

DIRECTOR'S REPORT

TO THE MEMBERS OF UNITED INTERACTIVE LIMITED

The Directors have pleasure to present 35th Annual Report and Audited Annual Accounts of your company for the year ended on 31st March 2018.

**FINANCIAL HIGHLIGHTS:
STANDALONE BASIS**

Particulars	(₹ IN LAKHS)	
	FY 2017-18	FY 2016-17
Total Income	15.63	7.81
Total Expenditure	12.86	12.95
Profit / (loss) Before Tax	2.77	(5.13)
Tax	Nil	Nil
Profit / (Loss) After Tax	2.77	(5.13)

PERFORMANCE REVIEW & FUTURE OUTLOOK:

During the current year, your Company has booked total income of ₹ 15.63 Lakhs and Net Profit of ₹ 2.77 Lakhs on standalone basis. The source of income is on account of dividend received from subsidiary company – Netesoft India Limited (“Hereinafter referred to as “Netesoft”).

Your Company has its strategic & material subsidiary as Netesoft India Limited. The performance of Netesoft for the financial year 2017-2018 is as follows:

The total income of the Netesoft for the year ended March 31, 2018 stood at ₹ 370.80 Lakhs and it has made a profit after tax of ₹ 78.75 Lakhs during year ended March 31, 2018 as compared to a profit after tax of ₹ 192.12 Lakhs during the previous year.

Your Directors are expecting a growth in near future on consolidated basis and are confident that the policies, strategies adopted by your company will yield better returns.

DIVIDEND & RESERVES:

In view of the accumulated losses, your Directors expresses its inability to recommend payment of Dividend for the current financial year.

SHARE CAPITAL:

As at March 31, 2018, the total paid up share capital of United Interactive Limited stood at ₹ 1,83,10,000/- divided into 18,31,000 fully paid up equity shares of ₹ 10/- each. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

As on 31st March, 2018, Mrs. Sarayu Somaiya, Director of the Company, who is also Promoter of the Company holds 69.83% of total share capital of the Company.

MATERIAL CHANGES AND COMMITMENTS BETWEEN THE DATE OF THE BALANCE SHEET AND THE DATE OF REPORT

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of the report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of Energy and Technology Absorption:

The Company has no particulars to report regarding conservation of energy, technology absorption as required under Section 134(3)(m) of the Companies Act, 2013 read with Rules there under.

B. Foreign exchange earnings and outgo:

Sr. No.	Particulars	Amt in ₹
1	Foreign Exchange earned in terms of actual inflows during the year	Nil
2	Foreign Exchange outgo in terms of actual outflows during the year	Nil

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your company is committed to improve quality of lives of people in the community its serves through long term stakeholder value creation, with special focus on skills development. The Company does not have to mandatorily constitute a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. The company fully understands its role in society and is committed for sustainable & inclusive growth of people & the environment around its business.

BOARD AND DIRECTORS EVALUATION AND CRITERIA FOR EVALUATION

During the year, the Board has carried out an annual evaluation of its own performance & performance of the Directors.

Your Company has constituted Nomination and Remuneration Committee, which as per the provisions of Companies Act 2013 has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors. The criteria for Board Evaluation inter alia include degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Criteria for evaluation of individual Directors include aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management

outside Board/ Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Management. Criteria for evaluation of the Committees of the Board include degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings. The procedure followed for the performance evaluation of the Board, Committees and Directors is detailed in the Directors' Report.

CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF DIRECTORS:

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178(3) of the Companies Act 2013.

Independence:

In accordance with the above criteria, a Director will be considered as an 'Independent Director' if he/ she meet with the criteria for 'Independent Director' as laid down in the Act.

Qualifications:

A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is also ensured that the Board has an appropriate blend of functional and industry expertise. While recommending the appointment of a Director, the Nomination and Remuneration Committee considers the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.

Positive Attributes:

In addition to the duties as prescribed under the Act, the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment. Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.

REMUNERATION POLICY

The Company has adopted a Policy for remuneration of Directors, Key Managerial Personnel and other employees, which is aligned to its overall Human resource philosophy. The key factors considered in formulating the Policy are as under:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The key principles governing the Company's Remuneration Policy are as follows:

Remuneration for independent Directors and non-independent non-executive Directors:

- Independent Directors ('ID') and non-independent non-executive Directors ('NED') may be paid sitting fees for attending the Meetings of the Board and of Committees of which they may be members, and commission within regulatory limits, as recommended by the Nomination and Remuneration Committee ('NRC') and approved by the Board.
- Overall remuneration should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company, taking into consideration the challenges faced by the Company and its future growth imperatives. Remuneration paid should be reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay the remuneration and be consistent with recognized best practices.
- The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board. The NRC will recommend to the Board the quantum of commission for each Director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and Committee Meetings, individual contributions at the meetings and contributions made by Directors other than in meetings.
- The remuneration payable to Directors shall be inclusive of any remuneration payable for services rendered in any other capacity, unless the services rendered are of a professional nature and the NRC is of the opinion that the Director possesses requisite qualification for the practice of the profession.

Policy on Remuneration for Managing Director ('MD') / Executive Directors ('ED') / Key Managerial Personnel ('KMP')/ rest of the Employees:

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be market competitive, driven by the role played by the individual, reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay, consistent with recognized best practices and aligned to any regulatory requirements. Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
- In addition, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings. The Company also provides all employees with a social security net subject to limits, by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance. The Company provides retirement benefits as applicable.

- In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD/ EDs such remuneration by way of commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the NRC and approved by the Board.
- The Company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company.

Presently, Mrs. Sarayu Somaiya (Director), Mr. Basanta Behera (CEO) & Mr. Hemang Joshi (CFO), of the Company draws remuneration from the subsidiary, whereas Company Secretary's remuneration is as specified under MGT-9.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors report that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- The Directors have selected such accounting policies and applied them consistently and 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 of the profit and loss account of the company for that period.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the annual accounts on a going concern basis.
- The Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION ON INDEPENDENT DIRECTORS

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made there under and are independent of the management.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your company has one subsidiary namely 'Netesoft India Limited'. Currently Netesoft India Limited is carrying its activities in offering services for creative graphic designs & also in trading and investment in financial market instruments.

CONSOLIDATED FINANCIAL STATEMENT

In accordance with the Companies Act, 2013 (“the Act”) and Accounting Standard (AS) - 21 on Consolidated Financial Statements read with AS - 23 on Accounting for Investments in Associates and AS - 27 on Financial Reporting of Interests in Joint Ventures, your company’s Consolidated Financial Statements duly audited by the Statutory Auditors, are presented in this Annual Report along with Form AOC-1.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance for sexual harassment and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Company has not received any complaint of sexual harassment during the financial year 2017-18.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company’s Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism. It is affirmed that no personnel of the Company have been denied access to the Audit Committee.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

AUDITORS

(1) Statutory Auditors:

In accordance with the provisions of the Act, the Board has made appointment of M/s J L Thakkar & Co (FRN: 110898W), Chartered Accountants as the Statutory Auditors of the Company in place of retiring Auditors, for a term of five consecutive years from the conclusion of the 34th Annual General Meeting of the Company till the conclusion of the 39th Annual General Meeting to be held in the year 2022, subject to ratification by the members at each intervening Annual General Meeting. Your Board has obtained Consent and declaration from M/s J L Thakkar & Co. confirming as to their eligibility for appointment as Statutory Auditors of the Company.

(2) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. Hardik Savla & Co, a Company Secretary in Practice to undertake the Secretarial Audit of the Company for the year ended March 31, 2018. The Secretarial Audit Report is annexed to this report.

The Auditors’ Report and the Secretarial Audit Report for the financial year ended 31st March, 2018 do not contain any qualification, reservation, adverse remark or disclaimer.

LISTING ON STOCK EXCHANGES

The Equity Shares of your Company are listed only with BSE Limited. We confirm that, your Company has paid the listing fees for the financial year 2018-2019.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. In accordance with exemption provided under regulation 15 of the SEBI (LODR) Regulations, 2015 various corporate governance requirements do not apply to the Company. Therefore, no separate section on Corporate governance is annexed.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186

During the year, the Company has not given any loan or guarantee, or provided security, or has made any investment which would be required to be reported under section 186 of the companies Act 2013. The closing balances of investments which would be covered under Section 186 of the Companies Act, 2013, are disclosed in the Schedule of Non-Current Investments in the Financial Statements. The Company has not granted any Loans and Guarantees.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013

The contracts or arrangements entered into by the Company with Related Parties have been done at arm's length and are in the ordinary course of business and are immaterial in nature. Hence, no particulars are being provided in Form AOC-2 as mandated pursuant to the provisions of Section 134 of the Companies Act, 2013, read with Rule 8 (2) of the Companies (Accounts) Rules, 2014.

THE EXTRACT OF ANNUAL RETURN

Extracts of Annual return in form MGT-9 as per Section 134 (3) (a) of the Companies Act, 2013 read with Rule 8 of Companies Act (Accounts) Rules 2014 and Rule 12 of Companies (Management & Administration) Rules, 2014 is annexed hereto and forms part of this report.

MANAGERIAL REMUNERATION / PARTICULARS OF EMPLOYEES

Your company has not paid any managerial remuneration during the period under review, therefore no Disclosures in the Board Report as required under Rule 5 of Companies (Appointment & Remuneration) Rules, 2014 is provided and further your Company also has not employed any person at a remuneration in excess of the limit set out in the said Rules.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Your Director, Mr. Rasik Somaiya was reappointed as a director liable to retire by rotation at the Annual General Meeting of the Company held on September 25, 2017. No Director or Key Managerial Person has been appointed or has retired or resigned during the year.

In accordance with the provisions of Section 152 of the Act and in terms of Articles of Association of the Company, Mrs. Sarayu Somaiya, being longest in office, retires and is eligible for re-appointment and the board recommends her appointment as Director of your Company.

BOARD AND COMMITTEE MEETINGS

Four Board Meetings were convened and held during the year;

May 29, 2017, August 14, 2017, November 14, 2017 and February 14, 2018.

The Audit Committee as well as Nomination & Remuneration Committee consist of Mr. Ajay Shanghavi as Chairman and Mr. Rasik Somaiya, Mr. Nishant Upadhyay as Members. There have not been any instances when recommendations of the Audit Committee were not accepted by the Board.

The intervening gap between the Meetings was within the period as prescribed under the Act.

DETAILS OF DEPOSITS WHICH ARE NOT IN COMPLIANCE WITH THE REQUIREMENTS OF CHAPTER V OF THE COMPANIES ACT, 2013:

Your Company has not accepted any fixed deposits covered under chapter V of the Companies Act, 2013 and, as such, no amount of principal or interest was outstanding on the date of Balance Sheet.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

The Management Discussion and Analysis Report as required under regulation 34 of the SEBI (LODR) Regulations, 2015 is annexed to this report.

INTERNAL CONTROLS SYSTEMS AND ADEQUACY

The Company's internal audit systems are geared towards ensuring adequate internal controls commensurate with the size and needs of the business, with the objective of efficient conduct of operations through adherence to the Company's policies, identifying areas of improvement, evaluating the reliability of Financial Statements, ensuring compliances with applicable laws and regulations and safeguarding of assets from unauthorized use.

The Audit Committee along with Management overseas results of the internal audit and reviews implementation on a regular basis.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the whole hearted and sincere co-operation the Company has received from its bankers and various Government agencies. Your Directors also wish to thank all the employees for their co-operation.

For and on behalf of the Board

Date: May 30, 2018
Place: Mumbai

Sarayu Somaiya
Director
DIN: 00153136

Rasik Somaiya
Director
DIN: 00153038