Assets :		
Decrease in Duties & Taxes	NIL	10,85,360
Decrease in Inventories	NIL	23,26,423
Increase in Current Liabilities	45,47,664	NIL
Decrease in Receivable	69,13,707	NIL
	-----	-----
	1,54,54,652	44,47,609
Less: Decrease in Current Liabilities	NIL	6,51,883
Increase in Current Assets:		
Increase in Inventories	9,59,166	NIL
Increase in Loans & Advance	NIL	NIL
Increase in Receivables	NIL	11,70,977
Increase in Duties & Taxes	NIL	NIL
	-----	-----
Cash generated from operation	1,44,95,486	26,24,749
Less: Interest Paid	8,29,243	27,75,032
	-----	-----
Net cash flow from operating activities (A)	1,36,66,243	(-)1,50,283
<b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Decrease in deposit (Investment)	NIL	NIL
Add: Decrease in Fixed Assets	14,950	NIL
Less: Increase in fixed assets	4,83,132	NIL
	-----	-----
Net cash flow from investing activities (B)	(-)4,68,182	NIL
<b>C) CASH FLOW FROM FINANCIAL ACTIVITIES:</b>		
Add: Increase in Reserve	NIL	NIL
Increase in Unsecured loans	NIL	14,28,198
Others	NIL	NIL
	-----	-----
	NIL	14,28,198
Less: Decrease in Secured Loans	13,30,522	12,96,525
Increase in Preliminary Expenses	NIL	NIL
Decrease in Capital	NIL	NIL
Decrease in Unsecured Loans	1,19,20,235	NIL
	-----	-----
Net cash generated in financial activities (C)	(-)1,32,50,757	1,31,673
Net increase/(decrease) in cash & cash equivalents (A+B+C+)	-52,696	-18,610
Add: Opening Balance	1,14,036	1,32,646
	-----	-----
Closing Balance	61,340	1,14,036

Place : Sidhpur  
Date : 31-05-2009

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, 2009 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.

Place : Sidhpur  
Date : 30-05-2009

For Kantil Manilal Shah & Co.  
Chartered Accountants  
**D.K.Shah**  
Partner  
M.No.46226

**ANNEXURE OF ANNUAL REPORT  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

1.	Registration Details Registration No. 22932 Balance Sheet Date 31-03-2009	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
	70302	70302
	Sources of Funds	
	Paid-up Capital	Reserve & Surplus
	44805	1950
	Secured Loans	Unsecured Loans
	4522	19025
	Application of Funds	
	Net Fixed Assets	Investments(Deposit)
	13115	0.125
	Net Current Assets	Misc.Expenditure
	5595	1519
	Accumulated Losses	
	47360	
4.	Performance of Company (Amt.in Rs.Thousands)	
	Turn over	Total Expenditure
	52976	50882
	Profit/Loss Before Tax	Profit/Loss After Tax
	209	209
	Earning Per Share in Rs.	Dividend Rate %
	0.47	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 BLOCK	ADDITION	SALE	GROSS BLOCK	DEPRECIATION	DEPRECIATION	DEPRECIATION	NET BLOCK
				AS ON 31-03-2009	UP TO 31-03-2008	FOR THE YEAR 2008-2009	UP TO 31-03-2009	AS ON 31-03-2009
GOODWILL	5000000	--	--	5000000	--	--	--	5000000
LAND	339302	--	--	339302	--	--	--	339302
BUILDING	14359798	169882	--	14529680	9423326	510635	9933961	4595719
MACHINERY	11836850	299250	--	12136100	9098023	422597	9520620	2615480
FURNITURE	279445	--	--	279445	232378	8519	240897	38548
LAB.EQUIPMENTS	375331	--	--	375331	231580	19996	251576	123755
TYPE MACHINE	14063	--	--	14063	12165	264	12429	1634
AIRCONDITIONER	148250	--	--	148250	114182	4739	118921	29329
JEEP A/C.	442875	--	68000	374875	427925	--	374875	--
SCOOTER	51674	--	--	51674	49387	592	49979	1695
INTERCOM TELE.	90067	--	--	90067	79853	1421	81274	8793
METADOR	321932	--	--	321932	315338	1707	317045	4887
ELE.FITTING	405741	14000	--	419741	342839	10697	353536	66205
PACKING MAT.								
DIE	505790	--	--	505790	431023	10400	441423	64367
COMPUTER	303200	--	--	303200	299200	1600	300800	2400
LUNA	27060	--	--	27060	21919	1331	23250	3810
REFRIGERATOR	19590	--	--	19590	10844	1217	12061	7529
MARUTI ETEEM	519515	--	--	519515	234182	73873	308055	211460
<b>TOTAL</b>	<b>35040483</b>	<b>483132</b>	<b>68000</b>	<b>35455615</b>	<b>21324164</b>	<b>1069588</b>	<b>22340702</b>	<b>13114913</b>

HCL/UFOR\*DEPRE09\*

## 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 FIFTEENTH ANNUAL GENERAL MEETING of the  
company to be held on Monday the 24th August, 2009 at 4.00 p.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009 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)

Fifteenth Annual General Meeting - 24th August, 2009

I hereby record my presence at the FIFTEENTH 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 \_\_\_\_\_

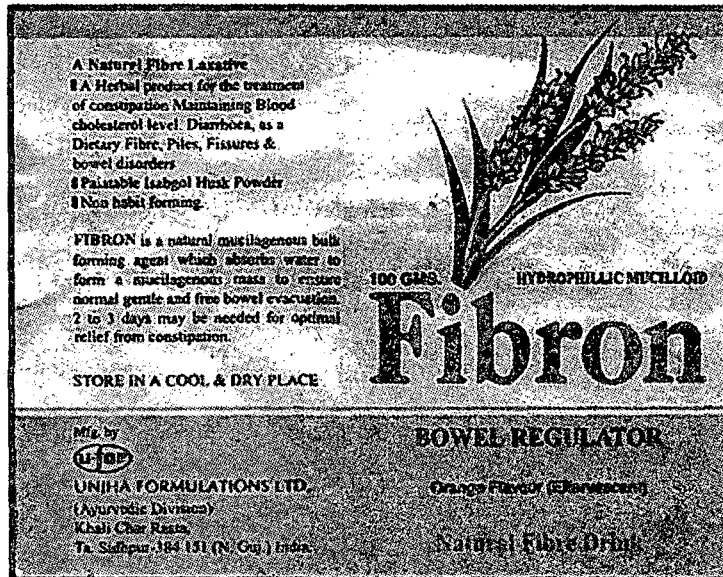
Full Name of Proxy (in BLOCK LETTERS) \_\_\_\_\_

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



**A Natural Fibre Laxative**  
■ A Herbal product for the treatment of constipation Maintaining Blood cholesterol level. Diarrhoea, as a Dietary Fibre. Piles, Fissures & bowel disorders  
■ Palatable Isabgol Husk Powder  
■ Non habit forming.

FIBRON is a natural mucilaginous bulk forming agent which absorbs water to form a mucilaginous mass to ensure normal gentle and free bowel evacuation. 2 to 3 days may be needed for optimal relief from constipation.

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Mfg. by  
**UNJHA FORMULATIONS LTD.**  
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Khali Char Rasta,  
T. Sidhpur, 384151 (N. G.) India.

**BOWEL REGULATOR**  
Orange Flavour (Cholesterol)  
Natural Fibre Drink



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@bsnl.in

**CCS**