



emami*
CITY

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Construction by



L&T Construction

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Abhijit Datta, *Chairman*
Mr. Hari Mohan Marda
Mr. Ram Gobind Ganeriwala
Mr. Basant Kumar Parakh
Mr. Girija Kumar Choudhary,
Whole-time Director & CFO
Mr. Amar Bhalotia

COMPANY SECRETARY

Ms. Payel Jain

STATUTORY AUDITORS

M/S S. K. Agrawal & Co.
Chartered Accountants

BANKER

ICICI Bank Limited

REGISTRAR AND SHARE TRANSFER AGENT

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor,
Kolkata - 700 001
Phone: +91 33 2243 5809 / 5029
Fax : +91 33 2248 4787
Email: mdpl@cal.vsnl.net.in

REGISTERED & CORPORATE OFFICE

Emami Tower, 2nd Floor
687, Anandapur, E. M. Bypass
Kolkata - 700 107
Phone: +91 33 6613 6264
Fax : +91 33 6613 6249
Website: www.emamirealty.com

CORPORATE IDENTITY NUMBER

L45400WB2008PLC121426

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Directors' Report

Dear Shareholders

Your Directors have pleasure in presenting the 6th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2014.

Financial Results

The performance of the Company for the year ended on 31st March, 2014 is summarised below:

Particulars	(₹ in Lakhs)	
	2013-14	2012-13
Total Revenue	28.99	175.17
Total Expenses	60.51	46.67
Profit / (Loss) Before Taxation	(31.52)	128.50
Current Tax	—	44.29
Profit / (Loss) After Taxation	(31.52)	84.21
Profit Brought Forward	1,319.05	1,234.84
Transfer to General Reserve	—	—
Balance Carried Forward	1,287.53	1,319.05

Dividend

Since your Company has incurred loss this year, your Directors regret their inability to recommend any dividend for the year ended 31st March, 2014.

Review of operations

Your Company is engaged in various projects through its subsidiaries and associates.

The consolidated revenue from operations of your Company for the year ended 31st March, 2014 was ₹ 755.02 Lakhs against loss of ₹ 371.28 Lakhs in the previous year.

The application of most latest, simple and adaptable Mivan Technology in our Project "Emami City" has resulted into an effective system of construction satisfactorily and has been widely appreciated by our customers.

Our Project "Emami Swanlake" at Kukatpally, Hyderabad is nearing completion and the sales have been satisfactory.

Scheme of Amalgamation of Emami Realty Limited

During the year under review, the Board of Directors have approved amalgamation of its wholly owned subsidiary "M/S Emami Realty Limited" with M/S Zandu Realty Limited with effect from 1st April, 2013 in its meeting held on 8th

July, 2013. Vide Letter dated 2nd May, 2014, BSE Ltd has conveyed to M/S Zandu Realty Limited that the Exchange is unable to grant its "no-objection" to the scheme in view of the observations made by Securities & Exchange Board of India (SEBI). The Company is taking appropriate action in the matter.

Subsidiary Companies

As on 31st March 2014, the Company's subsidiaries and step down subsidiaries are as follows:

1. Emami Realty Limited (wholly-owned subsidiary)
2. Emami Rainbow Niketan Private Limited (wholly-owned subsidiary)
3. Emami Constructions Private Limited (wholly-owned subsidiary of Emami Realty Limited)
4. Sneha Ashiana Private Limited (wholly-owned subsidiary of Emami Realty Limited)
5. Delta PV Private Limited (subsidiary of Emami Realty Limited)
6. New Age Realty Private Limited (subsidiary of Emami Realty Limited)

Financials of subsidiary companies

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other

Directors' Report (Contd.)

documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Annual Reports for the financial year 2013-14 of the aforesaid subsidiaries will be made available to the shareholders of the Company upon receipt of written requests from them. The Annual Reports for the financial year 2013-14 of the aforesaid subsidiary companies will also be kept open for inspection by the shareholders at the Registered Office of your Company and of the subsidiaries concerned between 10.30 a.m. to 1.30 p.m. on any working day.

In compliance with the requirements of the MCA Circular, a Statement showing relevant details for the year ended March 31, 2014 of the subsidiaries have been included in the Consolidated Financial Statements of the Company which forms part of this Annual Report.

A statement pursuant to Section 212(3) of the Companies Act, 1956 regarding extent of interest of the holding company in its subsidiaries, is attached herewith as **Annexure A** to this Report.

Disclosures

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as per section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is appended as **Annexure B** and forms part of this Report.

Directors

The Board of Directors comprises of 6 Directors, out of which 4 Directors are Independent Directors. The Composition of the Board is in compliance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchange(s).

Mr. Basant Kumar Parakh, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The Companies Act, 2013 ("the Act") provides for appointment of Independent Directors. Section 149 of the Act (effective from April 1, 2014) provides that Independent Directors shall not hold office for more than two consecutive terms of upto five years each provided that the Director is re-appointed by passing a special resolution on completion of his first term. Independent Directors are no longer liable to retire by rotation. Further as per explanation provided under Section 149 of the Act, any term of an Independent Director on the date of commencement of this Section, i.e., April 1, 2014 shall not be counted as a term.

Accordingly, the Board of Directors in its meeting held on 30th May, 2014 has proposed the appointment of Mr. Abhijit Datta, Mr. Hari Mohan Marda, Mr. Ram Gobind Ganeriwala and Mr. Amar Bhalotia as Independent Directors of the Company to hold office for a term upto March 31, 2019, subject to the approval of the members.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

The Board recommends the appointment of above Directors with a view to avail their valuable advices and wise counsel. A brief profile of the above Directors seeking appointment/re-appointment required under Clause 49 of the Listing Agreement, is given in the Notice of AGM.

Particulars of Employees

The particulars required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company.

Auditors

The Board, on recommendation of the Audit Committee, has proposed that M/S S. K. Agrawal & Co., Chartered Accountants, who retires at the conclusion of the ensuing Annual General Meeting, be re-appointed as Statutory Auditors of the Company, to hold office till the conclusion of fifth consecutive Annual General Meeting ("AGM"), subject to ratification by members at every AGM held after the ensuing AGM. M/S S. K. Agrawal & Co., Chartered Accountants have signified their consent, in writing, for such appointment along with a certificate stating that their appointment, if made, shall be in accordance with Section 139 read with Section 141 of the Companies Act, 2013.

Directors' Responsibility Statement

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Board of Directors hereby state that:

- a) in the preparation of the annual accounts for the year ended 31st March, 2014, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;

Directors' Report (Contd.)

- b) the Directors have selected such accounting policies and applied them accordingly from time to time and made judgments and estimates that were reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014, and of the loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the Company's assets and for preventing and detecting fraud and other irregularities; and
- d) the Directors have prepared the accounts for the year ended 31st March, 2014 on a going concern basis.

Corporate Governance

As per Clause 49 of the Listing Agreement, a separate section on Corporate Governance practices followed by the

Company together with a certificate from the Company's Auditors confirming compliance is set out in the Annexure forming part of this Report.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year under review is presented in a separate section forming part of this Report.

Acknowledgments

Your Directors wish to extend their thanks and appreciation for the valuable and continued support received from the Shareholders, Company's Bankers, Central and State Government Authorities, Stock Exchange(s), CDSL, NSDL and all other Business Associates for the growth of the organization.

Your Directors also wish to place on record their deep appreciation to all the employees for their commitment and continued contribution to the Company.

For and on behalf of the Board

Kolkata
30th May, 2014

Abhijit Datta
Chairman

Annexure to the Directors' Report

ANNEXURE A

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

For the Year ended 31st March, 2014

(₹ in Lakhs)

Sl. No.	Name of Subsidiary Company	Emami Realty Limited	Emami Rainbow Niketan Private Limited	Emami Constructions Private Limited	Sneha Ashiana Private Limited	Delta PV Private Limited	New Age Realty Private Limited
1.	Name of immediate Holding Company	Emami Infrastructure Limited	Emami Infrastructure Limited	Emami Realty Limited	Emami Realty Limited	Emami Realty Limited	Emami Realty Limited
2.	Financial Year ending of the Subsidiary Company	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014
3.	Extent of Holding Company's interest	100%	100%	100%	100%	55%	60%
4.	Net aggregate amount of Profit/(Loss) of subsidiary not dealt with in the Holding Company's Accounts						
i)	For the Financial Year ended March 31, 2014 of the subsidiary	(51.84)	(267.09)	(0.37)	(0.20)	(0.01)	(104.98)
ii)	For the previous Financial Year of the subsidiary company since they become Holding Company's subsidiary	63.64	(427.64)	(2.01)	(0.24)	(3.34)	(82.05)
5.	Net aggregate amount of Profit/(Loss) of subsidiary dealt with in the Holding Company's Accounts						
i)	For the Financial Year ended March 31, 2014 of the subsidiary	—	—	—	—	—	—
ii)	For the previous Financial Year of the subsidiary company since they become holding Company's subsidiary	—	—	—	—	—	—

Annexure to the Directors' Report

ANNEXURE- B

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A) CONSERVATION OF ENERGY:

Your Company is into real estate business and is not included in the list of industries under Schedule to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988. Therefore, Form A and the disclosures contained therein are not applicable to the Company.

B) TECHNOLOGY ABSORPTION:

Form B: Disclosure of particulars with respect to absorption			
Research & Development (R & D)-			
Specific areas in which R & D carried out by the company		The Company has not undertaken any activity relating to research and development during the year under review.	
Benefits derived as a result of the above R & D			
Future plan of action			
Sr. No.	Expenditure on R & D	2013-14 (₹)	2012-13 (₹)
1	Capital Expenditure	NIL	NIL
2.	Recurring Expenditure	NIL	NIL
	Total	NIL	NIL
	Total R & D expenditure as a percentage of total turnover	N.A.	N.A.
Technology absorption, adaptation and innovation			
Efforts, in brief, made towards technology absorption, adaptation and innovation		Not Applicable	
Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.			
In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished: (a) Technology imported. (b) Year of import. (c) Has technology been fully absorbed? (d) If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action.		Not Applicable	

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Activities relating to exports; initiatives taken to increase exports; Development of new export markets for products and services; & export plans	Not Applicable	
Total foreign exchange used and earned	FY 2013-14 (₹)	FY 2012-13 (₹)
Foreign Exchange earnings	NIL	NIL
Foreign Exchange outgo	NIL	NIL

Management Discussion and Analysis Report

Industry Structure and Developments

"Despite being burdened with high construction costs and increased cost of borrowing, the Indian construction and real estate sector continues to be a favoured destination for global investors," said the Grant Thornton International Business Report.

The year 2013 saw a series of reform-oriented moves by the Indian government in an effort to infuse cash flows and bolster the sector. The Real Estate (Regulation and Development) Bill, 2013 was introduced in the Rajya Sabha in August, 2013 to promote the real estate sector and bring transparency. Another milestone in this direction has been the enactment of The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 which has come into effect from January 1, 2014 replacing the century old Land Acquisition Act, 1894. The new Act is aimed at protecting the rights of land owners while ensuring fair compensation and resettlement in lieu of sale of their land to either private developers for commercial development or government for public purposes. The securities market regulator, Securities and Exchange Board of India has come up with draft regulations on Real Estate Investment Trusts (REITs) which is a welcome step. Introduction of REITs is going to provide a timely opportunity to both investors and the real estate industry to develop a mature and transparent market. The Indian Government has amended its SEZ norms to make them more inclusive by attracting more small and medium enterprises to its scheme.

Opportunities and Threats

India Ratings & Research has maintained a negative to stable outlook on the real estate sector for 2014-15 on the back of continued weak end-user demand and adverse consumer sentiments.

The urban population is expected to surge in the coming years, which, coupled with growth in employment, education and health care, will push the demand for residential and commercial space. Things will start looking up for the sector only in the second half of 2014.

While we continue to be optimistic about the markets we operate and growth therein but we remain cautious about the macro-economic changes and the regulatory headwinds being faced by the sector as a whole.

Performance and Outlook

Your Company is engaged in various projects through its subsidiaries and associates. The consolidated revenue from operations of your Company for the year ended 31st March, 2014 was ₹ 755.02 Lakhs against loss of ₹ 371.28 Lakhs in the previous year.

The application of most latest, simple and adaptable Mivan Technology in our Project **"Emami City"** has resulted into an effective system of construction satisfactorily and has been widely appreciated by our customers.

Our Project **"Emami Swanlake"** at Kukatpally, Hyderabad is nearing completion and the sales have been satisfactory.

Challenges, risks and concerns

Your Company operates in an environment which is effected by various factors some of which are beyond its control. The management periodically reviews the control mechanisms in place, so that risks can be minimized to the optimum.

Internal control systems and their adequacy

Our internal control systems are adequate and provide, among other things, reasonable assurance of recording transactions of operations in all material respects and of providing protection against misuse or losses from unauthorized use or disposition.

Financial performance

These financial statements have been prepared under historical cost convention in accordance with Generally Accepted Accounting Principles and provisions of the Companies Act, 1956 (which continues to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs) and the Accounting Standards notified in Companies (Accounting Standard) Rules, 2006 to the extent applicable. Our management accepts responsibility for the integrity and objectivity of these financial statements. The networth of your Company has decreased marginally from ₹ 4147.50 Lakhs as on 31st March, 2013 to ₹ 4115.98 Lakhs as on 31st March, 2014.

Human Resource and Industrial Relation

Your Company's business is managed by a team of competent and passionate leaders, capable of enhancing your Company's standing in the sector.

Cautionary Statement

The Management Discussion and Analysis Report may contain certain statements that might be considered forward looking. These statements are subject to certain risks and uncertainties. Actual results may differ materially from these expressed in the statement as important factors could influence the Company's operations such as Government policies, local, political and economic development, risk inherent to the Company and such other factors.

Report on Corporate Governance

Corporate Governance

Sound Corporate Governance practices are guided by culture, conscience and mindset of an organization and are based on principles of openness, fairness, professionalism, transparency and accountability with an aim to build confidence of its various stakeholders and paving way for its long-term success. Achievement of excellence in good Corporate Governance practices requires continuous efforts and focus on its resources, strengths and strategies towards ensuring fairness and transparency in all its dealings with its stakeholders including society at large.

Company's Philosophy on Code of Corporate Governance

At Emami Infrastructure Limited, corporate governance has always been a focal point of attention with emphasis on the complete well-being of all constituents. Good corporate governance encompasses law, procedures, practices and implicit rules that determine the management's ability to take sound and informed business decisions vis-à-vis all its stakeholders i.e. shareholders, creditors, employees and the state. The Company's philosophy on corporate

governance envisages attainment of the highest level of transparency, accountability, integrity and equity in all facets of its operations and in its interaction with stakeholders.

The Board of Directors of your Company is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a pivotal role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to the best practices across the globe.

Board of Directors

Composition of Board of Directors

The Company has an optimum composition of Board of Directors in conformity with Clause 49 of the Listing Agreement with the Stock Exchanges. The Board as on 31st March, 2014 consists of 6 Directors out of which 4 Directors are Independent Director.

The composition and category of the Directors on the Board are as follows:

Sl. No.	Name	Designation	Category
1	Mr. Abhijit Datta	Chairman	Non-Executive Independent
2	Mr. Hari Mohan Marda	Director	Non-Executive Independent
3	Mr. Ram Gobind Ganeriwala	Director	Non-Executive Independent
4	Mr. Amar Bhalotia	Director	Non-Executive Independent
5	Mr. Basant Kumar Parakh	Director	Non-Executive Non-Independent
6	Mr. Girija Kumar Choudhary	Whole-time Director & CFO	Executive

Board Meetings & Procedure

The Board ensures that the Company's reporting and disclosure practices meet the highest standards of Corporate Governance and that the business practices followed by the Company are oriented towards meeting obligations towards various stakeholders and enhancing shareholders value.

The Board meets at regular intervals to discuss and decide on Company's business policy and strategy apart from normal business. The Agenda of the meeting is circulated well in advance to the Board members backed by comprehensive background information to enable them to take appropriate decisions. In addition to the information required under Annexure IA to Clause 49 of the Listing Agreement, the Board is also kept informed of major events/items and approvals taken wherever necessary.

Report on Corporate Governance (Contd.)

Number and dates of Board Meetings held during the year

During the year, five Board meetings were held. The details of Board meetings are given below:

Sl. No.	Date of Board Meeting	Total strength of the Board	No of Directors present
1	May 29, 2013	6	4
2	July 8, 2013	6	5
3	August 12, 2013	6	5
4	November 11, 2013	6	5
5	February 10, 2014	6	4

The maximum time gap between any two meetings was less than four months as stipulated under Clause 49 of the Listing Agreement.

Attendance at aforesaid Board Meetings, at the last Annual General Meeting and the number of Directorships and Committee Chairmanship / Memberships (as on 31st March, 2014) in other Companies of each of the Directors are below:-

Name of Directors	Board meeting attended during the year	Attendance at the last AGM	Number of other Directorships and Committee Membership [@] / Chairmanship [@]		
			Other Directorship [#]	Committee Membership [^]	Committee Chairmanship
Mr. Abhijit Datta	4	Yes	4	3	1
Mr. Hari Mohan Marda	5	Yes	6	4	2
Mr. Ram Gobind Ganeriwala	5	Yes	–	2	2
Mr. Amar Bhalotia	–	No	3	2	–
Mr. Basant Kumar Parakh	5	Yes	3	–	–
Mr. Girija Kumar Choudhary	4	Yes	3	–	–

[#]Excluding Alternate Directorships and Directorships in Foreign Companies, Section 25 Companies and Private Limited Companies

[@]Includes only Audit Committee and Stakeholders Relationship Committee (Shareholders' / Investors' Grievance Committee)

[^]Includes Chairmanship.

None of the Directors on the Board is a Member of more than 10 Board-level Committees or Chairman of more than 5 such Committees as specified in Clause 49 of the Listing Agreement, across all the companies in which he is a Director.

Committees of the Board

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review.

The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles. The minutes of the meetings of all the Committees are placed before the Board for review.

The Board has currently established the following Committees:

- Audit Committee
- Stakeholders Relationship Committee
- Nomination & Remuneration Committee