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BACKGROUND:

It is mandatory for every company, to forward to its members, along with its annual Financial Statement the Board of Director's report. Report of Board of Directors should be 'ATTACHED' to the Balance Sheet laid before the AGM.

A director's report is intended to explain to shareholders the overall financial position of the Company and its operation & Business Scope. In Companies Act, 2013, lot of sections makes it mandatory to make disclosure in Boards report contrary to previous Act, where only section 134, talks about the Boards Report.

PROVISIONS RELATING TO DIRECTOR'S REPORT:-

❖ Applicability of Provision of Section-134 of Director Report:

The provision of Director Report mentioned u/s 134. Directors Report shall be prepared based on Standalone financial statements.

❖ Signing of Director's Report along with Annexure:

As per Section 134(6) Board Report and annexure thereto shall be signed by

- its 'CHAIRPERSON' if he is authorized by Board of director; Where he is not so authorized by,
- At least 2 (Two) Director, one of whom shall be a Managing Director.

- If there is no Managing Director, then by Two Directors.

CONTENT OF DIRECTOR REPORT:

DISCLOSURE MANDATORY TO BE MADE BY OPC AND SMALL COMPANY

S. No.	Board Report Content- OPC and Small
1.	<u>Web Link of Annual Return: Rule 8A(a)</u>
	The web address, if any, where annual return referred to in sub-section (3) of section 92 has been placed]
2.	<u>Number Of Board Meeting: Rule 8A(b)</u>
	Board Report required to mention the following Details: <u>Number</u> of Board Meeting held during the year
3.	<u>DIRECTOR RESPONSIBILITY STATEMENT: Rule 8A(c)</u>
	The Directors 'Responsibility Statement referred to in clause (c) of sub-section (3) shall State that— <ul style="list-style-type: none">- Accounting Standard- Accounting Policy- Proper and efficient care for three things:<ul style="list-style-type: none">• Going concern Basis• Adequate Internal Financial Control• Compliances with all applicable law
4.	<u>Details in respect of Frauds reporting u/s 143(12) by auditor: Rule 8A(d)</u>

	If any fraud is reported by auditor's u/s 143(12) then Board have to give details of the same in Directors Report.																									
5.	<u>Explanation on Auditor Qualification: Rule 8A(e)</u>																									
	Explanation or comments by Board on every qualification, reservation or adverse remarks or disclaimer made by Statutory Auditor or Secretarial Auditor (if applicable) in its report.																									
6.	<u>State of Company's Affairs/ Highlights: Rule 8A(f)</u>																									
	<p>The Directors' report starts with the financial results of the year which will show the working results for the year under review, the Net Profit Before Tax (PBT) and the Net Profit After Tax (PAT) and the appropriation of profit including the transfer to general reserve which has been left to the Director to decide.</p> <p>The Report will mention yearly total Sales Turnover and Income and Point out any problems faced by the company which have affected the profits and measures which have been taken to improve the working and reduce costs.-</p>																									
7.	<u>Financial Summary Highlight: Rule 8A(g)</u>																									
	The Company's financial performance for the year ended March 31, 2024:																									
	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Year ended 31st March 2024</th> <th>Year ended 31st March 2023</th> </tr> </thead> <tbody> <tr> <td>Revenue From Operations</td> <td></td> <td></td> </tr> <tr> <td>Profit Before Tax</td> <td></td> <td></td> </tr> <tr> <td>Less: Current Tax</td> <td></td> <td></td> </tr> <tr> <td>Deferred Tax</td> <td></td> <td></td> </tr> <tr> <td>Income Tax earlier years</td> <td></td> <td></td> </tr> <tr> <td>Profit For The Year</td> <td></td> <td></td> </tr> <tr> <td>Add: Balance in Profit and Loss Account</td> <td></td> <td></td> </tr> </tbody> </table>	Particulars	Year ended 31 st March 2024	Year ended 31 st March 2023	Revenue From Operations			Profit Before Tax			Less: Current Tax			Deferred Tax			Income Tax earlier years			Profit For The Year			Add: Balance in Profit and Loss Account			
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	Sub Total		
	Less: Appropriation		
	Closing Balance		
8.	<u>Material Events Occurring After Balance Sheet Date: Rule 8A(h)</u> <u>Post Balance Sheet Events</u>		
	<p>Material Changes and Commitments, if any, affecting the Financial position of the Company <u>which have occurred between the end of financial year of the Company to which the financial statement relate and the date of the report.</u></p> <p>The term material included items, the knowledge of which might influence the decision of use of financial statement.</p>		
9.	<u>Details of Directors appointed/resigned during the year: Rule 8A(i)</u>		
	<p>Board Report required to mention the following Details:</p> <ul style="list-style-type: none"> • Director appointed during the year. • Director resigned during the year. 		
10.	<u>Material order passed by the regulators or court or tribunals: Rule 8A(j)</u>		
	<p>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</p>		
11.	<u>Related Party Transaction- 188 (AOC-2)</u>		
	<p>There is required to disclose by director in Board's Report all the related party transaction entered along with the justification for entering into such contract and arrangement by the company during financial year.</p>		
12.	<u>Inter Corporate Loans and Investments- 186</u>		

	There is required to disclose by the director in Board's Report that, the company has complied with the provisions of Section 186 of companies Act, 2013 in relation to Loan, Investment & Guarantee given by the company during the financial.		
13.	<u>Compliance of Secretarial Standard – SS-1</u>		
	There is requirement to disclose in Directors Report that Company has complied with the provisions of Secretarial Standard.		
14.	<u>DEPOSITS</u>		
	The company has not accepted any deposits u/s 73 of Companies Act, 2013 during the year under. However, Company has accepted loan from directors or any other companies during the year as mentioned below:		
	Name of Director/Company	Loan taken during the year	Loan remaining at the end of the year
	Ms. (Name of Director)		
	Ms. (Name of Director)		
15.	<u>Disclosures under Sexual Harassment of Women at Workplace (Prevention, prohibition & redressal) Act, 2013</u>		
	The Company shall include in its report the number of cases filed, if any, and their disposal under this Act in the annual report of his organization or where no such report is required to be prepared, intimate such number of cases, if any, to the District Officer.		
16.	<u>Appointment/ re-appointment of Auditor:</u>		
	The details of the auditors, whether appointment, reappointment or continuation of the auditor.		

DISCLOSURE MANDATORY TO BE MADE BY EVERY COMPANY

Except OPC and Small Company

S. No.	EVERY COMPANY
1.	<u>Financial Highlights & Change Business- Rules 8(5)(i) &(ii)</u>
	Disclosure on financial summary or highlights and Change in the nature of business, if any.
2.	<u>Web Link of Annual Return: S 134(3)(a)</u>
	The web address, if any, where annual return referred to in sub-section (3) of section 92 has been placed.
3.	<u>Number Of Board Meeting: S 134(3)(b)</u>
	Board Report required to mention the following Details: <ul style="list-style-type: none">• <u>Number</u> of Board Meeting held during the year• <u>Date of Board Meetings</u> held during the year• Number and Date of Committee meeting held during the year• No. of <u>Board Meeting attended by the each Directors</u> during the year
4.	<u>DIRECTOR RESPONSIBILITY STATEMENT: S 134(3)(c)</u>
	The Directors 'Responsibility Statement referred to in clause (c) of sub-section (3) shall State that— <ul style="list-style-type: none">- Accounting Standard- Accounting Policy- Proper and efficient care for three things:<ul style="list-style-type: none">• Going concern Basis• Adequate Internal Financial Control• Compliances with all applicable law

5.	<u>Details in respect of Frauds reporting u/s 143(12) by auditor: S 134(3) (ca)</u>
	If any fraud is reported by auditor's u/s 143(12) then Board have to give details of the same in Directors Report.
6.	<u>Declaration by Independent Director: S 134(3)(d)</u>
	If there are Independent Directors in the Company. They will submit the declaration of their independence with the Company.
7.	<u>Risk Management Policy- S 134 (3) (n)</u>
	A statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, this in the opinion of the Board may threaten the existence of the company.
8.	<u>Explanation on Auditor Qualification- S 134(3)(f)</u>
	Explanation or comments by Board on every qualification, reservation or adverse remarks or disclaimer made by Statutory Auditor or Secretarial Auditor (if applicable) in its report.
9.	<u>Inter Corporate Loans And Investments- 186: S 134(3)(g)</u>
	There is required to disclose by director in Board's Report that, the company has complied with the provisions of Section 186 of companies Act, 2013 in relation to Loan, Investment & Guarantee given by the company during the financial.
10.	<u>Related Party Transaction- 188: S 134(3)(h)</u>
	There is required to disclose by director in Board's Report all the related party transaction entered along with the justification for entering into such contract and arrangement by the company during financial year.
11.	<u>State of Company's Affairs- S 134(3)(l)</u>
	The Directors' report starts with the financial results of the year which will show the working results for the year under review, the Net Profit Before Tax (PBT) and the Net Profit After Tax (PAT) and the appropriation of profit including the transfer to general reserve which has been left to the Director to decide.

	The Report will mention yearly total Sales Turnover and Income and Point out any problems faced by the company which have affected the profits and measures which have been taken to improve the working and reduce costs.
12.	<u>Transfer To Reserve- S 134(3)(J)</u>
	The report of the Board of Directors shall state the amount which it proposes to carry to any reserve in the Balance Sheet like debenture redemption reserve in terms of Section 71(13) etc.
13.	<u>Dividends- S 134(3)(K)</u>
	Where it is proposed to pay dividend, Report shall contain the recommendation of the Board as to the rate of dividend for the year under review for the approval of members at the AGM.
14.	<u>Material Events Occurring After Balance Sheet Date- S 134(3)(L)</u> <u>Post Balance Sheet Events</u>
	Material Changes and Commitments, if any, affecting the Financial position of the Company <u>which have occurred between the end of financial year of the Company to which the financial statement relate and the date of the report.</u> The term material included items, the knowledge of which might influence the decision of use of financial statement.
15.	<u>Conservation of energy, technology absorption & foreign exchange dealing:</u> <u>Rule8(3)+ S 134(3)(m)</u>
	The report of the Board shall contain the following information and details, namely:- (A) Conservation of energy- (i) the steps taken or impact on conservation of energy; (ii) the steps taken by the company for utilizing alternate sources of energy; (iii) the capital investment on energy conservation equipments; (B) Technology absorption- (i) the efforts made towards technology absorption;

	<p>(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;</p> <p>(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-</p> <p>(a) the details of technology imported;</p> <p>(b) the year of import;</p> <p>(c) whether the technology been fully absorbed;</p> <p>(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and</p> <p>(iv) the expenditure incurred on Research and Development.</p> <p>(C) Foreign exchange earnings and Outgo-</p> <p>The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.</p>
16.	<u>Appointment/ re-appointment of Auditor:</u>
	The details of the auditors, whether appointment, reappointment or continuation of the auditor.
17.	<u>Subsidiaries, JVs or Associate Companies- Rule 8(5)(iv)</u>
	The name of Company which has become or ceased to be its subsidiaries, Joint Venture or associate company during the year
18.	<u>Report on performance of subsidiaries, associate's companies and joint ventures: Rule 8(1)</u>
	<p>The Board's Report shall be prepared based on "<u>STAND ALONE FINANCIAL STATEMENT OF THE COMPANY</u>"</p> <p>But the Board's Report shall contain <u>a Separate section</u> wherein a report on the performance and financial position of each:</p> <ul style="list-style-type: none"> • Subsidiary • Associate <p>Joint venture companies, including in the consolidated financial statement is presented.</p>

19.	<u>Details of Directors/KMP/ appointed/resigned during the year As per Section 134(3)(g) r/w Rule 8(5)(iii) of Companies (Account) Rules,2014</u>
	Board Report required to mention the following Details: <ul style="list-style-type: none"> • Director/KMP appointed during the year. • Director/KMP resigned during the year.
20.	<u>CONSTITUTION OF COMMITTEE - SEXUAL HARASSMENT AT WORKPLACE: Rule 8(5)(x)</u>
	Company should make disclosure in Board Report relating to Constitution of Committee for Sexual Harassment of Women & Workplace.
21.	<u>Voluntary revision of financial statements or Board Report- S131</u>
	Detailed reason for revision of such financial statement or Board's Report to be disclosed in the Board's report in the relevant f.y. in which such revision is being made.
22.	<u>Adequate Internal Financial Control- Rule 8(5)(viii)</u>
	<ul style="list-style-type: none"> • In case of private limited company board of director is required to comment only on the adequacy of Internal Financial Control (Sec- 134(5)(e)) and not on its effectiveness.
23.	<u>Details of Deposit – Rule 8(5)(v)</u>
	The company needs to mention the details of deposit or loan from directors in the Directors Report.
24.	<u>Compliance of Cost Record– Rule 8(5)(ix)</u>
	If provisions of Cost Record applicable on the Company then company have to give details in Directors report that Company has maintained proper records and account of the same as required under the act
25.	<u>Pending Insolvency Proceeding– Rule 8(5)(xi)</u>
	The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

26.	<u>DIFFERENCE IN VALUATION– Rule 8(5)(xii)</u>
	The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

EVENT BASED DISCLOSURES TO BE MADE BY THE COMPANY

S. No.	Board Report Content - EVENT BASED
I.	<u>Disclosure about ESOP and Sweat Equity Share:</u>
	Director report shall disclose following about Sweat Equity Shares:.[Rule 7 of Unlisted Companies (Issue of Sweat Equity Share] Rules, 2003 <ol style="list-style-type: none"> a. Number of Share issued Condition of issue of shares. b. Pricing formula c. Total Sweat equity share issued. d. Money realized and benefit accrued e. Diluted EPS pursuant to issue of sweat equity shares. f. If ESOP has been given, its details are to be disclosed.
II.	<u>Disclosure of Vigil Mechanism in board Report:</u>
	If provisions of vigil Mechanism apply on company, then directors required to disclose in Board's report establishment of Vigil Mechanism. Also a requirement in terms of Clause 49(vii)(H)(2) of Clause 49. <u>Applicable to the Companies</u> which have borrowed money from banks & FIs in excess of Rs. 50 Crore.
III.	<u>Order of Authority:</u>
	The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.
IV.	<u>Disclosure if MD/WTD is receiving remuneration or commission from a MD/WTD or subsidiary Company: As per Section 197(14) of the Act, 2013</u>

	A MD/WTD of company can receive remuneration or commission from any holding company or subsidiary company of such company. This should be disclosed by the company in Board's Report.
V.	<u>Details Relating to Deposit:</u>
	<ul style="list-style-type: none"> • Details of deposits which are not in compliance with the requirement of chapter V of the Act. • Deposit Accepted during the year. • Unpaid and unclaimed deposit at the end of the year. • If there is any default in repayment of deposit or payment of interest thereon during the year then; <u>Number of such cases and total amount involved</u> <ul style="list-style-type: none"> - At the beginning of the year - Maximum during the year - At the end of the year
VI.	<u>Details of Corporate Social Responsibility (CSR) (to be include in limit are triggered) S- 134(3)(o):</u>
	<p>Composition of CSR Committee, the details about the policy developed and implemented by the Company on Corporate Social Responsibility initiatives taken during the year. Details about:</p> <ul style="list-style-type: none"> • Policy; • Its Implementation; • Spending as per <u>Format</u> in CSR Rules. <p>This will go as a separate annexure to the Board Report in the formant prescribed in CSR Rules. The concept of CSR is based on the principle 'comply or explain'.</p> <p><u>Hence, if Company fails to spend</u>, the Board shall in its report specify the reason for not spending the amount and in case it does not disclose the reason for not spending, the company shall be punishable with fine.</p>
VII.	<u>General Disclosures:</u>
	<ul style="list-style-type: none"> • Name of retiring directors and whether or not they offer themselves for re-appointment. • Casual vacancies in the Board filled during the year. • Re-appointment. • Casual vacancy in the Board filed during the year • Changes in Board during the year, by change of nominees, appointment of additional directors, death, resignation or any other reason • Details, if anyone is contesting for election as director/ small shareholder director.

VIII.	<u>Provision of Money by Company to purchase its own Shares- S 67(3) (b):</u>
	If a public company provide financial assistance for the purchase of, or subscription for, fully paid-up shares in the company or its holding company, if the purchase of, or the subscription for, the shares held by trustees for the benefit of the employees or such shares held by the employee of Company.
IX.	<u>Issue of Shares with Differential Rights- S 43 r/w Rules 4(4)</u>
	Company will prescribe details of issue of equity shares with differential rights.

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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