



emami* Infrastructure Limited

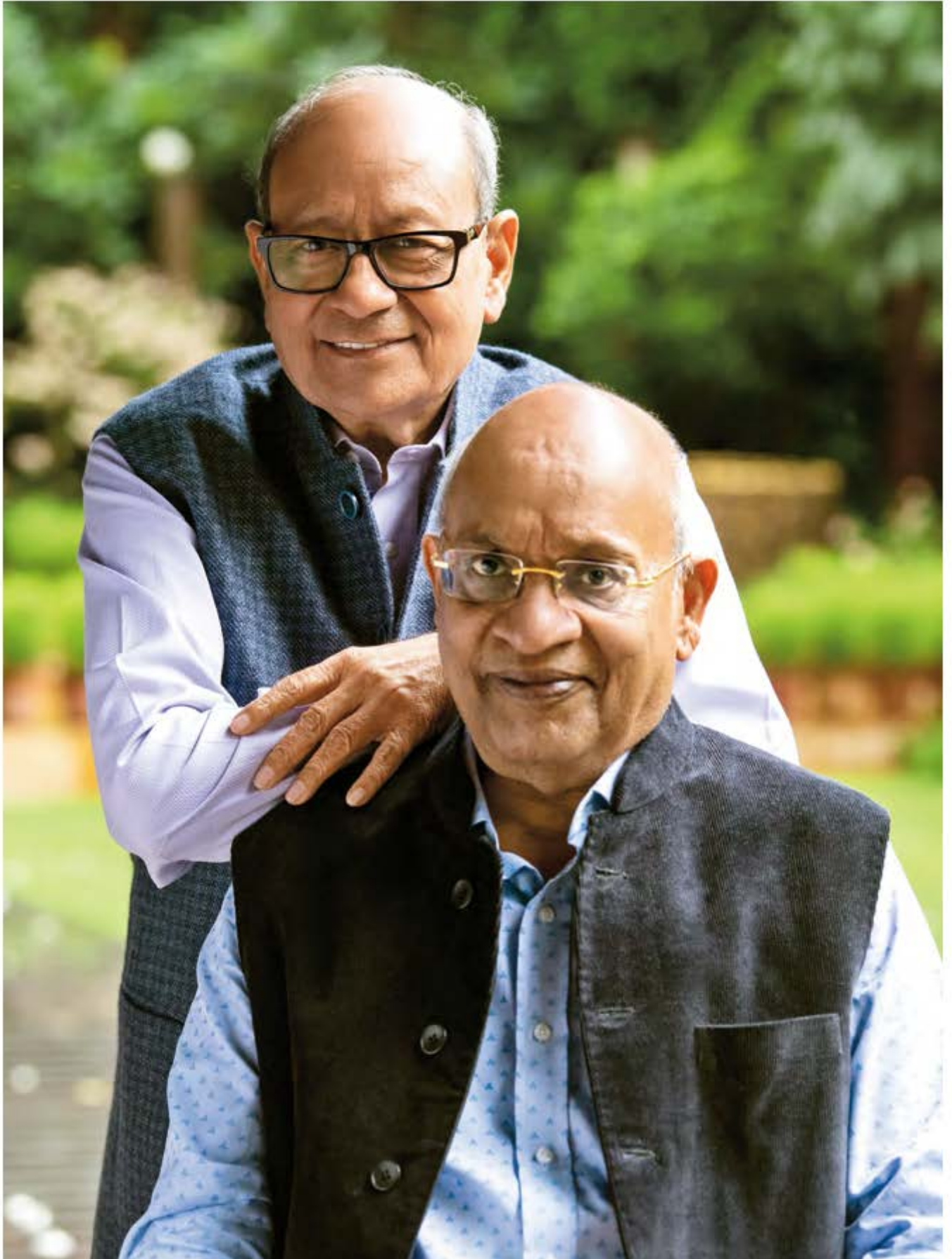
Annual Report 2017-18

emami
TEJOMAYA
RAYS OF BRILLIANCE

emami
Nature
Life unlimited

emami
CITY
Beautiful Moments. Perfect Life.

emami
aerocity



Our founders: Shri R S Agarwal and Shri R S Goenka



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Corporate Information

BOARD OF DIRECTORS *as on 31.03.2018*

Mr. Abhijit Datta, *Chairman*
Mr. Hari Mohan Marda
Mr. Ram Gobind Ganeriwala
Mr. Debasish Bhaumik
Mrs. Karabi Sengupta
Mr. Basant Kumar Parakh
Mr. Rajesh Bansal, *Whole-time Director*
Mr. Girja Kumar Choudhary, *Whole-time Director & CFO*

COMPANY SECRETARY

Ms. Payel Jain

STATUTORY AUDITOR

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

BANKERS

ICICI Bank Limited
RBL Bank Limited

REGISTERED OFFICE

Acropolis, 13th Floor, 1858/1, Rajdanga Main Road,
Kasba, Kolkata -700107
Phone: +91 33 6625 1200
E-mail: infra@emamirealty.com
Website: www.emamirealty.com
CIN: L45400WB2008PLC121426

REGISTRAR AND SHARE TRANSFER AGENT

Maheshwari Datamatics Pvt. Ltd.
23, R. N. Mukherjee Road,
5th Floor, Kolkata - 700 001
Phone: +91 33 2243 5809 / 5029
Fax : +91 33 2248 4787
Email: mdpldc@yahoo.com

Directors' Report



Dear shareholders,

Your Directors have pleasure in presenting the 10th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2018.

SCHEME OF AMALGAMATION

The Scheme of Amalgamation ("Scheme") of Zandu Realty Limited ("ZRL"), being an Associate, with the Company was approved by the Hon'ble National Company Law Tribunal, Kolkata Bench, vide its Order dated 4th May, 2018. The certified copy of the said Order was filed with the office of Registrar of Companies on 11th May, 2018 and accordingly, the Scheme has become operative with effect from the Appointed Date i.e., 1st April, 2017. These financial statements have been prepared after giving effect to the Scheme, since the Appointed Date is 1st April, 2017.

Pursuant to the Scheme sanctioned by the Hon'ble Tribunal

- a) Your Company has accounted for amalgamation under the 'Pooling of Interest Method' in accordance with the

requirements of Appendix C of Ind AS 103 on Business Combinations.

- b) 2,86,329 equity shares of ₹100/- each held by the Company in ZRL stand cancelled;
- c) Your Company has, on 30th May, 2018, allotted 36,40,497 equity shares of the Company to the public shareholders of ZRL, in the ratio of 7 equity shares of ₹2/- each of the Company for every 1 equity share of ₹100/- each held by such shareholder in ZRL, on the record date, 25th May, 2018.
- d) The equity shares of your Company so allotted will be listed on all the stock exchanges where the equity shares of your Company are presently listed.

FINANCIAL PERFORMANCE

The standalone performance of the Company for the year ended on 31st March, 2018 is stated below:

(₹ in Lakhs)		
Particulars	2017-18 *	2016-17
Revenue from Operations	146.73	93.46
Other Income	11,883.18	11,794.35
Total Revenue	12,029.91	11,887.81
Total Expenses	11,753.43	10,050.54
Profit before Tax	276.48	1,837.27
Tax Expenses		
-Current Tax	197.67	340.70
-MAT Credit Entitlement	(115.25)	-
-Deferred Tax	(62.16)	32.05
-Income Tax paid/refund for Earlier Years	(122.63)	2.50
Profit for the Year	378.85	1,462.02
Profit Brought Forward	(272.11)	(1,728.41)
Less: Cancellation of investments	(5,726.58)	-
Add: Transferred on amalgamation	5,566.87	-
Other comprehensive income	6.38	(5.72)
Net Surplus/(Deficit) in the Statement of Profit & Loss	(46.59)	(272.11)

* In view of the amalgamation of Zandu Realty Limited with the Company with effect from 1st April 2017, the figures for the current year are not comparable with those of the previous year.

FIRST TIME ADOPTION OF IND AS

The Ministry of Corporate Affairs vide its notification dated 16th February 2015, had notified the Indian Accounting Standards (Ind AS) applicable for certain classes of companies. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. Accordingly, the standalone

and consolidated financial statements for the year ended 31st March 2018 and 31st March 2017 including balance sheet as at the transition date of 1st April 2016 have been presented in accordance with Ind AS. The reconciliations and descriptions of the effect of the transition from previous GAAP to Ind AS have been set-out in the standalone and consolidated financial statements.

SHARE CAPITAL

Pursuant to the Scheme of Amalgamation becoming effective, the Company's authorised share capital increased from ₹7,05,00,000/- to ₹27,05,00,000/- divided into 3,52,50,000 Equity Shares of ₹2/- each and 20,00,000 Equity Shares of ₹100/- each.

DIVIDEND

Your Directors have not recommended any dividend for the financial year 2017-18.

TRANSFER TO RESERVES

Your Directors have decided not to transfer any amount to the General Reserve for the year under review.

OPERATIONS

During the year under review, your Company reported a total revenue of ₹12,029.91 Lakhs against ₹11,887.81 Lakhs reported in 2016-17, an EBITDA of ₹21,691.49 Lakhs against ₹17,983.88 Lakhs reported in the previous year. The Company reported a profit after tax of ₹378.85 Lakhs in 2017-18 against profit after tax of ₹1,462.02 Lakhs reported in the previous year.

The consolidated revenue of your Company during the year under review is ₹11,824.88 Lakhs compared to ₹11,051.72 Lakhs in the previous year, an EBITDA of ₹21,908.14 Lakhs against ₹17,729.89 Lakhs reported in the previous year. The Company reported a consolidated profit after tax of ₹361.33 Lakhs in 2017-18 against ₹1,343.23 Lakhs reported in the previous year.

Despite unfavourable market conditions, construction activities across all our ongoing projects were in full swing. In order to drive sales, we announced no GST for our Emami City Project at Kolkata.

NON-CONVERTIBLE DEBENTURES

Your Company has allotted 1000 Rated Unlisted Redeemable Non-Convertible Debentures of ₹10,00,000/- each aggregating to ₹100,00,00,000/- and 1500 Rated Unlisted Redeemable Non-

Convertible Debentures of ₹10,00,000/- each aggregating to ₹150,00,00,000/- on private placement basis on 19th January, 2018 and 26th March, 2018 respectively.

SHIFTING OF REGISTERED OFFICE

The Board of Directors, vide its resolutions passed on 12th September, 2017 and 13th December, 2017, have approved the shifting of registered office of the Company to Acropolis, 13th Floor, 1858/1, Rajdanga Main Road, Kasba, Kolkata – 700107, with effect from 1st February, 2018.

AWARDS & ACCOLADES

You would be glad to learn that our Project 'Emami City' has been one of the winner in the category "Special Commendation for Creating High Quality Living Spaces" in EAST Zone by the CNBC-AWAAZ Real Estate Awards.

CHANGE IN NATURE OF BUSINESS, IF ANY

During the year under review, there has been no change in the nature of business of the Company.

MATERIAL CHANGES AND COMMITMENTS AFTER THE BALANCE SHEET DATE

There has been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

SUBSIDIARIES/ASSOCIATES/JOINT VENTURES

In compliance with Ind AS 110, your Company has prepared Consolidated Financial Statements, which forms part of this Annual Report. Further, pursuant to Section 129(3) of the Act, a statement containing the salient features of the financial statements of the subsidiaries & associates in the prescribed Form AOC-1 has also been provided as a part of this Annual Report. The Company does not have any joint venture.

The highlights of performance of subsidiaries & associate companies and their contribution to the overall performance of the Company during the year under review, is tabulated below:

(₹ in Lakhs)				
Particulars	Turnover	Profit / (Loss) After Tax	Profit / (Loss) considered in consolidation	Networth attributable to the Company as on 31.03.2018
Subsidiaries				
Sneha Ashiana Pvt. Ltd.	-	(0.38)	(0.38)	(22.97)
Delta PV Pvt. Ltd.	-	(0.13)	(0.13)	9.58
New Age Realty Pvt. Ltd.	-	(0.21)	(0.21)	(697.54)
Associates				
Roseview Developers Pvt. Ltd.	-	(0.16)	(0.08)	(3.01)
Prajay Urban Pvt. Ltd.	-	(0.45)	(0.22)	(1.45)
Bengal Emami Housing Limited	11.30	2.93	0.88	2.98
Swanhousing & Infra Pvt. Ltd.	140.66	1.16	0.39	70.77

As per the provisions of Section 136 of the Act, the audited Financial Statements of the Company along with separate audited financial statements of the subsidiaries are being placed on the Company's website www.emamirealty.com and a copy of such separate audited financial statements of the subsidiaries will be provided to the shareholders on request.

A Policy has been formulated for determining the Material Subsidiaries of the Company in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The said Policy has been posted on the Company's website at the weblink <https://www.emamirealty.com/investor-relation/emami-infrastructure-ltd>

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The provisions of Section 186 of the Act, in relation to loans or guarantee/ security are not applicable to the Company, being an infrastructure company as defined under Schedule VI to the Act. No investment was made by the Company during the year under review, except for those transferred on amalgamation of ZRL. The particulars of loans given by the Company have been disclosed in the Notes to the Audited Financial Statements.

PARTICULARS OF MATERIAL CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of material contracts or arrangements entered into by the Company with Related Parties referred to in Section 188(1) of the Act in Form AOC-2 prescribed under the Companies (Accounts) Rules, 2014 are appended as "Annexure – 1" hereto and forms part of this Report.

A policy on 'Materiality of and Dealing with Related Party Transactions' has been devised by the Board of Directors and the same may be referred to, at the Company's website at the weblink: <https://www.emamirealty.com/investor-relation/emami-infrastructure-ltd>

PUBLIC DEPOSITS

The Company has not invited or accepted deposits from the public covered under Section 73 of the Act and The Companies (Acceptance of Deposits) Rules, 2014, as amended.

AUDITORS & AUDITORS' REPORT

At the Annual General Meeting held on 5th September 2014, M/s S. K. Agrawal & Co., Chartered Accountants (Firm Registration No. 306033E) were appointed as the Statutory Auditors of the Company to hold office till the conclusion of the 11th Annual General Meeting, subject to ratification by the members annually. In view of the amendment made to Section 139 of the Act vide the Companies (Amendment) Act, 2017 which is effective from 7th May, 2018, annual ratification of appointment of statutory auditors is no more necessary.

Accordingly, M/s. S. K. Agrawal & Co., Chartered Accountants, shall continue to be the Statutory Auditors of the Company till

the conclusion of AGM to be held in the year 2019 and their appointment shall not be subject to ratification by the members on an annual basis.

The Auditors' Report to the shareholders for the year under review does not contain any qualification.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s MKB & Associates, Practising Company Secretaries as Secretarial Auditor of the Company. The Secretarial Audit Report for the financial year ended 31st March, 2018 is annexed herewith as "Annexure - 2". The said Report does not contain any qualification.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

I. INDEPENDENT DIRECTORS:

(a) Statement on declaration given by Independent Directors under sub-section (7) of Section 149:

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

(b) Familiarization Programme undertaken for Independent Directors:

The Independent Directors are familiarised with the Company, about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. On appointment, the Independent Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a formal induction program on the Company's operations, marketing, finance and other important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The familiarization program is available on the Company's website under the weblink: <https://www.emamirealty.com/investor-relation/emami-infrastructure-ltd>

II. NON- INDEPENDENT DIRECTORS:

Retirement by Rotation

As per the provisions of Section 152(6)(c) of the Act, Mr. Basant Kumar Parakh (DIN: 00103176) retires by rotation, and being eligible, offers himself for re-appointment. In view of his considerable experience and contribution to the Company, your Directors recommend his re-appointment.

Resignation of Whole-time Directors

Mr. Sanjay Choudhary (DIN:00669470) resigned from the office of Whole-time Director of the Company with effect from close

of business hours on 9th August, 2017 due to ill health and Dr. Kalyanasundaram Ramamurthy, resigned from the office of Whole-time Director of the Company with effect from 30th March, 2018 due to his critical illness.

Your Board places on record its appreciation for the services rendered by Mr. Choudhary and Dr. Ramamurthy during their tenure as Whole-time Directors of the Company.

MEETINGS OF BOARD OF DIRECTORS

During the financial year ended 31st March, 2018, six Board Meetings were held, details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Act.

MEETING OF INDEPENDENT DIRECTORS

During the year under review, a meeting of Independent Directors was held on 14th February, 2018 wherein the performance of the non-independent directors and the Board as a whole was reviewed. The Independent Directors at their meeting also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board of Directors of the Company.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as "Annexure 3".

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is provided in the Annual Report, which forms part of this Report.

Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report (excluding the aforesaid information) is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Act, all companies having net worth of ₹500 Crores or more, or turnover of ₹1,000 Crores or more, or a net profit of ₹5 Crores or more during any of the three preceding financial years are required to constitute a Corporate Social Responsibility ("CSR") Committee of the Board comprising of three or more directors, at least one of whom shall be an Independent Director and such company shall spend at least 2% of the average net profit of the company's three immediately preceding financial years in pursuance of its CSR Policy. Since the net profits of the Company for the year ended 31st March, 2017 is meeting the

above threshold, in compliance with above, your Company has constituted a CSR Committee comprising Mrs. Karabi Sengupta as the Chairperson and Mr. Debasish Bhaumik and Mr. Girja Kumar Choudhary as members of the Committee.

The Annual Report on CSR as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as "Annexure - 4" to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(3)(c) and 134(5) of the Act, with respect to Directors' Responsibility Statement, the Directors hereby confirm that:-

- (i) in the preparation of the annual accounts for the year ended 31st March, 2018, the applicable accounting standards, have been followed and there are no material departures from the same;
- (ii) the Directors have 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 as at the end of the financial year and of the profit of the Company for that period;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.
- (v) the Directors have 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 have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

A Report on Corporate Governance and Management Discussion and Analysis for the financial year ended 31st March, 2018 is presented in separate sections forming part of the Annual Report.

CFO CERTIFICATION

As required by Regulation 17(8) of the Listing Regulations, the CFO certification has been submitted to the Board and a copy thereof is contained elsewhere in this Annual Report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with its size, requirement and the nature of operations. The

Company's system of internal control has been designed to provide a reasonable assurance with regard to maintenance of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliance with regulations and for ensuring reliability of financial reporting.

INTERNAL FINANCIAL CONTROL

The Company has in place adequate financial controls commensurate with the size, scale and complexity of its operations. The Company has policies and procedures in place to properly and efficiently conduct its business, safeguard its assets, detect fraud and errors, maintain accuracy and completeness of accounting records and prepare financial records in a timely and reliable manner.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Act and the Listing Regulations read with Guidance Note issued by SEBI, the Nomination and Remuneration Committee evaluated the performance of all Directors on criteria such as qualification, level of governance in meetings, preparedness for the meeting, experience, knowledge and competence, fulfillment of functions, ability to function as a team, initiative, availability and attendance, integrity, adherence to the code of conduct, etc. Independent Directors were additionally evaluated on criteria like independence of views and judgement and the Chairman of the Board was additionally evaluated on criteria like effectiveness of leadership and ability to steer the meeting, impartiality, commitment and ability to keep shareholders' interest in mind. The Independent Directors of the Company in their separate meeting, reviewed the performance of Non- Independent Directors, the Board as a whole and of the Chairperson of the Company.

The Board, after taking into consideration the evaluation exercise carried out by the Nomination and Remuneration Committee and by the Independent Directors, carried out an evaluation of its own performance and that of its Committees. The individual performance of all Directors (including the Independent Directors) was also carried out by the entire Board (excluding the director being evaluated).

The Directors expressed their satisfaction over the evaluation process and results thereof.

AUDIT COMMITTEE

The composition and terms of reference of the Audit Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report. There has been no instance where the Board has not accepted the recommendations of the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

The composition and terms of reference of the Nomination and Remuneration Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The composition and terms of reference of the Stakeholders Relationship Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report.

REMUNERATION POLICY

The Policy of the Company on appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3) of the Act, is appended as "Annexure - 5" to this Report.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has formed a Whistle Blower Policy/ Vigil Mechanism as required under Section 177 of the Act and Regulation 22 of the Listing Regulations. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The said policy may be referred to, at the Company's website at the weblink: <https://www.emamirealty.com/investor-relation/emami-infrastructure-ltd>.

RISK MANAGEMENT POLICY

The Company has a defined Risk Management framework to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The Risk Management Policy provides for identification of risk, its assessment and procedures to minimize risk. The policy is periodically reviewed to ensure that the executive management controls the risk as per decided policy.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Your Company is committed to provide a work environment which ensures that every woman employee is treated with dignity, respect and equality. There is zero-tolerance towards sexual harassment and any act of sexual harassment invites serious disciplinary action.

The Company has established a policy against Sexual Harassment for its employees. The policy allows every employee to freely report any such act and prompt action will be taken thereon. The Policy lays down severe punishment for any such act. Further, your Directors state that during the year under review, there was no case of sexual harassment reported to the Company pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

EXTRACT OF THE ANNUAL RETURN

Extract of the Annual Return as on 31st March, 2018 in Form MGT-9 is annexed hereto as "Annexure - 6" and forms a part of this report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

There are no significant material orders passed by the Regulators / Courts/Tribunals which would impact the going concern status of the Company and its future operations.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO AS PER SECTION 134 (3)(m) OF THE ACT

- A. The operations of the Company are not energy intensive as the Company is not engaged in any manufacturing activity and hence reporting under this Section does not arise.
- B. No technology has been developed and / or imported by way of foreign collaboration.
- C. Foreign exchange inflow is NIL and outflow is ₹56.42 Lakhs

during the year under review (P.Y.: Inflows: Nil; Outflows: ₹33.86 Lakhs).

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

The balance lying in Unclaimed Fractional Share Sale Proceeds Account amounting to ₹24,618/- as on 31st March, 2017, was transferred to the Investors Education and Protection Fund on 18th October, 2017. There is no amount lying unpaid/ unclaimed with the Company.

APPRECIATION

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), Depositories 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 of Directors

Kolkata
May 30, 2018

Abhijit Datta
Chairman