

NOTICE:

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

Day & Date : Tuesday, 28th August, 2018
Time : 10.30 A..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 Standalone audited financial Statement of the Company for the financial year ended 31st March, 2018 including the reports of the Board of Directors and Auditor's thereon.
- 2) To appoint a Director in place of Smt. Jashodaben S. Patel, who retires by rotation and being eligible, offer her 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:

- 3) "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 Mayank Patel, be and is hereby appointed as an Executive Director of the Company for a period of three years with effect from 01.10.2018, 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.35,000-45,000-60,000. 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 Managing Director.

CATEGORY -C:

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

Notwithstanding anything contained in Section 197 sub-section (1) and (2), but subject to the provisions of Schedule V of the Companies Act, 2013, if, in any financial year, the company has no profit or its profits are inadequate, the company will pay minimum remuneration at the same substantive salary and perquisites as specified above.

"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 an Ordinary Resolution:

- 4) "RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable provisions if any, including and statutory modifications and re-enactment thereto, approval of the Company be and is hereby accorded to the Board of Directors of the Company for the Contracts/agreements/transactions with the related parties for the financial year 2018-19, 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. Mayank 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."

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 the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of Companies Act, 2013 and rules made thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (including statutory modification(s) or re-enactment thereof for the time being in force) Shri Chetankumar O. Thakker (holding DIN: 00277462), who was appointed as an Independent Director up to the date of 31.03.2018 and being eligible, and in respect whom the company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years which shall start from the 1st April, 2018 to 31st March, 2023."

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 Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of Companies Act, 2013 and rules made thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (including statutory modification(s) or re-enactment thereof for the time being in force) Shri Hasmukh S. Chavda (holding DIN: 02416004), who was appointed as an Independent Director up to the date of 31.03.2018 and being eligible, and in respect whom the company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years which shall start from the 1st April, 2018 to 31st March, 2023."

By order of the Board

PLACE: Sidhpur
DATE: 30.05.2018

Mayank S. Patel
(CHAIRMAN & MD)

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 **21st day of August, 2018 to 28th day of August, 2018** (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 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 23rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting votes by member using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by M/s Central Depository Services (India) Limited (CDSL).

The instructions for shareholders voting electronically are as under:

- (I) The voting period begins on 25th August 2018 (9:00 am) and ends on 27th August 2018 (5:00 pm) 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 21st August 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	<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"> 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)	<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> <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 for the relevant UNJHA FORMULATIONS LIMITED on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xvi) 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).
- (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 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.
- 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 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.

- (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, under help section or write an email to helpdesk.evoting@cdslindia.com.

ANNEXURE TO NOTICE:**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 to the accompanying Notice.****Item No.3:**

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 M. Patel, to look after Company's day to day affairs. The Board Meeting held on 30.05.2018 have decided to

appoint Mrs. Krutiben M. Patel as an Executive Director for the period of three years w.e.f. 01.10.2018.

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.4:

The Board of Directors of the Company, at its meeting held on 26.03.2018 has approved a proposal for entering into following related party transactions for the year 2018-19:

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. Kruti M. Patel Smt. Jashodaben S. 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 Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable provisions if any, provides that if transactions with the related parties are not in the ordinary course of business or on arm's length basis. The related party transaction is suggested and approved by the members of the Audit Committee. The 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.

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.

Accordingly, consent of the members is sought for passing a Ordinary Resolution as set out at Item No. 5 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.

Item No.5:

To re-appoint Shri Chetankumar O. Thakker as an Independent Director of the Company:

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of up to five consecutive years on the Board of a Company.

- 1) In line with the aforesaid provisions of the Companies Act, 2013 and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. (Dr.) Chetankumar O. Thakker, it is proposed to re-appoint him for the second term as an independent Director for a period of five years which shall starts from the 1st April, 2018 to 31st March, 2023." ..

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 6 of the Notice.

Item No.6:

To re-appoint Shri Hasmukh S. Chavda as an Independent Director of the Company:

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

- 1) In line with the aforesaid provisions of the CA 2013 and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Shri Hasmukh S. Chavda, it is proposed to re-appoint him for the second term as an independent Director for a period of five years which shall starts from the 1st April, 2018 to 31st March, 2023." .

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

PLACE: Sidhpur
DATE: 30.05.2018

By order of the Board
Mayank S . Patel
(CHAIRMAN & MD)

UNJHA FORMULATIONS LIMITED



****Details of Directors seeking appointment/re-appointment at the Annual General Meeting
(Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure
Requirements) Regulation, 2015 & Secretarial Standard 2)**

Name of Directors	Mrs. Jashodaben S. Patel	Mr. Chetankumar Thakker (Dr.) O.	Mr. Hasmukh S. Chavda
Date of Birth	19/10/1937	12/04/1960	27/02/1980
Nationality	Indian	Indian	Indian
Date of Appointment	31/01/2014	01/12/2005	21/05/2001
Expertise in specific function areas	Administrative Functions	More than 15 years in the specific area in Medical Science	More than 10 years his specific area in Accounts, General Administration.
Qualification	Matric	MD	B.A.
Name of other entities in which the person also holds Directorship	Urvesh Psyllium Industries Limited	None	None
Name of other entities in which the person also holds membership of the Committee of the Board.	None	None	None
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	N.A.	N.A.	N.A.
Shareholding in the Company as on 31 st March, 2018	739800	NIL	NIL

UNJHA FORMULATIONS LIMITED



REPORT OF DIRECTORS:

To the Members,

Your directors have pleasure in presenting their Twenty Fourth Annual Report together With Audited Statement of Accounts of the Company for the year ended 31st March, 2018.

FINANCIAL RESULTS: The Working results of the Company are as under

PARTICULARS	Rs. in Lacs	
	31.03.2018	31.03.2017
TURNOVER	1129.52	1224.09
OTHER INCOME	3.54	10.64
TOTAL INCOME	1133.06	1234.73
PROFIT BEFORE DEPRECIATION AND TAXATION	36.31	38.38
LESS: DEPRECIATION	10.05	8.83
PROFIT/LOSS BEFORE TAX	26.26	29.55
LESS: PROVISION FOR TAXATION	NIL	NIL
PROFIT FOR THE YEAR	26.26	29.55
BALANCE AS PER LAST BALANCE SHEET	(373.19)	(402.74)
TOTAL PROFIT/LOSS	(346.93)	(373.19)

BUSINESS OPERATIONS & PROSPECTS:

During the year under review your company has sales turnover of Rs. 11.29 Cr. (in respect of its existing activities). Profit before tax decrease by about 12% over previous year to Rs. 26.26 Lacs.

DIVIDEND:

In view of the need to conserve the resources of the Company, the Directors of the Company do not recommend dividend for the year.

CHANGE IN NATURE OF BUSINESS:

There is no change in the nature of business during the year.

SHARE CAPITAL:

The paid-up equity share capital as on 31st March, 2018 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 5 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 one whole Time Director.

All independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149 of the Companies Act, 2013 and SEBI(Listing Obligations and Disclosure Requirements) Regulation,2015 which has been relied on by the company and placed at the Board Meeting of the company held on 30th May, 2018.

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', Abbot 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 SF Powder' and Kinedex Healthcare Pvt Ltd. for sale of Laxovel Group of product and Appolo Pharmacy for sale of Sat-Isabgol etc. Your Company has also continued manufacturing agreement with Karnataka Antibiotics & Pharmaceuticals Limited for sale of Isabgol Husk based product on third party contract manufacturing.

EXPORT:

During the period under review your company exported Rs.2,36,86,162 (US\$ 366330). The Company continued its focus on development of Export Markets, for Albendazole Bolus, Fibrone SF Powder and Fibermate (Isabgol based formulations) to supplement the present low domestic demand situation. During the current year under review company entered into manufacturing contract with South America based well known Pharmaceuticals Company.

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 31st March, 2018 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:

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 2018-19 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, 2018.

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 of Tribunals impacting the going concern status of the Company.

AUDIT COMMITTEE:

The Audit committee of the Comprises of Mr. Mayankkumar S. Patel, Mr. Jitendra P. Limbachiya and Mr. Hasmukh S. Chavda as Members. The members of the Audit Committee duly met 4 times in year.

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. Jitendra P. Limbachiya as Members. The members of the Remuneration and Nomination committee duly met 4 times in year.

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.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee of the Comprises of Mrs. Krutiben M. Patel Mr. Hasmukh S. Chavda and Mr. Chetankumar O. Thakker as Members. The members of the Stakeholders Relationship Committee duly met 5 times in year.

The details of terms of reference of the Stakeholders Relationship 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 AND KEY MANAGERIAL PERSONNEL:**DIRECTORATE:**

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

Mr. (Dr.) Chetankumar O. Thakker, it is proposed to re-appoint him for the second term as an independent Director for a period of five years which shall starts from the 1st April, 2018 to 31st March, 2023."

Shri Hasmukh S. Chavda, it is proposed to re-appoint him for the second term as an independent Director for a period of five years which shall starts from the 1st April, 2018 to 31st March, 2023."

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 (CSR):

Since the Company's net worth does not exceed Rs.500 crores or Company's turnover does not exceed Rs.1000 crore or the Company's net profit does not exceed Rs.5 crore for any financial year, the provisions of section 135 of the Companies Act, 2013 are not applicable to the Company.

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. Miliind Shah & Company ,Chartered Accounts, of the Company have submitted their Independent Auditors Report on the financial Statements of the Company for the year ended 31st March, 2018 and they have made no qualification, reservation or adverse remark in their report. They are, as the Auditors, to hold Office from the conclusion of the ensuring Annual General Meeting until the conclusion of the next Annual General Meeting of the Company. You are requested to reappoint the auditors and fix their remuneration.

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, the appointment of Cost Auditors is not applicable to the Company.

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, 2018. The Secretarial Audit Report is annexed herewith as annexure. The Secretarial Auditors in their Secretarial Audit Report/in the Annexure to their Audit Report have not provided with any qualification except following observations:

- (a) The Company has not appointed Company Secretary as required under section 203(1)(ii) of the Companies Act, 2013.

Explanation: Company will be filling up such vacancy within six months from the date of such vacancy subject to availability of qualified personnel as Company's Regd. Office/Corporate Office is situated in remote place of Gujarat.

EXPLANATION OR COMMENTS BY THE BOARD FOR KEY MANAGERIAL PERSONNEL:

Key Managerial Personnel CS :

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.

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 31st March, 2018 is annexed herewith for your kind perusal and information.

RELATED PARTY TRANSACTIONS:

All the related party transactions are entered on arm's length basis and are in compliance with the applicable provisions of section 188 of the Companies Act, 2013. There are no materially significant related party transactions made by the company with promoters, Directors or key Managerial Personnel etc. which may have potential conflict with the interest of the company at large.

The details of the transactions with Related Party are provided in the accompanying financial statements in Form AOC-2 enclosed as Annexure D.

RISK MANAGEMENT:

The Company has put in place adequate effective system and man power for the purposes of risk Management by formulating risk management policy of the Company.

INSURANCE:

All the properties of the Company including Building, Plant & Machinery, Stock and Stores have been adequately insured.

CASH FLOW STATEMENT:

As required by amended Clause 32 of the Listing Agreement a Cash Flow Statement is appended.

FORMAL ANNUAL EVALUATION:

The Company has devised a policy for performance evaluation of Independent directors, Board, Committees & individual directors which includes criteria for performance evaluation of executive directors & non-executive directors. Board of directors have expressed their satisfaction with the evaluation process.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES:

The Company has formulated a Policy to establish a vigil mechanism for Directors and employees of the Company to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct.