

Considerations while drafting Directors' Report

**By:
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Some questions

Whether Directors' Report is prepared based on Standalone F.S. or Consolidated F.S.

Is there any responsibility on the Auditors vis-à-vis the Directors' Report

Who shall be the signatory on the Directors' Report

Is there any separate requirement for the contents of Directors' Report for Small Companies

Can Directors' Report be revised

Had any penal action(s) been taken in past by Regulators for faulty Directors' Report

Question – whether the following is reportable in Board's Report

- ABC Trading Private Limited engaged in the import and distribution of electrical goods and consumer appliances reported sales turnover of ₹15 crore for FY 2024-25.
- During the year, the company:
 1. Installed LED lighting systems in the warehouse and office premises, reducing power consumption by 12%
 2. Implemented motion sensor-based lighting in storage areas
 3. Optimized air-conditioning usage using automatic timers
 4. Commissioned a rooftop solar power system of 10 kW capacity, meeting 20% of office electricity demand
 5. ₹3.5 lakh invested in LED fixtures and ₹6 lakh in solar installation during FY 2024-25.

Question – whether the following is reportable in Board's Report

- During the year, the company:
 6. Adopted cloud-based ERP software for managing inventory and accounting
 7. Introduced AI-enabled demand forecasting for inventory planning
 8. Imported Barcode scanning systems for warehouse automation and is fully operational
 9. Imports of electrical goods: ₹4.8 crore
 10. Foreign travel and subscription fees: ₹1.2 lakh

Board's Report [Section 134]

- Report of Board of Directors shall be **'attached' to the balance sheet laid before the AGM** – Section 134(3)
- **Approval of financial statement and the Board's report** shall be done at the meeting of Board. The approval cannot be done by circulation or by committee - Section 179(3)(g)
- The Board **resolution approving financial statement and Board report** should be filed with ROC in **Form MGT.14** (other than for Private Companies) – Section 117(3)(g) read with MCA Notification GSR 464(E), dated 5-6-2015
- The Board's report and any annexures thereto 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 managing director, or by the director where there is one director – Section 134(6); In case of OPC, the report shall be signed by one director, where there is one director.

Question

1. Is there any provision in the Companies Act to appoint Chairperson of the Company ? – No such provision
2. We have SS 1 – Chairperson of the Board Meeting shall be elected by the members of the Board. Let us say, Mr. X one of director was elected as Chairperson. The Board Report was approved by unanimous approval of all the directors and the following resolution was passed:
“Resolved Further That any of the directors is authorised to sign the Board Report for the FY 2024-2025”
 - a) Mr. X signed the Board Report and designated himself as “Mr. X, Chairperson cum Director (DIN: _____)”
 - b) Mr. X signed the Board Report and designated himself as “Mr. X, Director (DIN: _____)”

Learning

- While the elected Chairperson of the Board Meeting has the inherent right to sign the minutes of the meeting **but** he has no inherent right to sign the Board's report unless he is specifically authorised in his capacity as Chairperson to sign such Board's report

Contents of Board's Report



Regular Contents - Section 134(3)

Prescribed Contents – Rule 8 and Rule 8A of Companies (Accounts) Rules, 2014

Directors' Responsibility Statement – Section 134(5)

Other Contents

Regular Contents – Section 134(3)

1/2

Clause	Contents
(a)	Web-address (if any) of Annual return
(b)	Number of Board meetings
(c)	Directors' responsibility statement [contents specified in Section 134(5)]
(ca)	details in respect of frauds reported by auditors to the Board
(d)	a statement on declaration given by independent directors u/s 149(6)
(e)	Policy for appointing directors (only if company is covered by section 178) – salient features (with weblink) sufficient if entire policy is there on Website; This sub-clause is not applicable to Government company
(f)	explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer in the report by Auditor or CSP
(g)	loans, guarantees or investments under section 186
(h)	contracts or arrangements with related parties (Form AOC 2)

Number of Board Meetings

- **Question:** ABC Private Limited held only 3 Board Meetings in the FY 2024-2025. Is it a contravention? However, from January 2024 to December 2024 – 5 Board Meetings were held by the company.
- **Assumptions:**
 - a) Company got incorporated in the year 2010;
 - b) The gap between two consecutive Board Meetings was within the 120 days period, such that one meeting atleast was held each quarter
- Section 173 – the word is ‘year’ – i.e. calendar year and not the FY
- **Interpretation (personal view):**
 1. Number of board meetings should be only for FY and calendar year need not be considered for report because the report is for FY;
 2. Although, the Date on which BM was held is not asked for by Section 134(3), it is company’s prerogative to give such dates or not. Though it is advisable to give such dates so that the SCN from RoC could be avoided w.r.t. compliance of number of BMs u/s 173

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer in the report by Auditor or CSP

1. Whether the word 'auditor' here includes statutory auditor, cost auditor, internal auditor, tax auditor? = Statutory Auditor and Cost Auditor both will be considered
= Why cost auditor = Section 148(5) states that the provisions regarding statutory auditor also applies to cost auditor
2. Company Secretary being Secretarial Auditor = covered
3. Audit Report contains:
 - Qualification para – Yes
 - Adverse para – Yes
 - Disclaimer para – Yes
 - Emphasis of Matter para – Yes
 - Other Matter para – No

SA 700 series

- **Audit Report**

- Unmodified Report

- Modified Report

- Report that affects Opinion

- Qualified Para

- Adverse Para

- Disclaimer Para

- Report that does not affect Opinion

- Emphasis of Matter Para – can influence the understanding about the items contained in F.S.

- Other Matter Para – in relation to description of auditors' responsibilities such as describing the fact that branch audit was carried out by another auditor

Explanation vs. Comment

- An **explanation** is a direct and factual response to the auditor's observation. It clarifies the reason for the issue. For example, if the auditor qualifies their report because a company didn't follow a specific accounting standard, the board's explanation would detail why that particular standard wasn't applied, providing the facts and justification;
- A **comment** is a broader statement that might express the Board's opinion or perspective on the matter. It could be used to acknowledge the auditor's point, provide additional context beyond just the facts, or outline the steps the company is taking to address the issue in the future. For instance, a comment could be a reassurance to shareholders that the issue is being rectified, even if the underlying matter is still present in the financial statements

Explanation vs. Comment

- **Question:** The auditors' report stated as follows:
 1. Qualified Para – The inventory is valued on LIFO basis which is not as per AS 2 = Explanation = accepting or refuting the remarks
 2. EOM Para – The going concern seems appropriate despite fire in factory because the company is going to receive insurance claim very soon = Comments = some supplement information so that readers can see this remark from management's view point

Loans, guarantees or investments under section 186

- Question: ABC Private Limited. It has given loan to its Wholly Owned Subsidiary (WOS) after passing Board Resolution. Under Section 186, such loan transaction is exempted from obtaining special resolution approval if the loan amount exceeds the prescribed threshold (60% or 100% parameters).
- However, this loan is interest free. Can interest free loan be given to WOS.
- Answer: No exemption from interest free loan being granted, i.e. interest needs to be specified
- Whether such loan transaction is a related party transaction under Section 188 or AS 18/ Ind AS 24?
- Answer: Not a RPT u/s 188 but RPT under AS 18/ Ind AS 24

Regular Contents – Section 134(3)

2/2

Clause	Contents
(i)	state of the company's affairs
(j)	amounts, if any, which it proposes to carry to any reserves
(k)	amount, if any, which it recommends should be paid by way of dividend
(l)	Post balance sheet events - material changes and commitments, if any, affecting the financial position of the company
(m)	conservation of energy, technology absorption, foreign exchange earnings and outgo
(n)	risk management policy including identification therein of elements of risk
(o)	CSR policy – salient features (with weblink) sufficient if entire policy is there on Website
(p)	Statement on evaluation of performance of Board, its committees, individual directors [Listed Companies/ Public Companies having PSC > Rs. 25 Cr. in preceding FY]. Not applicable to Government Companies
(q)	Other prescribed matters

Post balance sheet events - material changes and commitments, if any, affecting the financial position of the company

- In the F.S. of ABC Private Limited, the following was disclosed in the Notes to Accounts:
 - “The Company received a demand notice on 10th April, 2025 or Excise pertaining to FY 2015-2016, the SCN for which was contested by the company on 28th March, 2025”
- The above was not disclosed in the Board Report. Is it correct?

Special Points

- **No repetition required:** where disclosures referred to in this sub-section have been included in the financial statements, such disclosures shall be referred to instead of being repeated in the Board's report – first proviso;
- **Policy on Directors' appointment and CSR available on website:** give only the salient features of the policy and any changes therein in brief in the Board's report and the web-address – second proviso

Report on performance of subsidiaries, associate companies and joint ventures

- The Board's Report shall be prepared based on the standalone financial statements of the company.
- In addition, Company shall report on the highlights of performance of subsidiaries, associates and joint venture companies and their contribution to the overall performance of the company during the period under report - Rule 8(1) of Companies (Accounts) Rules, 2014

Conservation of energy, technology absorption & foreign exchange dealings 1/2

- The Board's report shall contain information and details about following (except in respect of Govt. companies in defence sector) - Rule 8(3) of Companies (Accounts) Rules, 2014:
- **Conservation of energy** - (i) the steps taken or impact on conservation of energy (ii) the steps taken by the company for utilising alternate sources of energy (iii) the capital investment on energy conservation equipments.
- **Technology absorption** - (i) the efforts made towards technology absorption (ii) the benefits derived like product improvement, cost reduction, product development or import substitution (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - (a) the details of technology imported (b) the year of import (c) whether the technology been fully absorbed (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and (iv) the expenditure incurred on Research and Development

Conservation of energy, technology absorption & foreign exchange dealings 2/2

- **Foreign exchange earnings and outgo** - 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.
- **Note:** This requirement is not applicable to Government company in defence equipment - proviso to rule 8(3) inserted w.e.f. 4-9-2013.

Case Study

- ABC Trading Private Limited engaged in the import and distribution of electrical goods and consumer appliances reported sales turnover of ₹15 crore for FY 2024-25.
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Case Study

- During the year, the company:
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 7. Introduced AI-enabled demand forecasting for inventory planning
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Question

- ABC Private Limited's F.S. for the FY 2024-2025 disclosed the following:
 1. Purchased Wi-Fi enabled printer worth Rs. 1.5 lakhs and duly capitalised in the Books;
 2. Audit Trail was enabled in the accounting software by paying Rs. 50,000 for the software update;
 3. Diesel Generator was substituted with Inverter and Solar Cells (roof top)
 4. Rs. 5 Lakhs were paid to an Architect to study the possibility of renovating the Building for maximum sun light to enter the premises. However, the project never took off post his advise and the amount was expenses off in the P & L
 5. The company organised a training programme for its sales men on how to use tablet for taking and tracking customers' orders

Academic Question (defence sector)

- Hindustan Shipyard Limited is constructing ships and sub-marines for Indian Navy. It incurred a sum of Rs. X crores for developing highly advanced sub-marines. Whether this is required to disclosed in Board Report?

Question

- Whether any disclosure is required in Board Report, if the P & L Account of ABC Private Limited for the FY 2024-2025 presents the following:
 1. Provision for bad debts
 2. Stock Insurance expenses
 3. Forex Loss
 4. Legal expenses

Small Company

- **Small Company [Sec. 2(85)]**: a Company having:
 - a) Paid up share capital \leq 4 cr.; ***and***
 - b) Turnover **as per preceding year P & L** \leq 40 cr.**Following do not qualify as a Small Company:**
 - a) Public company;
 - b) Holding or a subsidiary company;
 - c) Section 8 Company;
 - d) Company or body corporate governed by any special Act

Question

- ABC Private Limited has paid up share capital of Rs. 10 Lakhs and preceding year turnover of Rs. 60 lakhs
- XYZ Private Limited has paid up share capital of Rs. 15 Lakhs and preceding year turnover of Rs. 100 lakhs
- ABC Private Limited is a subsidiary of XYZ Private Limited
- Question: Whether ABC and XYZ are small companies u/s 2(85) because both of them have capital and turnover less than the prescribed threshold
- No, because they are having holding-subsidary relationship

Prescribed Contents

1/2

Rule 8 – for other than OPC and SC	Rule 8A – for OPC and SC
<ul style="list-style-type: none">Board's Report shall be prepared based on the stand alone financial statements	<ul style="list-style-type: none">-do-
<ul style="list-style-type: none">Provide highlights of performance of subsidiaries, associates and joint venture	<ul style="list-style-type: none">N.A.
<ul style="list-style-type: none">financial summary or highlights, changes in nature of business, details of changes in directors and KMPs	<ul style="list-style-type: none">-do-
<ul style="list-style-type: none">statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year	<ul style="list-style-type: none">N.A.
<ul style="list-style-type: none">details relating to deposits	<ul style="list-style-type: none">N.A.

Details relating to deposits

- accepted during the year
- remained unpaid or unclaimed as at the end of the year
- whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved:
 - a) at the beginning of the year;
 - b) maximum during the year;
 - c) at the end of the year
- the details of deposits which are not in compliance with the requirements of Chapter V of the Act

Case Study

- M/s Galaxy Retail Pvt. Ltd., a distributor of consumer electronics, received an advance of ₹95 lakhs on 5th March 2024 from M/s UrbanCart Online Pvt. Ltd. for the supply of a bulk order of smartphones and accessories for an upcoming festive sale.
- The order was split into 3 dispatches:
 - i. The first shipment worth ₹40 lakhs was delivered in June 2024.
 - ii. The second shipment worth ₹30 lakhs was invoiced in October 2024, but goods were never dispatched due to warehouse constraints.
 - iii. The remaining ₹25 lakhs remained unbilled & undelivered by 31st Mar., 2025.
- M/s Galaxy continued to show the full ₹95 lakhs as “Advance from Customer” in the financials. No refund was issued, and no legal dispute existed.
- What are the reporting considerations for the year ending on 31st March, 2025

Answer

- Under Rule 2(1)(c)(xii)(a), an advance received for supply of goods must be appropriated (i.e., either by delivery or refund) within 365 days from receipt to avoid being treated as a deposit;
- ₹40 lakhs (delivered): Fully appropriated
- ₹30 lakhs (invoiced but not delivered): Not appropriated — mere invoicing does not equal delivery
- ₹25 lakhs: Neither invoiced nor delivered
- Thus, total unappropriated amount = ₹55 lakhs
- Since:
 - 365 days from 5-March-2024 expires on 4-March-2025
 - 15-day refund grace period ends on: 19-Mar-2025
 - As on 31st March, 2025, appropriation deadline + refund grace period have already passed - ₹55 lakhs becomes a deemed deposit from 20-Mar-2025

Precaution

- Disclose Rs. 55 lakhs as deposits not in accordance with Chapter V
- Compare this disclosure with DPT 3 as well as Para 3(v) of CARO, 2020

Highlights of performance

- **Question:** What is the meaning of highlights of performance?

Particulars	ABC (P) Limited (Standalone)	Group Performance			
		Consol.	Subsidiaries	Associates	JVs
Income	Tip: Entire Board Report is based upon these standalone numbers				
Expenses					
PAT					
Ratios					

Prescribed Contents

2/2

Rule 8 – for other than OPC and SC	Rule 8A – for OPC and SC
<ul style="list-style-type: none">companies which have become or ceased to be its Subsidiaries, joint ventures or associate	<ul style="list-style-type: none">N.A.
<ul style="list-style-type: none">significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations	<ul style="list-style-type: none">-do-
<ul style="list-style-type: none">disclosures as to compliances with cost rules, POSH, application made or any proceeding pending under IBC	<ul style="list-style-type: none">N.A.
<ul style="list-style-type: none">details of difference between amount of the valuation done at the time of OTS and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons	<ul style="list-style-type: none">N.A.
<ul style="list-style-type: none">Statement as to compliance of the provisions relating to the Maternity Benefit Act 1961 - w.e.f. 30-5-2025	<ul style="list-style-type: none">N.A.

POSH Details w.e.f. 30-5-2025

- number of complaints of sexual harassment received in the year
- number of complaints disposed off during the year; and
- number of cases pending for more than ninety days

Maternity Benefit Act

- A crucial criterion for a private establishment is that it must employ **10 or more persons**. If an establishment has fewer than 10 employees, the Act, in its current form, may not apply. However, some state governments may have their own laws for smaller establishments;
- The Act applies to women who are employed, either directly or through an agency, for wages. This includes all types of employees, whether they are on a full-time, part-time, temporary, or contractual basis. There is no wage limit for coverage under the Act

Question

- Whether Show Cause Notice (involving significant and material potential impact) from any regulator/ court/ tribunal, warrants no disclosure in the Board's Report because it is not an 'Order' ?
- **Answer:** Depending on facts and circumstances, it may warrant disclosure as follows:
 - a) State of affairs; or
 - b) Post Balance Sheet events; or
 - c) Risk identification

Question

- Some of the clauses of Section 134(3) and Rule 8/ 8A are not having any occurrence during the FY 2024-2025;
- In such a case, whether any disclosure is required in the Board Report or not?
- **Answer:** Do not leave any matter to be disclosed. If no occurrence took place, then disclose this fact

Directors' Responsibility Statement – Section 134(5)

Clause	Contents
(a)	Compliance of applicable AS/ Ind AS, Explanation relating to material departures
(b)	Accounting Policies selected and applied consistently, judgements and estimates are reasonable and prudent, financial statements give true and fair view
(c)	Have taken proper and sufficient care for the maintenance of adequate accounting records, safeguarding the assets of the company and for preventing and detecting fraud and other irregularities
(d)	Prepared the annual accounts on a going concern basis
(e)	In case of listed company – laid down internal financial controls are adequate and were operating effectively
(f)	Devised proper systems to ensure compliance with the provisions of <u>all</u> applicable laws and that such systems were adequate and operating effectively

Other Contents

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- **Details of employees' remuneration:** Section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 provides that **every listed company** shall disclose in the Board's Report the following:
 - i. ratio of the remuneration of each director to the median remuneration of the employees;
 - ii. percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager;
 - iii. percentage increase in the median remuneration of employees in the financial year;
 - iv. average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration;
 - v. affirmation that the remuneration is as per the remuneration policy

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961 – Section 2(78)

- **Details of top 10 employees:** Section 197(12) read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 provides that Board's Report shall include a Statement showing the names of the **top 10 employees in terms of remuneration drawn and the name of every employee**, who:
 - i. if **employed throughout the financial year**, was in receipt of remuneration for that year which, in the aggregate, was **not less than one crore and two lakh rupees**;
 - ii. if **employed for a part of the financial year**, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was **not less than eight lakh and fifty thousand rupees per month**;
 - iii. if **employed throughout the financial year or part thereof**,
 - was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is **in excess of that drawn by the MD or WTD or Manager and**
 - holds by himself or along with his spouse and dependent children, **not less than 2% of the equity shares** of the company

- **Details of employees (who are not directors or relatives) posted outside India:**
 - Details of employees (who are not directors or relatives) outside India shall not be given in Board's report, even if the remuneration exceeds Rs. 5,00,000 per month.
 - However, such details should be given to Registrar while filing financial statement and Board report. However, such particulars shall be given to any member on request in writing.
 - Such details should be given within three days if request is made before AGM.
 - If request is received after AGM, the particulars shall be given within seven days

[Proviso to Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Other Contents

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- Disclosure of **composition of Audit Committee** and their recommendations not accepted – section 177(8);
- Disclosure of **vigil mechanism** on website and Board Report – section 177(10);
- Disclosure where Company is required to constitute **Nomination and Remuneration Committee** – proviso section 178(4);
- Disclosure if **MD/ WTD is receiving remuneration or commission from holding or subsidiary** company – section 197(14);
- Disclosure about **ESOP and sweat equity shares** issued – Rule 12(9) and Rule 8(13) of Companies (Share Capital and Debentures) Rules, 2014 and

Listed Companies - SEBI LODR

- BRSR for top 1000 listed companies – Regulation 34(2)(f)
- Statement of deviation(s) or variation(s) for public issue, rights issue, preferential issue etc. – Regulation 32(4)

XBRL Filing ~ applicability

- companies **listed** with stock exchanges in India and their Indian subsidiaries;
- companies having **paid up capital** of five crore rupees or above;
- companies having **turnover** of one hundred crore rupees or above;
- all companies which are required to prepare their financial statements in accordance with Companies (**Indian Accounting Standards**) Rules, 2015;
- **Once covered always covered** even if they may not fall under the class of companies specified therein in succeeding years.
- **Exceptions:**
 - non-banking financial companies;
 - housing finance companies;
 - companies engaged in the business of banking sector
 - companies engaged in the business of insurance sector

Punishment for not complying with provisions

- Section 134(8) provides that if a company is in **default in complying with the provisions of this section**,
 - the **company** shall be liable to a penalty of Rs. 3,00,000; and
 - **every officer of the company who is in default** shall be liable to a penalty of Rs. 50,000
- If any **misstatement is made**, action under section 447 of Companies Act, 2013 is possible - section 448

Inadvertent omission in Board report can be corrected by revising Board Report

- In *Individual Learning P Ltd. v. ROC (2020) 157 SCL 239*, some details which were required to be included in Board report were inadvertently not included. The omissions were not serious in nature. The company has been prompt in annual filings with ROC and statutory records. Notice was served on ROC, but he did not respond. The company was allowed to revise its Board report – Section 131 of the Companies Act, 2013, read with Rule 77 of the National Company Law Tribunal Rules, 2016



**Inconsistency
in Notes and
Board's Report
~ SA 720**

Other Information [or another title if appropriate, such as “Information Other than the Financial Statements and Auditor’s Report Thereon”]

The Company’s Board of Directors is responsible for the other information. The other information comprises the [information included in the X report⁴⁵, but does not include the financial statements and our auditor’s report thereon]. **The X report is expected to be made available to us after the date of this auditor’s report.**

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

[When we read the X report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and *(describe actions applicable in the applicable laws and regulations)*.]⁴⁶



Adjudication Orders

Recent Adjudication Orders by RoC

- ROC **penalizes** company and its officers in default **for not making POSH related disclosure in board's report** – In M/s. *Kandan Mutual Benefit Saswatha Nidhi Limited*, Re – RoC, Chennai;
- ROC slaps **penalty on Co. MD & director for incorrect subsidiaries disclosure** in board report – In M/s. *Shobikaa Impex Private Limited*, Re – RoC, Chennai;
- RoC **penalizes** for **non-disclosure of "Energy Conservation, Technology Absorption and Forex Earnings & Outgo"** in Board's Report – In M/s. *Bock Compressors India Private Limited*, Re – RoC, Ahmedabad;
- RoC **penalizes** for **failing to address auditor's observations** in the Board's Report – In *Michelin India Technology Center Private Limited*, Re and M/s. *TBF Nidhi (Kumbakonam) Limited*, Re – RoC, Chennai;
- RoC **penalizes** for **delayed preparation of Board's Report** and its presentation at AGM – In M/s. *Kejriwal Castings Limited*, Re – RoC, Kolkata

- ROC came to a conclusion that the company and its directors had violated the provisions of section 134(3)(g) of the Companies Act, 2013 by **failing to disclose investments in an associate company** – in *BI Mining Private Limited, Re (ROC – Hyd)*;
- ROC fines Company and its directors for making **incorrect Director's Responsibility Statement**. The trade payable figures shown in the balance sheet for the corresponding previous year did not match that of the figures reported in the earlier year. Similarly, the other current liabilities reported by the company also do not match the previous year's reported figures – in *Hermes I Tickets Private Limited, Re (ROC – Chennai)*;
- ROC penalizes Co., WTD, CFO & CS for **failing to address audit objections on Internal Financial Controls** in Board Report in accordance with the requirements of Section 134(3)(f) – in *Spacenet Enterprises India Limited, Re (ROC – Hyd)*

- ROC imposes fine on Company and its directors for **failing to report board meeting details** in board's report as required by Section 134(3)(b) – in *East Alpha Alliance Technology Private Limited, Re (ROC – Kanpur)*;
- ROC penalizes the company and its directors for **not addressing the statutory auditor's qualified opinion** in the audit report in accordance with the requirements of Section 134(3)(f) – in *Holitech India Private Limited, Re (ROC – Kanpur)*;
- Company and its directors penalized for **filing unsigned financial statements and enclosures** in violation of Section 134(1) and (6) – in *Regent Professional Academy Private Limited, Re (ROC – Gwalior)*;
- ROC takes action against Co. executives for **incomplete POSH Act disclosures** – in *Ceeta Industries Limited, Re (ROC – Bangalore)*

- The **Registrar of Companies of Coimbatore** passed an adjudication order on 28th March 2014 in respect of M/s **Arise Industries and Agency Private Limited** for the violation of section 134(3)(h) of the Companies Act 2013 and penalized the company and its directors for **omitting to file the AOC-2 form showing the particulars of contracts or arrangements with related parties** referred to in section 188(1) of the Companies Act 2013 pursuant to the provisions of section of 134(3)(h) of the Companies Act 2013;
- ROC imposes Rs 5 Lakh penalty on Co. and its directors for **filing unsigned annexures** along with Board's Report – in **Kudos Finance and Investments Private Limited, Re (ROC – Pune)**;
- ROC penalised Company, MD & CS for **CSR expenditure omission** in accordance with the requirements of Section 134(3)(o) – in **Ceratizit India Private Limited, Re (ROC – Bangalore)**

- Company and WTD fined for **omitting DIN in financials** [violation of section 158] and **risk management disclosure** [violation of section 134(3)(n)] in Board's Report - in ***Subaranarekha Port Private Limited, Re (ROC – Cuttak)***;
- **Attaching a wrong auditor's report leads to penal action for the company and its directors.** The auditors' report for the financial year ended on 31st March 2017 issued by the statutory auditors on 30th August 2018 was attached to the AOC-4 form instead of the statutory auditors report for the financial year ended on 31st March 2018. Section 134(2) states that the auditors' report shall be attached to every financial statement – in ***Shrinidhi Safe Vault Private Limited, Re (ROC - Gujarat, Dadra & Nagar Haveli)***

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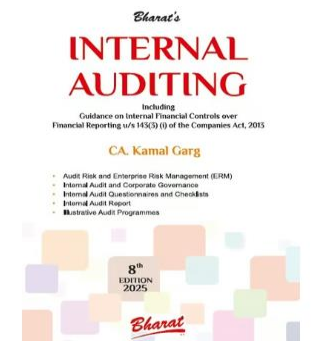
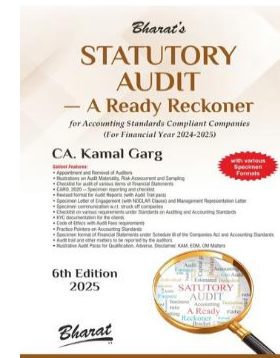
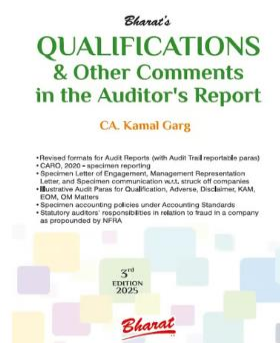
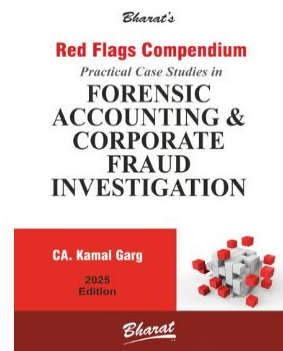
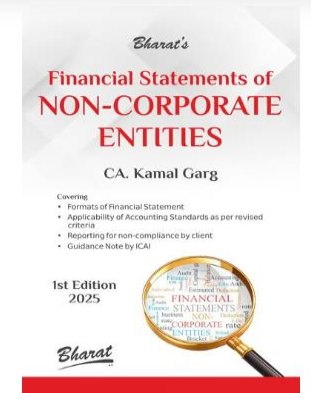
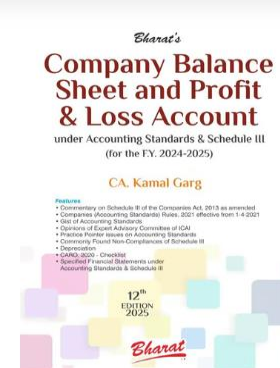
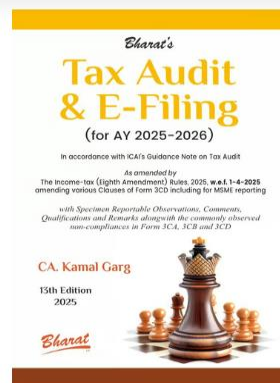
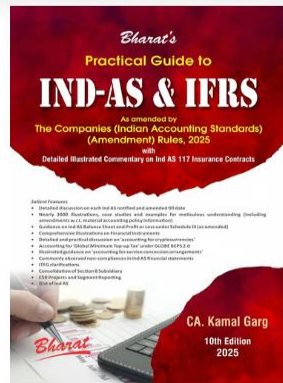
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