

DRAFT DIRECTOR'S REPORT FOR PRIVATE LIMITED COMPANY



Dear Members,

XYZ PRIVATE LIMITED

Your Directors have pleasure in presenting the **(No. of AGM)** Annual Report together with the Audited Statement of Accounts of your Company for the Year ended March 31, 2016.

1. FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2016:

(Rs in Lacs)

Particulars	Year ended 31 st March 2016	Year ended 31 st March 2015
Turnover		
Profit Before Tax		
Less: Current Tax		
Deferred Tax		
Income Tax earlier years		
Profit For The Year		
Add: Balance in Profit and Loss Account		
Sub Total		
Less: Appropriation		
Adjustment relating to Fixed Assets		
Transferred to General Reserve		
Closing Balance		

2. STATE OF AFFAIRS

1. The Company is engaged in the business of _____. There has been no change in the business of the Company during the financial year ended 31st March, 2016.
2. There has been no change in the business of the Company during the financial year ended

31st March, 2016.

The highlights of the Company's performance are as under:-

- Revenue from operations increased by ____ from Rs. ____ lacs to Rs. ____ lacs.
- Net Profit for the year increased by ____% from Rs. ____ lacs to Rs. ____ lacs.
- Earnings per share have increased by ____% from Rs. ____ to Rs. ____.

The increase in revenue, net profit and EPS as mentioned above is accredited to increase in turnover in comparison to the last financial year.

3. **DIVIDEND**

In the month of _____, the Company declared an Interim Dividend of Rs _____ per share. Your Directors are pleased to recommend a final dividend of Rs _____ per share aggregating to Rs _____ per share (both inclusive interim and final) for the current financial year. The dividend if approved and declared in the forthcoming Annual General meeting would result a total Dividend outflow of Rs _____ and Dividend Distribution Tax of Rs _____ aggregating a total outflow of Rs _____.

or

Your Directors are pleased to recommend a dividend of Rs _____ per share aggregating to Rs _____ per share for the current financial year. The dividend if approved and declared in the forthcoming Annual General meeting would result a Dividend outflow of Rs _____ and dividend Distribution Tax of Rs _____ aggregating a total outflow of Rs _____.

or

No Dividend was declared for the current financial year due to conservation of Profits/due to loss incurred by the Company /due to insufficient profit.

4. **DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES**

The Company does not have any Subsidiary, Joint Venture or Associate Company.

OR

The names of companies which have become or ceased to be the Company's subsidiaries, joint ventures or associate companies during the year under review is provided below:

S. N.	Name of the Company	Subsidiary/JV/Associate	Become/Ceased	Effective Date

5. **INTERNAL FINANCIAL CONTROL**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

6. **DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)**

There has been no change in the constitution of Board during the year under review i.e. the structure of the Board remains the same.

In view of the applicable provisions of the Companies Act, 2013, the Company is not mandatorily required to appoint any whole time KMPs.

(to disclose information pertaining to appointment and resignation of Director(s)/KMP(s), if any during the year under review)

(to disclose resignation of the director(s), if any occurred between the end of the financial year to which this report relates and the date of this report)

7. **AUDITOR**

Statutory Auditors

The Auditors, M/s (Name of Auditor Firm), Chartered Accountants, (Firm Registration No. _____), hold office until the conclusion of the (Year upto to which appointed) Annual General Meeting. The Directors recommended that M/s (Name of Auditor Firm). Chartered Accountants, be ratified as the Statutory Auditors of the Company at the forthcoming Annual General Meeting of the Company to hold office till the conclusion of the next Annual General Meeting of the Company.

8. **BOARD'S COMMENT ON THE AUDITORS' REPORT**

The observations of the Statutory Auditors, when read together with the relevant notes to the accounts and accounting policies are self explanatory and do not call for any further comment.

OR

(Explanation or comment by the Board on every qualification, reservation, adverse remark or disclaimer made by the statutory auditor in his report and/or by the secretarial auditor in the secretarial Audit Report)

9. **MEETINGS OF BOARD OF DIRECTORS**

Seven Board Meetings were held during the Financial Year ended March 31, 2016 i.e. (Dates of Board Meetings). The maximum gap between any two Board Meetings was less than one Hundred and Twenty days.

The names of members of the Board, their attendance at the Board Meetings are as under:

Name of Directors	Number of Meetings attended/ Total Meetings held during the F.Y. 2014-15
Ms. (Name of Director)	1/7
Ms. (Name of Director)	7/7
Ms. (Name of Director)	6/7

10. **PARTICULARS OF LOANS AND INVESTMENT**

The Company has not made any Investment, given guarantee and securities during the year under review. There for no need to comply provisions of section 186 of Companies Act, 2013.

OR

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

11. **EXTRACT OF ANNUAL RETURN**

The extract of Annual Return in Form No.MGT-9 as required under Section 92 of the Companies Act, 2013 for the financial year ending March 31, 2016 is annexed hereto as Annexure A and forms part of this report.

12. **CONSOLIDATED FINANCIAL STATEMENTS**

Company doesn't have any subsidiaries so there is no need to prepare consolidated financial statement for the F. Y. 2014-15.

13. **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All related party transactions that were entered into during the financial year ended 31st March, 2016 were on an arm's length basis and were in the ordinary course of business. Therefore, the provisions of Section 188 of the Companies Act, 2013 were not attracted. Further, there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, or other designated persons which may have a potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC-2 is not required. However, the disclosure of transactions with related party for the year, as per Accounting Standard -18 Related Party Disclosures is given in Note no 24 to the Balance Sheet as on 31st March, 2016.

OR

The particulars of contracts or arrangements with related parties referred to in sub section (1) of

section 188 entered by the Company during the financial year ended 31st March, 2016 is annexed hereto as Annexure ___ in prescribed Form AOC-2 and forms part of this report.

14. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:**

A. Conservation of Energy, Technology Absorption

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review.

OR

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure.....and is attached to this report.

B. Foreign Exchange earnings and Outgo

Earnings	
Outgo	

15.

16. **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 or to maximise the realization of opportunities. The Company has laid down a comprehensive Risk Assessment and Minimization Procedure which is reviewed by the Board from time to time. These procedures are reviewed to ensure that executive management controls risk through means of a properly defined framework. The major risks have been identified by the Company and its mitigation process/measures have been formulated in the areas such as business, project execution, event, financial, human, environment and statutory compliance.

OR

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measures have been also formulated and clearly spelled out in the said policy.

17. **GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.

2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. The Company has no subsidiary and neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. CSR is not applicable on the Company.

18. **PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Company is committed to provide a safe and conducive work environment to its employees. During the year under review.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

19. **DEPOSITS**

The Company has not accepted any deposits during the year under review.

20. **TRANSFER TO RESERVE:**

The Company proposes to transfer a sum of Rs_____ to _____ Reserve during the financial year ended 31st March, 2016

OR

No amount was transferred to the reserves during the financial year ended 31st March, 2016.

21. **MATERIAL CHANGES AND COMMITMENTS**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report

OR

The following material changes and commitment occurred during the year under review affecting the financial position of the Company.

22. **CORPORATE SOCIAL RESPONSIBILITY (CSR)** *(applicable to select private and public companies)*

The Corporate Social Responsibility Committee (CSR Committee) of the Company has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

During the year, the Company could not spend any sum on any of its identified CSR activities due to_____.

The Annual Report on CSR activities is enclosed as per prescribed format as Annexure ___ and forms part of this report.

23. **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS**

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

OR

The details of a significant material order passed by the Hon'ble High Court which may impact the going concern status of the Company and its future operations is provided in Annexure ___ and forms part of this report

24. **DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3) (c) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- a) In the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same.
- b) 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 as at March 31, 2016 and of the profit of the Company for the year ended on that date.
- c) The Directors have 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) The Directors have prepared the annual accounts on a 'going concern' basis.
- e) The Company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company.
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

25. **ACKNOWLEDGMENT**

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board
(Name of Company)

Dated:
Place:

(Name of Director)	(Name of Director)
(Director)	(Director)
DIN: _____	DIN: _____
Add: (Address of Director)	Add: (Address of Director)

Notes

- ❖ There are certain additional event based disclosures mandated to be disclosed as per the Act. The same may be required to be additionally disclosed upon happening of the event.
- ❖ All applicable annexure needs to be additionally enclosed as a part of this report. As mentioned in the report, some annexure are to be prepared as per the prescribed format provided in the Act.

(Author – CS Divesh Goyal, GOYAL DIVESH & ASSOCIATES Company Secretary in Practice from Delhi and can be contacted at csdiveshgoyal@gmail.com)

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