

BOARD OF DIRECTORS

| | |
|---------------------------|----------------------------------|
| Inderpal Singh Sabharwal | - Chairman and Managing Director |
| Vijaychand Sambre | - Independent Director |
| Rubina Inderpal Sabharwal | - Whole – Time Director and CFO |
| Sarbjit Singh Chaudhary | - Independent Director |
| Pritam Singh Ichpanani | - Independent Director |

BANKERS

State Bank of India, Talaja,
Navi Mumbai

AUDITORS

M/s. Chokshi & Chokshi
LLP, Chartered Accountants,
(FRN - 101872W/W100045).

REGISTRAR AND TRANSFER AGENTS

M/s. Link Intime India Pvt Ltd.

C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup West,
Mumbai – 400 078
Tel: +91 22 - 25963838
Fax: +91 22 - 25962691

E-mail: rnt.helpdesk@linkintime.co.in

REGISTERED OFFICE

E-29/30, MIDC,
Taloja,
Dist-Navi Mumbai,
Opp. Deepak Fertilisers,
Navi Mumbai – 410208.

ANNUAL GENERAL MEETING

On Friday
30th September, 2016
at 10:00 A.M.

at
E-29/30, MIDC, Talaja, Dist -Navi
Mumbai, Opp. Deepak Fertilisers,
Navi Mumbai – 410208.

DIRECTORS' REPORT

To,
The Members
United Vander Horst Limited

Your Directors presenting their 29th Annual Report on the business and operations of the Company and statement of accounts for the year ended 31st March, 2016.

Financial Summary/Highlights:

During the financial year, the performance of the Company is as under:

(Amounts in Rupees '000')

| Particulars | 2015-16 | 2014-15 |
|--|------------------|--------------------|
| Total Income | 35,290.27 | 52,566.00 |
| Less: Expenses | 45,431.91 | 61,895.15 |
| Profit/ (Loss) before exceptional and extraordinary items and tax | (10,141.64) | (9,329.15) |
| Exceptional items | (8581) | 878.99 |
| Profit/(Loss) before extraordinary items and tax | (1560.64) | (10,208.13) |
| Less: extraordinary items | - | - |
| Profit before tax | (1560.64) | (10,208.13) |
| Current Tax | - | - |
| Deferred Tax | (63.79) | (932.66) |
| Profit (Loss) After Taxation | (1496.85) | (9,275.48) |

Overview of Company's Financial Performance:

During the year under review, Income from Sales and Services was Rs. 35,030.57/- thousands against Rs. 52,566/- thousands in the previous year.

The Company has suffered a net loss of Rs.1496.85/- thousands in the current financial year and net loss of Rs. 9,275.48/- thousands in the previous financial year.

Transfer to reserves:

During the financial year, the Company did not transfer any amount to reserve.

Dividend:

Considering the fact, that the Company has suffered a loss, your Directors have decided not to recommend any dividend on the equity shares for the year ended 31st March, 2016.

Change in the nature of business:

There was no change in the nature of business of the Company during the financial year.

Public Deposits:

During the financial year 2015-16, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

Subsidiaries, Associate and Joint venture Companies:

As on 31st March, 2016, according to Companies Act, 2013 and rules made there under the Company does not have any Subsidiary Company, Associate Company and Joint Venture Company. Hence, Form AOC - 1 is not applicable.

Directors and Key Managerial Personnel:

Mrs. Rubina Inderpal Sabharwal (holding DIN - 03556608), Whole-Time Director of the Company, is liable to retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer herself for re-appointment. Your Directors recommend her re-appointment.

Mr. Ushpal Singh Sabharwal has resigned w.e.f. 6th July, 2015 from the Designation of Managing Director of the Company and Mr. Inderpal Sabharwal has been appointed as the Chairman and Managing Director on the Board of the Company w.e.f. 14th August, 2015.

Nomination and Remuneration Committee of the Board of Directors ('Board') had recommended to the Board, appointment of Mrs. Rubina Inderpal Sabharwal as Whole – Time Director of the Company. Subsequently, the Company has Appointed Mrs. Rubina Inderpal Sabharwal as Whole-Time Director of the Company for the period of three years w.e.f. 1st September, 2015 to 31st August, 2018 in accordance with the applicable provisions and rules of the Companies Act, 2013.

Mrs. Baljeet Kaur Mehra has resigned from the Designation of Chief Financial Officer of the Company w.e.f. 8th November, 2015 and Mrs. Rubina Inderpal Sabharwal has been appointed as Chief Financial Officer of the Company w.e.f. 9th November, 2015.

Declaration by independent directors:

The Company has received necessary declaration from each Independent Director under Section 149 (7) of the Companies Act, 2013 that he meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015).

Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:

During the financial year, there were no such orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

Adequacy of Internal Financial Control:

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding the assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosure.

Composition of Audit Committee:

The Audit Committee Comprises of Three Directors. Composition of the Audit Committee during the financial year 2015-2016 is as follows:

| Sr. No. | Name of the Committee Members | Designation |
|----------------|--------------------------------------|--------------------|
| 1 | Mr. Vijay Chand Sambre | Chairman |
| 2 | Mr. Sarbjit Singh Chaudhary | Member |
| 3 | Mr. Inderpal Ushpalsingh Sabharwal | Member |

There were no matters during the financial year 2015-2016, wherein the Board did not accept recommendations given by the Audit Committee.

Establishment of Vigil Mechanism:

The Company has established and adopted Vigil Mechanism and the policy (**Whistle Blower Policy**) thereof for directors and employees of the Company in accordance with the provisions of Companies Act, 2013 as well as regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015). During the year under review, no personnel of the Company approached the Audit Committee on any issue falling under the said policy. The vigil mechanism policy is available on the website of the company at link: <http://www.uvdhl.com>

Particulars of remuneration to employees:

Pursuant to the provisions of section 197 of the Companies Act, 2013, read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, particulars of employees are required to be provided in the Directors' Report. However, having regard to the provisions of section 136 of the Companies Act, 2013, the Annual Report, excluding the aforesaid particulars, is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining these particulars will be provided with the same upon receipt of a written request delivered at the Registered Office of the Company.

Management Discussion and Analysis:

The Management Discussion and Analysis forms part of the Directors' Report is annexed herewith as '**Annexure C**'.

Corporate Governance Report:

As required by Chapter IV read with Schedule V, Part C of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on Corporate Governance form part of this Annual Report. ('**Annexure –D**')

Auditors:

a) Statutory Auditors:

M/s. Chokshi & Chokshi LLP, Chartered Accountants (FRN: 101872W/ W100045), were re-appointed as the Statutory Auditors of the Company in 27th Annual general meeting to hold office till the conclusion of third consecutive annual General Meeting i.e. for the financial year ended 31st March, 2017 as per the provisions of Section 139 of the Companies Act, 2013. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the rules made there under for reappointment as Auditors of the Company.

b) Secretarial Auditor:

CS Rakesh Kapur, Practising Company Secretary was appointed to conduct the Secretarial Audit of the Company for the financial year 2015-2016, as required under Section 204 of the Companies Act, 2013 and rules made thereunder. The Secretarial Audit Report for financial year 2015-2016 forms part of the Directors Report as '**Annexure B**' to the Board's report.

Explanations by the Board on qualification, reservation or adverse remark or disclaimer made by the:

• **Auditors in their report**

The qualifications given by Auditors in their report for the financial year 2015-2016 are as follows:

| Sr.no. | Auditors Qualification | Directors Reply |
|---------------|--|--|
| 1 | The Company continues to prepare accounts on a going concern basis, despite accumulated losses as on 31.03.2016 being more than 50% of the average net worth during the four years immediately preceding the current financial year. | The Company has positive net worth as on 31.03.2016 after adjustment of all accumulated losses. In view of this and based on the internal assessment and future projections, the management has prepared accounts on a going concern basis. |
| 2 | The amounts aggregating Rs.10,752.23 thousand towards Trade Payable and Rs.6,370.10 thousand towards Trade Receivables are subject to confirmation from the parties. | The Company had advised the parties to send yearend balance confirmation, which is awaited towards Trade Payable amounting to Rs.10,752.23 thousand and Trade Receivables amounting to Rs.6,370.10 thousand. Since the amount due to/ from these parties are fully payable/recoverable, no material difference is expected to arise at the time of settlement, requiring accounting effect in the current financial year |
| 3 | During the year ended 31.03.2016, the Company has written back amounts aggregating Rs.8,581 thousand payable to related parties towards Trade Payable/ Unsecured Loans / Expenses subject to confirmation from these parties. | Pending confirmation, the Company has written back amounts aggregating Rs.8,581 thousand payable to related parties towards Trade Payable/ Unsecured Loans / Expenses during the year ended 31.03.2016 based on internal approval. The Company shall be seeking written confirmation from these parties. |

- **Company secretary in practice in his Secretarial Audit Report:**

The qualification/Observation given by the Company secretary in practice in his Secretarial Audit Report for the financial year 2015-2016 is as follows:

| Observation | Directors Reply to the observation |
|--|--|
| During the Financial Year 2015-16, The Company has not appointed Company Secretary in whole time employment of the Company as required to be appointed as per Section 203 of the Companies Act, 2013 and rules made there under. | Despite of several efforts, the Company is searching and finalizing appropriate candidate for the post of whole time Company Secretary. Consequently, the position of the same was vacant during the Financial Year 2015-16. |

Employees Stock Option Scheme (ESOS), Sweat Equity & Shares having differential voting rights:

Your Company has not issued any shares to the employees of the Company under the Employee Stock Option Scheme, Sweat Equity and with differential voting rights in the previous financial year.

Extract of Annual Return:

In accordance with Section 134(3) (a) of the Companies Act, 2013, an extract of the Annual return in the prescribed format is annexed herewith as '**Annexure A**' to the Board's report.

Number of Meetings of the Board:

During the financial year, 6 (Six) Board Meetings and 4 (Four) Audit Committee Meetings were held the details of which are given in the Corporate Governance Report forming part of the Annual Report.

Director's Responsibility Statement:

Pursuant to the requirement of Section 134(3)(c) of the Companies Act 2013, with respect to the Directors' Responsibility Statement, it is hereby confirmed:

- a) that in the preparation of the accounts for the financial year ended on 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures,
- b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit/ loss of the Company for the year ended on that date;
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Directors had prepared the accounts for the financial year ended on 31st March, 2016 on a 'going concern' basis.
- e) that Directors had laid down adequate financial controls and that the financial controls were adequate and were operating effectively.
- f) that Directors had devised proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Policy on Director's appointment and remuneration:

Policy for Selection and Appointment of Directors and their Remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters under Sub-section (3) of Section 178 of the Companies Act, 2013, adopted and altered by the Board, is annexed as '**Annexure E**' to the Board's report.

Particulars of loans, guarantees or investments under Section 186:

During the financial year 2015-2016, there are no such transactions transacted by the Company and hence particulars of details of loans, guarantee, security or investments covered under Section 186 of the Companies Act, 2013 are not required to be furnished. Additionally mentioned in details in the notes to accounts of financial statements.

Particulars of contracts or arrangements made with related parties:

During the Financial Year 2015-16, all Related Party Transactions entered in to with Related Parties were at arm's length and were in the ordinary course of the business. There were no materially significant related party transactions entered in to by the Company with any Related Parties which require shareholders approval. Hence, particulars of related party contracts or arrangements in Form AOC - 2 is not applicable. The particulars of contracts or arrangement with Related Parties forms part of the notes to the Financial Statements.

Corporate Social Responsibility:

The Company is not falling in any criteria as mentioned in Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Act. Hence, provision of CSR is not applicable to the Company.

Material changes and commitments affecting financial position between the end of the financial year and date of report:

There are no material changes and commitments affecting financial position between the end of the financial year and date of Boards Report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo:

A. Conservation of Energy Technology Absorption:

1. Steps taken or impact on conservation of energy:

All the manufacturing facilities continued their efforts to reduce the specific energy consumption. Specific and total energy consumption is tracked at individual block level and also at consolidated manufacturing level. Apart from regular practices and measures for energy conservation, many new initiatives were driven across the units. Some of them are mentioned below:

- Use of natural Lightning and natural ventilation
- LED Lights in office in place of CFL in offices
- Encouraging Go Green Initiatives

2. The steps taken by the company for utilizing alternate sources of energy:

The manufacturing units continue to put in effort to reduce specific energy consumption. The Company is evaluating other sources of energy.

3. Capital investment on energy conservation equipments:

During the Financial Year, the Company has not made any new investments in the energy conservation equipments which is Capital in nature.

B. Technology Absorption:

- **Efforts made towards technology absorption:** The Company has on ongoing basis absorbed the technology for manufacturing of products and major up gradation process was carried out to reduce the cost.
- **Benefits derived as a result of the above efforts:** Product improvement, cost reduction, product development etc. The Company is in Process of Developing the ways for technology absorption, adaptation and innovation.
- **In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):** No new technology has been imported during the year.
- **Expenditure Incurred on Research and Development:** The Company is in process to spend some amount for research and development as to reduce cost and improve the quality of product.

C. Foreign exchange earnings and outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

- Foreign Exchange Earning - NIL
- Foreign Exchange Outgo - NIL

Risk Management Policy and Compliance Framework:

Risk Management policy of the Company has been developed and implemented, recommended by the Audit Committee and approved by Board of Directors. In the opinion of the board the below given risks may threaten the existence of the Company:

External Risk Factors:

- a. Economic Environment and Market conditions
- b. Political Environment
- c. Competition
- d. Technology