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Ambalal Sarabhai Enterprises Limited

**40th Annual Report
2017-18**

Board of Directors

Mr. Kartikeya V. Sarabhai
Chairman & Whole-time Director

Mr. Govind Das Zalani

Mr. Anil H. Parekh
Whole-time Director

Mr. K. Mohandas

Mr. Ashwin P. Hathi

Ms. Chaula Shastri
Whole-time Director

Mr. Chandrashekhar Bohra

Chief Financial Officer
Mr. Bharat B. Shah

Company Secretary
Mr. Ketan Adhvaryu

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Auditors

M/s. Khandhar & Associates
Chartered Accountants
311, Dhiraj Avenue, Opp. Chhadawad
Police Chowki, Ambawadi,
Ahmedabad-380 006.

Registered Office :

Shanti Sadan
Mirzapur Road,
Ahmedabad-380 001

Notice

Notice is hereby given that the Fortieth Annual General Meeting of the Company will be held on Thursday, the 27th September, 2018 at 11.00 a.m. at the auditorium of Ahmedabad Textile Mills Association (ATMA), Opp: Citigold Cinema, Ashram Road, Ahmedabad-380 009 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Financial Statements (including Audited Consolidated Financial Statements) for the year ended 31st March, 2018, together with reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. K. Mohandas, (DIN-00312802) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. As an ordinary Resolution:

Re-appointment of Mr. Anil H. Parekh as Whole-time Director.

To consider and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution.

“RESOLVED that pursuant to provisions of Section 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the re-appointment of Mr. Anil H. Parekh (DIN-00312504) as “Whole-time Director” for a period of 3 years with effect from 26-12-2017 on the terms and conditions as stated in Explanatory Statement”.

4. As an ordinary resolution:

Re-appointment of Ms. Chaula Shastri as Whole-time Director.

To consider and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution.

“RESOLVED that pursuant to the provisions of Section 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the re-appointment of Ms. Chaula Shastri (DIN-06404118) as “Whole-time Director” for a period of 3 years with effect from 1-4-2018 on the terms and conditions as stated in Explanatory Statement”

5. As a Special Resolution

Re-appointment of Mr. Kartikeya V. Sarabhai as Whole-time Director.

To consider and if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution.

“RESOLVED that pursuant to the provisions of Section 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the re-appointment of Mr. Kartikeya V. Sarabhai (DIN-00313585) as “Whole-time Director” for a period of 3 years with effect from 1-4-2018 on the terms and conditions as stated in Explanatory Statement”

6. As a Special resolution:

To consider and if thought fit, to pass, with or without modifications, the following resolutions as Special Resolution:

RESOLVED that Mr. Ashwin P. Hathi (DIN – 00326488) in respect of whom the Company has received notice in writing from a member proposing him as a candidate for the office of Director under provisions of Section 160 of the Companies Act, 2013 and who is eligible for appointment as an Independent Director, be and is hereby reappointed as an Independent Director of the Company for a further period of five years with effect from 1st April 2019 upto 31st March 2024.

7. As a Special resolution:

To consider and if thought fit, to pass, with or without modifications, the following resolutions as Special Resolution:

RESOLVED that Mr. Chandrashekhar Bohra (DIN-00055288) in respect of whom the Company has received notice in writing from a member proposing him as a candidate for the office of Director under the provisions of Section 160 of the Companies Act, 2013 and who is eligible for appointment as an Independent Director, be and is hereby reappointed as an Independent Director of the Company for a further period of five years with effect from 1st April 2019 upto 31st March 2024.

8. As a Special resolution:

To consider and if thought fit, to pass, with or without modifications, the following resolutions as Special Resolution:

RESOLVED that Mr. Govinddas Zalani (DIN-00308492) in respect of whom the Company has received notice in writing from a member proposing him as a candidate for the office of Director under the provisions of Section 160 of the Companies Act, 2013 and who is eligible for appointment as an Independent Director, be and is hereby reappointed as an Independent Director of the Company for a

further period of five years with effect from 1st April 2019 upto 31st March 2024.

By Order of the Board of Directors,
Ketan Adhvaryu
Company Secretary

Date : 14.8.2018

Place : Ahmedabad

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 24-9-2018 to 27-9-2018 (both days inclusive)
3. All the documents referred to in the Notice and Explanatory statement would be open for inspection at the Registered office of the Company during business hours on all working days till the date of meeting.
4. Members who hold equity shares in dematerialized form are requested to bring their DPID and client ID numbers for easy identification of attendance at the meeting.
5. Pursuant to SEBI Circular, it is mandatory to quote PAN for transfer/ transmission of shares in physical form. Therefore, the transferee(s) legal heirs are requested to furnish copy of their Pan to the Registrar and Share Transfer Agents- MCS Share Transfer Agent Limited.
6. In accordance with MCA Circular No.18/2011 dated 29/4/2011, members who desire to receive their copy of Annual report through email may register email address to the Company Secretary at ketanadvharyu@sarabhai.co.in or to our Registrar at mcsitdbaroda@gmail.com

Voting through electronic means:

The Company offers evoting facility to members as per section 108 of the Companies Act, 2013 and Companies (Management and Administration Rules) 2014.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 24th September, 2018 at 10.00 a.m. and ends on 26th September, 2018 at 5.00 p.m.. During this period the shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.

- (iii) Click on Shareholders.

- (iv) Now Enter your User ID

- a. For CDSL : 16 digits beneficiary ID,
- b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (v) Next enter the Image Verification as displayed and Click on Login.

- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat form and Physical form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as Physical shareholders.) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth DOB	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xi) Click on the EVSN of Ambalal Sarabhai Enterprises Limited.

- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option either "YES/NO" for voting. Select the option either YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also use Mobile app - "m - Voting" for e voting. m - Voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).
- (xvx) **Note for Non-Individual Shareholders and Custodians.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e mailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be e mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

SECTION B - COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS

- i The voting rights of shareholders shall be in proportion to their shares of the Paid up Equity Share Capital of the Company.
- ii CS Ajay Parikh & Associates, Practising Company Secretary (Membership No. FCS 6075; CP No.6503, C-4, Yaspal Apartment-2, Nr. Vijay Cross Roads, Navrangpura, Ahmedabad-380 009 has been appointed Scrutinizer the e-voting Process.
- iii The Scrutinizer shall, within a period not exceeding 48 hours from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any and submit forthwith to the Chairman of the Company.
- iv. The Results shall be declared within 48 hours of the date of AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the website of CDSL <https://www.evotingindia.co.in> and communicated to the BSE Limited, where the shares of the company are listed.
- v. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.
 Company : Ambalal Sarabhai Enterprises Limited Regd. Office: Shanti sadan, Mirzapur Road, Ahmedabad-380001 Gujarat, India.
 CIN: L52100GJ1978PLC003159
 E-mail ID: ketanadhvaryu@sarabhai.co.in
 Registrar and Transfer Agent : MCS share Transfer Agents Limited
 e-Voting Agency : Central Depository Services (India) Limited
 E-mail ID: helpdesk.evoting@cdslindia.com,
 Scrutinizer : CS Ajay Parikh & Associates, Practising Company Secretary
 E-mail; ID : ajay_ajay21@yahoo.com

Explanatory Statement

Required under section 102 of the Companies Act 2013 to accompany the Notice of the fortieth Annual General Meeting.

Item :3

Mr. A. H. Parekh is M. Pharm, having extensive and varied experience of over 46 years in various areas of Production and Management. He has been associated with the Company for more than 4 decades. At present he is carrying out all day to day management functions related to Pharmaceuticals (formulations) production, subject to the superintendence and control of the Board of Directors.

The tenure of Mr. Parekh as Whole-time Director & President (formulations) ended on 26-12-2017

In view of the involvement and contribution in formulation segment and for restructuring of Company's business, the Nomination and Remuneration Committee and Board of Directors at their respective Meetings held on 13-12-2017 have subject to requisite approvals, re-appointed him for a further period of 3 years with effect from 26-12-2017 on following terms and conditions.

1. a) Basic Salary : Rs. 1,05,000/-p.m. in the grade of 1,05,000-5000-1,10,000-1,25,000
- b) House rent allowance : Rs. 42,000 @ 40% of (a)
- c) Newspaper allowance : Rs. 400 p.m.
- d) Perquisites : Total perquisites shall be restricted to 70% of basic salary.
- i) Expenditure : To be valued as per IT Rules and in absence of such rules
- Incurred on gas electricity, water to be valued at actual cost.
- ii) Medical : Reimbursement of expenses actually incurred for self, wife and dependent Children. However, such reimbursement For self and family As it would exceed maximum limit laid Down under I.T. Rules, would be subject to tax, from time to time.
- iii) Leave Travel : only travel fare, once a year to & fro Concession for Self and family for any place in India.
- iv) Telephone : Personal long distance call to be paid by Facilities at the appointee. Residence
- *v) Reimbursements of actual entertainment expenses incurred for the business of the Company, as per Company's rules.
- *vi) Leave on full pay, as per rules of the Company, but not exceeding one month's leave for every eleven months of service.
- *ix) Gratuity would become payable at the rate not exceeding half month's salary for each completed year of service.
- x) Encashment of leave in respect of leave accumulated but not availed of at the end of the

tenure, would be permissible.

- These terms would not be considered while computing Managerial remuneration.
2. Annual Increment : Entitled to get annual increment as may be decided by the Board of Directors within the limites prescribed in Schedule V of the Companies Act, 2013.
 3. KPA : Mr. Parekh shall be entitled for compensation of Rs. 3,00,000 per annum on achieving pre determined Key Performance Area as determined by the Remuneration Committee of Directors in proportion to achievement of key performance target both quantitative and qualitative.
 4. In absence of or in-adequacy of profits in any financial year, he will be entitled to said salary, perquisites etc. as mentioned above as minimum remuneration.
 5. Other terms and conditions:
 - i) In the capacity of a Whole –time Director, he shall not be paid any sitting fees to attend the meeting of the Board and /or Committee thereof.
 - ii) In the event of cessation of his respective office during any financial year, the aforesaid remuneration will be paid on a pro-rata basis.
 - iii) He shall not so long as he functions as Whole-time Director of the company become interested or otherwise concerned directly or through wife/or minor children in any selling agency / wholesalers / distributors of the company.
 - iv) The Company shall deduct all taxes from the remuneration, as per applicable laws, from time to time.
 - v) Without the approval of the Board of Directors of the Company, neither he nor any of his relatives nor any firm or private company in which he or any of his relatives are a Director, member or partner shall enter into any contract with the Company for sale , purchase or supply of any goods, materials or services for whatever value. He shall also report to the Board the names of all private companies, firms or proprietorship in which he or any of his relatives as defined in the Companies Act, have any interest as Director, member, partner or proprietor.
 - vi) The appointment is terminable by notice of three months on either side or by payment of three months' salary in lieu thereof.
 6. The Board / Nomination and Remuneration Committee of Directors of the Company would be empowered to modify the terms of remuneration as may be required and also to increase the above remuneration on an annual basis during the tenure

and such an increase would be within the limit of Schedule V of the Companies Act, 2013 (or any amendment or re-enactment made thereof from time to time) as applicable to the Company and would be subject to other compliance/s if any, as might be then required.

7. Terms of the appointment of Whole-time Director & President –Formulation) can be renewed by the Board of Directors before the expiry of the said term and in case the terms are not renewed before the expiry of the existing term by the Board of Directors, he shall cease to be a Whole-time Director & President – (formulation) on expiration of the present term.

The proposed resolution and explanatory statement may be treated as an abstract of the terms and conditions of the appointment of Mr. A H Parekh as Whole-time Director in terms of section 190 of the Companies, Act 2013.

Mr. A H Parekh may be considered to be concerned or interested in the proposed resolution.

None of the other Directors of the Company are concerned or interested in the said resolution.

Item No: 4

Ms. Chaula Shastri is B.Com. LLB, Diploma in Business Management. She has been associated with the Company since 1979. Ms. Shastri has wide and varied experience of over 35 years in various areas of Administration and Management. At present, she is looking after the day to day management functions at the Vadodara campus under the superintendence and control of the Board of Directors. The tenure of Ms. Shastri as Whole-time Director

completed on 31-03-2018. In view of her involvement and contribution in restructuring of the Company, the Nomination and Remuneration Committee and Board of Directors at their respective meeting held on 14-02-2018 have subject to the requisite approval/s, re-appointed her for a further period of 3 years with effect from 1-4-2018 on following terms and conditions:

1. a) Basic Salary : Rs. 97,000/-p.m. in the grade of 97,000-5,000-1,50,000-6000-2,50,000
- b) House rent allowance : Rs. 38,800 @ 40% of (a)
- c) Newspaper allowance : Rs. 400 p.m.
- c) Perquisites : Total perquisites shall be restricted to 60% of basic salary.
- i) Expenditure : To be valued as per ITRules Incurred on gas and in absence of such rules to be valued at cost. electricity, water to be valued at actual cost.
- ii) Medical benefits : Reimbursement of expenses For self and actually incurred for self,

- | | |
|---|---|
| family | spouse and dependent children. However, such reimbursement as it would exceed maximum limit laid down under I.T. Rules, would be subject to tax, from time to time. |
| iii) Leave Travel : Self and family | Only travel fare, once a year to & fro for any place in India. |
| iv) Telephone : Facilities at Residence | Personal long distance call to be paid for by the appointee. |
| v) Club fee and personal accident insurance as the company's rules. | |

Ms. Shastri shall also be entitled for the following benefits. However the same will not be taken in to accounts while computing Managerial remuneration.

Other Benefits:

- A. Reimbursement of actual entertainment expenses incurred for the business of the Company, as per Company's rules.
- B. Leave on full pay, as per rules of the Company, but not exceeding one month's leave for every eleven months of service.
- C. Company's contribution towards provident fund and superannuation fund as per rules of the Company.
- D. Gratuity would become payable at the rate not exceeding half a month's salary for each completed year of service.
- E. Encashment of leave in respect of leave accumulated but not availed of at the end of the tenure, would be permissible.
- 2 Annual Increment : Entitled to get annual increment as may be decided by the Board of Directors within the limits prescribed in Schedule V of the Companies Act 2013
3. KPA : Ms. Chaula Shastri shall be entitled for compensation of Rs. 2,50,000p.a. on achieving pre determined Key Performance Area as determined by Nomination and Remuneration Committee of Directors in proportion to achievement of key performance target both quantitative and qualitative.
4. In absence of or in-adequacy of profits in any financial year, he will be entitled to said salary, perquisites etc. as mentioned above as minimum remuneration.
5. Other terms and conditions:
 - i) In the capacity of a Whole –time Director, she

shall not be paid any sitting fees to attend the meeting of the Board and /or Committee thereof.

- ii) In the event of cessation of her respective office during any financial year, the aforesaid remuneration will be paid on a pro-rata basis.
 - iii) She shall not so long as her functions as Whole-time Director of the company become interested of otherwise concerned directly or through spouse/or minor children in any selling agency of the company further without the prior approval of the Central Government.
 - iv) The Company shall deduct all taxes from the remuneration, as per applicable law, from time to time.
 - v) Without the approval of the Board of Directors of the Company, neither she nor any of her relatives nor any firm or private company in which she or any of her relatives are a Director, member or partner shall enter into any contract with the Company for sale, purchase or supply of any goods, materials or services for whatever value. She shall also report to the Board the names of all private companies, firms or proprietorship in which she or any of her relatives as defined in the Companies Act, have any interest as Director, member, partner or proprietor.
 - vi) The appointment is terminable by notice on either side or by payment of three months' salary in lieu thereof.
6. The Board / Nomination and Remuneration Committee of Directors of the Company would be empowered to modify the terms of remuneration as may be required and also to increase the above remuneration on an annual basis during the tenure and such an increase would be within the limit of Schedule V of the Companies Act, 2013 (or any amendment or re-enactment made thereof from time to time) as applicable to the Company and would be subject to other compliance/s if any, as might be then required.
7. Ms. Shastri's terms of the appointment of Whole-time Director may be renewed by the Board of Directors before the expiry of the said term and in case the terms are not renewed before the expiry of the existing term by the Board of Directors, she shall cease to be Whole-time Director on expiration of the present term.

The proposed resolution and explanatory statement may be treated as an abstract of the terms and conditions of the appointment of Ms. Chaula Shastri as Whole-time Director in terms of section 190 of the Companies Act, 2013.

Ms. Shastri may be considered to be concerned or interested in the proposed resolution.

None of the other Directors of the Company are concerned or interested in the said resolution.

Your Directors commend the resolutions as set out in the Notice for your approval and acceptance.

Item No: 5

Mr. Kartikeya V Sarabhai is M.A.(Cantab), did his Post Graduate studies at MIT, USA. He joined the Board of the Company in 1992 and was appointed as the Chairman of the Company since 1995. He has been very actively associated with the overall operations of the Company, monitoring various areas of operations and management on day to day basis.

The tenure of Mr. Sarabhai as Whole-time Director completed on 31-3-2018

The Nomination and Remuneration Committee of Directors and the Board of Directors at their respective meeting held on 14-2-2018 and had subject to requisite approval/s, re-appointed him for a period of 3 years with effect from 1-4-2018 and his terms and conditions including remuneration have been decided at their meetings held on 14-2-2018 as under.

- 1 a) Basic Salary : Rs.1,80,000/-p.m. in the grade of Rs. 1,40,000-7,500-2,50,000 -10,000-4,00,000
- b) House rent allowance : Rs.72,000/- @40% of (a)
- c) Perquisites : Total perquisites shall be restricted to Rs. 81,583
 - i) Expenditure : To be valued as per IT Rules Incurred on gas and in absence of such rules electricity, water to be valued at actual cost.
 - ii) Medical benefits : Reimbursement of expenses actually incurred for self, wife and dependent Children. However, such reimbursement As it would exceed maximum limit laid Down under I.T. Rules, would be subject to tax, from time to time.
 - iii) Leave Travel : Only travel fare, once a year to & fro for any place in India.
 - iv) Addi. Allowance : In the terms form of conveyance /petrol/ misc. Expenses.
 - v) Telephone : Personal long distance call to be paid by the appointee Facilities at Residence
- *v) Reimbursements of actual entertainment expenses incurred for the business of the Company, as per Company's rules.
- vi) club fees and personal accident insurance, as per company's rules.

Mr. Sarabhai shall also be entitled to the following benefits. However the will not be taken into account while computing Managerial remuneration.

Other Benefits:

- A) Reimbursement of actual entertainment expenses incurred for the business of the Company, as per Company's rules.
- B) Leave on full pay, as per rules of the Company, but not exceeding one month's leave for every eleven months of service.
- C) Gratuity would become payable at the rate not exceeding half month's salary for each completed year of service.
- D) Encashment of leave in respect of leave accumulated but not availed of at the end of the tenure, would be permissible.
- E) Company's contribution towards of Superannuation fund as per rules of the Company.

2. Annual Increment : Entitled to get annual increment as may be decided by the Board of Directors within the limits prescribed in schedule V of the Companies Act, 2013

5. KPA : Mr. Sarabhai shall be entitled for compensation of Rs. 3,00,000 per annum on achieving pre determined Key Performance Area as determined by Nomination and Remuneration Committee of Directors in proportion to achievement of key performance targets both quantitative and qualitative.

6. In absence of or in-adequacy of profits in any financial year, he will be entitled to said salary, perquisites etc. as mentioned above as minimum remuneration.

7. Other terms and conditions:

- i) In the capacity of a Whole –time Director, he shall not be paid any sitting fees to attend the meeting of the Board and /or Committee thereof.
- ii) In the event of cessation of his respective office during any financial year, the aforesaid remuneration will be paid on a pro-rata basis.
- iii) He shall not so long as he functions as Whole-time Director of the company become interested of otherwise concerned directly or through wife/or minor children in any selling agency / wholesalers / distributors of the company.
- iv) The Company shall deduct all taxes from the remuneration, as per applicable law, from time to time.
- v) Without the approval of the Board of Directors of the Company, neither he nor any of his relatives nor any firm or private company in which he or any of his relatives are a Director, member or partner shall enter into any contract with the Company for sale , purchase or supply of any goods, materials or services for whatever value.

He shall also report to the Board the names of all private companies, firms or proprietorship in which he or any of his relatives as defined in the Companies Act, have any interest as Director, member, partner or proprietor.

vi) The appointment is terminable by notice of three months on either side or by payment of three months' salary in lieu thereof.

8. The Board / Nomination and Remuneration Committee of Directors of the Company would be empowered to modify the terms of remuneration as may be required and also to increase the above remuneration on an annual basis during the tenure and such an increase would be within the limit of Schedule V of the Companies Act, 2013 (or any amendment or re-enactment made thereof from time to time) as applicable to the Company and would be subject to other compliance/s if any, as might be then required.

9. Terms of the appointment of Whole-time Director can be renewed by the Board of Directors before the expiry of the said term and in case the terms are not renewed before the expiry of the existing term by the Board of Directors, Mr. Sarabhai shall cease to be Whole-time Director on expiration of the present term.

The proposed resolution and explanatory statement may be treated as an abstract of the terms and conditions of the appointment of Mr. Sarabhai as Whole-time Director in terms of section 190 of the Companies, Act 2013.

Mr. Kartikeya V Sarabhai may be considered to be concerned or interested in the proposed resolution.

None of the other Directors of the Company are concerned or interested in the said resolution.

Item Nos. 6,7 & 8:

Mr. G D Zalani, Mr. C S Bohra and Mr. Ashwin P Hathi were appointed as Independent directors on the Board of the company with effect from 1-4-2014 for a term of five years in the AGM held on 25-09-2014. They are eligible for reappointment as Independent directors for a further term of five years provided special resolutions are passed for their appointment in the AGM. Since the company has received a Notice u/s 160 for reappointment of these directors and Board also feels that it would be in the interest of the company to have such experienced persons on the Board, it has been proposed to appoint them for further period of five years.

Mr. G D Zalani, Mr. C S Bohra and Mr. Ashwin P Hathi, are interested in their respective resolution, None of the other directors are interested in the resolutions.

By Order of the Board of Directors,
Ketan Adhvaryu
Company Secretary

Date : 14.8.2018

Place : Ahmedabad