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DIRECTORS REPORT

To the Members,

Your Directors are pleased to present the **Third Annual Report** of the Company together with the Audited Statement of Accounts for the year ended on 31-Mar-2015.

1. FINANCIAL RESULTS:

(In ₹)		
Particulars	Year ended 31-Mar-2015	Year ended 31-Mar-2014
Other Income	224,38,640	136,72,276
Expenditure		
- Finance Cost	560,08,093	-
- Other Expenses	72,35,922	25,30,064
Profit Before Tax	(408,05,375)	111,42,212
Less: Provision for Taxes		
- Current Income Tax	-	-
- Deferred Tax	-	22,75,500
Profit/(Loss) after Tax	(408,05,375)	88,66,712

2. DIVIDEND:

Since there are no profits in the current year, the Directors do not recommend any dividend for the period ended on 31st March, 2015.

3. RESERVES :

The Directors do not recommend any transfer to the reserves.



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

The Board is pleased to inform the members that the Company has named the project for Koramangala land as "**G CORP RESIDENCES**". The Company has applied for the approvals for the project and is expecting to obtain the same and launch the project in the last quarter of 2015.

The Board is also pleased to inform that for Hoskerahalli land, the Company has named the project as "**THE ICON SOUTH**" and for the 1st phase of the project, the Company has applied for the approvals and is expected to launch the same after approvals by the first quarter of 2016.

The Board is putting its best efforts for Belahalli projects to be closed in the coming year and plan the development for the same.

5. BOARD OF DIRECTORS AND ITS COMMITTEES

A. Composition of the 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.

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.

B. Meetings

The Board of Directors duly met Twenty times during the year. In respect of all such meetings proper notices were given and the proceedings were properly recorded and signed in the minutes book maintained for the purpose. The intervening gap between any two meetings was within the period prescribed under 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. Committee of the Board

The Board has constituted an Audit Committee, Vigil Mechanism Committee and Nomination and Remuneration Committee. However there was a delay in the formation of the Audit Committee and Nomination and Remuneration Committee because the Company could not be able to find the suitable candidate who could be appointed as an Independent Director.



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D. Performance Evaluation

The Board in its meeting evaluated the effectiveness of its functioning and of individual directors by seeking their inputs on various aspects for the financial year 2014-15. The aspects covered in the evaluation included the contribution to participation in the long term strategic planning and fulfillment of Director's obligations and fiduciary responsibilities, including but not limited to, active participation at the Board Meeting.

The Board evaluates each individual in the context of the Board as a whole, with 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.

6. 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:

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.

Apart from this, there was no material change and commitment effecting the financial position of the Company between the end of the financial year and the date of the report.

7. HOLDING

PREI Fund holds 3,60,656 equity shares which represents 89.11% of the paid-up equity capital of the Company. Your Company continues to be a subsidiary of PREI Fund.

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

A. The Company has nothing to report on Conservation of Energy, Research and Development, Technology Absorption.

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

Foreign Exchange Earnings: nil

Foreign Exchange Outgo: ₹ 75,77,042

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

The details of loans given, investments made, guarantees given and securities provided under Section 186 of the Companies Act have been provided in financial statements.



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10. PARTICULAR OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

Particulars of contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013 have been provided in financial statements. During the year, the Company had not entered into any contract/ arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

In view of the above, the requirement of giving particulars of contracts / arrangements made with related parties, in Form AOC-2 are not applicable for the year under review.

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

There was a reservation from the Secretarial Auditor which mentions the delay in the appointment of Independent Director and Woman Director.

The Company could not find the suitable candidates for appointment of Independent Director and Woman Director during the year. However they were appointed subsequently and meetings were held in relation to the financial year under review, in accordance with the provisions of the Companies Act, 2013.

Apart from above there were no qualification, reservation, adverse remark and disclaimer made by the Statutory Auditors as well Secretarial Auditor of the Company in their report.

12. 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.

13. 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.

14. 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.



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15. DIRECTOR'S RESPONSIBILITY STATEMENT:

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

- a) That in the preparation of the annual accounts for the period ended 31st March 2015, the applicable accounting standards have been followed and along with proper explanation relating material departures, if any
- 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, 2015 and of the loss of the company for the period ended as on that date.
- c) That 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, 2015 has been prepared on a "going concern" basis.
- e) That, the proper internal financial controls to be followed are laid down and 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.

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

No Company have become or ceased to be its subsidiaries, joint ventures or associate company during the year under the review.

17. DEPOSITS:

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

18. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL :

Ms. Preethy Papanakumar (DIN: 07272020) was appointed as Additional Director in the capacity of Non-Executive Director and Mr. Ketan Shah (DIN: 01727262) and Mr. Abhishek R Rao (DIN: 07239646) were appointed as an Independent Directors in the capacity of Non-Executive. The Company has also appointed the Key Managerial Personnel i.e. Mr. Sadanand Girimallappa Byakod as Chief Executive Officer (CEO), Mr. Senthil Kumar Sekaran as a Chief Financial Officer (CFO) and Ms. Arushi Garg as the Company Secretary (CS). The Board has decided that from the forth coming financial year Mr. Sadanand Girimallappa Byakod shall be responsible and acting as Key Managerial Personnel for all the operations of the Company and the responsibilities, rights and duties in capacity of this designation shall be subsequently discharged by him.



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19. AUDIT RELATED MATTERS

A. Audit Committee

In terms of provisions of Section 177(8) of the Companies Act, 2013 the Company has constituted a qualified and independent Audit Committee. The Audit Committee of the Board consists of Two Independent Directors and One Executive Director as members having adequate knowledge.

The composition, procedures, powers and role/functions of the Audit Committee is given in Annexure-2 forming part of the Director's Report.

B. Statutory Auditors

M/s Kalyaniwalla & Mistry, Chartered Accountants, Bangalore (Regn. No. 104607W) were appointed as a Statutory Auditors in the last Annual General Meeting. The Audit Committee has recommended the name of the firm M/s Kalyaniwalla & Mistry, Chartered Accountants as the Statutory Auditor of the Company for the financial year 2015-16. 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. Their continuance 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.

C. 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 the intimation letter to Ms. Shobha Sudhakar Acharya to act as a Secretarial Auditor for the financial year 2015-16 and she has confirmed her eligibility and willingness to accept office. The Secretarial Audit report in Form No MR-3 for financial year 2014-15 is annexed herewith, as Annexure-3.

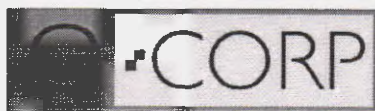
D. Internal Financial Controls

Strict Internal financial controls are adopted as part of routine operations and with reference to the financial statements.

20. POLICY MATTERS

A. Nomination and remuneration Policy

The Nomination and Remuneration Committee has formulated a Nomination and Remuneration Policy containing the criteria for determining qualifications, positive attributes and independence of a Director and policy relating to the remuneration for the Directors, key managerial personnel and senior management personnel of the Company. The Nomination and Remuneration Policy is given in Annexure - 4 forming the part of the Director's Report.



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B. Risk Management Policy

The Company already has in place the procedure to inform the Board about the risk assessment and minimization procedures. Your Company has appropriate risk management systems in place for identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting. The Board periodically reviews implementation and monitoring of the risk management plan for the Company including identification therein of elements of risks, if any, which in the opinion of the Board may threaten the existence of the Company.

C. 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.

D. Vigil Mechanism

In terms of the provisions of Section 177(9) of the Companies Act, 2013 the Company has established a Vigil Mechanism and also formed a Committee for directors and employee to report genuine concerns about unethical behavior, actual and suspected fraud or violation of the Company's code of conduct. The Audit Committee of the Company oversee the Vigil Mechanism. The Vigil Mechanism is given in Annexure -5 forming the part of the Director's Report.

21. DEBENTURES

During the year under review, the Company has issued 1250 Secured Non-Convertible Debentures of ₹ 1,000,000 at par which are listed on BSE (Bombay Stock Exchange). The BRICKWORK RATING (BWR) has assigned the rating 'BWR B' for the secured NCD issued by the Company. The proceeds of the Non-Convertible Debentures have been fully utilized for the purpose of the issue.

22. 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-6 which is forming the part of the Board Report.

23. REMUNERATION OF THE EMPLOYEE

During the period under review no employee of the Company was in receipt of remuneration in excess of ₹ 60 lakh, if employed throughout the year or ₹ 5 lakh per month (if employed for part of the financial year) or received remuneration in excess of that drawn by the MD/WTD/Manager & holding 2% or more of equity share capital of the Company (himself or along with his spouse & dependent children) throughout the financial year or part thereof.

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

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



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25. 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, 2015, there was no cases filed/reported pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under.

26. INVESTOR GRIEVANCE REDRESSAL

No investor grievance was reported during the period under review.

27. 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.

28. ACKNOWLEDGEMENT:

Your Directors place on record their sincere thanks to 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 acknowledges 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**

MUNINDER SEERU
Managing Director
DIN: 00259380

ASHWIN RAMESH
Director
DIN: 00349193

Place: Bengaluru

Date: 2nd September, 2015