# DIRECTORS' REPORT

To
The Members
**SHIVANAND INFRACON PRIVATE LIMITED**

The Directors are pleased to submit the 3rd Annual Report of the Company together with the audited Accounts of the Company for the year ended 31st March 2016.

**Performance**

(Rs in Lacs)

| | 2015-16 | 2014-15 |
|---|---|---|
| Sales & Other Income | 201.77 | 168.91 |
| Operating Profit | 8.92 | 11.97 |
| Financial Charges | 0.16 | 0.84 |
| Depreciation | 0.04 | 0.02 |
| Profit/(Loss) before Tax | 8.72 | 10.36 |
| Provision for Tax | 3.07 | 3.39 |
| Provision for deferred Tax | 0.01 | 0.01 |
| Profit after tax | 5.64 | 6.95 |

During the year under review, the Sales & Other Income was Rs. 201.77 Lacs. Profit after Tax was Rs. 5.64 Lacs. The company is engaged in the business of construction, during the year under review, the company has started commercial selling of its developed/ constructed properties.

Further, the management is of the view that, in the coming years the Real Estate industry will be stable and with expected boost in the economy. The requirement of land/property will increase which will help the company to move towards its sustained path of growth.

**Dividend**

In view of requirement of funds for the long term working capital, the Directors do not propose payment of any dividend for the year.

**Extract of Annual Return**

The extract of Annual Return as provided under sub-section (3) of section 92 of the Companies Act, 2013 ('the Act') in prescribed form MGT-9 is enclosed as Annexure "A" to this report.

**Prospects of the Company**

The Directors have taken various measures to control the cost and to increase the turnover and profitability and are hopeful, barring unforeseen circumstances, to achieve better results.

## Responsibility Statement

Pursuant to the requirement under section 134(3)(C) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

i. in the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii. the directors had 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 and loss of the company for that period;

iii. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

iv. the directors had prepared the annual accounts on a going concern basis; and

v. 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.

## Board of Directors

There is no change in the Directors of the Company during the year.

## Number of Meetings of the Board

The Board of Directors of the Company and the Committees thereof met four times during the previous financial year. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

## Loans, Guarantees & Investments

The particulars of loans, guarantees and investments have been disclosed in the Financial statements.

## Share Capital

During the year there was no change in Share Capital.

## Public Deposits

The Company has not accepted any deposit from the Public during the year under review, under the provisions of the Companies Act, 2013 and the rules framed thereunder.

**Auditors**

M/s. P D Goplani & Associates were appointed as Statutory Auditors of the Company at the last Annual General Meeting held on 30th September 2016 for four consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under for reappointment as Auditors of the Company.

**Internal Financial Controls**

The Company has in place a well defined organizational structure and adequate internal controls for efficient operations which is cognizant of applicable laws and regulations, particularly those related to protection of intellectual property, resources and assets, and the accurate reporting of financial transactions in the financial statements. The company continually upgrades these systems.

**Related Party Transactions**

*Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the form AOC-2:*

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

*Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014:*

During the previous financial year the Company did not enter into any new contract/ arrangement with the related parties which could be considered material in accordance with the policy of the company.

Appropriate resolutions for the approval for entering into transactions pursuant to material contract with certain related parties which were entered into by the company prior to the previous financial year, transactions pursuant to which is likely to continue beyond 31st March, 2016 are being placed for your approval at the ensuing Annual General Meeting.

**Risk Management**

The Board of Directors have developed & implemented a robust risk management Policy, which identifies the key elements of risks that threatens the existence of the Company. The Statutory Auditor reviews the status of key risks and steps taken by the Company to mitigate such risks at regular intervals.

**Auditors Report**

The observations made by the Auditors are based on the factual statement made in the schedules forming part of the accounts and members are requested to refer to the schedules of notes, which are self-explanatory and need no further clarifications. With reference to remarks made by the auditors, the relevant financial notes are self explanatory.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

**Acknowledgement**

The Directors place on record sent their appreciation for the continued support from the shareholders, investors, banks and employees.

**FOR SHIVANAND INFRACON PRIVATE LIMITED**

Ghanshyam

**SHRI GHANSHYAM GOHIL**
**Director**
DIN: 07057964

Place: Bhavnagar
Date: 29th August, 2016