

**22nd Annual Report  
2016-2017**

Universal Arts Limited

**BOARD OF DIRECTORS:**

a) Managing Director	:	Mr. Manish G. Shah (DIN: 00434171)
b) Additional Director	:	Mr. Harshadrai H Shah (DIN: 00540937)
c) Additional Director	:	Mr. AtulkumarPopatlalLodliya (DIN: 01858465)
d) Woman Director	:	Mrs Ulka Manishkumar Shah (DIN: 00434277)
e) Woman Director	:	MrsShilpa G Shah (DIN: 02377431)

**AUDITORS**

: M/s Ajay Sekhri& Associates  
Chartered Accountants  
Mumbai

**SECRETARIAL AUDITOR**

: M/s GirishMurarka & Co.  
Company Secretaries  
Mumbai

**REGISTERED OFFICE**

: Plot No. 45, First Floor,  
GanapatiBhavan, M. G. Road.,  
Goregaon (West),  
Mumbai 400 062.  
CIN - L22300MH1995PLC091082  
Website: [www.universalarts.in](http://www.universalarts.in)  
Email: [universalartslimited@hotmail.com](mailto:universalartslimited@hotmail.com)

**REGISTRAR & TRANSFER AGENT**

: BIGSHARE Services Private Limited  
Bharat Tin Works Building 1st Floor  
Opp. Vasant Oasis Makwana Road  
Marol, Andheri (E), Mumbai - 400059

**NOTICE**

Notice is hereby given that the **TWENTY SECOND ANNUAL GENERAL MEETING OF UNIVERSAL ARTS LIMITED** will be held at Keshav Gore Smarak Trust Hall, "Smriti", Aarey Road, Goregaon (W), Mumbai - 400062 on Friday, the 29th day of September, 2017 at 11.00am to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company on a Standalone and Consolidated basis for the period ended on 31st March, 2017 including the Balance Sheet as at that date, Statement of Profit & Loss account for the period ended on that date and in the reports of the Auditors and Directors thereon;
2. To appoint a Director in place of Mr. Manish Shah (DIN: 00434171) who retires by rotation at this meeting offers himself and being eligible for re-appointment;
3. To ratify the appointment of M/s Ajay Sekhri & Company, Chartered Accountants, Mumbai, (Firm Registration No. 140181W), as the Statutory Auditors of the Company and to authorize the Board of Directors to fix their remuneration.

"Resolved That pursuant to the provisions of Section 139 and Section 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the resolution passed by the members at the Annual General Meeting held on 30th September, 2016, the Company hereby ratifies the appointment of Ajay Sekhri & Company, Chartered Accountants, Mumbai, (Firm Registration No. 140181W), as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General meeting until the conclusion of the next Annual General meeting at a remuneration (including re-imbursement of out of pocket expenses), as may be decided by the Board of Directors of the Company in consultation with M/s Ajay Sekhri & Company, Chartered Accountants, Mumbai, Auditors of the Company."

**SPECIAL BUSINESS:**

4. To regularize the appointment of Mr. Atulkumar Popatlal Lodliya (DIN 01858465) as an Independent Director and to consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr. Atulkumar Popatlal Lodliya (DIN 01858465) who was appointed by the Board of Directors as Additional Director of the Company with effect from 15th July, 2017 under section 161(1) of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, who is eligible for appointment and in respect of whom the Company has received notice in writing from a Member under section 160 of the Act signifying his intention to propose candidature of Mr. Atulkumar Popatlal Lodliya for the office of Director be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), Mr. Atulkumar Popatlal Lodliya (DIN 01858465) who is eligible for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years upto the fifth consecutive Annual General Meeting to be held and not liable to retire by rotation.

5. To regularize the appointment of Mr. Harshadrai H. Shah (DIN 00540937) as an Independent Director and to consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr. Harshadrai H. Shah (DIN 00540937) who was appointed by the Board of Directors as Additional Director of the Company with effect from 15th July, 2017 under section 161(1) of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, who is eligible for appointment and in respect of whom the Company has received notice in writing from a Member under section 160 of the Act signifying his intention to propose candidature of Mr. Harshadrai H. Shah (DIN 00540937) for the office of Director be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), Mr. Harshadrai H. Shah (DIN 00540937) who is eligible for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years upto the fifth consecutive Annual General Meeting to be held and not liable to retire by rotation.

6. To regularize the appointment of Mrs. Shilpa G. Shah (DIN 02377431) as a Non-Executive and Non-Independent Director and to consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

RESOLVED THAT Mrs. Shilpa G. Shah (DIN 02377431) who was appointed by the Board of Directors as Additional Director of the Company with effect from 9th December, 2016 under section 161(1) of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, who is eligible for appointment and in respect of whom the Company has received notice in writing from a Member under section 160 of the Act signifying his intention to propose candidature of Mrs. Shilpa G.

Shah (DIN 02377431) for the office of Director be and is hereby appointed as Non-Executive and Non-Independent Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), Mrs. Shilpa G. Shah (DIN 02377431) who is eligible for appointment as Director, be and is hereby appointed as Non-Executive and Non-Independent Director of the Company liable to retire by rotation.

By Order of the Board of Directors

Manish G. Shah  
Managing Director  
DIN: 00434171

Place: Mumbai

Date: 8th August, 2017

Registered Office:

Plot No. 45, First Floor, GanapatiBhavan,  
M. G. Road, Goregaon West, Mumbai 400 062  
CIN: L22300MH1995PLC091082  
E-MAIL ID: universalartslimited@hotmail.com

#### NOTES

1. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.  
  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Members/ Proxies are requested to bring the Attendance Slip(s) duly filled in. Attendance slip is separately sent to Shareholders along with this Annual Report.
3. Shareholders are requested to bring their copy of Annual Report at the Meeting.
4. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a duly certified copy of Board Resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
5. In case of joint holders attending the Annual General Meeting, member present or in case both members are present the person whose name is appearing as first holder will be entitled to vote.
6. Pursuant to Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("LODR"), the Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 22, 2017 to Friday, September 29, 2017 (both days inclusive).
7. While members holding shares in physical form may write to the Registrar and Transfer Agents, (M/s BigShare Services Private Limited) for any changes in their addresses and bank mandates, members holding shares in electronic form may inform the same to their Depository Participants.
8. Members who hold their shares in dematerialized form are requested to write their client ID and DP ID number and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
10. Members seeking any information with regard to the accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the Meeting.
11. Members may also note that even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. In this regard, the shareholders may also send requests to the Company's designated email id: universalartslimited@hotmail.com

12. The members would be able to cast their votes at the meeting through ballot paper if they have not availed the e-voting facility. If the vote is cast through e-voting facility, then the vote cast through ballot paper at the meeting will not be recognized. However, members who have cast their votes through e-voting prior to the meeting may also attend the meeting.
13. The e-voting period begin on Tuesday, 26th September, 2017 at 9.30 am and end on Thursday, 28th September, 2017 at 5.00 pm. During this period Shareholders of the Company, holding shares in physical form or in dematerialized form, as on cut off date Friday, 22nd September, 2017 may cast their vote electronically. Thereafter the e-voting module shall be disabled by CDSL for voting.
14. M/s GirishMurarka& Co., Practicing Company Secretary (COP - 4576) has been appointed as Scrutinizer for conducting e-voting process in a fair and transparent manner
15. Voting rights shall be reckoned on the paid up value of shares registered in the name of the member /beneficial owner as on the cut-off date i.e. 22nd September, 2017.

By Order of the Board of Directors

Manish G. Shah  
Managing Director  
DIN: 00434171

Place: Mumbai  
Date: 8th August, 2017

Registered Office:  
Plot No. 45, First Floor, Ganapati Bhavan,  
M. G. Road, Goregaon West, Mumbai 400 062  
CIN: L22300MH1995PLC091082  
E-MAIL ID: universalartslimited@hotmail.com

#### Details of Director Seeking Re-appointment at this Annual General Meeting

a) Name of Director	:	Manish Girish Shah
b) Director Identification No.	:	00434171
c) Date of Appointment	:	29th March, 2003
d) Qualification	:	MBA, CWA, MMS, DMTC, AMIE GRAD
e) Directorship Held in other Companies	:	18 (Eighteen)
f) Membership / Chairmanship of Audit and Stakeholders' Relationship Committee Across Public Companies	:	2
g) No. of Shares Held	:	NIL

#### Explanatory Statement under Section 102(1) of the Companies Act, 2013

##### Item No. 4:

Mr. Atulkumar Popatlal Lodliya is independent Director of the Company pursuant to clause 49 of the Listing Agreement. He joined the Board on 15th July, 2017.

The Board consider that his continued association would be immense benefit to the Company and it is desirable to continue to avail services of Mr. Atulkumar Popatlal Lodliya as independent Director. Accordingly the Board recommends the resolution in relation to the appointment of Mr. Atulkumar Popatlal Lodliya as Independent Director for the approval of the Shareholder of the Company.

Except Mr. Atulkumar Popatlal Lodliya being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution No. 4 of this Notice

##### Item No. 5:

Mr. Harshadrai H. Shah (00540937) is independent Director of the Company pursuant to clause 49 of the Listing Agreement. He joined the Board on 15th July, 2017.

The Board consider that his continued association would be immense benefit to the Company and it is desirable to continue to avail services of Mr. Harshadrai H. Shah as independent Director. Accordingly the Board recommends the resolution in relation to the appointment of Mr. Harshadrai H. Shah as Independent Director for the approval of the Shareholder of the Company.

Except Mr. Harshadrai H. Shah being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution No. 5 of this Notice

**Item No. 6:**

Mrs. Shilpa G. Shah (DIN 02377431) was appointed as Non-Executive and Non-independent Director at the Board Meeting held on 9th December, 2016 under section 161 of the Companies Act, 2013 as Additional Director.

The Board consider that her continued association would be immense benefit to the Company and it is desirable to continue to avail services of Mrs. Shilpa G. Shah. Accordingly the Board recommends the resolution in relation to the appointment of Mrs. Shilpa G. Shah as Non-Executive and Non-independent Director liable to retire by rotation for the approval of the Shareholder of the Company.

Mr. Manish G. Shah, (DIN 00434171) Managing Director and Mrs. UlkaManishkumarShah, (DIN 00434277) Non-Executive Director are interested in the above appointment along with the Mrs. Shilpa G. Shah

By Order of the Board of Directors

Manish G. Shah  
Managing Director  
DIN: 00434171

Place: Mumbai  
Date: 8th August, 2017

**Instruction for E-voting:**

Pursuant to Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide E-Voting facility as an alternate for Shareholders of the Company to enable them to cast their votes electronically on the resolutions mentioned in the Notice of the 22nd Annual General Meeting of the Company to be held on Friday, 29th September, 2017. For this purpose, necessary arrangements have been made with the Central Depository Services Limited ("CDSL") to facilitate e-voting. E-Voting is optional to shareholders. The Company has appointed Shri Vishal N Manseta, Practicing Company Secretary as the Scrutiniser for conducting the e-voting process in a fair and transparent manner.

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

- (i) The voting period begins on 26th September, 2017 @ 9:30 A.M. and ends on 28th September, 2017 @ 5:00 P.M. 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 22nd September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website [www.evotingindia.com](http://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](http://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

	Enter your 10 digit alpha-numeric
PAN	<p>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 (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) 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. E.g. If your name is Ramesh Kumar with serial 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> <ul style="list-style-type: none"> <li>if both the details are not recorded with the depository or company please enter the member id / folio number in the I Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly 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 <Company Name> 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed 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 cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**(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).

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- (B) The voting period begins on 26th September, 2017 @ 9:30 A.M. and ends on 28th September, 2017 @ 5:00 P.M. 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 22nd September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) 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).

**DIRECTORS' REPORT**

To,

**The Members****UNIVERSAL ARTS LIMITED**

Your Directors are pleased to present the Twenty Second Annual Report together with the audited financial statements for the year ended on 31st March, 2017.

**Financial Results:**

(₹ in 000)

	<b>Year Ended 31.03.2017</b>	<b>Year Ended 31.03.2016</b>
Total Income	58.61	87.29
Total Expenditure	58.28	144.46
Profit / (Loss) before Interest, Depreciation, Amortization, Exceptional item	0.33	(57.17)
Less : Interest	Nil	Nil
Depreciation	0.24	1.39
Profit / (Loss) before Exceptional item & tax	0.09	(58.56)
Add : Exceptional items	Nil	Nil
Profit / (Loss) Before Tax	0.09	(58.56)
Less: Provisions for Taxation	Nil	Nil
Profit / (Loss) After Tax	0.09	(58.56)

**DIVIDEND:**

In view of the accumulated losses, the Board of Directors of your Company regret their inability to recommend any dividend for the year ended on 31st March, 2017

**RESERVE:**

In view of the accumulated losses, the Board of Directors of your Company do not proposes to carry any amount to reserve.

**OPERATION REVIEW:**

Your Company showed a steep decrease in the Income. Your Company posted Income of ₹ 58.61 lacs as against ₹ 87.29 lacs during the previous year. Though the Company's income was decreased, your Company posted a profit after tax of ₹ 0.09 lacs against loss of ₹ 58.56 lacs during the previous year.

**OUTLOOK:**

With the entry of Big Corporate like UTV, Eros, Dharma Productions, Fox Star Studios, Sony Pictures, Reliance Big Entertainment, Viacom18 Group, the competition has increased and thereby increasing the cost of negative rights, satellite rights, video rights, etc. This would result in requirement of huge amount of capital to survive in this business, With a small capital and negative reserves the going for the Company appears to be tough.

The Indian Media and Entertainment (M&E) industry is a sunrise sector for the economy and is making high growth strides. Proving its resilience to the world, the Indian M&E sector is on the cusp of a strong phase of growth, backed by rising consumer payments and advertising revenues across all sectors. The industry has been largely driven by increasing digitization and higher internet usage over the last decade. Internet has almost become a mainstream media for entertainment for most of the people. In view of all above it appear the right opportunity is yet to come for growth of small capital based company and at the same time the draft of the Optical Disc Law to address the need for regulating piracy at the manufacturing stage is still lying with the ministry for approval.

**SUBSIDIARY AND ASSOCIATE COMPANIES:**

A statement pursuant to Section 129 of the Companies Act, 2013 relating to Company's subsidiary is attached to the balance sheet.

**FIXED DEPOSITS:**

The company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and the rules framed there under apply.



**DIRECTORS:**

In the forthcoming Annual General Meeting, Mr. Manish G. Shah (DIN: 00434171) will retire by rotation and being eligible offer himself for re-appointment. A brief resume / particulars relating to him is given separately in the Notice convening this Annual General Meeting

During the year the resignation tendered by Mr. Satish MohinirajShidhaye from Directorship was accepted at the Board Meeting held on 26th September, 2016. And at the Board Meeting duly held on 9th December, 2016 Mrs. Shilpa G. Shah was appointed as Additional Director under section 161 of the Companies Act, 2013 and resignation tendered by Mr. SandeepPoddar was accepted

Further AtulkumarPopatlalLodliya (DIN 01858465) and Mr. Harshadrai H. Shah (DIN 00540937) has been appointed on 15th July, 2017 under section 161 as Additional Directors and they are Independent Director. The Board recommends their regular appointment for five consecutive year not liable to retire by rotation in the forthcoming Annual General Meeting.

**KEY MANAGERIAL PERSONNEL:**

Mr. Manish G. Shah, Managing Director and Mrs. Ulka Shah, Non-Executive Director and Mrs. Shilpa G. Shah Non-Executive Director. are the Key Managerial Personnel of the Company as on 31st March 2017

**INDEPENDENT DIRECTORS' MEETING:**

Pursuant to Part VII of Schedule IV of the Companies Act, 2013 and provisions of Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors had separate meeting without attendance of Non-Independent Directors during the year and have reviewed the performance of Non-Independent Directors and the Board of Directors as a whole. The Independent Directors assessed the quality, quantity and timeliness of information between the Company and the management and the Board

**ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEE AND INDIVIDUAL DIRECTOR**

As per Rule 8(4) of the Companies (Accounts) Rules, 2014, the Board has also made the formal evaluation of its own performance as well as the evaluation of working of Audit Committee and Nomination & Remuneration Committee. The Board has also evaluated performance of Independent Directors.

**DECLARATION OF INDEPENDENCE**

The Company has received Declarations of Independence as stipulated under Section 149(7) of the Companies Act, 2013 from each of the Independent Directors confirming that he/she is not disqualified from appointing/continuing as an Independent Director.

**CORPORATE SOCIAL RESPONSIBILITY**

The provisions of section 135 of the Companies Act, 2013 with respect to Corporate Social Responsibility are not applicable to the Company.

**BOARD MEETINGS**

During the year under review, Six meetings of the Board of Directors of the Company were held i.e on 25.05.2016, 08.08.2016, 26.09.2016, 10.11.2016, 09.12.2016 and 13.02.2017.

The Audit Committee Meeting was held on 25th May, 2016 and 8th August, 2016. Since thereafter no quorum for Audit Committee, the Audit Committee could not be held, however the Board was since then in the process of appointing Independent Director.

The intervening gap between the Board Meeting was within the period prescribed under the provisions of the Companies Act, 2013.

**MANAGEMENT'S DISCUSSION AND ANALYSIS:**

A detailed review of operations, performance and future outlook of the Company is covered under a Separate Annexure forms part to this report.

**ANNUAL RETURN:**

The Extract of Annual Return is annexed to the Directors' Report.

**WHISTLE BLOWER POLICY:**

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical conduct. The Company has a Whistle Blower policy under which employees are free to report violations of the applicable laws and regulations and the code of conduct. The Whistle Blower Policy is available on the website of the Company at [www.universal-arts.in](http://www.universal-arts.in)

**NOMINATION AND REMUNERATION COMMITTEE:**

The Board of Directors of the Company has constituted on 15th July, 2017 Nomination and Remuneration Committee consisting of the following Members:

- a) Mr. Harshadrai H. Shah
- b) Mr. AnilkumarPopatlalLakhotiya
- c) Ms. Ulka Shah

The Board of Directors of the Company has approved the Nomination and Remuneration Policy which inter-alia contain the appointment criteria, qualifications, positive attributes and independence of Directors, removal, retirement and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel of the Company.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

To the best of their knowledge and belief and according to the information and explanation obtained from them, your Directors make the following statements in terms of section 134(3) (c) of the Companies Act, 2013

- a) In the preparation of annual account, the applicable accounting standard have been followed along with proper explanation relating to material departures.
- b) Accounting Policies are listed in Notes to the financial statement have been selected and applied consistently. Reasonable and prudent judgment as well as estimates have been made so far as to give a true and fair view of the state of affairs of the Company as on 31st March, 2017 and of the Profit of the Company for that period.
- c) Proper and sufficient care for maintenance of adequate accounting records has been taken in accordance with the provisions of the Companies Act, 2013 so as to safeguard the assets of the Company and to detect and prevent fraud and other irregularities.
- d) The Annual Accounts have been prepared on a going concern basis
- e) Internal financial controls system is in place and the same has been followed by the Company. Further such Internal Financial controls are adequate and were operating effectively.
- f) Proper system to ensure Compliance with the provisions of all applicable law and such systems were adequate and operating effectively.

**PERSONNEL:**

There were no employees covered u/s 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule 2014

**ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:**

The Company is not engaged in the manufacturing activity; as such particulars relating to conservation of energy and technology absorption are not applicable. However, in the editing facilities, offices etc adequate measures are being taken to conserve energy as far as possible.

As far as foreign exchange earnings and outgo is concerned, the Company has neither earned nor used any foreign exchange during the period under review.

**AUDITORS:**

In the AGM on September 30, 2016 M/s Ajay Sekhri & Company, Chartered Accountants, Mumbai, (Firm Registration No. 140181W) have been appointed as Statutory Auditors of the Company to hold office for a period of 5 years from conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting for the financial year ending on 31st March, 2021 subject to ratification of their appointment at every Annual General Meeting. It is now proposed to ratify the appointment of M/s Ajay Sekhri & Company, Chartered Accountants, Mumbai as Statutory Auditor of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting. The Auditor have given their consent in writing and have furnished a certificate to the effect that their re-appointment, if made, would be in accordance with the provisions of Section 139(1) of the Act and that they meet with the criteria prescribed under section 141 of the Act. The Directors recommend their re-appointment at the ensuing Annual General Meeting

**AUDITORS' REPORT:**

The Comments in the Auditors Report are self-explanatory and suitably explained in the Notes to the Accounts.

**SECRETARIAL AUDIT:**

Pursuant to section 204 of the Companies Act, 2013 the Secretarial Auditor Mr. Girish Murarka & Co., Practicing Company Secretary, has issued Secretarial Audit Report for the year ending on 31st March, 2017 is annexed to Directors' Report.

**PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES:**

The Details of Investment made and loan advanced by the Company have been given in note no. 6, and 7 to the Financial Statement.

The Company has not given any guarantee pursuant to the provisions of section 186 of Companies Act, 2013

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company has an internal control system commensurate with the size, scale and complexity of its operations. The Internal Audit Department monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliance with the operating system, accounting policies and procedures of the Company. These are routinely tested and certified by Statutory as well as Internal Auditors. The Significant audit observations and the follow up action are reported to the Audit Committee.

**RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business. There are no materially significant related party transaction made by the Company with Promoter, Director, Key Managerial Personnel or other designated person which have a potential conflict with the interest of the Company at large.