
Board Report of Private Companies

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Content

- Background
- Matters to be included in the board report as per Section 134 and Rule 8 of The Companies (Accounts) Rules, 2014
- Event Based Disclosures
- Other Provisions of Board Report
- Points to be considered
- Work Methodology



Background

- A board report is an essential document produced by the board of directors of a Company detailing the requirements of Indian Corporate Laws say, Companies Act, 2013, SEBI (LODR) Regulations, 2015 and various other laws. It explains the company's financial affairs, including its subsidiaries and associates along with the performance made by the Company in the relevant financial year and future projections budgeted in respect of the company's business.
- Section 134 (3) to (6) of the Companies Act 2013 and Rule 8 to Rule 11 of Companies (Accounts) Rules 2014 contains the content of the Board's Report.
- Further, there are certain other provisions in the Act or other laws which require disclosures to be made in the Board Report.

Following provisions are listed below which details the matters required to be included in Board Report of all Companies for the financial year 2017-2018

S. No.	Provisions	Particulars
1	Section 92(3) & 134(3)(a) read with Rule 12 of Chapter VII	Extract of Annual Return in Form MGT-9 along with web address, if any, where extract referred has been placed (effective from July 31, 2018)
2	Section 134(3)(b)	Number and dates of meetings of the Board
3	Section 134(3)(c) & Section 134(5) except clause (e) of 134(5)	Directors Responsibility Statement
4	Section 134(3)(ca) & 143 (12) read with Rule 13 of Chapter X	Details in respect of frauds reported by statutory auditors (including Cost Auditor & Secretarial Auditor) other than those which are reportable to the Central Government
5	Section 134(3)(f)	Explanation or comments by the Board on every qualification made by the auditor, if any
6	Section 134(3)(g) read with Section 186	Particulars of loans, guarantees or investments

S. No.	Provisions	Particulars
7	Section 134(3)(h), 188(1) & (2) read with Rule 8(2) of Chapter IX	Particulars of contracts or arrangements with Related parties, if any in Form AOC-2
8	Section 134(3)(i)	The state of the Company's affairs
9	Section 134(3)(j)	The amount, if any, which it proposes to carry to any reserves
10	Section 134(3)(k) read with SS-3*	The amount of Interim Dividend, if any, paid during the financial year and final Dividend recommended by the Board of directors
11	Section 134(3)(l)	Material Changes and commitments, if any, affecting the financial position of the Company
12	Section 134(3)(m) read with Rule 8(3) of Chapter IX	Particulars of the conservation of energy, technology absorption, foreign exchange earnings and outgo
13	Section 134(3)(o) & 135(2)&(4)(a) & (5) read with Rule 9 of Chapter IX & Rule 8, 9 of Chapter X	Detail about the CSR Policy and initiative taken during the year including Composition of CSR Committee and the reason for not spending the CSR amount or web-address containing such details (effective from July 31, 2018)

S. No.	Provisions	Particulars
14	Rule 8(1) of Chapter IX	Highlights of the performance of subsidiaries, associates and joint venture companies and their contribution to the overall performance of the company
15	Rule 8(5)(i) of Chapter IX	Financial Summary and Highlights of financials
16	Rule 8(5)(ii) of Chapter IX	Change in the nature of the business, if any
17	Section 168(1) read with Rule 8(5)(iii) of Chapter IX	Details of Directors or KMP appointed/resigned during the year
18	Rule 8(5)(iv) of Chapter IX	The names of Company who have become or ceased to be its subsidiaries, joint ventures or associate companies during the year
19	Rule 8(5)(v) & (vi) of Chapter IX read with Chapter V	Details relating to deposit
20	Rule 8(5)(vii) of Chapter IX	Details of Significant and Material Orders passed, impacting the going concern status and the company's operation in future

S. No.	Provisions	Particulars
21	Rule 8(5)(viii) of Chapter IX	Details of adequacy of Internal Financial Control
22	Rule 8(5)(ix) of Chapter IX	Disclosure, as to whether maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained (effective from July 31, 2018)
23	Rule 8(5)(x) of Chapter IX read with Section 22 & Section 28 of The Sexual Harassment of Women At The Workplace (Prevention, Prohibition & Redressal) Act, 2013	A statement regarding compliance relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 made by a company (effective from July 31, 2018)

Event Based Disclosures

S. No.	Provisions	Particulars
1	Section 67(3) of CA, 2013 read with Rule 16 of Chapter IV	Disclosure of Voting rights, if any, not exercised directly by employees in respect of shares to which any ESOP scheme, if any, relates
2	Rule 4 (4) of Chapter IV	Disclosure about the issue of equity shares with differential rights, if any
3	Rule 8(13) of Chapter IV	Disclosure about Sweat Equity Shares, if any
4	Rule 12 of Chapter IV	Disclosure about ESOP Scheme, if any
5	Rule 2 of Chapter V	Disclosure regarding details of money borrowed by Company from directors
6	Section 131	Reason for voluntary revision of financial statement or Board Report, if any
7	Secretarial Standard-1	A statement on compliances of applicable Secretarial Standards
8	Secretarial Standard-2	Matters to be contained in the explanatory statement can be mentioned in Annual Report

Companies Amendment Act, 2017

Section of CA'13	Provision	Particulars
134	Financial Statement & Board Report	<ul style="list-style-type: none"> •BR should contain link of web address, if any, where AR is placed •If disclosures referred to in 134(3) (q) have been included in the FS, such disclosures shall be referred to instead of being repeated in the BR •CG prescribed abridge BR for OPC, small companies
92	Annual Return (MGT-9)	<p>Indebtedness of company is not required to be disclosed</p> <p>CG can prescribe abridged return for OPC, small companies and other class of companies (Yet to be notified by CG)</p> <p>Return required to be placed on website of company with link. The link instead of extract shall be part of BR.</p>

Rule 8A-The Companies Accounts (Amendment) Rules, 2018 - Matters to be included in Board's Report for One Person Company and Small Company

- 1) The Board's Report of One Person Company and Small Company shall be prepared based on the stand alone financial statement of the company, which shall be in abridged form and contain the following:-
 - a) the web address, if any, where annual return referred to in sub-section (3) of section 92 has been placed;
 - b) number of meetings of the Board;
 - c) Directors' Responsibility Statement as referred to in sub-section (5) of section 134;
 - d) details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government;
 - e) explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made by the auditor in his report;
 - f) the state of the company's affairs;
 - g) the financial summary or highlights;
 - h) material changes from the date of closure of the financial year in the nature of business and their effect on the financial position of the company;
 - i) the details of directors who were appointed or have resigned during the year;
 - j) the details or significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.
- 2) The Report of the Board shall contain the particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the Form AOC-2.”]

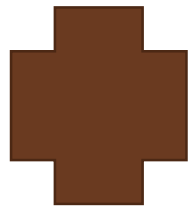
Other Provisions of Board Report



- The Board's report and its annexures shall be **signed** by its chairperson of the company if he is authorised by the Board and where he is not so authorised, shall be signed by at least two directors, one of whom shall be a MD, or by the director where there is one director.
- A signed copy of every financial statement, including consolidated financial statement, if any, shall be **issued, circulated or published** along with a copy each of—
 - a) any notes annexed to or forming part of such financial statement;
 - b) the auditor's report; and
 - c) the Board's report referred to in sub-section (3).
- If a company **contravenes** the provisions of this section, the company shall be punishable with fine or imprisonment or both

On Company

Fine not be less than Rs. 50,000/- but which may extend to Rs. 25,00,000/-



Defaulting Officer

Defaulting officer of the company with imprisonment for a term which may extend to 3 years or with fine which shall not be less than Rs. 50,000/- but which may extend to Rs. 5,00,000/-, or both.

- Disclosure mentioned in point no. 13 is not applicable to a government company engaged in producing defence equipment
- Disclosure, as to whether maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained
- A statement regarding compliance relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 made by a company (effective from July 31, 2018)
- Extract of Annual Return in Form MGT-9/web address, if any, where annual return referred to in sub-section (3) of section 92 has been placed.

Work Methodology



Work Methodology

Steps	Particulars
I	Understanding the Scope of Work
II	Sharing & Acceptance of Proposal
III	Planning of work alongwith alignment of client
a	Search for the precedents (Look Backward)
b	Work as per current situation (Apply your mind)
c	Execute accordingly (Move Forward)
IV	Sharing draft with client
V	Share final documents post observations, if any or share acknowledgement of work done, if any
VI	Billing & Follow-up till realization



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