DIRECTOR'S REPORT

To the Members,
Marathon Systems Private Limited

Your Directors have pleasure in presenting the Annual Report on the business and operations of the Company together with the Audited Financial Statement for the year ended 31st March 2016.

1. FINANCIAL PERFORMANCE SUMMARY

The performance highlights and summarized financial results of the Company are given below :-

Particulars	Year ended (Amount in Rupees)	
	March 31, 2016	March 31, 2015
Total Revenue	253,709.00	377,493.00
Total Expenses	213,303.50	339,404.00
Profit / (Loss) before exceptional and extraordinary items and tax	40,405.50	38,089.00
Exceptional and Extraordinary Items	0	0
Profit / (Loss) before tax	40,405.50	38,089.00
Tax Expense / (Savings) i. Current Tax ii. Deferred Tax	12,561.00	24661.00 (5,560.00)
Profit / (Loss) after tax	27,844.50	18,988.00
Balance as per last Balance Sheet	1,10,424.45	91,436.45
Transfer to Reserves	0	0
Other Appropriations, if any	49,262.10	0
Surplus /(Deficit)carried to Balance Sheet	61,162.35	1,10,424.45
Paid up Equity Share Capital (F.V.Rs.10/-)	23,946,000.00	23,946,000.00

2. STATE OF AFFAIRS OF THE COMPANY

During the year 2015-16, the Company was engaged in consultancy services. The Company was not able to generate any revenue during the year. However, your directors are hopeful to perform better in the long-term.

3. CHANGE IN NATURE OF BUSINESS

There was no change in the nature of business of company during the year.

4. MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

During the period from the end of the financial year to which the financial statements relate upto the date of this report, no material changes and commitments affecting the financial position of the Company occurred.

5. DIVIDEND

Directors have not recommended any dividend in the F.Y 2015-16 due to losses and to conserve the resources of the company.

6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCTION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no amount in the unpaid dividend account.

7. TRANSFER TO RESERVES

During the year under review, no amount was transferred to General Reserve.

8. **DEPOSITS**

During the year under review, the Company has not accepted any deposits from the public within the meaning of section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time. Further, it had not accepted any deposits in the past so as to require any renewal during the year.

9. **SHARE CAPITAL**

The paid up Equity share capital of the Company as at March 31, 2016 stood at Rs. 23,946,000/-. During the year under review, the Company has neither issued any securities with differential voting rights or otherwise nor it has granted any stock options or sweat equity. It has also not bought back any shares.

As on March 31, 2016, there were no instruments convertible into equity shares of the Company.

10. **EXTRACTS OF ANNUAL RETURN**

Pursuant to the provisions of Section 92 (3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the details pertaining to the extracts of Annual Return in Form No.MGT-9 is included in this report as "Annexure I" .

11. **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company had no Subsidiary, Joint venture or Associate Company and such, the reporting requirements laid down under Sec.129(3) of the Companies Act, 2013 and / or Rule 8(1) of the Companies (Accounts) Rules, 2014 are not applicable.

12. **NUMBER OF BOARD MEETINGS**

During the year under review, five Board meetings were convened and held. The intervening gap between the Board Meetings didn't exceed one hundred and twenty days as prescribed under the Companies Act, 2013.

Further, the workings of the Company are being managed by the Board of Directors consisting of Promoter Directors. As such, no separate committee of Directors have been formed or functioned.

13. **DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any. ;

(b) 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 at the end of the financial year and of the profit and loss of the company for that period. ;

(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities. ;

(d) The directors had prepared the annual accounts on a going concern basis. ;

(e) The reporting under clause under sub clause (e) of section 134(5) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company since the same is applicable for a listed Company. And

(f) 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.

14. **DECLARATION OF INDEPENDENT DIRECTORS**

The provisions of Section 149 pertaining to the appointment of Independent Directors and obtaining of declaration from them do not apply to the Company.

15. **COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The reporting requirements under this clause as specified in Sec.134(3)(e) of the Companies Act, 2013 is not applicable since the provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee does not apply to the Company.

16. **DETAILS OF DIRECTORS UNDER RULE 8(5)(iii) OF THE COMPANY ACCOUNTS RULES, 2014**

None of the Directors or Key Managerial personnel were appointed or had resigned during the year under review.

Disqualification of Directors :

During the year under review, declarations received from both the Directors pursuant to Section 164 of the Companies Act, 2013. The Board apprised the same and found that none of the director is disqualified for holding office as director, as per the provisions laid down under Companies Act, 2013.

17. **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There were no loans, guarantees or investments made by the Company or covered under provisions of Sec.186 of the Companies Act, 2013.

18. **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

The company had not entered into any transactions with the related parties during the year under review. Accordingly, by virtue of the third proviso to Section 188 (1) of the Companies, Act, 2013, the provisions of Section 188 of the said Act are not attracted. Accordingly, the disclosure requirements under Form AOC-2 is not applicable. As such no related party transactions, are reported and disclosed under the Notes to the Financial Statements.

19. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Nothing is reportable in relation to the areas of 'conservation of energy' and 'technology absorption' as referred to in Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies Accounts Rules, 2014 since the Company has not been able to carry any substantial activities. Further, no amount was earned or spent in Foreign currency during the year 2015-16.

20. **STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

Keeping in view the size, scale and nature of complexities of the business and the costs involved, the systems of risk management in place are appropriate and and the Board does not foresee any risks, so as to threaten the Company's existence. No separate Risk Management Policy is framed by the Company.

21. **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

The provisions of Section 135 of the Companies Act, 2013 pertaining to consitution of CSR Committee and formulation of CSR Policy are not applicable to the Company during the year.

22. **ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

The Company has in place effective internal financial controls with reference to financial statements.

During the year under review, such controls were tested and assessed internally and no reportable material weakness in the design or operation were observed.

23. **DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**

The provisions laid under Section 177 of the Companies Act, 2013 and Rules 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 are not applicable to the Company.

24. **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS IMPACTING GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There was no significant and material order being passed by any of the Regulators, Courts or Tribunals so as to impact the going concern status and Company's operations in future.

25. **STATUTORY AUDITORS**

Pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder, M/s Kumar Manoj & Co., Chartered Accountants (Firm Regn. No.027267N) were appointed as the Statutory Auditors of the Company by the board of directors consequent upon the resignation by M/s H M Goyal & Associates as auditor of the company due to their inability to continue as auditor of the company till the conclusion of 23rd Annual General Meeting to be held in the year 2016.

The board of directors propose the appointment of the auditor from the conclusion of the 23rd AGM till the conclusion of 27th AGM subject to the ratification of their appointment by the members at every Annual General Meeting held hereafter.

A resolution for ratification of appointment of the aforesaid firm is being proposed in the notice of the ensuing AGM for the consideration and approval of the members.

The Company has received from the aforesaid firm, a written consent for ratification of their appointment for the aforesaid period and also a certificate to the effect that their appointment shall be within the prescribed conditions and that the firm is not disqualified under any of the provisions of the Companies Act, 2013 or the rules made thereunder.

26. **EXPLANATIONS OR COMMENTS ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR RESPECTIVE REPORTS**

There are no qualifications, reservations, adverse remarks or disclaimers made by the Auditors in their report for the year ended 31st March, 2016 necessitating the explanations or comments from the Board of Directors. Further, no Secretarial Audit Report have been obtained, since the provisions of conducting Secretarial Audit under the Companies Act, 2013 does not apply to Company.

27. **REVISION OF ANNUAL FINANCIAL STATEMENT**

There was no such case of revision in financial statements during the year under review.

28. **PARTICULARS OF EMPLOYEES**

During the year under review, none of the employee of the company had drawn more than Rs. 60,00,000/- per annum or Rs. 5,00,000/- per month (when employed for part of the year).

Therefore, the provisions laid down under Section 197 of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 regarding disclosure of particulars of the concerned employees are not applicable.

The disclosure requirements pertaining to ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year as laid down under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the aforesaid Rules are also not applicable.

29. **ACKNOWLEDGEMENTS**

The Board of Directors wish to place on record its sincere appreciation for the support and co-operation received from all its stakeholders including the customers, shareholders, bankers of the Company.

For MARATHON SYSTEMS PRIVATE LIMITED

Date : 01.09.2016
Place : Delhi

(Rakesh Gupta)	**(Chanchal Ghosh)**
Director	**Director**
DIN - 02521653	**DIN - 00216740**

Encl. : Annexure - I (Extracts of Annual Return in Form MGT-9)