



**TWENTY FIRST  
ANNUAL  
REPORT  
2014-2015**

**UNJHA FORMULATIONS LIMITED**

**BOARD OF DIRECTORS**

CHAIRMAN & MANAGING DIRECTOR	:	Shri Mayankbhai S. Patel
EXECUTIVE DIRECTOR	:	Shri Krutiben M. Patel
DIRECTOR	:	Shri Jashodaben S. Patel
DIRECTOR	:	Shri Chandrakant V. Modh
DIRECTOR	:	Shri Hasmukh S. Chavda
DIRECTOR	:	Shri (Dr.) Chetan O. Thakker
AUDITORS	:	M/s. Kantilal Manilal Shah & Co. Chartered Accountants G-3, Indraprasth Flat, Jail Road, Mehsana-384002 (N. G.)
SECRETARIAL AUDITOR	:	M/s. Ajay Parikh & Associates Company Secretaries C-4, Yashpal Apartments, Navrangpura, Ahmedabad-380 009.
BANKERS	:	DENA BANK Sidhpur Branch, Sidhpur (N. G.)
REGISTERED OFFICE & CORPORATE OFFICE	:	Khali Char Rasta, State Highway, Ta. Sidhpur-384151 (N. G.)
REGISTRAR & SHARE TRANSFER AGENT	:	Link Intime India Pvt. Ltd. Unit No 303, 3 <sup>rd</sup> floor Shoppers Plaza V, Opp Municipal Market, Behind Shoppers Plaza II, Off C G Road, Ahmedabad 380009
LISTING	:	Bombay Stock Exchange Ltd.
DEPOSITORIES	:	NSDL CDSL
ISIN	:	INE576D01015
CIN	:	L99999GJ1994PLC022932

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# UNJHA FORMULATIONS LIMITED



## NOTICE:

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

Day & Date : 22<sup>nd</sup> August, 2015  
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, 2015 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 Smt Jashodaben Shambhubhai Patel, who retires by rotation and being eligible, offer him for re-appointment.
- 3) To appoint a Director in place of Shri Hasmukh S. Chavda, who retires by rotation and being eligible, offer him 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:

To Consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

- 5) "Resolved that pursuant to Section 196, 197, 203 & Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) and subject to approval of members in general meeting and further subject to such approval and sanction as may be required, Mrs. Krutiben Mayankkumar Patel, be and is hereby appointed as an Executive Director of the Company for a period of three years with effect from 01.10.2015, following on such terms and conditions including remuneration and perks payable as above from such date as may determined by the Board in consultation with, so as not to exceed the overall ceiling laid down in Schedule V to the Companies Act, 2013 as amended from time to time.

Salary: Rs.35,000 (Rupees Thirty Five Thousand Only) per month in the grade of Rs.35,000-40,000-45,000

In addition to the salary, he shall be entitled to the perquisites in category A and B.

### CATEGORY –A:

Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

### CATEGORY –B:

Provision of the car use on Company's business and telephone at residence will not be considered as perquisites. However, personal long distance calls on telephone and use of car for private purpose shall billed by the company to the Executive Director.

### CATEGORY –C:

Medical self and family up to maximum one month salary or 8.33% per annum.

"RESERVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters, things as they may consider necessary in their absolute discretion deem fit and proper to give effect the above resolutions."

To Consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

- 6) "RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), the existing Clause under Part A of the Objects Clause of Memorandum of Association of the Company remains same whereas Part B and Part C of Objects Clauses of Memorandum of Association of the company be replaced with Part B viz. "Matters which are Necessary for furtherance of the Objects Specified in Clause 3(A)".

"RESERVED FURTHER THAT all the Directors of the Company be and are hereby severally authorized to do all such acts, deeds and things and to sign all such documents, papers and writings as may be necessary to give effect to the resolution."

"RESOLVED FURTHER THAT, wherever required, the reference to various sections of the Companies Act, 1956 be replaced with the reference to the corresponding sections of the Companies Act, 2013 in Part A and B of the objects clause of the Memorandum of Association of the Company."

"RESOLVED FURTHER THAT the existing Part C titled 'Other Objects' of the Objects Clause in the Memorandum of Association of the Company be Deleted"

"FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, Mr. Mayankkumar S. Patel, Managing Director of the Company be and is hereby authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of MGT-14 with the Registrar of Companies, Gujarat."

**To Consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

- 7) "RESOLVED THAT pursuant to the provision of Section 188 and other applicable provisions of the Companies Act, 2013 read with Rules issued there under, including the Companies (Meetings of Board and its powers) Rules, 2014 including any statutory modification(s) or re-enactments thereof for the time being in force, and clause 49 of the Listing Agreement read with Circular No. CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014 as modified by Circular No. CIR/CFD/POLICY CELL/7/2014 dated 15th September 2014, issued by the Security and Exchange Board of India (SEBI), the consent of the members of the Company be and hereby accorded to the Board of Directors of the Company for the Contracts/agreements/transactions with the related parties for the financial year 2015-16, for (a) sale, purchase or supply of any goods or materials directly or through appointment of agents, and (b) availing or rendering of any services whether technical and/or financial and/or both, more particularly described in the Explanatory Statement, for an aggregate maximum amount not exceeding financial year by Rs. 400 Lacs (Rupees Four hundred Lacs only);

"FURTHER RESOLVED THAT for the purpose of giving effect to this Resolution, Mr. Mayankkumar S. Patel, Managing director be and is hereby authorised to do such acts, deeds, matters and things as they may in their absolute discretion consider necessary, proper, expedient, desirable or appropriate and take all necessary and desirable steps for the aforesaid purpose and matters incidental thereto."

By order of the Board

PLACE: Sidhpur  
DATE: 28.05.2015

Mayank S. Patel  
(CHAIRMAN)

# UNJHA FORMULATIONS LIMITED



## 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 17<sup>th</sup> day of August, 2015 to 22<sup>nd</sup> day of August, 2015 (Both days inclusive).
3. The Members are requested to notify immediately of any change in their address in physical as well as Demat form to Register & Share Transfer Agent, Link Intime India Pvt. Ltd. Ahmedabad/Mumbai.
4. Members desirous of obtaining any information concerning the accounts of the company may write to the Company at least 10 days in advance before the date of the Annual General Meeting so that the information required may be made available at the meeting.
5. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 21<sup>st</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by M/s Central Depository Services (India) Limited (CDSL).

The instructions for members for voting electronically are as under:-

- (i) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) 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.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>◆ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>◆ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <p>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 (v).</p>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) 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.
- (xix) 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](http://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 emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance 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 mailed to [helpdesk.evoting@cdslindia.com](mailto: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.
- (xx) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## ANNEXURE TO NOTICE:

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 to the accompanying Notice.

### Item No.5:

As members are aware that in view of the increasing activities of the company and it is necessary to appoint an Executive Director Mrs. Krutiben Mayankkumar Patel, Director of the company to look after Company's day to day affairs. The Board Meeting held on 28.05.2015 have decided to appoint Mrs. Krutiben Mayankkumar Patel as an Executive Director for the period of three years w.e.f. 01.10.2015.

Board of Directors recommend the shareholders to adopt the proposed resolution as a Special Resolution.

None of the Directors of the Company is concerned or interested in the said Resolution except himself.

### Item No.6:

The existing Memorandum of Association ("MOA") of the Company was framed pursuant to the provisions of the Companies Act, 1956. The provisions of the Companies Act, 2013 which have come into force with effect from April 1, 2014 require for stating of the Clauses of MOA in a different manner. In view of the requirements of the Clauses are proposed to be amended as under:

- 1.The Objects Clause will now have 2 parts viz. Part A- 'The Main Object of the Company to be pursued on its Incorporation', and Part B- 'Matters which are Necessary for furtherance of the Objects Specified in Clause 3(A)'
- 2.The existing Clause 1 under Part A of the Objects Clause of Memorandum of Association of the Company remains same whereas Part B and Part C of Objects Clauses of Memorandum of Association of the company be replaced with Part B viz. "Matters which are Necessary for furtherance of the Objects Specified in Clause 3(A)".
3. The existing Part B of the Objects Clause of MOA has been retained except that the reference to various sections of the Companies Act, 1956 are proposed to be replaced with the reference to the corresponding sections of the Companies Act, 2013

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4. The existing Part C viz. "Other Objects" is proposed to be deleted in line with the requirements of the Companies Act, 2013.

The Alteration of MOA requires the approval of the shareholders by means of a Special Resolution pursuant to Section 13 of the Act. The Board of Directors in its meeting held on 28<sup>th</sup> May, 2015 has accorded its approval for adoption of MOA. Your Directors recommend the same for approval of the shareholders to be passed as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the Resolution.

### Item No.7:

The Board of Directors of the Company, at its meeting held on 28.05.2015 has approved a proposal for entering into following related party transactions for the year 2015-16:

Name of the related party	Name of the director or key managerial personnel who is related, if any	Nature of relationship	Nature, material terms, monetary value and particulars of the contract or arrangement	Amount (Rs. In Lacs)
Urvesh Psyllium Industries Ltd	Mr. Mayank S. Patel Mrs. Jashodaben S. Patel Mrs. Krutiben M. Patel	Directors	Sale/purchase of Psyllium husk on arm's length basis	400

Any other information relevant or important for the members to make a decision on proposed transaction: None.

Section 188 of the Act provides that if transactions with the related parties are not in the ordinary course of business or on arm's length basis, such transactions are required to be approved by the Board of Directors and shareholders, depending upon the materiality of the transaction. In other words, approval of Board or shareholders, as the case may be, is not required under the Act, if a particular transaction is in the ordinary course of business and on arm's length basis.

Revised Clause 49 (VII)(E) of Listing Agreement provides that all material RPTs, i.e., transaction(s) entered into during a financial year exceeding 10 % of the annual turnover of the company as per latest audited financial statements required prior approval of shareholders through special resolution.

In the opinion of the Board, the transaction/contracts/arrangements by the company with the above parties are in the ordinary course of business and at arm's length basis. However, considering the fact that the value of contracts/arrangements/transaction with the aforesaid related parties during a financial year may be material as defined under clause 49 of the Listing Agreement and it is proposed to seek the approval of members for the aforesaid arrangements/contracts/transactions for the financial year 2015-16.

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 7 of the Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, concerned or interested, financially or otherwise in the Resolution.

**By order of the Board**

**PLACE: Sidhpur**  
**DATE: 28.05.2015**

**Mayank S. Patel**  
**(CHAIRMAN)**

Details of Directors seeking appointment/re-appointment at the Annual General Meeting  
(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange)

Name of Directors	Shri Jashodaben S. Patel	Shri Hasmukh S. Chavda
Date of Birth	19/10/1937	27/02/1980
Date of Appointment	31/01/2014	21/05/2001
Expertise in Specific function areas	Administrative functions	Accounts, General Administration, Banking, etc.
Qualification	Matric	B.A.
List of other cos. In which Directorship held on 31.03.15	None	None
Chairman/member of the committee of other public cos.	None	None

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## REPORT OF DIRECTORS:

To the Members,

Your directors have pleasure in presenting their **Twenty First** Annual Report together With Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2015.

### **FINANCIAL RESULTS:**

The Working results of the Company are as under:

PARTICULARS	Rs. in Lacs	
	31.03.2015	31.03.2014
TURNOVER	893.40	663.2
OTHER INCOME	9.31	2.26
TOTAL INCOME	902.71	665.58
PROFIT BEFORE DEPRECIATION AND TAXATION	26.75	19.06
LESS : DEPRECIATION	9.40	6.63
PROFIT/LOSS BEFORE TAX	17.38	12.43
LESS : PROVISION FOR TAXATION	NIL	NIL
PROFIT FOR THE YEAR	17.38	12.43
BALANCE AS PER LAST BALANCE SHEET	(445.85)	(456.46)
TOTAL PROFIT/LOSS	(428.47)	(445.85)

### **BUSINESS OPERATIONS & PROSPECTS:**

During the year under review your company has sales turnover of Rs.8.93 Cr (in respect of its existing activities) with increase of 34.71% over the previous year.

### **DIVIDEND:**

Your Directors do not propose any dividend on Equity Shares for the period ended 31<sup>st</sup> March, 2015.

### **SHARE CAPITAL:**

The paid-up equity share capital as on 31<sup>st</sup> March, 2015 was Rs. 44,805,000/-. There was no public issue, right issue, bonus issue or preferential issue etc. during the year. The company has not issued shares with differential voting rights, sweat equity shares nor has it granted any stock options.

### **NUMBER OF MEETING OF BOARD OF DIRECTORS:**

The board of Directors duly met 4 times in a year and in respect of these meetings proper notices were given and the proceedings were properly recorded in the minute's book of the company maintained for this purpose under the Companies Act, 2013.

### **SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:**

The company has no any subsidiary, joint venture or associate companies.

### **DISCLOSURE BY INDEPENDENT DIRECTOR IN THE BOARD REPORT U/S 149 (10):**

The board of the company consist of 6 Directors, out of which three are independent Directors, one Managing Director and two whole Directors. All independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149 of the Companies Act, 2013 which has been relied on by the company and placed at the Board Meeting of the company held on 28<sup>th</sup> May, 2015.

### **MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

A separate report of Management Discussion and Analysis is attached as a part of the Annual report.

### **EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith.

### **MARKETING:**

Your Company has continued manufacturing agreement with Reckit Benckiser India Ltd., for sales of Isabgol Husk based product 'Fybogel', Abbott Healthcare Pvt. Ltd., for sales of 'FABOLITE', Karnataka Antibiotics & Pharmaceuticals Ltd for sale of 'Husky', BAPS Herbal Care for sale of 'Easylax Powder', Rhine Biogenics Pvt. Ltd. for sale of 'Trugol Powder'. & Apollo Hospitals Enterprise Ltd., for sales of 'AP Sat-Isabgol'. Your company is also manufacturing Isabgol based for Kinedex Healthcare Pvt. Ltd., i.e. Laxovel Group of Products.



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### **EXPORT:**

During the period under review your company exported Rs. 2,19,04,519.30 (US\$ 365573.00). The Company continued its focus on development of Export Markets, for for Fibrin SF Powder, Albendazole Bolus and Fibernite (Isabgol based formulations) to supplement the present low domestic demand situation.

### **CORPORATE GOVERNANCE:**

The report on the Corporate Governance code along with a certificate from the Auditors of the Company regarding the Management Discussion and Analysis Report are annexed to this report.

### **DIRECTOR'S RESPONSIBILITY STATEMENT:**

The Directors confirm:

1. In the preparation of the annual accounts the applicable accounting standards had been followed.
2. The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affair of the Company at the end of financial year and of the profit of the Company for that period.
3. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of The Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The company has prepared the attach annual statement for the year ended 31<sup>st</sup> March, 2015 a going concern basis.
5. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
6. There is proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **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 2015-16 at Bombay Stock Exchange Ltd. The Company has already completed the procedure for De-Listing of Share from Ahmedabad Stock Exchange Limited as per amended SEBI Guideline and awaiting approval the ASE.

### **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 73 of the Companies Act, 2013 and the rules made there under.

### **LOANS, GUARANTEE AND INVESTMENTS:**

Pursuant to the Provision of Section 186(4) of the Companies Act, 2013 requiring disclosure in the financial statements of the full particulars of the loan given, investment made or guarantee given or security provided directly or indirectly, to any person (other than to employees under contractual obligations) or to other body corporate. The company does not make any investment in securities or give guarantee to any other body corporate. Further, the company has not give any loan to others during the year ended March 31, 2015.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY:**

There are no significant and/or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company.

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### **AUDIT COMMITTEE:**

The Audit committee of the Comprises of Mr. Mayankkumar S. Patel, Mr. Chandrakant V. Modh and Mr. Hasmukh S. Chavda as Members.

The details of terms of reference of the Audit Committee, number and dates of meetings held, attendance of the Directors and remuneration paid to them are given separately in the attached Corporate Governance Report.

### **REMUNERATION AND NOMINATION COMMITTEE:**

The Remuneration and Nomination committee of the Comprises of Mr. Mayankkumar S. Patel and Mr. Chandrakant V. Modh as Members.

The details of terms of reference of the Remuneration and Nomination Committee, number and dates of meetings held, attendance of the Directors and remuneration paid to them are given separately in the attached Corporate Governance Report.

### **DIRECTORATE:**

Shri Jashodaben S. Patel, will be retiring at the ensuring Annual General Meeting and being eligible offers himself for being re-appointment. Shri Hasmukh S. Chavda, will be retiring at the ensuring Annual General Meeting and being eligible offers himself for being re-appointment.

### **PERSONNEL:**

There are no employees covered Under Section 197 of the Companies Act, 2013 read with Companies (Particulars of Employees) Rules, 1975 and hence no information is required to this report.

### **INTERNAL CONTROL AND ITS ADEQUACY:**

The company has adequate internal controls and processes in place with respect to its financial statements which provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. These controls and processes are driven through various policies, procedures and certifications. The processes and controls are reviewed periodically. The company has a mechanism of testing the controls at regular intervals for their design and operating effectiveness to ascertain the reliability and authenticity of financial information.

### **CORPORATE SOCIAL RESPONSIBILITY:**

The provision of Section 135 of Companies Act, 2013 is not applicable to our company. So company has not taken any initiatives for development and implementation of corporate social responsibility during the year.

### **PARTICULARS OF CONSERVATION OF ENERGY ETC.:**

Particulars with respect to Conservation of Energy as per Section 134 of the Companies Act, 2013 read with the (Disclosures of particulars the Report of Board of Directors) Rules, 1988 and forming part of the Directors.

### **AUDITORS:**

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

### **COST AUDITORS & COST AUDIT REPORT:**

Pursuant to the directives of the Central Government under the provisions of Section 148(3) of the Companies Act, 2013, qualified Cost Auditors have been appointed to conduct cost audits relating to several products manufactured by the Company. Not applicable.

### **SECRETARIAL AUDITORS:**

Pursuant to the provision of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company with the approval of its Board, appointed M/s. Ajay Parikh & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the company for the financial year ended March 31, 2015. The Secretarial Audit Report is annexed herewith as annexure. There are no qualifications, reservation or disclaimer made by the auditor in the report.

### **EXPLANATION OR COMMENTS BY THE BOARD FOR INTERNAL AUDITOR AND KEY MANAGERIAL PERSONNEL:**

after the point name like Internal Auditor and key Managerial Personnel CFO/CS

The Board has clarified under section 138 of Companies Act, 2013 read with Rule 13 of The Companies (Accounts) rules, 2014 that the Company has qualified and strong management staff. Also, the company has very less turnover of approximate Rs. 9 crs for the year under review and paid up share capital is Rs. 4.48 crs. However, the Board will appoint Internal Auditor soon for the current financial year.

Key Managerial Personnel CFO/CS:

The Board has clarified under section 203(1)(iii) of Companies Act, 2013, they have already appointed senior person who has experience over 10 years in Finance and Accounts and the Board will file his appointment as a CFO very soon.

The Board has firmly assured under section 203(1)(ii) of Companies Act, 2013 that the Board of Directors are trying to appoint Company Secretary, but they could not find any suitable candidate for the same as the company is situated at remote area in between Unjha and Sidhpur highway. However, the Board will appoint Company Secretary for the current year soon.

### **RESERVATION AND QUALIFICATION ON AUDITOR REPORT:**

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation. The notes on financial statements are self-explanatory, and needs no further explanation. Further the Auditor's Report for the Financial year ended 31<sup>st</sup> March, 2015 is annexed herewith for your kind perusal and information.