

TERRAFORM REALSTATE LIMITED

32ND ANNUAL REPORT

2016-2017

TERRAFORM REALSTATE LIMITED

CIN: L27200MH1985PLC035841

32nd Annual Report

2016-2017

BOARD OF DIRECTORS

Mr. Kishor N. Shah	: Managing Director
Mr. Vimal K. Shah	: Director
Mr. Naniesh K. Shah	: Director
Mrs. Naili Laha	: Director
Mr. Gautam Rajan	: Independent Director
Mr. Hemal Haria	: Independent Director

KEY MANAGERIAL PERSONNEL

Ms. Rajeshree Chougule	: Company Secretary
Mr. Chintan Shah	: Chief Financial Officer

STATUTORY AUDITORS

J.D. Zatakia & Co., Chartered Accountants

SECRETARIAL AUDITORS

Dholakia & Associates LLP., Company Secretaries

REGISTERED OFFICE

Samruddhi, Office Floor, Plot No.157, Near Ambédkar Garden, Chembur (East), Mumbai 400071.

E-MAIL

secretarial@terraformrealty.com

WEBSITE

www.terraformrealstate.com

REGISTRARS & SHARE TRANSFER AGENTS

Satellite Corporate Services Private Limited (SCSPL)
B-302, Sony Apartment, Opp. St. Jude High School,
90 Feet Road, Jarimari, Sakinaka, Mumbai 400072.
W: www.satellitecorporate.com
E: service@satellitecorporate.com

TERRAFORM REALSTATE LIMITED

Corporate Identity Number: L27200MH1985PLC035841

BOARD'S REPORT FOR THE FINANCIAL YEAR 2016-17

To,
The Members,

The Board of Directors is pleased to present the 32nd Annual Report on the business and operations of your Company along with the audited financial statements for the financial year ended 31st March, 2017. The Statement of Accounts, Auditors' Report, Board's Report and attachment thereto have been prepared in accordance with the provisions contained in the Companies Act, 2013 (the Act) and Rules made thereunder.

I. FINANCIAL RESULTS:

The Company's financial performance for the year ended 31st March, 2017 is summarized below:

Particulars	For the year ended 31.03.2017 (Amount in Rs.)	For the year ended 31.03.2016 (Amount in Rs.)
Revenue from operations	Nil	Nil
Interest/ Dividend Income	12,58,830	18,740
Less: Total Expenditure	3,75,944	3,45,557
Profit/(Loss) before Tax	8,82,886	(3,26,817)
Less: Tax Expenses		
Current Tax	-	-
Deferred Tax	1,15,924	1,00,982
Short Provision of earlier year	11,779	-
Profit/(Loss) after Tax	9,87,031	(2,25,835)
Interim Dividend	-	-
Corporate Dividend Tax	-	-
Transfer to General Reserve	-	-
Earnings Per Share	1.97	(0.45)

Regd. Off.: Samruddhi, Office Floor, Plot No. 157, 18th Road, Near Ambedkar Garden, Chembur (E), Mumbai 400 071.
T: + 91 (22) 25264900. Web: www.Terraformrealstate.com E-mail: secretarial@terraformrealty.com

2. **RESERVES:**

During the year under review, the Company has not transferred any amount to Reserves.

3. **DIVIDEND:**

Your Directors do not recommend any Dividend for the year under review.

4. **PERFORMANCE AND AFFAIRS OF THE COMPANY:**

During the year under review, the Company has received amount of Rs.12,58,830/- (Previous Year of Rs.18,740/-) by way of Interest on IT Refund and Share of Profit from partnership firm. The Company has made an expenditure of Rs.3,75,944/- (Previous Year Rs.3,45,557/-) and earned a profit of Rs.9,87,031/- (Previous Year registered loss of Rs.(2,25,835)).

5. **DEPOSITS:**

The Company has not accepted and/or renewed Deposit from the Public during the year within the meaning of Section 73 and Chapter V of the Companies Act, 2013, and the Companies (Acceptance of Deposits) Rules, 2014.

6. **CURRENT STATUS:**

The Company is optimistic of growth in the Real Estate Sector and is waiting for right opportunity to commence the business activity.

7. **CHANGES IN THE NATURE OF BUSINESS:**

There is no change in the nature of business of the Company during the year.

8. **REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:**

During the year under review, your Company did not have any subsidiary, associate and joint venture Company.

9. **CORPORATE GOVERNANCE:**

Pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the compliance with the Corporate Governance provisions as specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V are not applicable to the Company as the paid up share capital is less than Rs. 10 crores and net worth is also less than Rs. 25 crores as on the last day of previous financial year. Hence the Company is not required to furnish Corporate Governance Report for the financial year under review.



10. MANAGEMENT DISCUSSION AND ANALYSIS:

- i) The Company is taking all possible steps to grab the opportunities for the growth of the Company. The risk associated with the business is it external or internal affects the performance of the Company in a long run. Competition and economic conditions prevailing all over may affect the business of the Company.
- ii) The overall economic scenario of the industry expected to be good and accordingly, your Company is also expected to do well in the coming years.
- iii) The Company has adequate internal control procedures commensurate with the size of the Company and nature of its business. The internal control system is continuously reviewed by the management to ensure orderly and efficient conduct of business. The system emphasis on the functions of purchase, sales, finance etc. to adhere to the well-defined corporate policies.

11. CORPORATE SOCIAL RESPONSIBILITY:

The criteria prescribed for the applicability of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 are not applicable to the Company.

12. OPPORTUNITIES, THREATS, RISKS & CONCERNS:

Your Company is well aware of the risks in the Real Estate Business and once the business activity will be commenced mechanism for mitigating the risk will be established. There are good opportunities in exploiting the Development Rights.

13. SAFETY AND HEALTH:

Safety and Health are the prime focus in the Real Estate Business and the Company will take required actions as and when the construction or business activities are commenced.

14. HUMAN RESOURCES/INDUSTRIAL RELATIONS:

Humans are considered as one of the most critical resources in the business which can be continuously smoothened to maximize the effectiveness of the Organization. Human resources build the Enterprise and the sense of belonging would inculcate the spirit of dedication and loyalty amongst them towards strengthening the Company's Policies and Systems.

15. SHARE TRANSFER AGENT:

The Company has appointed **Satellite Corporate Services Private Limited (SCSPL)** as the Registrar & Transfer Agent (RTA), having registered address at B-302 Sony Apartment, Opp. St. Jude High School, 90 Feet Road, Jarimari, Sakinaka, Mumbai 400072 for share registry work pertaining to both physical and electronic segments of the Company.



16. DIRECTORS AND KEY MANAGERIAL PERSONNEL

(i) RE-APPOINTMENT OF MR. VIMAL K. SHAH AS A DIRECTOR OF THE COMPANY WHO RETIRE BY ROTATION:

Mr. Vimal K. Shah (DIN: 00716040), Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible and not being disqualified under section 164 of the Companies Act, 2013, offers himself for re-appointment. The Board recommends his re-appointment.

(ii) APPOINTMENT OF CHIEF OPERATING DECISION MAKER (CODM) OF THE COMPANY:

Pursuant to Rule 4(1)(ii)(a) of Companies (Indian Accounting Standards) Rules, 2015, the Board of Directors at their meeting held on 10th February, 2017 had appointed Mr. Kishor N. Shah, Chairman and Managing Director, as Chief Operating Decision Maker (CODM) of the Company, to review operating segment results of the Company from 1st April, 2017.

(iii) DECLARATION BY AN INDEPENDENT DIRECTORS:

Pursuant to section 149(7) of the Companies Act, 2013, the Company has received declarations from all the Independent Directors of the company confirming that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and under the SEBI (Listing obligations and Disclosure Requirements, 2015 (the Listing regulation).

(iv) ANNUAL EVALUATION OF BOARD:

Pursuant to the provisions of the Companies Act, 2013, and the Listing Regulations, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit and Nomination & Remuneration Committees.

The performance evaluation of the Independent Director was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

17. NUMBER OF BOARD MEETINGS:

During the Financial year, total 5 (Five) Meetings of the Board of Directors were held i.e. on 21st April, 2016, 30th May, 2016, 11th August, 2016, 10th November, 2016 and 10th February, 2017 respectively and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. The maximum gap between any two meetings was less than 120 days. The 31st Annual General Meeting (AGM) was held on 30th September, 2016



and the proceedings of the above Meetings were properly recorded and signed in the Minutes Book maintained for the purpose. The Company has not passed any resolution by circulation.

The attendance of the Directors at these Meetings was as under:

Name of the Director	Designation	Number of Board Meetings attended	Attendance at the AGM
Mr. Vimal K. Shah	Director	5	Yes
Mr. Kishor N. Shah	Managing Director	2	Yes
Mr. Nainesh K. Shah	Director	1	Yes
Mrs. Naili Laha	Director	5	No
Mr. Hemal R. Haria	Independent Director	5	Yes
Mr. Gautam Rajan	Independent Director	5	No

18. AUDIT COMMITTEE:

During the year ended 31st March, 2017, 4 (Four) Audit Committee Meetings were held on 30th May, 2016, 11th August, 2016, 10th November, 2016 and 10th February, 2017 respectively.

The composition of the Audit committee and the number of Meetings attended by each member during the year ended 31st March, 2017 is as follows:

Name of the Member	Designation	No. of Meetings held- 4
		Attended
Mr. Hemal Haria	Chairman (Independent)	4
Mr. Vimal K. Shah	Member	4
Mr. Gautam Rajan	Member (Independent)	4



19. **NOMINATION AND REMUNERATION COMMITTEE:**

In the Company, there was no such Committee meeting was held during the year ended 31st March, 2017.

The Nomination and Remuneration policy, which was approved by the Board is available on the Company's website and a Copy of the policy is annexed as "**Annexure-A**" which forms part of this report.

20. **INDEPENDENT DIRECTORS' MEETING:**

During the year under review, all Independent Directors met on 10th February, 2017, inter-alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board as a whole.
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, quantity content and timeliness of flow of information between the Management and the Board.

21. **VIGIL MECHANISM /WHISTLE BLOWER POLICY FOR THE DIRECTORS AND EMPLOYEES:**

The Company has a vigil Mechanism/ Whistle Blower policy to deal with instance of fraud and mismanagement, if any. During the year, there were no instances in this regard, received by the Company.

22. **RISK MANAGEMENT POLICY:**

Risk management policy has been developed and implemented. The Board is kept informed of the risk mitigation measures being taken through risk mitigation report/operation report. There are no current risks which threaten the existence of the Company.

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

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:



1.	CONSERVATION OF ENERGY	During the Financial Year under review, the Company has not carried out any commercial activity.
2.	TECHNOLOGY ABSORPTION, ADAPTATIONS& INNOVATIONS	Nil
3.	FOREIGN EXCHANGE EARNINGS	Nil
4.	FOREIGN EXCHANGE OUTGO	Nil
5.	EXPORT EFFORTS	The Company is yet to commence Real Estate business activities. Considering the nature of business activities, there are no exports transactions for the year under review.

24. INTERNAL CONTROL SYSTEMS:

The Company has an internal control system, commensurate with the size and nature of the Company's business. To maintain its objectivity and independence, the Audit function reports to the Chairman of the Audit Committee and of the Board.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its Compliances with operating systems, accounting procedures and policies.

25. DIRECTOR'S RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by your Directors they make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013 and hereby confirm that:-

- 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 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 31st March, 2017 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 the relevant Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. That the accounts are prepared on a going concern basis;
- e. They had laid down proper internal financial control systems to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f. They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

26. EXTRACT OF ANNUAL RETURN:

Extract of the Annual Return in Form MGT-9 for the financial year ended 31st March, 2017 made under the provisions of Section 92(3) of the Act is annexed as “**Annexure B**” which forms part of this Report.

27. RATIO OF MANAGERIAL PERSONNEL:

- (i) As per the provisions of Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to disclose following information in the Board's Report:-

Parameters	Disclosures
(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	There is no remuneration drawn by the directors of the Company.
(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	There is no remuneration drawn by the directors, Chief Financial Officer, Company Secretary or Manager of the Company.
(iii) The percentage increase in the median remuneration of employees in the financial year;	No remuneration is paid by the Company during the financial year of the Company. All the employees are out sourced.

