



A n n u a l R e p o r t 2 0 1 8 - 1 9



Our founders Shri R S Agarwal and Shri R S Goenka



Temple





**Studio
Apartment**



Model Flat



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Corporate Information

BOARD OF DIRECTORS

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. Girija Kumar Choudhary, *Whole-time Director & CFO*

CHIEF EXECUTIVE OFFICER

Dr. Nitesh Kumar Gupta

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 their 11th Annual Report on the business and operations of the Company, together with the Audited Accounts of the Company for the year ended 31st March, 2019.

FINANCIAL PERFORMANCE

The standalone performance of the Company for the year ended on 31st March, 2019 is stated below:

(₹ in lakhs)

Particulars	2018-19	2017-18
Revenue from Operations	6,374.59	146.73
Other Income	13,157.69	11,883.18
Total Revenue	19,532.28	12,029.91
Total Expenses	19,330.20	11,753.43
Profit before Tax	202.08	276.48
Tax Expenses		
- Current Tax	-	197.67
- MAT Credit Entitlement	-	(115.25)
- Deferred Tax	123.75	(62.16)
- Income Tax paid/refund for Earlier Years	5.33	(122.63)
Profit for the Year	73.00	378.85
Profit Brought Forward	(46.59)	(272.11)
Less: Cancellation of Investment	-	(5,726.58)
Add: Transferred on Amalgamation	-	5,566.87
Other Comprehensive Income	250.00	6.38
Net Surplus/(Deficit) in the Statement of Profit & Loss	276.40	(46.59)

DIVIDEND

Your Directors have not recommended any dividend for the financial year 2018-19.

TRANSFER TO RESERVES

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

SHARE CAPITAL

During the year under review, your Company has allotted 36,40,497 equity shares to the public shareholders of erstwhile Zandu Realty Limited (ZRL), pursuant to amalgamation of the said ZRL with the Company and accordingly, the total Paid-up Share Capital of the Company has increased to ₹ 558.78 Lakhs.

OPERATIONS

Your Company reported a total revenue of ₹19,532.28 lakhs in 2018-19 against ₹12,029.91 lakhs in 2017-18, and EBITDA of ₹26,981.79 lakhs against ₹21,691.49 lakhs in the previous year. The Company also reported a profit after tax of ₹73.00 lakhs in 2018-19 compared to ₹378.85 lakhs in the previous year.

Your Company's consolidated revenues stood at ₹19,667.97 lakhs for the year under review against ₹11,824.86 lakhs in the previous year, and EBITDA of ₹27,127.83 lakhs in 2018-19 as compared to ₹21,908.14 lakhs reported in the previous year. The Company also reported a consolidated profit after tax of ₹49.64 lakhs in 2018-19 as compared to ₹361.27 lakhs reported in the previous year.

You will be happy to note that construction being in full swing, our projects namely, Emami City at Kolkata and Emami Tejomaya at Chennai have reached completion stage and flats are ready for fit out and /or possession. We are happy to inform that possession of one block of our Project Emami Tejomaya has already been delivered to the customers during March 2019. The customers are highly satisfied with the quality and the product.

It is an admitted fact that presently the real estate industry is facing high inventory situation and holding back such high inventory could not be a judicious business decision. We acted in line with the marketing requirements by introducing subvention scheme and other direct pecuniary benefit schemes. These resulted in satisfactory response for the Company.

During the period under report, West Bengal Housing Industry Regulation Act, 2017 has been made applicable to the projects in the state of West Bengal and your Company has already registered in compliance thereof for Emami City project at Kolkata. The details of the project can be accessed from the HIRA website (www.hira.wb.gov.in).

NON-CONVERTIBLE DEBENTURES

During the year, your Company has allotted Rated Unlisted Redeemable Non-Convertible Debentures of ₹ 10,00,000/- each aggregating to ₹ 250,00,00,000/- on private placement basis. Your Company maintained the credit rating of BWR AA- (SO) provided by Brickwork Ratings India Pvt. Ltd. for its borrowing by issuance of debt instruments on private placement basis.

CHANGE IN NAME OF THE COMPANY

During the year under review, the name of the Company was changed to Emami Realty Limited and fresh Certificate of incorporation pursuant to change of name was issued by the Registrar of Companies on 15th October, 2018.

AWARDS & ACCOLADES

You would be glad to learn that our Project 'Emami City' has been awarded the "ICONIC PROJECT OF THE YEAR" at the 11th Realty Plus Conclave & Excellence Award 2019 – East.

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 31.03.2019
Subsidiaries				
Sneha Ashiana Pvt. Ltd.	477.91	17.59	17.59	(5.37)
Delta PV Pvt. Ltd.	-	0.04	0.04	9.60
New Age Realty Pvt. Ltd.	-	(0.18)	(0.18)	(697.65)
Associates				
Roseview Developers Pvt. Ltd.	-	(0.16)	-	(0.50)
Prajay Urban Pvt. Ltd.	-	(0.50)	-	(0.50)
Bengal Emami Housing Ltd.	4.00	1.77	0.16	(0.86)
Swanhousing & Infra Pvt. Ltd.	12.95	3.55	1.19	3.83

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"), as amended. The said Policy has been posted at the Company's website at the weblink <https://www.emamirealty.com/investor-relation/emami-realty-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. The particulars of loans given and investment made by the Company have been disclosed in the Notes to the Audited Financial Statements.

PARTICULARS OF MATERIAL CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There are no material related party transactions made by the Company with Related Parties referred to in Section 188(1) of the Act, which may have a potential conflict with the interest of the Company at large. Accordingly, the disclosure of related party transactions, as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable to the Company. All transactions with related parties were reviewed and approved by the Audit Committee. Prior omnibus approval of the Audit Committee is obtained for related party transactions which are of repetitive nature. A statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors on a quarterly basis.

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-realty-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

M/S S K Agrawal & Co, Chartered Accountants (Firm Registration No. 306033E) were appointed as the Statutory Auditors of the Company at the 6th Annual General Meeting of the Company, for period of five years, and will hold office till the conclusion of the ensuing Annual General Meeting. The Board took on record its appreciation of service rendered by them during their tenure as statutory auditors of the Company.

In view of the mandatory rotation of auditors' requirement and in accordance with the provisions of Companies Act, 2013, M/S Agrawal Tondon & Co., Chartered Accountants, (Firm Registration No. 329088E) have been proposed to be appointed as the statutory auditors of the Company at the forthcoming Annual General Meeting for a period of five years from the conclusion of the ensuing 11th Annual General Meeting till the conclusion of 16th Annual General Meeting of the Company. The said firm has given their consent and declared that they are not disqualified to be appointed as statutory auditors.

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, 2019 is annexed herewith as "Annexure - 1". In connection with the Secretarial Auditor's observation in the report, it is clarified that the approval of shareholders for certain material related party transactions under Regulation 23 (1) of the Listing Regulations shall be obtained in the ensuing annual general meeting.

MAINTENANCE OF COST RECORDS

In terms of the Section 148 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, it is stated that the cost accounts and records are made and maintained by the Company as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

I. INDEPENDENT DIRECTORS:

(a) Re-appointment

The term of appointment of Mr. Hari Mohan Marda, Mr. Abhijit Datta and Mr. Ram Gobind Ganeriwala as Independent Directors of the Company completed on 31st March, 2019. Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors, being of the opinion that their skills and knowledge would be of immense benefit to the business interests of the Company, at their meeting held on 8th August, 2018, has proposed their re-appointment for another term of 5 years with effect from 1st April, 2019. The shareholders in their Annual General Meeting held on 27th September, 2018, approved their re-appointment for another term of 5 years with effect from 1st April, 2019.

The term of appointment of Mrs. Karabi Sengupta as Independent Director of the Company will be completing on 31st March, 2020. The Board is of the opinion that the skills and knowledge of Mrs. Sengupta would be of immense benefit to the Company. Proposal for her re-appointment as Independent Director for another term of 5 years with effect from 31st March, 2020, is being placed before the shareholders for approval at the ensuing Annual General Meeting.

(b) 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, as amended.

(c) 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-realty-ltd>.

II. NON- INDEPENDENT DIRECTORS:

Retirement by Rotation

As per the provisions of Section 152(6)(c) of the Act, Mr. Rajesh Bansal (DIN: 00645035) 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.

Re-appointment of Whole-time Director

On the recommendations of the Nomination & Remuneration Committee, Mr. Rajesh Bansal (DIN: 00645035) has been re-appointed by the Board of Directors of the Company as Whole-time Director of your Company with effect from 10th August, 2018, for a term of three years, subject to approval of shareholders.

III. APPOINTMENT OF CEO:

The Board of Directors, at their meeting held on 19th November, 2018, upon the recommendation of the Nomination and Remuneration Committee, appointed Dr. Nitesh Kumar Gupta as the Chief Executive Officer of the Company, with effect from 20th November, 2018.

MEETINGS OF BOARD OF DIRECTORS

During the financial year ended 31st March, 2019, five 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 12th February, 2019 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 – 2".

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

The CSR Committee of your Company comprises of Mrs. Karabi Sengupta as the Chairperson and Mr. Debasish Bhaumik and Mr. Girija Kumar Choudhary as members. In compliance with the provisions of Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has adopted a CSR Policy which is available on the Company's website at [weblink https://www.emamirealty.com/investor-relation/emami-realty-ltd](https://www.emamirealty.com/investor-relation/emami-realty-ltd).

The Annual Report on CSR as required under the Rules is enclosed as "Annexure – 3" 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, 2019, 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, 2019 is presented in separate sections forming part of this Annual Report.

CEO & CFO CERTIFICATION

As required by Regulation 17(8) of the Listing Regulations, the CEO & 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.

BOARD 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, fulfilment 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.