

BOARD'S REPORT

Dear Members,

The Directors of your Company are pleased to present the Eleventh (11th) Annual Report of your Company together with the Audited Financial Statements for the year 2019-20 ended on 31 March 2020.

I. FINANCIAL RESULTS OF OUR OPERATIONS:

Your Company's Standalone Financial Statements are prepared on the basis of the Significant Accounting Policies that are carefully selected by the Management of the Board of Directors. These Accounting policies are reviewed from time to time.

(Rs. in Lakhs)

PARTICULARS	31 March 2020	31 March 2019
Total Revenue	10260.70	10035.60
Total Expenditure	9708.02	9418.27
Profit/(loss) before Tax	552.68	617.33
Tax Expenses: Current Tax	120.88	170.00
Deferred Tax	17.26	0.09
Net Profit/(Loss) After Tax	414.54	447.23

Your Company continues with its rigorous cost restructuring exercises and efficiency improvements which have resulted in significant savings through continued focus on cost controls and process efficiencies thereby enabling the Company to maintain profitable growth in the current economic scenario.

II. CONSOLIDATED FINANCIAL RESULTS OF THE COMPANY:

The Consolidated Financial Statements of the Company and its Subsidiary and Associates companies, prepared in accordance with the Companies Act, 2013 and applicable Accounting Standards along with all relevant documents and the Auditors' Report form part of this Annual Report. The Consolidated Financial Statements presented by the Company include the financial results of its associates Companies:

(Rs. In Lakhs)

PARTICULARS	31 March 2020	31 March 2019
Total Revenue	10646.86	10106.82
Total Expenditure	10062.42	9480.79
Profit/(loss) before Tax	584.44	626.03
Tax Expenses: Current Tax	127.76	172.24
Deferred Tax-C.Y.	17.64	0.12
Net Profit/(Loss) After Tax	439.04	453.67

III. DIVIDEND:

Considering the future growth plans of the Company, the Board of Directors does not recommend any dividend for the financial year ended on 31 March 2020.

IV. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year under review, as required pursuant to the provisions of Regulation 34(2)(e) read with Schedule V(B) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed herewith vide **Annexure I** and forms an integral part of this Annual Report.

V. PARTICULARS OF INFORMATION FORMING PART OF THE BOARD'S REPORT PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2013, RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

1. EXTRACT OF ANNUAL RETURN:

The extract of annual return in Form MGT - 9 as required under Section 92(3) and Rule 12 of the Companies (Management and Administration) Rules, 2014 is enclosed as an **Annexure II** to this Report.

2. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR:

The Board met 8 (Eight) times during the Financial Year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

3. CHANGE(S) IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of business of the Company during the financial year under review.

4. DIRECTOR'S RESPONSIBILITY STATEMENT:-

Pursuant to the provisions contained in Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- in the preparation of the annual accounts for the year ended 31st March 2020, the applicable accounting standards have been followed and there were no material departures;
- the directors had selected accounting policies as mentioned in the Notes forming part of the Financial Statements and applied them consistently. Further made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and Profit of the Company for that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the Annual accounts have been prepared on a going concern basis;
- proper internal financial controls were in place and that the internal financial controls were adequate and were operating effectively;
- proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

5. DETAILS OF APPOINTMENT AND RESIGNATION OF DIRECTORS/ KEY MANAGERIAL PERSONNEL:

Director's appointed/re-appointed during the period:

Name of Director	Designation	Appointment/ Resignation
Mrs. Rajashri Khandagale	Non-Executive Director	Re-appointed w.e.f. 25 September 2019 (AGM), subject to retirement by rotation.
Mr. Dhananjay Barve	Independent Director	Appointed as an additional Director w.e.f 14 November 2019 Confirmed as Director w.e.f. 10 December 2019 (EGM)
Mr. Narendra Bhagatkar	Independent Director	Appointed as an additional Director w.e.f 1 June 2020.
	Executive Director	Change in designation and appointment as a Whole Time Director designated as "Executive Director" w.e.f. 1 July 2020.
Mr. Ganesh Wable	Independent Director	Resigned as Director w.e.f 15 July 2019.

Key Managerial Personnel's appointed/resigned during the year:

Name of KMP	Designation	Appointment/Resignation
Mr. Ankush Uttamrao Patil	Company Secretary & Compliance Officer	Resigned w.e.f. 16 March 2020
Mrs. Amruta Ameya Sant	Company Secretary & Compliance Officer	Appointed w.e.f. 16 March 2020

6. DETAILS OF DIRECTOR APPOINTED/RE-APPOINTED AT THE ENSUING ANNUAL GENERAL MEETING:

Mrs. Rajashri Khandagale, retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

Upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors has sought the approval of the Members for the appointment of Mr. Narendra Bhagatkar, as a Whole time Director designated as "Executive Director" for a period of 5 (five) years w.e.f 1 July 2020

The brief resumes and other details relating to Directors who are proposed to be re-appointed, as required to be disclosed under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of the Statement setting out material facts annexed to the Notice of the Annual General Meeting.

The resolutions seeking approval of members for the re-appointment of these Directors have been incorporated in the Notice of the forthcoming Annual General Meeting of the Company

7. DECLARATION UNDER SECTION 149(6) OF THE COMPANIES ACT, 2013 FROM THE INDEPENDENT DIRECTORS:-

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of the Independence as provided in Section 149(6) of the Companies Act, 2013 and rules made there under.

8. BOARD'S OPINION REGARDING INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF INDEPENDENT DIRECTORS

During the year ending 31 March, 2020, Mr. Dhananjay Barve, Fellow member of Institute of Chartered Accountancy of India was appointed as an Independent Director of the Company with effect from 14 November 2019. The Board of Directors considered his profile and valuable contribution made by him in the field of direct taxation and expertise in field of Consulting & transaction structuring and were of the opinion that Mr. Dhananjay Barve possesses integrity, expertise and experience including the proficiency as an Independent Director and appointed him as Independent Director for a period of 5 years.

9. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT:

The Company has adopted the Policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 which is placed on Companies Web address : <https://www.univastu.com/policies.html>.

10. REMUNERATION POLICY FOR DIRECTORS AND KMP:-

The Company's remuneration policy for Directors/ KMP is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice. The said policy is available on Company's website i.e. www.univastu.com.

11. **DISCLOSURES UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 AND RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

In accordance with the provisions of Sec. 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended is not applicable to the Company as there was no employee drawing remuneration of Rs. One Crore and Two lakh per annum or Rs. Eight lakh and Fifty thousand per month during the year ended March 31, 2020.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136(1) of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

12. **PERFORMANCE EVALUATION:**

Regulation 4 (2) (f) (ii) (9) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. Also, the Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its Committees and individual Directors. In addition, Schedule IV to the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated. The Board works with the Nomination & Remuneration Committee to lay down the evaluation criteria for the performance of Executive / Non-Executive / Independent Directors.

The evaluation of all the Directors, Committees and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board approved the evaluation results as collated by the Nomination & Remuneration Committee.

13. **AUDITORS:-**

a) **Statutory Auditors**

At the annual general meeting of the company held on 30 September 2015, M/s P. V. PAGE & Co., Chartered Accountants, Mumbai were appointed as statutory auditors of the company for a term of five consecutive years (i.e. from the FY 2015-16 to FY 2019-20) to hold office up to the conclusion of the annual general meeting of the Company to be held in the year FY 2020-21. Accordingly, the term of M/s P. V. PAGE & Co., Chartered Accountants, is due to expire at the ensuing Annual General Meeting.

The Board of Directors at its meeting held on 28 July, 2020, have re-appointed M/s P. V. PAGE & Co., for a second term of five consecutive years (i.e. from the FY 2020-21 to FY 2024-25) i.e. up to Annual General Meeting of the Company to be held in the Financial year 2025-26. They have confirmed that they are not disqualified from continuing as Auditors of the Company. The matter relating to their appointment is included in the Notice of 11th AGM forming part of this Annual Report.

b) **Secretarial Auditors**

Section 204 of the Companies Act, 2013 inter-alia requires every listed company to annex with its Board's report, a Secretarial Audit Report given by a Company Secretary in practice, in Form MR-3.

The Board of Directors appointed M/s MV & Associates, Practicing Company Secretaries, Pune as the Secretarial Auditor to conduct Secretarial Audit of the Company for Financial Year 2019-20 and their report is annexed to this Board report as **Annexure III**.

c) **Internal Auditors**

M/s. K H S & Associates, Chartered Accountant Mumbai (FRN W131893) were re-appointed as internal auditors of the Company for the Financial Year 2020-21 to perform the duties of internal auditors and their report is reviewed by the audit committee from time to time.

d) **Cost Audit/Cost Record :**

As per the requirements of the Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records and accordingly, such accounts are made and records has been maintained in respect of the applicable products for the year ended 31st March 2020.

M/s. Shekhar Joshi & Co, Cost Accountants Mumbai, were appointed as Cost Auditor of the company for the financial year 2020-21 to conduct audit of Cost records and their remuneration is subject to ratification by members at this Annual General Meeting and forms part of the Notice.

14. **AUDITORS REPORT:**

The Statutory Auditors' Report does not contain any qualification, reservation or adverse mark.

15. **FRAUD REPORTING BY AUDITORS:**

The Auditor of the company in the course of the performance of his duties as auditor has not found any fraud committed by its officers or employees during the financial year 2019-20. However, no fraud reporting made by the Auditor to the Board of Directors of the company under section 143(12) of the Companies Act, 2013.

16. **EXPLANATION OR COMMENTS ON REMARKS MADE BY THE STATUTORY AUDITORS AND THE SECRETARIAL AUDITORS IN THEIR REPORTS:**

There were no qualifications, reservations or adverse remarks made by the Statutory Auditors and Secretarial Auditors in their report.

17. **COMPOSITION OF THE AUDIT COMMITTEE:**

The composition of the Audit Committee has been reported in the Report on Corporate Governance annexed to this Report.

18. **VIGIL MECHANISM:**

In pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 the Company has established a vigil mechanism that enable the directors and Employees to report genuine concerns. The vigil mechanism provides for:

- (a) Adequate safeguard against victimization of person who use the mechanism;
- (b) Direct access to the chairman of Audit Committee of the Board of the Directors of the Company in appropriate cases.

19. **STATE OF COMPANY'S AFFAIRS AND BUSINESS OVERVIEW:**

Discussion on state of Company's affairs and business overview has been covered in the Management Discussion and Analysis Report, forming part of this Annual Report.

20. **CHANGES IN SHARE CAPITAL:**

During the year, The Authorised Share capital of the company was increased from Rs. 6,00,00,000/- (Six crore) comprising of 60,00,000 (Sixty Lac) equity shares of Rs 10/- each to Rs. 12,00,00,000 (Twelve crore) comprising of 120,00,000 (One crore Twenty Lac) equity shares of Rs 10/- each.



The Company issued Bonus Shares in the ratio of 1:1 on 30 December 2019, to the existing shareholders of the Company and consequently, the paid up equity share capital of the Company was increased from Rs. 5,68,23,000/- (Rupees Five Crore Sixty Eight Lacs Twenty Three Thousand) comprising of 56,82,300 (Fifty Six Lacs Eighty Two Thousand Three Hundred) equity shares of Rs 10/- each to Rs. 11,36,46,000 (Eleven Crore Thirty Six Lacs Forty Six Thousand) comprising of 1,13,64,600 (One Crore Thirteen Lakhs Sixty Four Thousand Six Hundred) equity shares of Rs 10/- each as on 31 March, 2020.

On 22 June, 2020; the Company migrated its specified securities (Equity Shares) from SME platform of National Stock Exchange of India Limited (NSE-EMERGE) to Main Board of National Stock Exchange of India Limited (NSE) after fulfilling all the required criteria.

The company did not issue shares with differential voting rights nor sweat equity nor granted employee stock option scheme during the financial year under review. During the year under review, the company has not launched any scheme for the provision of money for purchase of its own shares by employees or by trustees for the benefit of employees.

21. DETAILS OF SUBSIDIARY:

Your Company has one Subsidiary Company viz. Univastu HVAC India Private Limited.

During its second year of operations the subsidiary company showed a good performance during the year under review.

22. NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR:

None.

23. PARTICULARS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:-

During the financial year, the Board reviewed the affairs of its associate companies and pursuant to provisions of Section 129(3) of the Companies Act 2013, details of associate companies in prescribed **Form AOC-1** is enclosed as **Annexure IV** as a part of this Board's Report.

There are no Joint Ventures to the Company.

24. PARTICULARS OF CONTRACTS OR AGREEMENTS WITH RELATED PARTIES (SECTION 188):-

The transactions with the related parties are governed by prevailing regulatory requirements and company's policy on dealing with such transactions.

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on arms' length basis.

Particulars of contracts or arrangements with related parties within the meaning of Section 188 (1) of the Companies Act, 2013 in **Form AOC-2** of the Companies (Accounts) Rules, 2014 are enclosed as **Annexure-V** to this report.

25. CASH FLOW:

A Cash Flow Statement for the year ended 31 March 2020, is attached to the Balance Sheet as a part of the Financial Statements.

26. COMPLIANCES WITH RESPECT TO APPLICABLE SECRETARIAL STANDARDS:

During the year under review, the Company has complied with all the applicable secretarial standards.

27. AMOUNT TRANSFERRED TO RESERVES:

During the year, the Company has not received any premium on allotment of Equity Shares. However, an amount of Rs. 4,42,07,398/- has been lying in share premium account besides no other amount has been transferred to general Reserves.

28. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS (SECTION 186):

The Company has not granted any loan, given guarantee or made investment during the year ending on 31st March 2020.

29. UNSECURED LOANS ACCEPTED FROM DIRECTORS OR THEIR RELATIVES:

During the financial year 2019-20, the Company has accepted unsecured loans from directors amounting to Rs. 309.86 Lacs.

The outstanding balance of the same as on 31st March, 2020 was Rs.73.87 Lacs.

30. DEPOSITS:-

The Company has not accepted any deposits within the meaning of section 73 of the Companies Act, 2013 during the year ending on 31st March 2020.

31. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND IF ANY:

The company was not required to transfer the unclaimed dividend to Investor Education and Protection Fund during the year under review.

32. DETAILS PERTAINING TO SHARES IN SUSPENSE ACCOUNT: (PARA F OF SCHEDULE V OF THE SEBI LISTING REGULATIONS, 2015)

The Company doesn't have shares in suspense account.

33. SIGNIFICANT OR MATERIAL ORDERS:

During the year ending on 31 March 2020, no regulatory or court or tribunal has passed any order impacting the going concern status of the company and its operations in future.

34. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT:

There have no material changes and commitments, affecting the financial position of the company from the end of the year up to the date of this report. Further there has been no change in the nature of business carried on by the Company.

35. RISK MANAGEMENT POLICY:

Risk management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events to maximize the realization of opportunities. The company has initiated a process of preparing a comprehensive risk assessment and minimization procedure. These procedures are meant to ensure that executive management controls risk by way of a properly defined framework. The major risks are being identified by the company and its mitigation process/measures being formulated in areas of operations, recruitment, financial processes and reporting, human resources and statutory compliance.

36. DETAILS RELATING TO MATERIAL VARIATIONS (IPO FUND UTILISATION):

The Company has raised the fund to meet the working capital requirement in the month of July, 2017. During the year, the entire funds were utilized for the said purpose only, so there is no deviation/ variation in use of proceeds of an issue as specified in Regulation 32(4) of the Listing Regulations.

37. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The management of your company would like to share the highlights of its performance review on the conservation of energy, technology absorption, foreign exchange earnings and outgo, as below:

A. CONSERVATION OF ENERGY:-

- (i) Steps taken or impact on conservation of energy: Energy conservation dictates how efficiently a Company can conduct its business operations and the Company has understood the value of energy conservation in decreasing the deleterious effects of global warming and climate change. Whereas the Company is running its business by optimal use of energy, which providing the Company and its management the new challenging task to perform.
- (ii) Steps taken by the company for utilizing alternate sources of energy: The Company makes every possible effort to save the energy. It makes timely maintenance of accessories used in providing services to make optimum utilization of electricity. As a result, the electricity bill of the Company is stabilized and controlled.
- (iii) Capital investment on energy conservation equipment's: The Company found enough system and equipment; hence it was not required to make additional investment on energy conservation related equipment's.

B. TECHNOLOGY ABSORPTION:-

- (i) The Company has started its business operations effectively, whereas no such new technology was absorbed.
- (ii) The Company was not required to import any technology related equipment during the period under review.
- (iii) The Company is running its business operations effectively, and in this regards, the management has also hired a good team of technical professionals into its business profile, who always work for an improvement of Company's business objectives. The Company was not required to have separate department of research and development activities as of now.

C. FOREIGN EXCHANGE EARNINGS & OUTGO:-

During the year under review, there were neither earnings nor outgo of any money in Foreign exchange.

38. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has developed a strong two-tier internal control framework comprising entity level controls and process level controls. The entity level controls of the Company include elements such as defined Code of Conduct, Whistle Blower Policy / Vigil Mechanism, rigorous management review and Management Information System (MIS) and strong internal audit mechanism. The process level controls have been ensured by implementing appropriate checks and balances to ensure adherence to Company policies and procedures, efficiency in operations and also reduce the risk of frauds.

Regular management oversight and rigorous periodic testing of internal controls makes the internal controls environment strong at the Company. The Audit Committee along with the Management oversees results of the internal audit and reviews implementation on a regular basis.

39. CORPORATE SOCIAL RESPONSIBILITY (CSR):-

In compliance with provisions Section 135 read with Schedule VII of the Companies Act, 2013 CSR Committee has been constituted and CSR policy has been adopted by the Company. Reporting on CSR in format specified is annexed as '**Annexure VI**' to this Report.

40. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:-

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral.

During the year under review, no complaints received regarding harassment by the company from its employees (permanent, contractual, temporary, trainees).

41. CORPORATE GOVERNANCE:-

Your Company is committed to achieve the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set by the Regulators/ applicable laws. Our focus on corporate governance, where investor and public confidence in companies is no longer based strictly on financial performance or products and services but on a company's structure, its Board of Directors, its policies and guidelines, its culture and the behavior of not only its officers and directors, but also all of its employees.

A separate section on Corporate Governance standards followed by the Company, as stipulated under regulation 34(3) read with schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 is enclosed as an Annexure to this report. The report on Corporate Governance also contains certain disclosures required under the Companies Act, 2013. Report on Corporate Governance is enclosed as an **Annexure VII** to this Report.

42. CAUTIONARY STATEMENT:

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

43. ACKNOWLEDGEMENT:-

The directors wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, valuable contribution and dedication during the year.

The Directors also wish express their deep sense of appreciation to Customers, Shareholders, Vendors, Bankers, Business Associates, Regulatory and Government Authorities for their consistent support.

For and on behalf of the Board of Directors

Mr. Pradeep Khandagale
Chairman and Managing Director

Mrs. Rajashri Khandagale
Non-executive Director

Place: Pune

Date: 25 August 2020