



**TWENTY FIFTH
ANNUAL
REPORT
2018-2019**

UNJHA FORMULATIONS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN &

MANAGING DIRECTOR

EXECUTIVE DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

: Mr. Mayank S. Patel
: Mrs. Kruti M. Patel
: Smt. Jashodaben S. Patel
: Mr. Hasmukh S. Darji
: Mr. (Dr.) Chetan O. Thakkar
: Mr. Jitendra P. Limbachiya

Company Secretary

CFO

AUDITORS

: Mrs. Dhvani Shah wef 24.11.2018
: Mr. Ganpat B. Prajapati
: M/s. Milind K. Shah & Co.
Chartered Accountants
616, Anand Mangal-III, Opp. Core House
Raj Nagar Club Lane, Ambawadi
Ahmedabad-380006.

SECRETARIAL AUDITOR

: M/s. Ajay Parikh & Associates
Company Secretaries
1110, Phoenix, 11th Floor, Near Vijay Char Rasta
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

: **Link In time India Pvt. Ltd.**

506 To 508 Amarnath Business Centre , 5th Floor,
Nr St Xaviers College Corner, Off C G Road Ahmedabad

TRANSFER AGENT

LISTING

DEPOSITORIES

: **Ahmedabad /Mumbai.**
: Bombay Stock Exchange Ltd.
: NSDL
: CDSL

ISIN

CIN

: INE576D01015
: L99999GJ1994PLC022932

TWENTY FIFTH ANNUAL REPORT 2018-19

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UNJHA FORMULATIONS LIMITED



NOTICE:

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

Day & Date : Saturday, 31st August, 2019
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, 2019 including the reports of the Board of Directors and Auditor's thereon.
- 2) Director Retire by Rotation:
To appoint a Director in place of Smt. Krutiben M Patel, who retires by rotation at this meeting and being eligible has offered herself for re-appointment be and is hereby re-appointed as a director of the company, liable to retire by rotation and she will be continued to be designated as executive director of the company.

SPECIAL BUSINESS:

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

- 3) "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 2019-20, 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);

By order of the Board

PLACE: Sidhpur
DATE: 30.05.2019

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 **24 day of August, 2019 to 31 day of August, 2019** (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 In time 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 Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 25th 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 28th August, 2019 (9:00 AM) and ends on 30th August, 2019 (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 24 August, 2019 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> <p>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.</p>
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 (iv).</p>

- (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.
- (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).
- (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:

The Board of Directors of the Company, at its meeting held on 26.03.2019 has approved a proposal for entering into following related party transactions for the year 2019-20:

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. 4 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.

PLACE: Sidhpur

DATE: 30.05.2019

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.Krutiben M Patel
Date of Birth	09/10/1963
Nationality	Indian
Date of Appointment	01/09/2012
Expertise in specific function areas	Presently she is a Executive Director of the company and experienced of more than 10 years. Previously she was working as Approved chemist in Microbiology Department in the company
Qualification	BSE (Micro Biology)
Name of other entities in which the person also holds Directorship	UrveshPsyllium Industries Limited
Name of other entities in which the person also holds membership of the Committee of the Board.	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Wife of Mr.Mayank S Patel as Managing Director of the Company
Shareholding in the Company as on 31 st March,2019	101500

UNJHA FORMULATIONS LIMITED



REPORT OF DIRECTORS:

To
The Members,

Your directors have pleasure in presenting their Twenty Fifth Annual Report together With Audited Statement of Accounts of the Company for the year ended 31st March, 2019.

FINANCIAL RESULTS:

The Working results of the Company are as under:

(Rs. in Lacs)

PARTICULARS	31.03.2019	31.03.2018
TURNOVER	1142.19	1129.52
OTHER INCOME	10.19	3.54
TOTAL INCOME	1152.38	1133.06
PROFIT BEFORE DEPRECIATION AND TAXATION	38.66	36.31
LESS: DEPRECIATION	8.63	10.05
PROFIT/LOSS BEFORE TAX	30.03	26.26
LESS: PROVISION FOR TAXATION	NIL	NIL
PROFIT FOR THE YEAR	30.03	26.26
BALANCE AS PER LAST BALANCE SHEET	(346.93)	(373.19)
TOTAL PROFIT/LOSS	(316.90)	(346.93)

BUSINESS OPERATIONS & PROSPECTS:

During the year under review your company has sales turnover of Rs.11.42 Cr.(in respect of its existing activities). Profit before tax increase by about 9% over previous year to Rs.30.03Lacs.

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, 2019 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 6 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, 2019.

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 Apollo 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. 33122854.00 (US\$ 482045). The Company continued its focus on development of Export Markets, for Albendazole Bolus, Fibron SF Powder and Fibernite (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, 2019 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 2019-20 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 given any loan to others during the year ended March 31, 2019.

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. Darji Members. The members of the Audit Committee duly met 5 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. Darji and Mr. Chetankumar O. Thakkar 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 Krutiben M. Patel, will be retiring at the ensuing 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(CSR):