

Annual Report 2016-2017

DIRECTORS' REPORT

To,
The Members
United Vander Horst Limited

Your Directors presenting their 30th Annual Report on the business and operations of the Company and statement of accounts for the year ended 31st March, 2017.

Financial Summary/Highlights:

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

(Amounts in Rupees '000')

Particulars	2016-17	2015-16
Total Income	17,677.40	35,290.27
Less: Expenses	53,045.91	45,431.92
Profit/ (Loss) before exceptional and extraordinary items and tax	(35,368.51)	(10,141.65)
Exceptional items	(8581)	(8581)
Profit/(Loss) before extraordinary items and tax	(43,949.51)	(1560.65)
Less: extraordinary items	-	-
Profit before tax	(43,949.51)	(1560.65)
Current Tax	-	-
Deferred Tax	(265.38)	(63.79)
Profit (Loss) After Taxation	(43,684.12)	(1496.87)

Overview of Company's Financial Performance:

During the year under review, Income from Sales and Services was Rs. 17,597.08/- thousands against Rs. 35,030.57/- thousands in the previous year.

The Company has suffered a net loss of Rs. 43,684.12/- thousands in the current financial year and net loss of Rs. 1,496.87/- 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, 2017.

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 2016-17, 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, 2017, 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:

There is no change in the composition of Directors and Key Managerial Personnel of the Company during the year except vacation in the office of Chairman & Managing Director of the Company due to sad demise of Mr. Inderpal Singh Sabharwal (DIN: 00359315) dated 26th October, 2016.

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:

Subject to the matters described by Statutory Auditor in their report on the financial statements of the Company, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively.

Composition of Audit Committee:

The Audit Committee Comprises of Three Directors. There is change in composition of the Audit Committee during the financial year 2016-2017 due to sad demise of Mr. Inderpal Singh Sabharwal.

Composition of Audit Committee as on 26th October, 2016 are as follows:

Sr. No.	Name of the Committee Members	Designation
1	Mr. Vijay Chand Sambre (DIN: 00148881)	Chairman
2	Mr. Sarbjit Singh Chaudhary (DIN: 01259845)	Member
3	Mr. Inderpal Singh Sabharwal (DIN: 00359315)	Member

Composition of Audit Committee after 26th October, 2016 till 31st March, 2017 are as follows:

Sr. No.	Name of the Committee Members	Designation
1	Mr. Vijay Chand Sambre (DIN: 00148881)	Chairman
2	Mr. Sarbjit Singh Chaudhary (DIN: 01259845)	Member
3	Ms. Rubina Inderpal Sabharwal (DIN: 03556608)	Member

There were no matters during the financial year 2016-2017, 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 as '**Annexure D**'

Auditors:

a) Statutory Auditors:

The existing statutory auditors, M/s. Chokshi & Chokshi LLP, Chartered Accountants (FRN: 101872W/ W100045) will retire upon the conclusion of the forthcoming Annual General Meeting of the Company, in compliance with the provisions relating to mandatory rotation of Auditors under the Companies Act, 2013 and rules made thereunder. Further the Board of Directors recommended the appointment of M/s. Chokshi and Co. LLP, Chartered Accountants, Mumbai (FRN: 131228W/W100044) as Statutory Auditors of the Company from the conclusion of forthcoming Annual General Meeting till the conclusion of the Annual General Meeting to be held for financial year ended 31st March, 2022 in the financial year 2022-2023, subject to ratification by the members at every Annual General Meeting.

b) Secretarial Auditor:

CS Rakesh Kapur, Practising Company Secretary was appointed to conduct the Secretarial Audit of the Company for the financial year 2016-2017, as required under Section 204 of the Companies Act, 2013 and rules made thereunder. The Secretarial Audit Report for financial year 2016-2017 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 2016-2017 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 31.03.2017 being more than 50% of the average net worth during the four years immediately preceding the current financial year.	Net Worth of the Company is Negative. The Management of the Company is changed after balance sheet date and the new management is examining available options to increase sales/income from operations and achieve profitability. Considering future projections, revenue/cash flows, the accounts have been prepared on a going concern basis by the management.
2	The amounts aggregating Rs.12,741.39 thousand towards Trade Payable and Rs.4273.72 thousand towards Trade Receivables are subject to confirmation from the parties.	The amount due to/ from the 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.

- **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 2016-2017 is as follows:

Observation	Directors Reply
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 2016-17. The New Management of the Company will appoint whole time Company Secretary shortly.
Form - DIR 12 for the Appointment of Mr. Pritam Singh Ichpanani (DIN: 02541679) as a Director of the Company in the Annual General Meeting held on 29th September, 2014 and Resignation of Ms. Baljeet Kaur Jaswant Singh Mehra as a Chief Financial Officer (CFO) of the Company dated 8th November, 2015 has not been filed with Registrar of Companies, Mumbai till the date of issue this certificate.	Form DIR – 12 for the Appointment of Mr. Pritam Singh Ichpanani (DIN: 02541679) as a Director of the Company filed on 11th July, 2017 and Form DIR - 12 Resignation of Ms. Baljeet Kaur Jaswant Singh Mehra as a Chief Financial Officer (CFO) of the Company filed on 12th June, 2017 with Registrar of Companies, Mumbai.

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, 5 (Five) Board 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, 2017, 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, 2017 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, 2017 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 2016-2017, 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 2016-17, 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 occurred which affect the financial position of the Company between the end of the financial year and date of report.

Events occurred between the end of the financial year to the date of report:

The Board of Directors ('Board') of the Company at their meeting held on 3rd May, 2017 has appointed Mr. Jagmeet Singh Sabharwal (DIN: 00270607) as Additional Executive Director of the Company with immediate effect. Further, subject to approval of shareholders in ensuing Annual General Meeting, the Board has approved his appointment as Managing Director of the Company for a period of three years w.e.f. 18th August, 2017 to 17th August, 2020.

Ms. Rubina Inderpal Sabharwal (DIN: 03556608) has resigned from the Designation of Whole-Time Director & CFO of the Company with immediate effect 5th May, 2017.

Mr. Akshay Ashokan Veliyil (DIN: 07826136) appointed as an Additional Director of the Company with effect from 20th May, 2017, who shall hold office up to the ensuing Annual General Meeting of the Company.

Mr. Kalpesh Kantilal Shah has been appointed as Chief Financial Officer (CFO) of the Company with effect from 20th May, 2017.

Ms. Sonal Singh (DIN:01277322) appointed as an Additional Independent Director (Woman Director) of the Company with effect from 3rd August, 2017, who shall hold office up to the ensuing Annual General Meeting of the Company.

Mr. Ushpal Singh Sabharwal (DIN: 00148806) has been appointed as Additional Director of the Company with effect from 1st June, 2017 who shall hold office up to the ensuing Annual General Meeting of the Company and resigned with effect from 10th June, 2017. Whereas, he has passed away on 14th June, 2017.

Mr. Vijaychand Devichand Sambre (DIN: 00148881) has resigned from the Designation of Independent Director of the Company with immediate effect 22nd June, 2017.

Due to Death of Mr. Inderpal Singh Sabharwal on 26th October, 2016 and Mr. Ushpal Singh Sabharwal on 14th June, 2017, Promoters of the Company, shares held by Mr. Inderpal Singh Sabharwal has been transmitted to Mr. Jagmeet Singh Sabharwal, Nominee of shares of Mr. Inderpal Singh Sabharwal and shares held by Mr. Ushpal Singh Sabharwal has been transmitted to Ms. Rajpal Kaur Sabharwal joint holder of shares of the Company with Mr. Ushpal Singh Sabharwal on 2nd August, 2017.

Pursuant to the MCA notification dated February 16, 2015 regarding the Companies (Indian Accounting Standards) Rules, 2015 as amended, the Company has adopted Indian Accounting Standards with effect from April 1, 2017.