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DIRECTORS REPORT

To the Shareholders,

Your Directors are pleased to present the **Fourth Annual Report** of the Company together with the Audited Statement of Accounts for the year ended on 31-Mar-2016.

1. FINANCIAL RESULTS:

(in ₹)

Particulars	Year ended 31-Mar-2016	Year ended 31-Mar-2015
Other Income	189,18,022	224,38,640
Expenditure		
- Finance Cost	381,64,407	560,08,093
- Other Expenses	272,96,518	72,35,922
Profit Before Tax	(465,61,070)	(408,05,375)
Less: Provision for Taxes		
- Current Income Tax	-	-
- Deferred Tax	(364,07,250)	-
Profit/(Loss) after Tax	(101,53,820)	(408,05,375)

2. DIVIDEND:

Your Company is in the initial phase of executing its projects and no profits have accrued during the financial year ended 31st March, 2016. The Directors do not recommend any dividend for the period ended as on 31st March, 2016.

3. RESERVES :

The Directors do not recommend any transfer to the reserves.

4. BRIEF DESCRIPTION OF THE STATE OF THE COMPANY'S AFFAIRS AND OPERATIONS:

The Board is pleased to inform the Shareholders that the Company's project named 'G: CORP RESIDENCES' has received all approvals and has been launched & well received in the Market. Also, the Company has started the construction of the project in full swing.

The Board is also pleased to inform the Shareholders that the Company has been successful in acquiring one more project in Koramangala, which is now in drawing board stage of planning.



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The Board is further pleased to inform the members that its Hoskerahalli Project 'ICON-SOUTH' is in final stage of planning approvals and marketing designs & the Company is expected to launch it in the last quarter of 2016-2017, subject to necessary approvals.

The Board is in negotiation with Land Owners of Belahalli Project to take it to a closure.

5. ISSUE OF EQUITY SHARES & DEBENTURES:

Right Issue of Equity Shares:

During the financial year ended 31st March, 2016, the Board, in its meeting held on 12th June, 2015, considered and recommended issue of 2,02,369 Equity Shares of ₹10/- each at a premium of ₹ 1,290 per equity share for cash to the existing shareholders of the company on the basis of Right Issue in the ratio of two equity shares for every one equity share. The Board made an allotment of 1,53,846 equity shares on 20th June, 2015 to its existing shareholders on basis of Right Issue. Consequently, the issued, subscribed and paid-up equity share capital of the Company has increased from ₹ 40,47,380/- (comprising of 4,04,738 equity shares of ₹ 10/- each) to ₹ 55,85,840/- (comprising of 5,58,584 equity shares of ₹ 10/- each).

Review of Credit Rating for 125 Crores Secured Redeemable Rated Listed Non-Convertible Debentures (NCDs):

On 6th January, 2016, the Company has received the Review of Rating for Secured NCD issue of ₹ 125 Crores. Brickwork Ratings India Private Limited has assigned a rating of 'BWR B' (Outlook: Stable).

Private Placement of Non-Convertible Debentures:

During the year, your Company raised ₹ 50 Crores vide issue of Secured Redeemable Rated Listed Non-Convertible Debentures (NCDs) on private placement basis. These NCDs (Tranche III) were rated 'BWR B' (Outlook: Stable) on 6th January, 2016. The NCDs were issued with a maturity period dated 12th January, 2025 subjects to terms and conditions as described below:

- 1) Carries a simple interest of 14.25%, payable quarterly.
- 2) Secured by Mortgage on Immovable property (i.e. part and parcel of Land) situated at Koramangala, Bangalore.
- 3) Interest payable has a moratorium of 24 months from the date of issue i.e. January 12, 2016 to January 11, 2018.
- 4) Are redeemable after the expiry of 108 months from the date of allotment i.e. January 12, 2025.

6. GRIEVANCES FROM THE DEBENTURE HOLDERS AND ASSET COVER:

The Company has not received any grievances from the debenture holders. The assets of the Company which are available by way of security are sufficient to discharge the claims of the debenture holders as and when they become due.



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7. LISTING:

All the ₹ 175 Crores NCDs are listed on the Bombay Stock Exchange (BSE) and the Company has appointed Axis Trustee Services Private Limited as Debenture trustees.

8. EXTRACT OF THE ANNUAL RETURN:

The extracts of Annual Report in form MGT-9, pursuant to Section 92(3) of the Companies Act, 2013 is attached to this Directors Report as per **Annexure-1**.

9. BOARD OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND COMMITTEES:

A. Composition of Board of Directors:

The Board of Directors of the Company comprises of Two Executive Directors and Six Non-Executive Directors, which includes Two Independent Directors and One Woman Director. The composition of the Board of Directors is in compliance with the provisions of Section 149 of the Companies Act, 2013.

Appointment of Directors:

Mr. Sadanand G. Byakod (Din: 00574512) was appointed as Additional Director on the 13th March, 2015 and Ms. Preethy Pavana Kumar (Din: 07272020) was appointed as Additional Woman Director on 27th August, 2015. Their appointments were regularized based on the recommendation of Nomination and Remuneration Committee, at the Annual General Meeting held on 26th September, 2015.

Further, Mr. Abhishek R Rao (DIN: 07239646) was appointed as an Independent Director in the capacity of Non-Executive Director vide the Extra-Ordinary General Meeting dated 18th July, 2015.

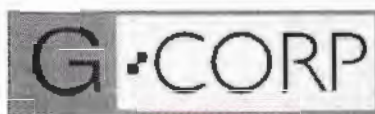
The Company has received the necessary declarations from the Independent Directors under Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as specified in Section 149(6) of the Companies Act, 2013.

Appointment of Key Managerial Personnel:

Mr. Sadanand G. Byakod was appointed as Chief Executive Officer and is the Compliance Officer responsible for day to day operations of the Company. Pursuant to the provisions of Section 203 of the Companies Act, 2013, your Company has appointed Mr. Senthil Kumar Sekaran, Chief Financial Officer and Ms. Arushi Garg, Company Secretary as Key Managerial Personnel of the Company with effect from 1st June, 2015.

B. Board Meetings:

The Company holds at least four Board Meetings in a year, one in each quarter. The Company also holds additional Board Meetings to address its specific requirements, as and when required. During the financial year 2015-16, fifteen (15) Board Meetings were convened and held on 28/05/2015, 12/06/2015, 19/06/2015, 20/06/2015, 20/07/2015, 27/08/2015, 02/09/2015, 24/09/2015, 02/11/2015, 04/12/2015, 12/12/2015, 07/01/2016, 12/01/2016, 02/03/2016, 30/03/2016.



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The attendance of the Directors at the Board Meetings during the year ended on 31st March, 2016 is as under:

Name of the Directors	Number of Board Meetings Attended
Mr. Muninder Seeru	15
Mr. Ashwin R Mansharamani	12
Mr. Venkata S Iyer	02
Mr. Sadanand G Byakod	15
Mr. Siddharth G Sheth	06
Mr. Ketan Shah	05
Mr. Abhishek R Rao	05
Ms. Preethy Papanakumar	07

The intervening gap between the meetings were within the period prescribed under The Companies Act, 2013.

In accordance with the provisions of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held after the appointment of Independent Directors.

C. Separate Meeting of Independent Directors:

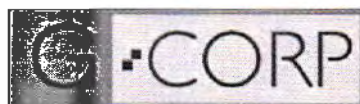
Pursuant to provisions of Section 149(8) and as per point no. VII. of Schedule IV of Companies Act, 2013 the independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management. Accordingly One (1) Separate meeting was held by the Independent Directors on 30th March, 2016 during the year under review.

The attendance of the Independent Director Meeting during the year ended 31st March, 2016:

Name of the Independent Directors	Number of the Meetings attended
Mr. Ketan Shah	01
Mr. Abhishek R Rao	01

D. Committees of the Board:

The Board had constituted an Audit Committee and Nomination and Remuneration Committee as per provisions of Sections 177 & 178 respectively. The Audit Committee and Nomination and Remuneration Committee were constituted on 20th July, 2015.



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1. Audit Committee:

Pursuant to the provisions of Section 177 of the Companies Act, 2013, our Company has constituted the Audit Committee comprising of following members:

NAME OF THE DIRECTOR	STATUS IN COMMITTEE	NATURE OF DIRECTORSHIP
Mr. Ketan Shah	Chairman	Independent Director
Mr. Abhishek R Rao	Member	Independent Director
Mr. Muninder Seeru	Member	Executive Director

The members of the Audit Committee possess sufficient knowledge of accounting and financial management. Chairman of the Audit Committee is an Independent Director.

The Managing Director & Chief Executive Officer, Chief Financial Officer and Auditors are regularly invited to attend the Audit Committee Meetings. The Company Secretary acts as the Secretary to the Audit Committee. The significant audit observations and corrective action taken by the management are presented to the Audit Committee. The Board has accepted the recommendations of the Audit Committee made from time to time.

During 2015-16, the Audit Committee met 3 (Three times) as stated below and all the members of the Committee were duly present at all the Audit Committee Meetings.

- 20th July, 2015
- 2nd November, 2015
- 16th February, 2016

2. Nomination and Remuneration Committee:

Pursuant to the provisions of Section 178 of the Companies Act, 2013, our Company has constituted the Nomination and Remuneration Committee which comprises of the following members:

NAME OF THE DIRECTOR	STATUS IN COMMITTEE	NATURE OF DIRECTORSHIP
Mr. Ketan Shah	Chairman	Independent Director
Mr. Abhishek R Rao	Member	Independent Director
Mr. Siddharth G Sheth	Member	Non-Executive Director

Policy on Director's appointment and remuneration as provided under Section 178(3) of the Company Act, 2013, is in Annexure 2



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During 2015-16, the Nomination & Remuneration Committee met 2 (Two times) as stated below and all the members of the Committee were duly present at all the Nomination and Remuneration Committee Meetings.

- 20th July, 2015
- 30th March, 2016

3. Vigil Mechanism Committee:

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013, the Company has adopted a Vigil Mechanism Policy to provide a mechanism for the Directors and employees to report genuine concerns about any unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. In order to monitor and execute the effective implementation of the Company has constituted on the 20th July, 2015 comprising of the following members:

NAME	STATUS IN COMMITTEE
Mr. Sadanand G Byakod	Member
Mr. Ashwin R Mansharamani	Member
Mr. Jayesh Thakkar	Member
Mr. Ketan Shah	Member
Mr. Abhishek R Rao	Member

During 2015-16, the Vigil Mechanism Committee met on 30th March, 2016 and all the Members of the Committee were duly present in the meeting.

Note: The Vigilance officer, Mr. Muninder Seeru was an invitee to the Vigil Mechanism Committee Meeting.

E. Performance Evaluation:

Pursuant to Section 134(3)(p) of the Companies Act, 2013, the Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors. The performance of the Board and Committee were evaluated by the Board after seeking inputs from the Directors & Committee Members on the basis of criteria such as the Board & Committee Composition and structures, effectiveness of the Board & Committee process, information and functioning, etc. with an objective of having a group that can best maintain the success of the Company's business and represent stakeholder's interests through the exercise of sound judgment by using its diversity of experience.

The Board and the Nomination and Remuneration Committee reviewed the performance of the Individual Directors on the basis of the criteria such as the contribution of the Individual Director to the Board and Committee meetings like awareness on the issue to be discussed, meaningful and constructive contribution etc.

Further, the Independent Directors at their meeting, reviewed the performance of Board, Chairman of the Board and of Non-Independent Directors.

The Board of Directors has expressed their satisfaction with the evaluation process.



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10. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURED BETWEEN THE END OF THE FINANCIAL OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

There were no material change and commitment of any sort "effecting the financial position of the Company between the end of the financial year and the date of the report.

11. MEANS OF COMMUNICATIONS:

The Company promptly submits the unaudited/audited financial results to the Bombay Stock Exchange (BSE) and Debenture Trustees, after it gets approved in the board meetings. The Unaudited Half-Yearly financial results of the Company are published in the newspaper.

12. HOLDING COMPANY:

PREI Fund holds 4,97,480 equity shares which represents 89.06% of the paid-up equity capital of the Company. Your Company continues to be a subsidiary of PREI Fund.

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

A. Conservation of Energy :

The Company desires to achieve energy conservation by adoption of green building practices certified by the Indian Green Building Council. The Company is registered with the Indian Green Building Council (IGBC) for the green homes rating systems. The Company endeavors a gold rating and is adopting, the following best green building practices to achieve the desired rating.

- a) Provide highly efficient irrigation system.
- b) Rainwater harvesting or storage system to capture at least 50% of the run off volumes from roof surfaces
- c) Provide onsite grey water treatment for the waste water generated and use the treated grey water for landscaping and flushing requirement.
- d) Install energy meters systems to monitor energy and water consuming equipment consumptions for each residential unit.
- e) Use of energy efficient lighting systems and maintain the lighting power density below the base.
- f) Use of high energy efficient equipment.

B. Foreign Exchange earnings and outgoes (on cash basis):

Foreign Exchange Earnings: Advances received against sale of flats worth ₹ 56,51,742

Foreign Exchange Outgo: ₹ 160,04,618



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14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

No loans were given or investments made or guarantees given or securities provided under Section 186 of the Companies Act during the year under review.

15. PARTICULAR OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All transactions entered into during the financial year 2015-2016 with Related Parties as defined under Section 188 read with applicable provisions of the Companies Act, 2013 and applicable laws, were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any transaction referred to in Section 188 of the Companies Act, 2013 with related parties which could be considered material. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) of the Companies Act, 2013 in Form AOC-2 is not applicable.

All related party transactions were placed in the meeting of Audit Committee and the Board of Directors for their necessary review and approval. Disclosure pursuant to Accounting Standards on related party transaction has been made in the notes to the Financial Statement.

16. EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE AUDITOR IN HIS REPORT:

As there were no qualifications, reservations, adverse remarks or disclaimers made by the Statutory Auditors as well Secretarial Auditor of the Company in their respective reports the above would not be applicable for the period under review.

17. DETAILS OF FRAUDS REPORTED BY THE AUDITOR TO THE BOARD:

There were no frauds reported by the Auditor to the Board during the year under review.

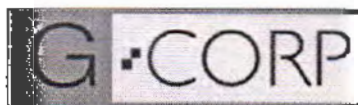
18. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IF ANY IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There were no significant and material orders passed by the regulators or courts or tribunals during the year under review impacting the going concern status and company's operations in future.

19. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the requirements under Section 134(5) of the Companies Act, 2013, the Board of Directors of the company confirm:

- a) That in the preparation of the annual accounts for the period ended 31st March 2016, the applicable accounting standards had been followed and along with proper explanation relating material departures, if any;



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- b) That the selected accounting policies were applied consistently and the directors made judgment and estimates that are reasonable and prudent so as to give true and fair view of the state of the affairs of the company as at 31st March, 2016 and of the losses of the company for the period ended as on that date.
- c) That 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 the fraud and other irregularities.
- d) That the annual accounts for the financial year ended March 31, 2016 has been prepared on a “going concern” basis.
- e) Internal Financial Controls have been laid down to be followed by the Company and that such financial controls are adequate and operating effectively.
- 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.

20. COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES:

No Company has become or ceased to be its Subsidiary, Joint Venture or Associate Company during the year under the review.

21. DEPOSITS:

During the year, the Company has not accepted any Deposits and the Company does not have any Deposits.

22. INTERNAL FINANCIAL CONTROLS & ITS ADEQUACY:

The Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business including adherence to the Company Policies, the safeguarding of its assets, the prevention & detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

23. RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION:

As per Section 197(12) of the Companies Act, 2013 the Company is required to disclose in its Board Report, the ratio of the remuneration of each director to the median employee's remuneration. The Company has made the disclosure in **Annexure-3** which is forming the part of the Board Report.



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24. AUDIT RELATED MATTERS:

A. Statutory Auditors:

The Audit Committee has recommended the name of the firm M/s Kalyaniwalla & Mistry, Chartered Accountants, Bangalore (Registration No.104607W) as the Statutory Auditor of the Company for the financial year 2016-17. The Board considered the recommendation and sent the intimation letter to M/s Kalyaniwalla & Mistry. They have confirmed their eligibility and willingness to accept office, if re-appointed. The continuity of appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting. Their re-appointment would be in accordance with the provisions of Companies Act, 2013.

B. Secretarial Auditor:

Pursuant to section 204 of the Companies Act, 2013, your Company has appointed Ms. Shobha Sudhakar Acharya, Company Secretary in Practice (COP No.13833) to undertake the Secretarial Audit of the Company. The Company has sent its intimation letter to the Secretarial Auditor asking her to express her willingness to accept appointment to act as a Secretarial Auditor for the financial year 2016-17 and she has confirmed her eligibility and willingness to accept office. The Secretarial Audit report in Form No MR-3 for financial year 2016-17 is annexed herewith, as **Annexure-4**.

25. POLICY MATTERS:

A. Risk Management Policy:

The Company has identified potential risks and required mitigation measures. The risk management policy is being reviewed to enhance control mechanism for risk evaluation and mitigation and the risk management process.

B. Corporate Social Responsibility:

The provisions of the Companies Act, 2013 relating to Corporate Social Responsibility (CSR) were not applicable to the company for the year under review.

26. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There was no change in the nature of business in the Company.

27. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE(PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has a policy in place to prevent sexual harassment against women at work place. During the year ended 31st March, 2016, there were no cases filed/reported pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder.



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28. CAUTIONARY STATEMENT:

Statements in the Annual Report, particularly those which relate to describing the Company's objectives, projections, estimates and expectations, may constitute "forward looking statements" within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

29. ACKNOWLEDGEMENT:

Your Directors place on record their sincere thanks to employees, bankers, business associates, consultants and various Government Authorities for their continued support extended to your Company's activities during the financial year.

Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed on your Company.

For and on behalf of the Board of Directors
OF GCORP SPACES PRIVATE LIMITED

A handwritten signature in blue ink, appearing to read 'Muninder Seeru'.

MUNINDER SEERU
Managing Director
DIN: 00259380

A handwritten signature in blue ink, appearing to read 'Ashwin Ramesh'.

ASHWIN RAMESH
Director
DIN: 00349193

Place: Bengaluru
Date: 23rd August, 2016