

## **ANNUAL REPORT 2015 – 2016**

### **BOARD OF DIRECTORS**

Mr. Paresh Pravinchandra Joshi	Director
Mr. Rajesh Madhusudan Rajyaguru (From 07/02/2013 to 12/03/2016)	Managing Director
Mr. Karshanbhai Hiralal Patel (From 07/02/2013 to 12/03/2016)	Independent Director
Mr. Girish Pramodray Maru (From 13/08/2013 to 12/03/2016)	Independent Director
Ms. Rubina Yasinbhai Dalal (From 31/03/2015 to 12/03/2016)	Independent Director
Mr. Dharm Swetank Patel	Director
Mrs. Bhavna Narendra Ayer	Independent Director
Mr. Hitesh Arjunbhai Aahir	Independent Director
Mr. Bhavin Mehta (From 07/02/2013 to 11/07/2015)	Independent Director
Mr. Nirav Rajyaguru (From 30/04/2015 to 12/03/2016)	Chief Financial Officer (CFO)

### **STATUTORY AUDITORS**

M/s. Maharishi & Co.,  
Chartered Accountants,  
“Aparna”, Behind Jeevandeep Hospital,  
Beside Hotel Bansi,  
Indira Gandhi Marg,  
Jamnagar

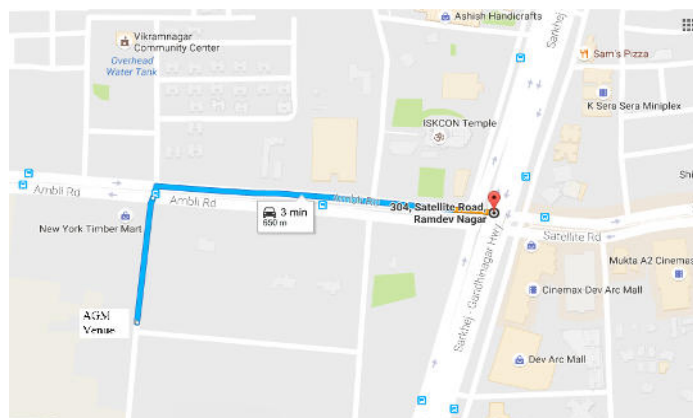
### **REGISTERED OFFICE**

4<sup>th</sup> Floor, Karm Corporate House, Opp. Vikramnagar  
Nr. New York Timber, Ambli Bopal Road  
Ahmedabad

### **REGISTRAR & SHARE TRANSFER AGENTS**

Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound,  
L.B.S Marg, Bhandup (W),  
Mumbai- 400078  
Maharashtra,  
Tel: 022 – 25963838  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

### **ROAD MAP TO AGM VENUE**



**NOTICE**

Notice is hereby given that 23<sup>rd</sup> Annual General Meeting of Real Realty Management Company Limited will be held at the registered office of the Company at 4<sup>th</sup> Floor, Karm Corporate House, Opp. Vikramnagar Nr. New York Timber Mart, Ambli Bopal Road Ahmedabad-380059 on Friday, 30<sup>th</sup> Day of September, 2016 at 5:30 P.M. to transact following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2016 including audited Balance Sheet as at 31<sup>st</sup> March, 2016 and Statement of Profit and Loss for the year ended on that date and the Reports of the Directors, Auditors and the Secretarial Auditor thereon.
2. To re-appoint **Mr. Paresh Pravinchandra Joshi** (DIN: 00158205), who is liable to retire by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s. Maharishi & Co., Chartered Accountants (Firm Registration No.124872W) as approved by Members at the Annual General Meeting as Statutory Auditors of the Company, to hold office until the conclusion of Annual General Meeting, and to fix their remuneration for the financial year ending 31<sup>st</sup> March, 2017.

**SPECIAL BUSINESS:****4. REGULARIZATION OF MR. DHARM SWETANK PATEL AS DIRECTOR**

To consider, and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution for Regularization of Additional Director

**'RESOLVED THAT** pursuant to 160 & 161 of the Companies Act, 2013 and any other applicable provision (including any modification or re-enactment thereof), if any, of the Companies Act, 2013 Mr. Dharm Swetank Patel (DIN: 07464810) was appointed as an Additional Director in the meeting of the Board of Directors held on March 12, 2016 and whose term expires at the ensuing Annual General Meeting of the Company and for his appointment the Company has received a notice in writing from the member proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company."

**5. REGULARIZATION OF MR. HITESH AAHIR AS INDEPENDENT DIRECTOR**

To consider, and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution for Regularization of Additional Director

**'RESOLVED THAT** pursuant to 160 & 161 of the Companies Act, 2013 and any other applicable provision (including any modification or re-enactment thereof), if any, of the Companies Act, 2013 Mr. Hitesh Aahir (DIN: 02013500) was appointed as an Additional Director in the meeting of the Board of Directors held on March 12, 2016 and whose term expires at the ensuing Annual General Meeting of the Company and for his appointment the Company has received a notice in writing from the member proposing his candidature for the office of a non-executive independent director of the Company, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a term of 5 years from 12/03/2016 to 11/03/2021."

**6. REGULARIZATION OF MRS. BHAVNA AYER AS INDEPENDENT DIRECTOR**

To consider, and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution for Regularization of Additional Director

**"RESOLVED THAT** pursuant to 160 & 161 of the Companies Act, 2013 and any other applicable provision (including any modification or re-enactment thereof), if any, of the Companies Act, 2013 Mrs. Bhavna N. Ayer (DIN: 02013477) was appointed as an Additional Director in the meeting of the Board of Directors held on March 12, 2016 and whose term expires at the ensuing Annual General Meeting of the Company and for her appointment the Company has received a notice in writing from the member proposing her candidature for the office of a non-executive independent director of the Company, and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a term of 5 years from 12/03/2016 to 11/03/2021."

**7. TO APPROVE BORROWING LIMITS OF THE COMPANY**

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

**"RESOLVED** that pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, Companies Rules (including any statutory modification(s) or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) for borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs. 30 crore."

**"RESOLVED FURTHER** that the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required."

Place: Ahmedabad  
Date: 3<sup>rd</sup> September, 2016

For and on behalf of the Board  
SD/-  
Bhavna N. Ayer  
Director  
DIN: 02013477

**Explanatory Statement as required under Section 102 of the Companies Act, 2013****Item No.4**

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) had appointed Mr. Dharm Swetank Patel (DIN: 07464810), as an Additional Director w. e. f March 12, 2016. In terms of Section 161 (1) of the Companies Act, 2013 read with Articles of Association of the Company, Mr. Dharm Patel holds the office as an Additional Director up to the date of the forthcoming Annual General Meeting scheduled to be held on Friday, 30<sup>th</sup> September, 2016.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 from one of the members signifying his intention to propose the appointment of Mr. Dharm Patel as a Director.

Mr. Dharm Patel is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent in writing to act as Director. Moreover, Copy of the draft formal letter for appointment of Mr. Dharm Patel as a Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

The Board of Directors is of the opinion that his valuable experience in management and administration will be of great significance to the Company and hence recommends the Resolution at Item No. 4 of this Notice for your approval. Notice received under Section 160 of the Companies Act, 2013 is available for inspection by the members at the Registered Office of the Company during the business hours on any working day up to the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel and relatives thereof is concerned or interested in the Resolution at Item No. 4 of the Notice.

**Item No.5**

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) had appointed Mr. Hitesh Aahir (DIN: 02013500), as an Additional Director w. e. f March 12, 2016. In terms of Section 161 (1) of the Companies Act, 2013 read with Articles of Association of the Company, Mr. Hitesh Aahir holds the office as an Additional Director up to the date of the forthcoming Annual General Meeting scheduled to be held on Friday, 30<sup>th</sup> September, 2016.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 from one of the members signifying his intention to propose the appointment of Mr. Hitesh Aahir as a Director.

Mr. Hitesh Aahir is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent in writing to act as Director. Moreover, Copy of the draft formal letter for appointment of Mr. Hitesh Aahir as an Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

The Board of Directors is of the opinion that his valuable experience in management and research activities will be of great significance to the Company and hence recommends the Resolution at Item No. 5 of this Notice for your approval. Notice received under Section 160 of the Companies Act, 2013 is available for inspection by the members at the Registered Office of the Company during the business hours on any working day up to the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel and relatives thereof is concerned or interested in the Resolution at Item No. 5 of the Notice.

**Item No.6**

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) had appointed Mrs. Bhavna Ayer (DIN: 02013477), as an Additional Director w. e. f March 12, 2016. In terms of Section 161 (1) of the Companies Act, 2013 read with Articles of Association of the Company, Mrs. Bhavna Ayer holds the office as an Additional Director up to the date of the forthcoming Annual General Meeting scheduled to be held on Friday, 30<sup>th</sup> September, 2016.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 from one of the members signifying his intention to propose the appointment of Mrs. Bhavna Ayer as a Director.

Mrs. Bhavna Ayer is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent in writing to act as Director. Moreover, Copy of the draft formal letter for appointment of Mrs. Bhavna Ayer as an Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

The Board of Directors is of the opinion that her rich experience in administration and research activities will be of great significance to the Company and hence recommends the Resolution at Item No. 6 of this Notice for your approval. Notice received under Section 160 of the Companies Act, 2013 is available for inspection by the members at the Registered Office of the Company during the business hours on any working day up to the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel and relatives thereof is concerned or interested in the Resolution at Item No. 6 of the Notice.

**Item No. 7.**

As per Section 180 (1) (c) of the Companies Act, 2013, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the company and its free reserve requires approval from the shareholders of the Company. Keeping in view of enhanced requirement of loan and also the legal requirement that Section 180(1) of the Companies Act, 2013 provides that the Board of Directors of a company shall exercise the said power only with the consent of the Company by a special resolution. Hence, the Special Resolution at Item No. 7 for authorizing the Board of Directors to borrow monies (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) from time to time on behalf of the Company not exceeding Rs. 30 crores is intended for this purpose.

The Directors recommends the resolution for members' approval as a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

**Brief profile of directors seeking appointment/re-appointment:**

Director's Name	<b>MR. PARESH JOSHI</b>	<b>MR. DHARM PATEL</b>	<b>MRS. BHAVNA AYER</b>	<b>MR. HITESH AHIR</b>
Date of Birth	7 <sup>th</sup> March, 1969	18 <sup>th</sup> August, 1994	16 <sup>th</sup> October, 1972	17 <sup>th</sup> May, 1967
Date of Appointment	7 <sup>th</sup> February, 2013	12 <sup>th</sup> March, 2016	12 <sup>th</sup> March, 2016	12 <sup>th</sup> March, 2016
Qualification	M. Sc. (Physics)	Pursuing Degree in Architecture	Commerce Graduate	Commerce Graduate
Experience in specific functional area	A master degree holder in science, Mr. Paresh Joshi is managing affairs of Company at highest level of management & instrumental in framing the strategies at Board level. Known for his management skills & prompt decision ability, Mr. Joshi has managerial skills to led the Company into diversified Segments and it is Mr. Joshi, whose self-inclination helped the Company to see opportunities & growth with innovation in construction of residential flats/bungalows.	Mr. Dharm Patel is pursuing Degree in Architecture, hence his theoretical knowledge together with practical applications will enhanced the Company's growth and widens the scope for further expansion and development	Mrs. Bhavna Ayer is has rich experience in administration and research activities that will help the Company in creating the strong base for future prospect and growth.	Mr. Hitesh Aahir holds valuable experience in management. His managerial activities will lead the company to move towards development and creating new opportunities on the different arena.
Directorship held in other public limited Indian Companies. (Excluding Directorship in Real Realty Management Company Limited)	Cementone (India) Limited	Nil	Nil	Nil
Membership/Chairmanship of Committees public limited Indian Companies. (Excluding Membership/Chairmanship of Committees in Real Realty Management Company Limited)	Nil	Nil	Nil	Nil
Directorship held in private Companies	<ul style="list-style-type: none"> <li>Real Realty Management Company Private Limited</li> <li>Devika Fincap Private Limited</li> </ul>	Nil	<ul style="list-style-type: none"> <li>Milan Grafitech Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>Siddhant Retail Private Limited</li> <li>Shradha Cable Communication Private limited</li> </ul>

Place: Ahmedabad  
Date: 3<sup>rd</sup> September, 2016

For and on behalf of the Board

SD/-  
Bhavna N. Ayer  
Director  
DIN: 02013477

**NOTES:**

1. Shareholder is entitled to attend and vote at the meeting and is also entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Shareholder. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy provided such person shall not act as a proxy for any other person or shareholder.
2. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting.
3. All documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on any working day except Saturdays and holidays up to the date of Annual General Meeting. Shareholders seeking any information with regards to accounts are requested to write to the Company at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
4. Shareholders are requested to intimate the change, if any, in their registered address at the earliest, quoting their folio number.
5. Shareholders or Proxy are requested to bring along with them their copy of Annual Report at the meeting as extra copies will not be distributed.
6. Members / Proxies should bring the duly filled attendance slip send herewith for attending the meeting
7. Register of Shareholders shall remain closed from 26<sup>th</sup> September, 2016 to 30<sup>th</sup> September, 2016 (Both days inclusive).

**8. Voting through electronic means:**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, and in terms of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to exercise their right to vote by electronic means. The facility of casting votes using an electronic voting system from a place other than the AGM venue ('remote e-voting') will be provided to the members by Central Depository Services (India) Limited (CDSL).

The Company is providing facility for voting by electronic means and the business may be transacted through such electronic voting. The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The 'Step by Step' procedure and instructions for casting your vote electronically are as under:

- i. The e-voting period begins on 26<sup>th</sup> September, 2016 at 9:00 a.m. and end on 29<sup>th</sup> September, 2016 at 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as at the cut-off date of 24<sup>th</sup> September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 29<sup>th</sup> September, 2016 at 5:00 p.m.
- ii. Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii. Next click on "Shareholders" tab to cast your votes.
- iv. Now enter your User ID  
For CDSL: 16 digits beneficiary ID,  
For NSDL: 8 Character DP ID followed by 8 Digits Client ID,  
Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used
- vii. If you are a first time user follow the steps given below:

PAN	Enter your 10 digits alpha-numeric PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. The Sequence Number is printed on address label/ sticker affixed on the back page of the Annual Report. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the date of birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format
Dividend Bank Details#	Enter your dividend bank details as recorded in your demat account or in the Company records for the said demat account or folio.

# please enter DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or member, please enter the member id/folio no. in the Dividend Bank details field as mentioned in instruction (iv).

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily change their login password in the new password field. Kindly note that this password can be used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that such company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. Click on the EVSN for the relevant Company (REAL REALTY MANAGEMENT COMPANY LIMITED) on which you choose to vote.

- xi. On the voting page, you will see Resolution Description and against the same, the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK" else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi. If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Note for Non-Individual Shareholders and Custodians.
  - Non-individual shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk. [evoting@cdslindia.com](mailto:evoting@cdslindia.com)
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to helpdesk. [evoting@cdslindia.com](mailto:evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to helpdesk [evoting@cdslindia.com](mailto:evoting@cdslindia.com)
- xviii. Mr. Chintan Patel, Partner, M/s. Patel & Associates, Company Secretaries, Ahmedabad has been appointed as the Scrutinizer for conducting the e-voting process.
- xix. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**In case of members receiving the physical copy:**

- a. Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- b. The voting period begins on 26<sup>th</sup> September, 2016 at 9:00 a.m. and end on 29<sup>th</sup> September, 2016 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 24<sup>th</sup> September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- c. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## Directors' Report

To,  
The Members,

Your Directors have pleasure in presenting their **Annual Report** on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31<sup>st</sup> March, 2016.

## 1. FINANCIAL SUMMARY/HIGHLIGHTS OF PERFORMANCE OF THE COMPANY:

Financial Results		(Rs. in Lacs)
Particulars	Year ended 31-03-2016	Year ended 31-03-2015
Revenue from Operation	445.45	537.9
Other Income	2.04	-
<b>Total Revenue</b>	<b>447.49</b>	<b>537.9</b>
Changes in Inventories of finished goods, work-in- progress	733.15	434.5
Depreciation & Amortization Exp.	54.30	56.10
Other Expenses	19.36	14.81
<b>Profit/(Loss) Before Tax</b>	<b>(438.93)</b>	<b>(149.19)</b>
Current Tax	0.024	(13.40)
Deferred Tax	(133.73)	(45.61)
<b>Profit/(Loss) After Tax (PAT)</b>	<b>(305.22)</b>	<b>(90.18)</b>

## 2. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK:

During the fiscal under Report, the Company has earned total income of Rs. 4,47,49,344/- as compared to Rs. 5,37,90,000/- during last year. Due to increase in cost of material consumed, as well as finance cost, the Company has incurred net loss of Rs. 3,05,22,337/-. However, the Company is commencing new projects in the years to come, and therefore, management is of the view that the Company will achieve profitability in approaching fiscal.

## 3. DECLARATION OF DIVIDEND &amp; TRANSFER OF AMOUNT TO RESERVES:

Due to loss, your Board of Directors does not recommend declaration of dividend. Moreover, no amount is being transferred to Reserves during the financial year.

## 4. SHARE CAPITAL:

The paid up Equity Share Capital as on March 31, 2016 was Rs. 4,80,31,800/-. During the year under report, the Company has not issued any shares or any convertible instruments.

## 5. DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

## 6. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

During the period under review, several energy conservation initiatives were adopted and were taken by the Company. There are no plans to import any kind of technology for the project and hence information regarding its absorption is not applicable. There was no research activities carried out during the year, foreign exchange earnings and outgo is given in **ANNEXURE - I** and forms part of this report.

## 7. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There were no such material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report which can affect the financial position of the Company.

## 8. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS:

No such Orders have been passed by the Regulators/Court or Tribunals which can impact the going concern status and Company's operation in future.

## 9. OPEN OFFER

Mr. Dharm Swetank Patel acquired 3,384,000 Equity shares of Real Realty Management Company Limited representing 70.46% of the paid up equity share capital of the Company as per the Share Purchase Agreement with the existing Promoters of the Company. The Open offer triggered on acquisition of 1,203,180 Equity Shares representing 25.05% of the paid up capital of the Target Company. The Open Offer for acquisition upto 1,248,827 Equity Shares is being made under Regulation 3(1) and Regulation 4 of SEBI (SAST) Regulations, 2011 for substantial acquisition of shares of Target Company. The Acquirer individual and Target Company have duly complied with regulations of Open Offer Process as stipulated in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

## 10. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

The Company has no Subsidiary Company. Hence, details relating to Subsidiary Company are not provided for.

## 11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY THE COMPANY:

Details of Loans, Guarantees and Investments, if any covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

## 12. MEETING OF BOARD OF DIRECTORS:

During the year under the review, 8 (Eight) Board meetings were held, with gap between Meetings not exceeding the period prescribed under the Companies Act, 2013 and Rules made there under.

Board meeting dates are finalized in consultation with all directors and agenda papers backed up by comprehensive notes and detailed background information are circulated well in advance before the date of the meeting thereby enabling the Board to take informed decisions.

The intervening gap between the Board Meetings was within the period prescribed under the Companies Act, 2013.

**13. EXTRACTS OF ANNUAL RETURN:**

An extract of Annual Return in Form **MGT-9** is attached herewith as **ANNEXURE-II**.

**14. INSURANCE:**

All the Properties of the Company are adequately insured.

**15. RELATED PARTY TRANSACTIONS:**

The Company has not entered into any contract or arrangement with related party which is not at arms' length requiring approval of shareholders in the general meeting as required under Section 188 (1) of the Companies Act, 2013 and thus disclosure in Form AOC-2 is not required.

**16. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Pursuant to provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, every company with a Net Worth of Rs. 500 Crores or more or an annual turnover of Rs. 1000 Crores or more or with a net profit of Rs. 5 Crores or more is required to constitute a CSR Committee. At present, the Company is not required to constitute a CSR Committee in this regards as none of the above referred limits have been triggered.

**17. DIRECTORATE AND KEY MANAGERIAL PERSONNEL:**

The Board of Directors of your company has various executive and non-executive directors including Independent Directors who have wide and varied experience in different disciplines of corporate functioning.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Paresh joshi (DIN: 00158205) retires by rotation at the ensuing Annual General Meeting and being eligible in terms of Section 164 of the Act offers himself for re-appointment.

The constitution of the Board of Directors changed during the year, Mr. Rajesh Rajyaguru resigned from the post of Managing Director and Mr. Karshanbhai Hiralal Patel, Mr. Girish Pramodray Maru, and Ms. Rubina Yasinbhai Dalal resigned from the post of Independent Director of the Company w.e.f. 12<sup>th</sup> March 2016. Further, Mr. Dharm Swetank Patel (DIN: 07464810), Mrs. Bhavna Ayer (DIN: 02013477) and Mr. Hitesh Aahir (DIN: 02013500) were appointed as an Additional Director w.e.f. 12<sup>th</sup> March, 2016. Mr. Bhavin Mehta has resigned as Independent Director of the Company w.e.f. 11<sup>th</sup> July 2015.

Mr. Nirav Maheshbhai Rajyaguru, Chief Financial Officer of the Company resigned w.e.f. 12<sup>th</sup> March, 2016.

In accordance with the provisions of section 149 of the Act, Mrs. Hina Patel and Mr. Hitesh Aahir Directors are proposed to be regularised as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting (AGM) of the Company

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

**18. EVALUATION OF BOARD, COMMITTEES AND DIRECTORS:**

Pursuant to the provisions of the Companies Act and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and Companies Act, 2013, the Board had carried out performance evaluation of its own, the Board Committees and of the Independent directors. Independent Directors at a separate meeting evaluated performance of the Non-Independent Directors, Board as a whole and of the Chairman of the Board.

The following were the Evaluation Criteria:

(a) For Independent Directors:

- Knowledge and Skills
- Professional conduct
- Duties, Role and functions

(b) For Executive Directors:

- Performance as Team Leader/Member.
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios
- Key set Goals and achievements
- Professional Conduct, Integrity
- Sharing of Information with the Board

The Directors expressed their satisfaction with the evaluation process.

**19. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS:**

The Board has on the recommendation of the Nomination & Remuneration Committee, formulated criteria for determining Qualifications, Positive Attributes and Independence of a Director and also a Policy for remuneration of Directors, Key managerial Personnel and senior management.

**20. MANAGERIAL REMUNERATION**

The Company had not paid any remuneration to Executive Directors or any sitting fees to Non-Executives Directors for attending any meetings during the financial year ended 31<sup>st</sup> March, 2016.

**21. INDEPENDENT DIRECTORS' MEETING:**

Independent Directors of the Company had met during the year under review.

**22. COMMITTEES OF THE BOARD:**

During the year, in accordance with the Companies Act, 2013, the Board re-constituted some of its Committees.



**AUDIT COMMITTEE:** The Company reconstituted its Audit Committee comprising of following Directors:

Sr. No.	Name & DIN of the Director	Status	Category
1	Bhavna N. Ayer (DIN: 02013477)	Chairperson	Non – Executive and Independent Director
2	Hitesh Aahir (DIN:02013500)	Member	Non – Executive and Independent Director
3	Paresh Joshi (DIN: 00158205)	Member	Executive and Non – Independent Director

**Attendance of each member of the Audit Committee:**

Committee Members	Meetings held	Meetings attended
#Bhavna N. Ayer	4	1
#Hitesh Aahir	4	1
Paresh Joshi	4	4
*Dr. Karshan Patel	4	3
*Girish Pramodray Maru	4	3

**NOMINATION AND REMUNERATION COMMITTEE:** The Company is having a Nomination and Remuneration Committee comprising of following Directors:

Sr. No.	Name & DIN of the Director	Status	Category
1	Hitesh Aahir (DIN:02013500)	Chairman	Non – Executive and Independent Director
2	Bhavna N. Ayer (DIN: 02013477)	Member	Non – Executive and Independent Director
3	Paresh Joshi (DIN: 00158205)	Member	Executive and Non – Independent Director

**Attendance of each member of the Nomination and Remuneration Committee:**

Committee Members	Meetings held	Meetings attended
#Bhavna N. Ayer	1	0
#Hitesh Aahir	1	0
Paresh Joshi	1	1
*Dr. Karshan Patel	1	1
*Girish Pramodray Maru	1	1

**STAKEHOLDERS RELATIONSHIP COMMITTEE:** The Company is having a Stakeholders Relationship Committee comprising of following Directors:

Sr. No.	Name & DIN of the Director	Status	Category
1	Hitesh Aahir (DIN:02013500)	Chairman	Non – Executive and Independent Director
2	Bhavna N. Ayer (DIN: 02013477)	Member	Non – Executive and Independent Director
3	Dharm Patel (DIN : 07464810)	Member	Executive and Non – Independent Director

**Attendance of each member of the Stakeholders Relationship and Share Transfer Committee:**

Committee Members	Meetings held	Meetings attended
#Hitesh Aahir	4	1
#Bhavna N. Ayer	4	1
Dharm Patel	4	1
*Dr. Karshan Patel	4	3
*Girish Pramodray Maru	4	3

\* Resigned w.e.f. 12<sup>th</sup> March, 2016 and;

# Appointed w.e.f. 12<sup>th</sup> March, 2016

## 23. AUDITORS:

### A. Statutory Auditors

**M/s. Maharishi & Co.,** Chartered Accountants, Statutory Auditors of the Company, holds office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment. The Audit Committee recommends appointment of M/s. Maharishi & Co., Chartered Accountants as Statutory Auditors for financial year 2016-17.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

Except qualification given by the Auditors in their Report that during the audit, the auditor had not received confirmation of trade payable of Rs.38,03,671/-, trade receivable of Rs.1,11,11,325/-, advance to supplier of Rs.2,16,10,757/- and advance from customer of Rs.1,36,36,375/- and the auditors were unable to perform alternate audit procedures.

The Directors of the Company are continuously making efforts to get the necessary confirmations from all the parties and assured that all the relevant documents and information required by the auditors will be provided to them to their satisfaction.

**B. Secretarial Auditors**

The Board has appointed the Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith as **Annexure IV**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. All the points are self – explanatory and do not require any further comments.

**24. INTERNAL FINANCIAL CONTROL SYSTEM AND COMPLIANCE FRAMEWORK:**

The Company has adequate internal financial controls with reference to financial statements. During the year under report, no reportable material weakness was observed. The internal auditors have expressed that the internal financial control system in the Company is robust and effective. The Board has also put in place requisite legal compliance framework to ensure compliance of all the applicable laws and that such systems are adequate and operating effectively.

**25. RISK MANAGEMENT:**

The Company has implemented an integrated risk management approach through which it reviews and assesses significant risks on a regular basis to help ensure that there is a robust system of risk controls and mitigation in place. Senior management periodically reviews this risk management framework to keep updated and address emerging challenges. Major risks identified for the Company by the management are Currency fluctuation, Compliances of various applicable Laws, Regulatory changes, Manufacturing & Supply, Litigation, Technological Changes and new capital investments return. The management is however, of the view that none of the above risks may threaten the existence of the Company as robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company in case any of these risks materialize.

**26. VIGIL MECHANISM AND WHISTLE BLOWER POLICY:**

In accordance with Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted a Whistle Blower Policy / Vigil Mechanism to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed and to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct.

**27. PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

**28. DIRECTORS' RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 and to the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors state that-

- i. In the preparation of the annual accounts, 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 at the end of the financial year 31<sup>st</sup> March, 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 Companies Act, 2013 and Rules made there under 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 laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi. 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.

**29. CORPORATE GOVERNANCE:**

The compliance with the corporate governance provisions as specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V shall not apply, in respect of the listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty five crore, as on the last day of the previous financial year. At present, the Company is not required to comply with Corporate Governance regulations as none of the above referred limits have been triggered.

**30. CORPORATE GOVERNANCE CERTIFICATE:**

The Non-Applicability of Corporate Governance Certificate from the Director as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is herewith attached in **Annexure-V**