



**emami** infrastructure limited  
Annual Report 2010-2011

# Corporate Information

## **BOARD OF DIRECTORS**

Shri Abhijit Datta, *Chairman*  
Shri Krishna Kumar Khemka  
Shri Hari Mohan Marda  
Shri Ram Gobind Ganeriwala  
Shri Rajesh Bagaria  
Shri Aditya Vardhan Agarwal  
Shri Raj K Sureka  
Shri Prashant Goenka  
Shri Amar Bhalotia

## **CHIEF FINANCIAL OFFICER**

Shri Girija Choudhary

## **COMPANY SECRETARY**

Shri Abhijit Dan

## **STATUTORY AUDITORS**

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

## **BANKER**

ICICI Bank Limited

## **REGISTRAR AND TRANSFER AGENT**

M/s Maheswari Datamatics Private Limited  
6, Mangoe Lane, 2nd Floor  
Kolkata - 700001, West Bengal, India  
Phone : + 91-33-2243 5029  
Fax : + 91-33-2248 4787  
Email : mdpl@cal.vsnl.net.in

## **REGISTERED AND CORPORATE OFFICE**

Emami Tower  
687, Anandapur, E. M. Bypass  
Kolkata - 700 107  
Phone : + 91-33-6613 6264  
Fax : + 91-33-6613 6249  
E-mail : abhijit.dan@emamirealty.com  
investors@emamirealty.com  
Website : www.emamirealty.com

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# Notice

NOTICE is hereby given that the 3rd Annual General Meeting of the members of the Company will be held on Saturday, 24th September, 2011 at 11.30 a.m. at the Registered office of the Company at Emami Tower, 687, Anandapur, E M Bypass, Kolkata - 700107 to transact the following business :

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account of the Company for the year ended 31st March, 2011 and the Balance Sheet as at that date together with the reports of the Directors and the Auditors thereon.
2. To appoint a director in place of Shri Raj K Sureka, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Shri Aditya Vardhan Agarwal, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

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## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing Proxies should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.
3. Members/Proxies should bring their attendance slips sent herewith duly filled in, for attending the meeting.
4. The Register of Members and Share Transfer Registers of the Company shall remain closed from Thursday, 22nd September, 2011 to Saturday, 24th September, 2011 (both days inclusive).
5. Members desiring any information as regards the accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
6. The members of the Company who have not yet encashed the fractional entitlement of shares of the Company upon the De-merger of 'Realty Undertaking' of Emami Limited are requested to forward the warrants to the Company/RTA for revalidation of the same.
7. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.
8. A Statement containing details of Persons seeking re-appointment as directors under Item no. 2 and 3 of the Notice is annexed hereto.
9. The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the companies and has permitted service of documents including Annual Report to its members through electronic modes. In the backdrop of this, the Company has given an option to the shareholders to receive the Annual Report through e-mail and is sending the Annual Report through e-mail to those members whose registered email-ids are available with the Company and those who are desirous of obtaining the same through this mode. To further support this initiative, members whose e-mail IDs have not been registered so far, are requested to register their e-mail addresses with their respective Depository Participant, in respect of holdings in Demat form and, with the Company's RTA, M/s Maheswari Datamatics Private Limited in respect of shares held in physical form by sending a duly filled request form available at the Company's Website [www.emamirealty.com](http://www.emamirealty.com). In case any member to whom an electronic copy of Annual Report has been sent desires to receive a physical copy, he may request the Company to send the same.

By Order of the Board  
For **Emami Infrastructure Limited**

Kolkata  
12th August, 2011

**Abhijit Dan**  
Company Secretary

## Annexure to Notice

## Details of Directors seeking Re-appointment at the ensuing Annual General Meeting

Name	Date of Birth	Date of Original Appointment	Expertise in specific functional areas	Qualifications	Directorship in other Public Ltd. Companies (as on 31.3.2011)	Membership of Board of other Public Ltd. Companies (as on 31.3.2011)	Other Information (As on 31.03.2011)
Shri Raj K Sureka	16/06/1968	30/04/2009	Shri Raj K Sureka is having 16 years of experience in marketing of Ball pens and Gel pens and has good administrative skills.	Graduate	<ol style="list-style-type: none"> <li>1. Bengal Emami Housing Limited</li> <li>2. Emami Realty Limited</li> <li>3. Bengal Emami Infrastructure &amp; Developers Limited</li> <li>4. CRI Ltd.</li> <li>5. Zandu Realty Limited.</li> </ol>	Zandu Realty Limited - Investors Grievances Committee	Share held - Nil
Shri Aditya Vardhan Agarwal	06/01/1975	25/01/2010	Shri Aditya Vardhan Agarwal, is a Commerce Graduate. He is having extensive knowledge and experience in marketing and Brand development. He is also the Honorary Consul of the Republic of Ethiopia in Kolkata and Executive Committee member of ASSOCHAM.	Graduate	<ol style="list-style-type: none"> <li>1. Emami Limited</li> <li>2. Emami Paper Mills Ltd.</li> <li>3. TMT Viniyogon Ltd.</li> <li>4. CRI Limited</li> <li>5. AMRI Hospitals Limited</li> <li>6. Emami (Bangladesh) Ltd.</li> <li>7. Emami Biotech Ltd.</li> <li>8. Bengal Emami Infrastructure &amp; Developers Ltd.</li> <li>9. Emami (UK) Ltd.</li> </ol>	Emami Limited - Share Transfer Committee - Finance Committee	Share held - 46,666

# Directors' Report

*Dear Shareholders*

Your Directors are pleased to present the 3rd Annual Report of the Company, together with the Audited Accounts for the financial year ended 31st March 2011.

## FINANCIAL HIGHLIGHTS

The Standalone Financial results for the year ended 31st March, 2011 are summarized below :

Particulars	For the year ended on 31.3.2011 (₹)	For the year ended on 31.3.2010 (₹)
Profit before Tax	7,815,715	129,321,453
Tax Expense	(1,449,033)	(22,500,000)
Profit after Tax	6,366,681	106,821,453
Balance brought forward from last year	106,818,546	(2,907)
Balance carried forward to Balance Sheet	113,185,227	106,818,546

## DIVIDEND

In view of the fund requirement for the projects your directors do not recommend any dividend for the year ended 31st March, 2011.

## OPERATIONS

The Company is presently engaged in various projects through its Subsidiaries and Associates. Emami Constructions Private Limited-a Step down subsidiary of your Company, has commenced a residential project namely "Swan Lake" Project at Kukatpally, Hyderabad. Model flat is ready for showcasing and is being found trendy and in line with the expectation of buyer which has been evidenced by good responses from the prospective buyers. Construction activity is in full swing. The project is expected to be completed by December 2012.

Octagon BPO Pvt. Ltd., a step down

subsidiary of your Company is about to commence a commercial project at New Town Rajarhat, Kolkata.

## PARTICULARS UNDER SECTION 217 OF THE COMPANIES ACT, 1956

### Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo

Presently, the Company is not engaged in any activity relating to conservation of energy or technology absorption. The Company has no foreign exchange earnings and outgoes during the year under review.

### Particulars of the Employees

No employee of the Company is covered under Section 217(2A) of the Companies (Particular of Employees) Rules, 1975 made there under.

## AUDITORS & AUDITOR'S REPORT

The Auditors, M/s, S. K. Agrawal &

Company, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and being eligible under Section 224(1B) of the Companies Act, 1956 offers themselves for re-appointment.

The Notes on Accounts referred to in the Auditor's Report are self-explanatory and, therefore, do not call for any further comments.

## DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors to the best of their knowledge and belief and according to the information and explanation obtained by them, state that :

- i) In preparation of the Annual Accounts, applicable Accounting Standards have been followed

## Directors' Report

and there are no material departures;

- ii) The accounting policies have been consistently applied and reasonable, prudent judgment and estimates are made so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2011 and of the profit of the Company for the year ended on that date.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your company and for preventing and detecting frauds and other irregularities.
- iv) The annual accounts of your Company have been prepared on a going concern basis.

### STATUTORY DISCLOSURES

None of the Directors of the Company are disqualified as per the provisions of Section 274(1) (g) of the Companies Act, 1956. The Directors have made necessary disclosures as required under the various provisions of the Act.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report forming part of the Directors Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the

Stock Exchange, is annexed to this Annual Report.

### CORPORATE GOVERNANCE

Your Company reaffirms its commitment to the standard of Corporate Governance. As per clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on the Corporate Governance together with a certificate from the Auditors of the Company confirming the Compliance is set out in the Annexure forming part of this report.

### DIRECTORS

Shri Raj K Sureka and Shri Aditya Vardhan Agarwal will retire by rotation and being eligible offer themselves for re-appointment.

### SUBSIDIARY COMPANIES

As on 31.3.2011, the Company is having the following subsidiary and step down subsidiaries :

1. Emami Realty Limited (Subsidiary)
  - 1.1 Delta PV Pvt. Ltd.
  - 1.2 Emami Constructions Private Limited
  - 1.3 Emami Ashiana Private Limited
  - 1.4 Octagon BPO Private Limited
  - 1.5 New Age Realty Private Limited
  - 1.6 Emami Rainbow Niketan Private Limited

A statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies, is attached herewith as an annexure.

In terms of general exemption granted by Ministry of Corporate Affairs, by the General Circular No. 2/2011 dated 8th February 2011, the annual accounts of the subsidiary Companies are not attached with the Accounts of the Company.

A statement pursuant to the said circular and under Section 212(8) of the Companies Act, 1956 relating to Subsidiary Companies is attached with the Report as an Annexure.

Shareholders desirous for obtaining the Reports and Accounts of the subsidiary Companies may obtain the same upon request. The Audited Annual Account of subsidiary Companies will be kept open for inspection by any Shareholder at the Company's Registered Office.

In Compliance with the applicable Accounting Standards the audited Consolidated Financial Statements are provided in the Annual Report.

### GROUP FOR INTER-SE TRANSFER OF SHARES

Pursuant to intimation from the promoters, the names of the Promoters and entities comprising "group" are disclosed in the Annual Report for the purpose of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997.

### APPRECIATION

Your directors would like to record its appreciation for the cooperation and support received from Government Agencies, Central Government and State Government, Banks, Shareholders, Employees and all who have directly or indirectly contributed in success of your Company.

For and on behalf of the Board of Directors

Kolkata  
12th August, 2011

**Abhijit Datta**  
Chairman

## Annexure to the Directors' Report

I. "Group" for inter se transfer of shares under Clause 3(1) (e) of the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulation, 1997.

1	Shri Radheshyam Agarwal
2	Shri Radheshyam Goenka
3	Smt Usha Agarwal
4	Shri Bajranglal Agarwal
5	Smt Shanti Devi Agarwal
6	Smt. Savitri Devi Agarwal
7	Shri Madan Lal Agarwal
8	Smt. Kusum Agarwal
9	Shri Aditya Vardhan Agarwal
10	Shri Harsh Vardhan Agarwal
11	Smt. Priti Sureka
12	Smt. Richa Agarwal
13	Smt. Mansi Agarwal
14	Shri Vibhash Vardhan Agarwal
15	Ms. Vidula Agarwal
16	Ms. Vidishree Agarwal
17	Shri Rohin Raj Sureka
18	Ms. Avishi Sureka
19	Shri D.D. Agarwal (HUF)
20	Smt. Saroj Goenka
21	Shri Raj Kumar Goenka
22	Smt. Meena Goenka
23	Shri Suresh Kumar Goenka
24	Smt. Santosh Goenka
25	Shri Sushil Kumar Goenka
26	Smt. Indu Goenka
27	Smt. Laxmi Devi Bajoria
28	Shri Mohan Goenka
29	Shri Manish Goenka
30	Smt. Rachna Bagaria
31	Smt. Rashmi Goenka
32	Smt. Jyoti Goenka
33	Bajrang Lal Agarwal HUF
34	Shri Raj Kumar Sureka

35	Shri Rajesh Bagaria
36	Shri R.S. Goenka (HUF)
37	Shri Raj Kr. Goenka (HUF)
38	Shri Saswat Goenka
39	Ms. Shreya Goenka
40	Ms. Nimisha Goenka
41	Shri Prashant Goenka
42	Shri Yogesh Goenka
43	Smt. Puja Goenka
44	Shri Amitabh Goenka
45	Shri Ashish Goenka
46	Shri Jayant Goenka
47	Shri Sachin Goenka
48	Ms. Smriti Goenka
49	Ms. Sobhna Agarwal
50	Shri R.S. Agarwal (HUF)
51	Mohan Goenka HUF
52	K. D. Goenka & Sons HUF
53	Smt. Sanjana Goenka
54	Ashish Goenka HUF
55	Smt. Shruti Goenka
56	Master Devarsh Goenka
57	Goenka Trading Co. HUF
58	Prashant Goenka HUF
59	Master Manan Goenka
60	Sushil Kumar Goenka HUF
61	Smt. Rachana Goenka
62	H V Agarwal HUF
63	Master Vihan Vardhan Agarwal
64	Aditya Vardhan Agarwal HUF
65	Shri Pradeep Agarwal
66	Smt. Sangita Agarwal
67	Shri Dhiraj Agarwal
68	Smt. Divya Agarwal



## Annexure to the Directors' Report

69	Master Sumangal Agarwal
70	Master Vishal Agarwal
71	Master Subham Agarwal
72	Smt Babita Jalan
73	Ms. Jyoti Agarwal
74	Ms. Kavita Agarwal
75	Ms. Kavita Jhunjhunwala
76	Bansilal Jankidevi Agarwal Trust
77	Kesardeo Ratnidevi Goenka Trust
78	Bhagatram Charitable Trust
79	Raj Kumar Sureka HUF
80	Emami Group of Comp. Pvt. Ltd.
81	Emami International Pvt. Ltd.
82	Emami Biotech Ltd.
83	Emami Paper Mills Ltd.
84	Neelam Lefin Ltd.
85	CRI Ltd.
86	New Way Construction Ltd.
87	Premier Ferro Alloys and Securities Ltd.
88	South City Projects (Kolkata ) Ltd.
89	Aviro Vyapaar Pvt Ltd.
90	Bhanu Vyapaar (P) Ltd.
91	Suraj Viniyog (P) Ltd.
92	Diwakar Viniyog (P) Ltd.
93	Suntrack Commerce (P) Ltd.
94	Pan Emami Cosmed Ltd.
95	Emami Frank Ross Ltd.
96	EPL Securities Ltd.
97	TMT Viniyogan Ltd.
98	Emami Realty Ltd.
99	Emami UK Ltd.
100	Emami Bangladesh Ltd.
101	Emami International FZE
102	Advanced Medicare & Research Institute Ltd.
103	EFL Foods Ltd
104	Delta PV Ltd.
105	Emami Constructions Pvt Ltd.
106	A Rajabasan Pvt Ltd.

107	Orbit Projects Pvt Ltd.
108	Basera Enclave Makers Pvt. Ltd.
109	Swastik Promoters Pvt Ltd.
110	Orbit Realty Infrastructure Ltd.
111	Zandu Realty Ltd.
112	Emami Ltd.
113	CRI International Ltd.
114	CRI (Shanghai) Co. Ltd.
115	Emami Cement Ltd.
116	Emami Home Pvt. Ltd.
117	Medal Chemical & Research Works Ltd.
118	Karan Business Pvt. Ltd.
119	Zen Business Pvt. Ltd.
120	Sneha Abasan Pvt. Ltd.
121	Sneha Gardens Pvt. Ltd.
122	Sneha Niketan Pvt. Ltd.
123	Ajanta Suppliers Pvt. Ltd.
124	Aviro Vanijya Pvt. Ltd.
125	Prestige Vyapaar Ltd.
126	Emami High Rise Pvt. Ltd.
127	Emami Enclave Makers P Ltd.
128	Sneha Enclave Pvt. Ltd.
129	Deevee Commercials Ltd.
130	Ramshila Enterprise Pvt. Ltd.
131	Emami Foundation
132	Emami Aavas LLP
133	Sanjeevani Vyapaar LLP
134	Emami Vriddhi Commercial Pvt. Ltd.
135	Emami Capital Markets Ltd.
136	Emami Power Ltd.
137	New Age Realty Pvt. Ltd.
138	Octagon BPO Pvt. Ltd.
139	Emami Skyhigh Pvt. Ltd.
140	Emami Ashiana Pvt. Ltd.
141	Emami Properties Pvt. Ltd.
142	Emami Rainbow Niketan Pvt. Ltd.
143	Auto Hitech Pvt. Ltd.

## Annexure to the Directors' Report

### II. Statement Pursuant to Notification No. 2 dated February 8, 2011 under Section 212(8) of the Companies Act, 1956 relating to Subsidiary Companies

For the year ended 31st March, 2011

(Amount in ₹)

No.	Particulars	Emami Realty Limited	Octagon BPO Pvt. Ltd.	Emami Ashiana Pvt. Ltd.	Emami Rainbow Niketan Pvt. Ltd.	New Age Realty Pvt. Ltd.	Emami Constructions Pvt. Ltd.	Delta PV Pvt. Ltd.
1.	Capital	20,000,000	500,000	500,000	500,000	500,000	1,000,000	4,500,200
2.	Reserves	82,943,142	(1,73,902)	(85,424)	(70,476,594)	(210,796)	(176,414)	(20,91,232)
3.	Total Assets	2,061,207,824	41,857,105	40,80,712	6,64,910,602	93,246,347	675,979,590	30,426,417
4.	Total Liabilities	2,061,207,824	41,857,105	40,80,712	6,64,910,602	93,246,347	675,979,590	30,426,417
5.	Details of Investments (except in the case of Investment in subsidiaries)	305,946,883	Nil	Nil	601,290,900	Nil	2,000	Nil
6.	Turnover	8,211,715	Nil	Nil	Nil	Nil	Nil	Nil
7.	Profit/(Loss) before Taxation	(8,352,148)	(23,863)	(16,775)	(70,599,713)	(23,527)	(51,908)	(21,646)
8.	Provision for Taxation	4,846	Nil	Nil	Nil	Nil	Nil	Nil
9.	Profit/(Loss) after Taxation	(8,356,994)	(23,863)	(16,718)	(70,599,713)	(23,527)	(51,908)	(21,646)
10.	Proposed Dividend (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

### III. Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

For the year ended 31st March, 2011

(Amount in ₹)

No.	Particulars	Emami Realty Limited	Octagon BPO Pvt. Ltd.	Emami Ashiana Pvt. Ltd.	Emami Rainbow Niketan Pvt. Ltd.	Emami Constructions Pvt. Ltd.	New Age Realty Pvt. Ltd.	Delta PV Pvt. Ltd.
1.	Holding Company's Interest	100%	100%	100%	100%	80%	60%	55%
2.	Net aragate amount of subsidiary's Profit not dealt with in the Holding Company's Account							
	i) For the Financial Year of the Subsidiary ended as on March 31, 2011	(8,356,994)	(23,863)	(16,718)	(70,599,713)	(41,526)	(14,116)	(11,905)
	ii) For the previous Financial Years of the Subsidiary since it became Holding Company's Subsidiary	(10,149,803)	(55,342)	(61,281)	128,999	(60,738)	(84,572)	(41,444)
3.	Net aragate amount of subsidiary's Profit dealt with in the Holding Company's Account							
	i) For the Financial Year ended as on March 31, 2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	ii) For the previous Financial Years of the Subsidiary since it became Holding Company's Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil	Nil

# Management Discussion and Analysis Report

## Industry Structure and Developments

The economy of the Country is back to its high growth momentum. The GDP grew by 8.5% in 2010-11 against the 8% growth in 2009-10. The Construction Industry grew by 8.1% in 2010-11. During the year residential real estate price was upward rising and commercial real estate price has also witnessed a strong revival. However, sustained inflation, curtailed liquidity and resulted interest rate hike by RBI time to time during the year to curb inflation minimizes the growth of the construction industry. With great demand for housing due to India's huge population and for commercial and industrial premises for its booming economy, large-scale real estate projects are being launched across the whole country. This transformed the real estate business into one of the most lucrative sectors in the country. Real estate sector is playing a very significant role in generating employment and substantially contributing to the Gross Domestic Product of the country. Real Estate sector proved to be a great success element in diversifying the population of the country by making investment in the outskirts and improving the housing, transport facilities, connectivity to those areas.

## Opportunities and Threats

The Industry Reports suggests that 2011-2014 is expected to remain a consolidation phase after witnessing slow-down in 2009-2010. Demand is expected to remain strong with capital values witnessing modest rise. The Company is continuing to develop its competency to surpass the expectations of the buyers and gain an edge over its competitors.

Emami Constructions Private Limited-a Step down subsidiary of your Company, has commenced a residential project namely "Swan Lake" Project at Kukatpally, Hyderabad. Octagon BPO Pvt. Ltd., a step down subsidiary of your Company is about to commence a commercial project at New Town Rajarhat, Kolkata.

The major threat to our operations is the increasing inflation due to which RBI and various other market regulators are imposing strict and extensive regulation e.g. increase in bank's interest rates has led to the decrease in demand for home loan due to which the number of buyers has gone down. In the current scenario, the market has shifted to the buyer and therefore the products should be designed to respond to the market requirements. Due to the cut-throat competition, the Company has to make strategies to make profits through high volume and low margin deals i.e. to design affordable houses suited to the average Indian families. Besides this, our operations are sensitive to the weather conditions, terrorist attacks and other acts of war and violence.

## Risks and Concerns

The Company's business and its profitability are dependent on the market conditions and financing in India. The Company to be able to meet the consumer's requirements and needs is one of the biggest concerns for it. The industry faces various issues and problems in land acquisition as well.

## Future Outlook

Your Company plans to launch various projects through its associates and subsidiaries based on the market research and aims to meet the buyer's interest and needs by providing them excellent residential and commercial complexes. Your Company through one of its subsidiaries has commenced a project at Kukatpally, Hyderabad and the said project got huge response in the market.

Your Company having an excellent and trustworthy manpower, is confident on the future outlook and is hopeful that it would overcome all threats, risks and concerns associated with the business.

# Management Discussion and Analysis Report

## **Internal Control System and its adequacy**

The Company has proper internal control procedures to safeguard and protect all its assets against losses from unauthorized use or disposition. Accounting records are adequate for preparation of financial statements and other financial information.

The adequacy and effectiveness of internal controls across the various functional levels as well as compliance with laid down systems and policies are regularly monitored. Your Company's Statutory Auditors have, in their report, confirmed the adequacy of the internal control procedures.

## **Corporate Social Responsibility**

The activities of the Company take into consideration, the Corporate Social Responsibility. It aims to discharge its social responsibilities along with the achievement of its own goal and objectives.

## **Human Resource and Industrial Relations**

Human resource in your Company continues to be a core strength and it always strives towards aligning the Company's objectives by optimum utilization of the manpower, continuous training of the employees and increase in employees aspirations by rewarding them for their talent and ensuring their development.

## **Cautionary Statement**

Statements in this Management Discussion and Analysis Report describing the company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the company's operations include a downtrend in the real estate sector, significant changes in political and economic environment in India or key financial markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs.

# Corporate Governance Report

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is Committed to the principles of good corporate governance that is an integral part of good values, ethics and best business practices.

The Company believes that Corporate Governance is a voluntary and self discipline code which means not only ensuring compliance with regulatory requirements but by also being responsive to stakeholders' needs.

The company's philosophy on Corporate Governance is to achieve highest level of transparency, accountability in all its interactions with its stakeholders including shareholders, employees, lenders and the government.

## 2. BOARD OF DIRECTORS

The Board of Directors is the apex body for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the shareholders are being served.

### Composition of Board

The present strength of the Board of Directors is nine, out of which five are independent directors. The Composition of the Board of Directors is in conformity with Clause 49 of the Listing Agreement. The Board of the Company represents an optimum combination of professional, knowledgeable and experienced persons. The composition of the Board and category of Directors is as follows :

SI No.	Name	Designation	Category of Directorship	
			Executive/ Non-Executive Director	Independent/Non Independent/ Promoter Director
1.	Shri Abhijit Datta	Chairman	Non-Executive	Independent
2.	Shri Krishna Kumar Khemka	Director	Non-Executive	Independent
3.	Shri Hari Mohan Marda	Director	Non-Executive	Independent
4.	Shri Ram Gobind Ganeriwala	Director	Non-Executive	Independent
5.	Shri Rajesh Bagaria	Director	Non-Executive	Promoter
6.	Shri Aditya Vardhan Agarwal	Director	Non-Executive	Promoter
7.	Shri Raj K Sureka	Director	Non-Executive	Promoter
8.	Shri Prashant Goenka	Director	Non-Executive	Promoter
9.	Shri Amar Bhalotia	Director	Non-Executive	Independent

# Corporate Governance Report

## Number of Board Meetings and Attendance of Directors

The Board meets at least once in a quarter to consider amongst other business the performance of the Company. The particulars of Board Meetings held during the year 2010-11 are given below :

### Details of Board Meetings

Number of Board Meetings held during 2010-11 : 5

Sl.No.	Date of Board Meeting
1.	10.5.2010
2.	9.7.2010
3.	14.8.2010
4.	12.11.2010
5.	11.2.2011

The attendance of each of the directors at the meeting of the Board of Directors during the year and the last Annual General Meeting and their directorship/chairmanship in other companies are given below :

Sl. No.	Name of Director	No. of Board meeting attended	Attendance at last AGM	No. of other Directorships as on 31.3.2011#	No. of Committee Position held as on 31.3.2011^	
					Member	Chairman
1.	Shri Abhijit Datta	4	No	6	4	-
2.	Shri Krishna Kumar Khemka	4	Yes	4	2	-
3.	Shri Hari Mohan Marda	5	No	3	1	2
4.	Shri Ram Gobind Ganeriwala	5	Yes	-	-	-
5.	Shri Rajesh Bagaria	4	No	4	1	-
6.	Shri Aditya Vardhan Agarwal	5	Yes	9	-	-
7.	Shri Raj K Sureka	5	Yes	5	1	-
8.	Shri Prashant Goenka	4	Yes	5	-	-
9.	Shri Amar Bhalotia	-	Yes	3	-	-

# Directorships do not include alternate directorship, directorships of Private Limited Companies, Section 25 companies, and of companies incorporated outside India.

^ Committee positions include position only in Audit and Shareholders/Investors Grievance Committees.

### Information placed before the Board

The Company has complied with Clause 49 of the Listing Agreement with regard to the information being placed before the Board of Directors.

The Board is presented with all material and significant information. These are submitted either as the part of Agenda papers well in advance of the Board Meetings or are tabled in the course of Board Meetings or meetings of the relevant Committees.

# Corporate Governance Report

## Code of Conduct

The code of conduct of the Company has been framed for its directors, senior management and employees of the company in compliance with clause 49 of the Listing Agreement.

### 3. COMMITTEES OF BOARD OF DIRECTORS

Emami Infrastructure Limited has constituted the following Board Committees which deal with matters and monitor the activities falling within the terms of reference as follows :

#### (A) Audit Committee

##### TERMS OF REFERENCE

The terms of Reference of the audit Committee are in accordance with those specified in Clause 49 of the Listing Agreement.

The functions of the Committee include :

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing the quarterly, half-yearly and annual financial statements before submission to the Board.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function.
- Discussing with internal and external auditors any significant finding and follow-up on such issues.
- Reviewing key accounting matters and developments.
- Reviewing the utilisation of funds raised by the Company.
- Reviewing the statutory compliance system.
- Reviewing the related parties' transactions.
- Reviewing the financials of the subsidiary companies.
- Reviewing other matters as directed by the Board.

##### CONSTITUTION OF AUDIT COMMITTEE

Name of the Members	Designation	Status
Shri K. K. Khemka	Chairman	Independent Director
Shri Hari Mohan Marda	Member	Independent Director
Shri Rajesh Bagaria	Member	Promoter Director

Shri Abhijit Dan, Company Secretary, acts as a Secretary to the Committee.

All the members of the Committee are eminent in their respective fields having sufficient accounting and financial management expertise and the Chairman of the Committee is having wide experience and expertise in dealing with commercial matters.

# Corporate Governance Report

## ATTENDANCE OF THE AUDIT COMMITTEE

Meetings of the Audit Committee were held on 9.7.2010, 14.8.2010, 12.11.2010, 11.2.2010 during the year. The attendance of the meeting is as follows :

Name of the Members	Designation	No. of meetings attended
Shri K. K. Khemka	Chairman	4
Shri Hari Mohan Marda	Member	4
Shri Rajesh Bagaria	Member	3

## (B) Remuneration Committee

Presently the company has not formed any remuneration committee. However, the company is considering the formation of the same in due course.

### REMUNERATION POLICY

#### *Non-Executive Directors :*

The Non-Executive Directors are paid remuneration by way of sitting fees for attending the meetings of Board and Committees.

#### *Criteria for payment to Non-Executive Directors :*

Non-Executive Directors are paid sitting fees for attending the meetings of the Board within the prescribed limits. They bring significant professional expertise and substantial benefits through the rich experience in the fields of finance, information system, marketing and corporate strategy. Through their experience and knowledge, they safeguard the interest of investors by exercising an appropriate role of control at various levels. The Company has also inducted them in the committees of the Board i.e. Audit Committee, Investors' Grievances Committee.

#### *Remuneration Paid to Non Executive Directors :*

Sl. No.	Name of the Director	Sitting Fees Paid (₹)
1.	Shri Abhijit Datta	10,000
2.	Shri Krishna Kumar Khemka	20,000
3.	Shri Hari Mohan Marda	22,500
4.	Shri Ram Gobind Ganeriwala	15,000
5.	Shri Rajesh Bagaria	12,500
6.	Shri Raj K Sureka	12,500
7.	Shri Aditya Vardhan Agarwal	15,000
8.	Shri Prashant Goenka	10,000
9.	Shri Amar Bhalotia	Nil
	<b>TOTAL</b>	<b>1,17,500</b>



# Corporate Governance Report

*Details of the shares held by Non-Executive Directors as on 31.3.2011 :*

Name of the Non-Executive Directors	No. of shares held
Shri Abhijit Datta	NIL
Shri Krishna Kumar Khemka	NIL
Shri Hari Mohan Marda	NIL
Shri Ram Gobind Ganeriwal	NIL
Shri Rajesh Bagaria	NIL
Shri Aditya Vardhan Agarwal	46,666
Shri Raj K Sureka	NIL
Shri Prashant Goenka	40,366
Shri Amar Bhalotia	NIL

## (C) Investors' Grievances Committee

The Investors' Grievances Committee has been constituted for redressing the complaints of the shareholders and investors and monitoring investors' grievances.

### CONSTITUTION OF INVESTORS GRIEVANCES COMMITTEE

Name of the Member	Designation	Status
Shri Ram Gobind Ganeriwala	Chairman	Independent Director
Shri Aditya Vardhan Agarwal	Member	Promoter Director
Shri Raj K Sureka	Member	Promoter Director

Shri Abhijit Dan, Company Secretary & Compliance Officer, acts as a Secretary to the Committee.

#### *Functions :*

The basic functions of the Investors Greivances' Committee are to look into the redressal of Complaints relating to the following :

- Transfer of Shares.
- Non receipt of Dividend.
- Non receipt of Balance Sheet.
- Any other matter(s) out of and incidental to these functions and other acts assigned by the Board.

#### *Attendance of the Investors Grievances Committee :*

The committee met once during the year on 11.2.2011. All the members of the Committee have attended the said meeting.

# Corporate Governance Report

*Status of Shareholders'/Investors' Complaints for the year ended 31.03.2011 :*

Nature of Complaint	No. of Complaints pending as on 31.03.2011	No. of complaints received	No. of complaints resolved	No. of complaints pending as on 31.03.2011
None	Nil	Nil	N.A.	Nil

## 4. SUBSIDIARY COMPANIES

The Company has one material non listed subsidiary company viz Emami Realty Limited and six non material, non listed subsidiary companies viz. Delta PV Pvt. Ltd., Emami Constructions Private Limited, Emami Ashiana Private Limited, Octagon BPO Private Limited, New Age Realty Private Limited and Emami Rainbow Niketan Private Limited.

## 5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Annual Report has a separate section for detailed Management Discussion and Analysis Report.

## 6. DISCLOSURES

- (a) **Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, Directors or the management, their subsidiaries and relatives that may have potential conflict with the interest of the company at large**

The Company does not have any related party transactions, which may have potential conflict with its interest at large. Attention of the members is drawn to the disclosures of the transactions with the related parties set-out in the Notes of Accounts forming part of the Annual Report.

- (b) **Disclosure of non-compliance by the company, penalties, and strictures imposed on the company by the stock exchanges or SEBI or any Statutory Authority, on any matter related to capital markets during the last three years**

There has been no such Non-Compliance.

- (c) **Disclosure of the Accounting Treatment**

In preparation of financial statements, the Company has followed the Accounting Standards issued by ICAI. The significant Accounting Policies which are consistently applied have been set out in the Schedule I of the standalone audited accounts.

- (d) **Board Disclosures-Risk Management**

The Company has framed comprehensive risk management policies for both the employees and the Company, not only to manage risks but also to minimise their impact.

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement as stated above.

# Corporate Governance Report

## (e) Non-Mandatory requirements

Particulars	Status
<b>The Board</b>	
1) Non-Executive Chairman's office	The Company is having Non-Executive Chairman and presently the company is not maintaining Chairman's Office at the Company's expenses.
2) Tenure of Independent Director	No maximum tenure for Independent Directors has been specifically determined by the Board.
<b>Remuneration Committee</b>	Presently the Company has not formed any remuneration committee.
<b>Shareholders Rights</b>	The quarterly, half yearly and annual financial statements of the Company is being published in newspapers.
<b>Audit Qualifications</b>	There are no audit qualifications by the auditors of the company since its incorporation.
<b>Training of the Board of Members</b>	At Emami Infrastructure Ltd., all the members of Board of the Company are well-experienced professionals and are well acquainted with business knowledge of the industry. Therefore there is no need for any formal training of such Directors. Directors are fully briefed on all the business related matters, risk assessment and minimization procedures. Directors are also updated on changes or developments pertaining to the statutes, legislation and economic environment.
<b>Evaluation of the Non-Executive Board members</b>	Presently the Company has not adopted this requirement.
<b>Whistle Blower Policy</b>	Presently the Company, has not adopted this policy.

# Corporate Governance Report

## 7. GENERAL BODY MEETINGS

The details of last two Annual General Meetings held are as under :

Details of the Annual General Meeting :

Year	Location	Date	Time
2008-2009 (1st AGM)	687, Anandapur E. M. Bypass Kolkata - 700 107	25.05.2009	11.00 A.M.
2009-10 (2nd AGM)	Science City (Mini Auditorium) J.B.S. Haldane Avenue, Kolkata - 700 046	16.9.2010	11.30 A.M.

No special resolution was passed in the first and the second Annual General Meetings.

No special resolution was passed through postal ballot during the financial year 2010-11.

## 8. COMPLIANCE WITH CLAUSE 47(f) OF THE LISTING AGREEMENT

In compliance with Clause 47 (f) of the Listing Agreement, a separate e-mail Id : [investors@emamirealty.com](mailto:investors@emamirealty.com) has been set up as a dedicated ID solely for the purpose of registering investors' complaints.

## 9. MEANS OF COMMUNICATION

The Unaudited financial results of the Company for each quarter are being placed before the Board of Directors within forty five days from the end of the quarter. The audited financial results/ Unaudited financial results of the company are generally published in one English newspapers and one daily regional newspaper. The financial results and other useful information on the company are also available on the Company's Website at [www.emamirealty.com](http://www.emamirealty.com).

## 10. DETAILS OF INFORMATION ON RE-APPOINTMENT OF DIRECTORS

The detail of information on re-appointment of director has already been given in the notice convening the third Annual General Meeting.

## 11. GENERAL SHARES HOLDERS INFORMATION

I. Annual General Meeting of the company will be held on **Saturday, 24th September, 2011 at 11.30 A.M. at the Registered office of the Company at Emami Tower, 687, Anandapur, E.M. Bypass, Kolkata - 700 107.**

Book Closure date is from **Thursday, 22nd September, 2011 to Saturday, 24th September, 2011** (Both the days inclusive).

# Corporate Governance Report

## Financial Calendar

Financial year : April 01, 2011 to March 31, 2012.

The tentative dates of the Board meetings for consideration of financial results for the financial year 2011-12 are as follows :

First quarter	On or before 13th August, 2011
Second quarter	On or before 14th November, 2011
Third quarter	On or before 14th February, 2012
Fourth quarter	On or before 15th May, 2012

Dividend Payment : N.A.

## II. Listing on Stock Exchange

The shares of the Company are listed in the following Stock Exchanges:

1. Bombay Stock Exchange Ltd. (Stock Code : 533218)  
25th Floor, Phiroze Jeejeebhoy Towers  
Dalal Street Fort, Mumbai - 400 001
2. The National Stock Exchange of India Ltd. (Stock Code : EMAMI INFRA)  
Exchange Plaza, C-1, Block-G  
Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051
3. The Calcutta Stock Exchange Ltd (Stock Code : 15214)  
7, Lyons Range, Kolkata - 700 001

There are no arrears of Listing Fees.

ISIN allotted to the Company: INE778K01012

## III. Share Transfer System

The Board has delegated the power of share transfer to the Registrar and Transfer Agent M/s. Maheswari Datamatics Private Limited subject to the supervision and approval of the concerned officer of the company. The delegated authorities attend to share transfer formalities at least twice in a month. Transfer of shares are processed and registered within the stipulated time, provided all the documents are valid and complete in all respect. The Company Secretary is acting as the Compliance Officer of the Company and monitoring the share transfer process.

The Company has appointed M/s Maheswari Datamatics Pvt. Ltd, as its Share Transfer Agent for both physical and demat segment of equity shares.

## IV. Registrar and Transfer Agent (RTA)

M/s Maheswari Datamatics Private Limited  
6, Mangoe Lane, Kolkata - 700 001  
West Bengal, India  
Phone : + 91-33-2248 2248, 2243 5809/5029  
Fax : 91-33-2248 4787  
E-mail : mdpl@cal.vsnl.net.in

# Corporate Governance Report

## V. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2011

### Distribution of shareholding

Shareholding	Shareholders		Shares	
	Number	% of Total	Number	% of Total
Upto 500	18,357	88.23	22,69,166	9.34
501 to 1000	1,281	6.16	10,58,356	4.35
1001 to 2000	585	2.81	8,88,222	3.66
2001 to 3000	179	0.86	4,61,591	1.90
3001 to 4000	83	0.40	2,94,976	1.21
4001 to 5000	82	0.39	3,90,910	1.61
5001 to 10000	128	0.61	9,21,342	3.79
10000 and above	112	0.54	1,80,13,829	74.14
<b>GRAND TOTAL</b>	<b>20,807</b>	<b>100.00</b>	<b>2,42,98,392</b>	<b>100.00</b>

### Pattern of Shareholding as on 31st March 2011

Category	Number of shareholders	Percentage (%)	Number of shares	Percentage (%)
A. Promoters' holding				
Promoters				
- Indian promoters				
Individuals	61	0.29	4,08,984	1.69
Corporate	12	0.06	1,36,63,553	56.23
- Foreign promoters	2	0.01	171	0.00
<b>Sub-Total</b>	<b>75</b>	<b>0.36</b>	<b>1,40,72,708</b>	<b>57.92</b>
B. Non-Promoters holding				
1. Institutional investors				
a. Mutual Funds and UTI	Nil	Nil	Nil	Nil
b. Banks, Financial Institutions and Insurance Companies	Nil	Nil	Nil	Nil
c. Foreign Institutional Investors	Nil	Nil	Nil	Nil
<b>Sub-Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

## Corporate Governance Report

Category	Number of shareholders	Percentage (%)	Number of shares	Percentage (%)
2. Non-Institutional Investors				
a. Private corporate bodies	688	3.31	31,15,940	12.82
b. Individuals				
(i) Nominal sharecapital upto ₹ 1 Lakh	19,882	95.56	57,59,616	23.70
(ii) Nominal Sharecapital in excess of ₹ 1 Lakh	3	0.01	9,18,479	3.78
c. Any other				
Non-Resident Individual	88	0.42	41,417	0.17
Clearing Member	71	0.34	3,90,232	1.61
<b>Sub-Total</b>	<b>20,732</b>	<b>99.64</b>	<b>1,02,25,684</b>	<b>42.08</b>
<b>GRAND TOTAL</b>	<b>20,807</b>	<b>100</b>	<b>2,42,98,392</b>	<b>100.00</b>

### Summary Report of Shareholding as on 31.3.2011

Particulars	Shareholders		Shares	
	No.	Percentage	No.	Percentage
Physical	147	0.71	3,62,553	1.49
NSDL	12,268	58.96	2,03,18,650	83.62
CDSL	8,392	40.33	36,17,189	14.89
<b>TOTAL</b>	<b>20,807</b>	<b>100.00</b>	<b>2,42,98,392</b>	<b>100.00</b>

### Stock Market Data

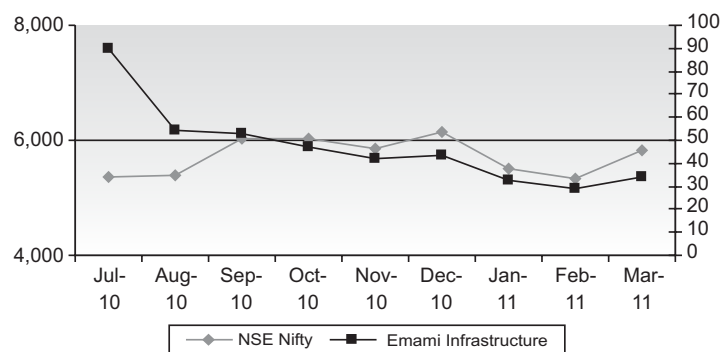
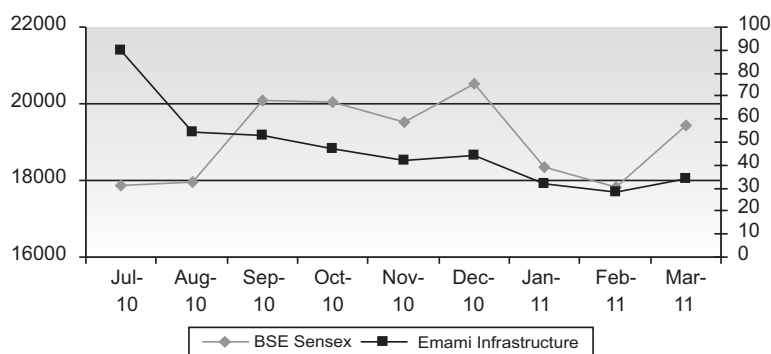
- Dematerialization of Equity Shares and Liquidity : 98.51% of Equity Shares have been dematerialized as on 31st March, 2011.
- Outstanding GDRs/ADRs/Warrant : The Company has not issued any Convertible Instruments ADRs/GDRs/Warrants.

# Corporate Governance Report

Monthly High & Low Quotes and Volume of Shares traded on National Stock Exchange(NSE) and Bombay Stock Exchange (BSE)

Year and Month	NSE			BSE			BSE
	High (₹)	Low (₹)	Volume in Numbers	High (₹)	Low (₹)	Volume in Numbers	Sensex Close
2010 July	598.80	80.15	4,04,92,295	293.00	80.30	2,08,75,919	17868.29
Aug	91.80	51.00	4,50,35,673	92.00	51.10	2,14,03,156	17971.12
Sep	64.40	52.10	71,64,294	63.80	52.10	37,09,031	20069.12
Oct	57.00	45.00	29,72,041	56.45	46.40	15,65,171	20032.34
Nov	61.00	41.05	33,26,367	54.20	40.10	16,70,112	19521.25
Dec	48.00	28.20	42,66,088	48.40	28.30	21,78,025	20509.09
2011 Jan	50.85	30.95	56,58,198	50.65	30.80	31,25,309	18327.76
Feb	33.75	27.00	13,09,375	34.00	26.55	13,63,964	17823.40
Mar	37.45	27.90	18,53,222	37.80	27.65	17,68,799	19445.22

## Performance in comparison to broad based indices (Closing Data)



\* The shares of the Company had been listed and permitted for trading with BSE, NSE and CSE w.e.f. 28th July, 2010.



## Corporate Governance Report

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### **VI. INSIDER TRADING**

The Company in Compliance with the Security and Exchange Board of India Regulation, 1992 has formulated well defined Insider Trading Policies which would prohibit its employees and other associates to deal in the securities of the company based on any unpublished price sensitive information.

### **VII. REGISTERED AND CORPORATE OFFICE OF THE COMPANY**

Emami Tower, 687, Anandapur,

E. M. Bypass, Kolkata - 700 107, West Bengal

E-mail : [abhijit.dan@emamirealty.com](mailto:abhijit.dan@emamirealty.com); [investors@emamirealty.com](mailto:investors@emamirealty.com)

Website : [www.emamirealty.com](http://www.emamirealty.com)

Phone : 91-33-6613 6264

Fax : 91-33-6613 6249

### **VIII. ADDRESS FOR CORRESPONDENCE**

Investors/Shareholders can correspond with the RTA or directly to the Registered & Corporate Office of the Company.

# Corporate Governance Report

## AUDITORS' CERTIFICATE

To  
The Members of  
**Emami Infrastructure Limited**

We have reviewed the records of Emami Infrastructure Limited for the year ended on March 31, 2011 relating to compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our review was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression on the financial statements of the Company.

In our opinion and according to the information and explanation given to us, we state that to the best of our knowledge the Company has complied with the conditions of Corporate Governance stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to further viability of the Company nor the efficiency nor effectiveness with which the management has conducted the affairs of the Company.

For **S. K. AGRAWAL & COMPANY**  
*Chartered Accountants*  
Registration No. 306033E  
**J. K. Roychowdhury**  
*Partner*  
Membership No. 09271

Kolkata  
12th August, 2011

# Corporate Governance Report

## DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

I hereby confirm that all Directors and Senior Management Team have affirmed Compliance with the Company's Code of Conduct.

Kolkata  
12th August, 2011

**Rajesh Bagaria**  
*Director*

## CERTIFICATION BY THE CHIEF FINANCIAL OFFICER AND THE DIRECTOR OF THE COMPANY

We, Rajesh Bagaria, Director and Girija Choudhary, CFO, certify to the Board as required under Clause 49 of the Listing agreement with the stock exchanges, that :

- a) We have reviewed the financial statements and the Cash Flow Statement for the year ended 31.3.2011 and to the best of our knowledge and belief :
  - (i) These statements do not contain any materially untrue statement, or omits any material fact or contain any statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief no transactions entered into by the company during the year are fraudulent or illegal.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and steps have been taken to rectify these deficiencies.
- d) We have indicated to the auditors
  - i) Significant changes in the internal control over financial reporting during the year under reference.
  - ii) Significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii) There have been no instances during the year of significant fraud either by the management or an employee having a significant role in the Company's internal control system of financial reporting.

**For Emami Infrastructure Limited**

Kolkata  
12th August, 2011

**Rajesh Bagaria**  
Director

**Girija Choudhary**  
Chief Financial Officer

# Auditors' Report

To  
The Members of Emami Infrastructure Limited

We have audited the Balance Sheet of **Emami Infrastructure Limited** as at 31st March, 2011, and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We further report that :

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.
- c) The Balance Sheet, the Profit & Loss Account & the Cash Flow Statement referred to in this report are in agreement with the books of accounts and comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956 to the extent applicable.
- d) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.
- e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes on accounts as per Schedule I, give the information required by the Companies Act, 1956 in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India :
  - i) In the case of the Balance Sheet, of the State of Affairs of the Company as on 31st March, 2011.
  - ii) In the case of the Profit & Loss Account, of the Profit for the year ended on that date; and
  - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

As required by the Companies (Auditors Report) order, 2003 issued by the Central Government of India and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that :

1. The Company does not own Fixed Assets during the year, therefore clause 4(i) is not applicable.
2. The Company does not own Inventories during the year, therefore clause 4(ii) is not applicable.

## Auditors' Report

3.
  - a) The Company has granted unsecured loans to four parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 53,37,26,226/- and the year end balance of loans granted to such parties was ₹.22,81,52,574/-
  - b) The Company has not taken unsecured loans from any company covered in the register maintained under section 301 of the Companies Act, 1956.
  - c) The rate of interest and other terms and conditions of loan taken by the Company are not prejudicial to the interest of the Company.
  - d) The payment of principal amount and interest are regular.
4. In respect of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 :
  - a. According to the information and explanations given to us, the particulars of contracts or arrangements that needed to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
  - b. According to the information and explanations given to us, the Company has not entered into any transactions in pursuance of such contracts or arrangements aggregating during the year to ₹ 500000 or more in respect of each party listed in the register maintained under section 301 of the Companies Act, 1956 for purchase of goods, materials and sales of goods.
5. The Company has not accepted any deposits as defined under Section 58A & 58AA or other relevant provisions of the Companies Act, 1956.
6. In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
7. The central government has not prescribed the maintenance of cost records under section 209 (1) (d) of the act.
8. According to the informations and explanations given to us in respect of statutory and other dues :
  - (a) The company has been regular in depositing undisputed statutory dues including provident fund, Employees State Insurance, income tax, or any other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, there were no disputed amount payable in respect of these statutory dues which have remained outstanding as at 31st March 2011 for the period of more than six months from the date they became payable.
  - (b) The company does not have disputed statutory dues.
9. The Company does not have accumulated losses as at the end of the year and the company has not incurred cash losses during the year and in the immediately preceding financial period.
10. Based on our audit procedures and on the basis of our information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institutions and banks.
11. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

# Auditors' Report

12. In our opinion, the company is not a chit fund/nidhi/mutual benefit fund/society. Therefore provisions of clause (xiii) of paragraph 4 of the order are not applicable.
13. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments.
14. According to the information given to us, the company has not given guarantees for loan taken by others from Banks.
15. To the best of our knowledge and belief and according to the information and explanations given to us, term loans were availed by the company and they were applied for the purpose for which they were obtained.
16. Based on overall examination of Balance Sheet of the company as at 31st March 2011, short term funds were applied for the purpose for which they were obtained.
17. The company has not made any preferential allotment of shares to the parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956, during the year.
18. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.
19. Others clauses of the said order are not applicable.

For **S. K. AGRAWAL & COMPANY**

*Chartered Accountants*

Registration No. 306033E

**J. K. Roychowdhury**

*Partner*

Membership No. 09271

Kolkata

12th August, 2011

# Balance Sheet

as at March 31, 2011

		Amount (₹)	
	Schedule	As at 31.03.2011	As at 31.03.2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	A	48,596,784	48,596,784
Reserves and Surplus	B	347,434,443	341,067,762
<b>Loan Funds</b>			
Unsecured Loan	C	502,488,180	125,479,609
		<b>898,519,407</b>	<b>515,144,155</b>
<b>APPLICATION OF FUNDS</b>			
<b>Investments</b>			
	D	98,000,000	98,000,000
<b>Current Assets, Loans &amp; Advances</b>			
Cash & Bank Balances	E	136,555	54,026,688
Loans & Advances	F	827,964,667	399,311,987
		<b>828,101,222</b>	<b>453,338,675</b>
<b>Less : Current Liabilities &amp; Provisions</b>	G	27,581,815	36,194,520
<b>Net Current Assets</b>		<b>800,519,407</b>	<b>417,144,155</b>
		<b>898,519,407</b>	<b>515,144,155</b>
Significant Accounting Policies & Notes on Accounts	I		

As per our attached report of even date

Signature to Schedule "A to G &amp; I"

For **S. K. AGRAWAL & COMPANY**

Firm Registration No. 306033E

Chartered Accountants

**J. K. Roychowdhury**

Partner

Membership No. 09271

Place : Kolkata

Date : 12th August, 2011

For and on behalf of the Board

**Abhijit Datta**

Chairman

**Rajesh Bagaria**

Director

**Raj K Sureka**

Director

**Girija Choudhary**  
Chief Financial Officer**Abhijit Dan**  
Company Secretary

# Profit & Loss Account

for the year ended March 31, 2011

		Amount (₹)	
	Schedule	Year ended 31.03.2011	Year ended 31.03.2010
<b>INCOME</b>			
Profit on Sale of Long Term Trade Investment		–	453,372,407
Interest on Loans			
(i) From Subsidiaries (TDS ₹ 2,28,169, P. Y. ₹ 22,868)		2,281,688	228,678
(ii) From Other Body Corporates (TDS ₹ 19,85,575, P. Y. ₹ 10,69,581)		19,855,750	10,695,807
		<b>22,137,438</b>	<b>464,296,892</b>
<b>EXPENDITURE</b>			
Derivative Transactions		–	3,068
Administrative & Other Expenses	H	4,234,303	102,086,949
Interest and Finance Charges		10,087,420	232,857,523
Preliminary Expenses W/off		–	27,900
		<b>14,321,723</b>	<b>334,975,440</b>
<b>Profit before Tax</b>		<b>7,815,715</b>	<b>129,321,453</b>
Tax Expense			
Current Tax		2,329,642	22,500,000
Less : MAT Credit Set off		(880,609)	–
<b>Profit after Tax</b>		<b>6,366,681</b>	<b>106,821,453</b>
Add/(Less) : Balance Brought forward		106,818,546	(2,907)
<b>Balance carried to Balance Sheet</b>		<b>113,185,227</b>	<b>106,818,546</b>
Earning Per Share - Basic & Diluted		0.26	20.20
Significant Accounting Policies & Notes on Accounts	I		

As per our attached report of even date

Signature to Schedule "H & I"

For **S. K. AGRAWAL & COMPANY**

Firm Registration No. 306033E

Chartered Accountants

**J. K. Roychowdhury**

Partner

Membership No. 09271

Place : Kolkata

Date : 12th August, 2011

For and on behalf of the Board

**Abhijit Datta**

Chairman

**Rajesh Bagaria**

Director

**Raj K Sureka**

Director

**Girija Choudhary**

Chief Financial Officer

**Abhijit Dan**

Company Secretary



# Cash Flow Statement

for the year ended March 31, 2011

Particulars	Year Ended		Year Ended	
	31.03.2011		31.03.2010	
				Amount (₹)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax and Extraordinary Items		7,815,715		129,321,453
<b>Adjustments</b>				
<b>Add : Interest and Finance Charges</b>	10,087,420		232,857,523	
Preliminary Expenses Written off	–	10,087,420	27,900	232,885,423
		<b>17,903,135</b>		<b>362,206,876</b>
<b>Less : Interest Received</b>	22,137,438		10,924,485	
Profit on Sale of Investment	–	22,137,438	453,372,407	464,296,892
<b>Operating Profit before Working Capital Changes</b>		<b>(4,234,303)</b>		<b>(102,090,016)</b>
<b>Add : (Increase)/Decrease in Current Assets</b>		(428,652,679)		(376,648,691)
		<b>(432,886,983)</b>		<b>(478,738,707)</b>
<b>Add : Increase/(Decrease) in Current Liabilities</b>		(8,612,706)		13,692,865
<b>Cash Generated from Operations</b>		<b>(441,499,689)</b>		<b>(465,045,842)</b>
Less : Taxes paid		1,449,034		22,592,449
<b>Net Cash Flow from Operating Activities</b>		<b>(442,948,723)</b>		<b>(487,638,290)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest Received	22,137,438		10,924,485	
Sale of Investment	–	22,137,438	2,106,372,407	2,117,296,892
<b>Net Cash flow from Investing Activities</b>		<b>22,137,438</b>		<b>2,117,296,892</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Issue of Share Capital	–		400,000	
Proceeds from Borrowings	377,008,572		(1,343,174,391)	
Interest Paid	(10,087,420)		(232,857,523)	(1,575,631,914)
<b>Net Cash Flow from Financing Activities</b>		<b>366,921,152</b>		<b>(1,575,631,914)</b>
<b>Net Increase/Decrease in Cash/Cash Equivalentants (A+B+C)</b>		<b>(53,890,133)</b>		<b>54,026,688</b>
<b>Cash and Cash Equivalentants - Opening Balance</b>		<b>54,026,688</b>		<b>–</b>
<b>Cash and Cash Equivalentants - Closing balance *</b>		<b>136,555</b>		<b>54,026,688</b>

\* Represents Cash and Bank Balances as indicated in Schedule E

As per our attached report of even date

For **S. K. AGRAWAL & COMPANY**

Firm Registration No. 306033E

Chartered Accountants

**J. K. Roychowdhury**

Partner

Membership No. 09271

Place : Kolkata

Date : 12th August, 2011

For and on behalf of the Board

**Abhijit Datta**

Chairman

**Rajesh Bagaria**

Director

**Raj K Sureka**

Director

**Girija Choudhary**  
Chief Financial Officer**Abhijit Dan**  
Company Secretary

# Schedules

to the Accounts

		Amount (₹)	
		As at 31.03.2011	As at 31.03.2010
<b>Schedule A</b>	<b>SHARE CAPITAL</b>		
<b>Authorised</b>			
2,50,00,000 Equity Shares of ₹ 2/- each		<b>50,000,000</b>	<b>50,000,000</b>
<b>Issued, Subscribed &amp; Paid-up</b>			
2,42,98,392 Equity Shares of ₹ 2/- each fully paid-up		48,596,784	48,596,784
		<b>48,596,784</b>	<b>48,596,784</b>
* Includes 2,40,48,392 Equity Shares allotted for consideration other than cash pursuant to scheme of arrangement.			
<b>Schedule B</b>	<b>RESERVES AND SURPLUS</b>		
Capital Reserve		234,249,216	234,249,216
Profit & Loss Account		113,185,227	106,818,546
		<b>347,434,443</b>	<b>341,067,762</b>
<b>Schedule C</b>	<b>UNSECURED LOANS</b>		
From Bodies Corporate		502,488,180	125,479,609
		<b>502,488,180</b>	<b>125,479,609</b>
<b>Schedule D</b>	<b>INVESTMENTS</b>	<b>Nos.</b>	
<b>In Subsidiary Companies</b>			
Long Term (Trade - Unquoted) Equity Shares of ₹ 10/- Each Emami Realty Limited		2,000,000	
		98,000,000	98,000,000
		<b>98,000,000</b>	<b>98,000,000</b>
<b>Schedule E</b>	<b>CASH &amp; BANK BALANCES</b>		
Cash in Hand		484	19,450
Balance with Scheduled Bank in Current Account		111,332	54,007,238
Escrow Account/Fractional Share Sale Proceeds		24,739	-
		<b>136,555</b>	<b>54,026,688</b>

# Schedules

to the Accounts

		Amount (₹)	
		As at 31.03.2011	As at 31.03.2010
<b>Schedule F</b>	<b>LOANS &amp; ADVANCES (Unsecured, Considered Good)</b>		
Loans			
	- Subsidiaries	706,653,519	26,305,810
	- Others	18,152,574	276,226,227
Advances Recoverable in cash or in kind or for value to be received		78,352,381	74,187,502
Advance Income Tax		24,806,193	22,592,449
		<b>827,964,667</b>	<b>399,311,987</b>
<b>Schedule G</b>	<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
(A)	Current Liabilities	3,405,202	13,694,520
(B)	Unclaimed Fractional Share Sale Proceeds*	24,739	-
(C)	Provisions		
	- For Taxation	23,949,034	22,500,000
	- For Gratuity	90,603	-
	- For Leave Encashment	112,237	-
		<b>27,581,815</b>	<b>36,194,520</b>

\* (There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at March, 31, 2011)

		Year ended 31.03.2011	Year ended 31.03.2010
<b>Schedule H</b>	<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Rent & Maintenance Charges		198,550	148,908
Electricity Charges		48,773	27,674
Rates & Taxes		17,137	9,692
Salary & Bonus		1,268,789	129,151
Contribution to Provident & Other Funds		79,053	13,176
Employee Benefits		202,840	-
Donations		-	100,000,000
Directors' Fees		117,500	35,000
Professional Fees		623,210	379,113
Travelling & Conveyance		280,679	215,856
Postage, Telegram & Telephone Expenses		300,762	39,421
Printing & Stationery		344,078	55,822
Advertisement		296,199	-
Miscellaneous Expenses		237,236	911,806
<b>Auditors' Remuneration</b>			
	- Audit Fees	137,875	55,150
	- Tax Audit Fees	11,030	11,030
	- Other Matters	70,592	55,150
		<b>4,234,303</b>	<b>102,086,949</b>

# Schedules

to the Accounts

## Schedule I SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### A. SIGNIFICANT ACCOUNTING POLICIES

#### I. Basis of Preparation of Financial Statements

These accounts have been prepared on historical cost basis and on the accounting principles of a going concern to comply in all material aspects with applicable accounting principles in India, the relevant provisions of the Companies Act, 1956 and the Accounting Standards notified in Companies (Accounting Standard) Rules, 2006 to the extent applicable.

#### II. Use of Estimates

The preparation of financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/materialized.

#### III. Investments

Long Term Investments are stated at cost. Current Investments are stated at cost or fair value whichever is lower. Diminution in value of long term investments other than temporary in nature is charged to Profit & Loss Account.

#### IV. Provisions & Contingent Liabilities

Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, it is more likely than not that a cash outflow will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible obligation or a present obligation, where it is not probable that a cash outflow will be required to settle the obligation. Provisions and Contingent Liabilities are revalued at each Balance Sheet date.

#### V. Revenue Recognition

Income and Expenditure are recognised on accrual basis.

#### VI. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of assets. All other borrowing costs are charged to revenue. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

#### VII. Employee Benefits

- a. The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.
- b. Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services.

#### VIII. Taxation

Income Tax expenses of comprises of current tax and deferred taxes. Income tax Expense is accounted for in accordance with AS-22 "Accounting for Taxes on Income" which includes current tax and deferred taxes. Provision for the current tax is made on the basis of taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961. Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the carrying amount of MAT at each Balance sheet date and adjusts MAT credit entitlement to the extent there is convincing evidence to the effect that the Company will pay normal income tax during the specified period.

# Schedules

to the Accounts

## Schedule I SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (contd.)

Deferred Income Tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences for earlier years. Deferred tax assets arising from timing differences are recognised to the extent, there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised.

### IX. Preliminary Expenses

Preliminary Expenses are fully written off in the year of occurrence.

### X. Impairment of Assets

The Company identifies impairable assets at the year end in accordance with the guiding principles of Accounting Standard 28, notified in Companies (Accounting Standards) Rules, 2006, for the purpose of arriving at impairment loss thereon being the difference between the book value and recoverable value of relevant assets. Impairment loss, when crystallizes, are charged against revenues for the year.

### XI. Earning Per Share

Basic Earning Per Share is calculated by dividing the net profit/loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects for all dilutive potential equity shares.

## B. NOTES ON ACCOUNTS

### 1. Related Party Transactions : AS - 18

**Related Parties with whom transactions have taken place during the year :**

<b>A. Parties where control Exists :</b>		<b>% of Holding</b>
Emami Realty Limited	Wholly Owned Subsidiary	
- Emami Ashiana Private Limited	Stepdown Wholly Owned Subsidiary	100%
- Emami Rainbow Niketan Private Limited	Stepdown Wholly Owned Subsidiary	100%
- Octagon BPO Private Limited	Stepdown Wholly Owned Subsidiary	100%
- New Age Realty Private Limited	Stepdown Other Subsidiary	60%
- Emami Constructions Private Limited	Stepdown Other Subsidiary	80%
- Delta PV Private Limited	Stepdown Other Subsidiary	55%
- Zandu Realty Limited #		

# Has become an Associate of Emami Rainbow Niketan Pvt. Ltd.

### B. Key Management Personnel :

Shri Rajesh Bagaria

Shri Raj K Sureka

Shri Mohan Goenka (upto 25th January, 2010)

Shri H. V. Agarwal (upto 25th January, 2010)

# Schedules

to the Accounts

## Schedule I SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (contd.)

### C. Other Related Parties with whom transactions have taken place during the year :

- i) Entities where Key Management Personnel and their relatives have significant influence
- Emami Limited
  - Emami Cement Limited
  - Emami Vriddhi Commercial Private Limited
  - TMT Viniyogan Limited
  - Emami Estates Private Limited
  - Bengal Emami Housing Ltd.

### D. Transactions :

Amount (₹)

Particulars	Subsidiaries		Key Management Personnel		Entities where Key Management Personnel and their relatives have significant influence		Total	
	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10
Directors' Fees	-	-	25,000	10,000	-	-	25,000	10,000
Rent & Maintenance Charges	-	-	-	-	-	148,908	-	148,908
Corporation Tax Paid	-	-	-	-	-	3,992	-	3,992
Electricity Charges Paid	-	-	-	-	-	27,674	-	27,674
Advances Given	-	-	-	-	-	20,000,000	-	20,000,000
Loan Received	-	-	-	-	-	1,567,201,258	-	1,567,201,258
Loan Given	678,294,190	26,100,000	-	-	-	-	678,294,190	26,100,000
Loan Refund	-	-	-	-	-	1,562,600,000	-	1,562,600,000
Interest Paid	-	-	-	-	-	134,309,279	-	134,309,279
Interest Received	2,281,688	-	-	-	20,868	6,721,819	2,302,556	6,721,819
Sale of Investments in Subsidiary	-	601,290,900	-	-	-	-	-	601,290,900
Share Application	-	-	-	-	600,000	348,000,000	600,000	348,000,000
Share Application Refunded	-	-	-	-	-	348,000,000	-	348,000,000
Issue of Shares	-	-	-	545,550	-	-	-	545,550
Balance as on 31st March, 2011								
A. Investment	98,000,000	98,000,000	-	-	-	-	98,000,000	98,000,000
B. Loan Given	706,653,519	26,305,810	-	-	-	5,843,827	706,653,519	32,149,637
C. Loan Received	-	-	-	-	-	125,479,609	-	125,479,609
D. Advances Given	-	-	-	-	-	20,000,000	-	20,000,000

# Schedules

to the Accounts

**Schedule I SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (contd.)**
**E. Disclosures of amounts at the year end and the maximum amount of loans & advances outstanding during the year :**

Amount (₹)

Name of the Party	Nature of Relationship	Maximum outstanding during the year 2010-11	Outstanding as at March 31, 2011	Maximum outstanding during the year 2009-10
Emami Realty Limited	Wholly Owned Subsidiary	500,400,000	496,653,519	26,305,810
Emami Rainbow Niketan Pvt. Ltd.	Wholly Owned Step down Subsidiary	210,000,000	210,000,000	–

**2. Computation of Earning per Share as per AS - 20 :**

	Year ended on 31.03.2011	Year ended on 31.03.2010
Net Profit (₹)	6,366,681	106,821,453
Number of Equity Shares of Face Value of ₹ 2/- each	24,298,392	5,289,250
Earning Per Share (₹) - Basic & Diluted	0.26	20.20

**3. Define Benefit Plans**

Disclosures as required under AS - 15 (Revised)

Amount (₹)

	2010-11		2009-10	
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave Encashment Unfunded
<b>A. Components of Employer Expenses</b>				
- Current Service Cost	26,524	37,627	–	–
- Interest Cost	–	–	–	–
- Expected Return on plan assets	–	–	–	–
- Actuarial Gain/Losses	64,079	74,610	–	–
- Benefits Paid	–	–	–	–
- Total Expenses recognised in the Statement of Profit & Loss	90,603	112,237	–	–
<b>B. Net asset/(liability) recognised in Balance Sheet as at March 31, 2011</b>				
- Present value of Defined Benefit Obligation	90,603	112,237	–	–
- Fair value of plan assets	–	–	–	–
- Funded Status [Surplus/(deficit)]	–	–	–	–
- Net asset/(liability) recognised in Balance Sheet	–	–	–	–

# Schedules

to the Accounts

## Schedule I SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (contd.)

	Amount (₹)			
	2010-11		2009-10	
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave Encashment Unfunded
<b>C. Change in Defined Benefit Obligation during the year ended March 31, 2011</b>				
- Present value of DBO at beginning of period	-	-	-	-
- Current Service Cost	26,524	37,627	-	-
- Interest Cost	-	-	-	-
- Actuarial Gain/Losses	64,079	74,610	-	-
- Benefits paid	-	-	-	-
- Present value of DBO at the end of period	90,603	112,237	-	-
<b>D. Change in Fair Value of Assets</b>				
- Plan Assets at beginning of period	-	-	-	-
- Expected Return on Plan assets	-	-	-	-
- Actuarial Gains	-	-	-	-
- Actual company contributions	-	-	-	-
- Benefits paid	-	-	-	-
- Plan assets at the end of period	-	-	-	-
<b>E. Actuarial Assumptions</b>				
- Discount Rate	8.00%	8.00%	-	-
- Inflation Rate	5.00%	5.00%	-	-

- The Company has only one Reportable Business Segment i.e. Real Estate. Therefore, Segment Reporting as per AS - 17 notified by Companies (Accounting Standards) Rules, 2006 is not applicable.
- Previous year's figures have been re-arranged or re-grouped wherever necessary.

As per our attached report of even date

Signature to Schedule "A to I"

For **S. K. AGRAWAL & COMPANY**

Firm Registration No. 306033E

Chartered Accountants

**J. K. Roychowdhury**

Partner

Membership No. 09271

Place : Kolkata

Date : 12th August, 2011

For and on behalf of the Board

**Abhijit Datta**

Chairman

**Rajesh Bagaria**

Director

**Raj K Sureka**

Director

**Girija Choudhary**  
Chief Financial Officer

**Abhijit Dan**  
Company Secretary



## Balance Sheet Abstract and Company's General Business Profiles

### INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

#### 1. Registration Details

Registration No.	121426
State Code No.	21
Balance Sheet Dated	31.03.2011

#### Capital Raised during the year (₹ in thousands)

Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

#### Position of Mobilisation and Deployment of Funds

Total Liabilities	898,519
Total Assets	898,519

#### Sources of Funds

Paid up Capital	48,597
Reserves and Surplus	347,434
Secured Loans	NIL
Unsecured Loans	502,488

#### Application of Funds

Net Fixed Assets	NIL
Investments	98,000
Net Current Assets	800,519
Miscellaneous Expenditure	NIL
Accumulated Losses	NIL
Turnover	22,137
Total Expenditure	14,322
Profit before tax	7,816
Profit after tax	6,367
Earning Per Shares in ₹	0.26
Dividend Rate %	NIL

#### Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Product Description	: N.A.
Item Code No.	: N.A.

For and on behalf of the Board

**Abhijit Datta**  
Chairman

**Rajesh Bagaria**  
Director

**Raj K Sureka**  
Director

Place : Kolkata  
Date : 12th August, 2011

**Girija Choudhary**  
Chief Financial Officer

**Abhijit Dan**  
Company Secretary

# Auditors' Report on the Consolidated Financial Statement

TO THE BOARD OF DIRECTORS OF EMAMI INFRASTRUCTURE LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF EMAMI INFRASTRUCTURE LIMITED, ITS SUBSIDIARIES AND ASSOCIATES.

1. We have examined the attached Consolidated Balance Sheet of Emami Infrastructure Limited, its subsidiaries and Associates, as at 31st March, 2011 and Consolidated Profit & Loss Account and Consolidated Cash Flow Statement for the period ended on that date.
2. These financial statements are the responsibility of Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
3. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain the reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test check basis, evidence supporting the amounts and disclosure in financial statements. Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
4. We did not audit the financial statements of three associates, whose financial statements reflects as on 31st March, 2011, Group's share of loss amounting to ₹ 0.58 lacs for the period ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the reports of other auditors.
5. We report that consolidated financial statements have been prepared by the Company's management in accordance with requirements of Accounting Standard AS - 21, "Consolidated Financial Statements", Accounting Standard AS-23,"Accounting for Investments in Associates in Consolidated Financial Statements" as notified under the Companies (Accounting Standards) Rules, 2006.
6. Based on our audit and on the consideration of separate audit reports on individual financial statements of the components, and to the best of our information and explanations given to us, we are of the opinion that the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
  - a) In the case of Consolidated Balance Sheet, of the Consolidated state of affairs of Emami Infrastructure Limited and its subsidiaries and associates as at 31st March 2011;
  - b) In the case of Consolidated Profit & Loss Account, of the Consolidated Loss of Emami Infrastructure Limited and its subsidiaries for the period ended on that date, and
  - c) In the case of consolidated Cash Flow, of the Consolidated Cash flows of Emami Infrastructure Limited and its subsidiaries and associates for the period ended on that date.

For **S. K. AGRAWAL & COMPANY**

*Chartered Accountants*

Registration No. : 306033E

**J. K. Roychowdhury**

*Partner*

Membership No. 09271

Place : Kolkata

Date : 12th August, 2011

# Consolidated Balance Sheet

as at March 31, 2011

		Amount (₹)	
	Schedule	As at 31.03.2011	As at 31.03.2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	48,596,784	48,596,784
Reserves & Surplus	2	538,312,097	614,598,321
		<b>586,908,881</b>	<b>663,195,105</b>
<b>Minority Interest</b>		1,364,435	1,393,968
<b>Loan Funds</b>			
Secured Loans	3	1,254,207,359	1,880,226,250
Unsecured Loans	4	1,397,062,397	837,241,607
		<b>3,239,543,072</b>	<b>3,382,056,930</b>
<b>APPLICATION OF FUNDS</b>			
<b>Goodwill on Consolidation (Net)</b>	5	111,144,660	111,144,660
<b>Fixed Assets</b>			
Gross Block	6	9,119,329	7,168,214
Less : Depreciation		3,332,005	2,135,167
Net Block		<b>5,787,324</b>	<b>5,033,047</b>
<b>Investments</b>	7	1,203,441,419	1,227,040,464
<b>Current Assets, Loans and Advances</b>			
Inventories	8	1,027,073,262	753,152,848
Sundry Debtors	9	518,400	1,440,000
Cash & Bank Balances	10	36,322,218	108,795,107
Loans & Advances	11	978,942,743	1,348,914,912
		<b>2,042,856,623</b>	<b>2,212,302,867</b>
<b>Less : Current Liabilities &amp; Provisions</b>	12	123,686,954	173,464,108
<b>Net Current Assets</b>		<b>1,919,169,669</b>	<b>2,038,838,759</b>
		<b>3,239,543,072</b>	<b>3,382,056,930</b>
Significant Accounting Policies & Notes on Accounts	20		

Schedules referred to above form an integral part of the Balance Sheet

As per our attached report of even date

Signature to Schedule "1 to 12 & 20"

For **S. K. AGRAWAL & COMPANY**

Firm Registration No. 306033E

Chartered Accountants

**J. K. Roychowdhury**

Partner

Membership No. 09271

Place : Kolkata

Date : 12th August, 2011

For and on behalf of the Board

**Abhijit Datta**

Chairman

**Rajesh Bagaria**

Director

**Girija Choudhary**  
Chief Financial Officer

**Raj K Sureka**

Director

**Abhijit Dan**  
Company Secretary

# Consolidated Profit & Loss Account

for the year ended March 31, 2011

		Amount (₹)	
	Schedule	Year ended 31.03.2011	Year ended 31.03.2010
<b>INCOME</b>			
Operating Income	13	8,211,715	7,408,656
Other Income	14	460,469	728,589,683
Increase/(Decrease) of Inventories	15	273,920,418	174,299,120
		<b>282,592,602</b>	<b>910,297,459</b>
<b>EXPENDITURE</b>			
Purchases	16	6,174,800	12,310,069
Project Expenses	17	274,541,538	169,397,707
Administrative & Other Expenses	18	22,126,892	119,205,774
Interest & Finance Charges	19	57,040,067	211,310,251
Preliminary Expenses Written Off		–	130,890
		<b>359,883,297</b>	<b>512,354,691</b>
<b>Profit/(Loss) before Depreciation, Taxation &amp; Minority Interest</b>		(77,290,695)	397,942,768
Depreciation		753,763	774,833
<b>Profit/(Loss) before Taxation &amp; Minority Interest</b>		<b>(78,044,458)</b>	<b>397,167,935</b>
Less : Provision for Taxation			
Current Income Tax		2,334,488	27,181,753
Deferred Tax		–	272,630
Income Tax for Earlier Years (net)		(57)	(5,528,701)
MAT Credit Adjustment		(880,609)	–
<b>Profit/(Loss) after Taxation before Minority Interest</b>		<b>(79,498,280)</b>	<b>375,242,253</b>
Less : Profit/(Loss) transferred to Minority Interest		(29,533)	3,637,944
<b>Profit/(Loss) after adjustment of Minority Interest</b>		<b>(79,468,747)</b>	<b>371,604,309</b>
Add : Share of Profit in Associates		3,182,523	823,700
Profit/(Loss) after adjustment of Associates		<b>(76,286,224)</b>	<b>372,428,009</b>
Balance brought forward		380,349,105	7,921,096
<b>Balance carried to Balance Sheet</b>		<b>304,062,881</b>	<b>380,349,105</b>
Earning Per Share - Basic & Diluted		(3.14)	70.41
Significant Accounting Policies & Notes on Accounts	20		

Schedules referred to above form an integral part of the Profit & Loss Account

As per our attached report of even date

Signature to Schedule "13 to 20"

For **S. K. AGRAWAL & COMPANY**

Firm Registration No. 306033E

Chartered Accountants

**J. K. Roychowdhury**

Partner

Membership No. 09271

Place : Kolkata

Date : 12th August, 2011

For and on behalf of the Board

**Abhijit Datta**

Chairman

**Rajesh Bagaria**

Director

**Raj K Sureka**

Director

**Girija Choudhary**  
Chief Financial Officer

**Abhijit Dan**  
Company Secretary

# Consolidated Cash Flow Statement

for the year ended March 31, 2011

Particulars	Year Ended		Year Ended	
	31.03.2011		31.03.2010	
				Amount (₹)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax and Extraordinary Items		(78,044,458)		397,167,935
<b>Adjustments</b>				
<b>Add :</b> Interest paid	181,425,948		396,035,124	
Depreciation	1,196,838		774,833	
Share of loss in Partnership Firm	8,245,302		-	
Preliminary Expenses Written off	-	190,868,088	130,890	396,940,847
		112,823,630		794,108,782
<b>Less :</b> Interest Received	93,239,544		177,106,590	
Dividend Received	-		14,194	
Profit on Sale of Subsidiary	-		726,805,044	
Profit on Sale of Current Non-Trade Investment	31,365	93,270,909	317,495	904,243,323
<b>Operating Profit before Working Capital Changes</b>		<b>19,552,721</b>		<b>(110,134,541)</b>
<b>Add : (Increase)/Decrease in Current Assets</b>				
Sundry Debtors	921,600		80,872,100	
Inventory - Land	451,405		(12,310,069)	
Inventory Work-in-Progress	(274,371,819)		(121,611,792)	
Inventory - Shares	-		7,408,656	
Security Deposit	(470,200)		(85,200)	
Advance Income Tax	(19,196,837)		(22,672,448)	
Advance for Purchase of Land	1,522,337		-	
Advance Recoverable in cash or in kind or for value to be received	4,500,251		(21,697,312)	
Loans & Advances	383,616,614	96,973,351	19,525,000	(70,571,065)
		<b>116,526,072</b>		<b>(180,705,606)</b>
<b>Add : Increase/(Decrease) in Current Liabilities</b>				
Sundry Creditors	137,459		(9,134,232)	
Interest Accrued but not due	906,165		9,981,642	
Cheques Overdrawn	29,253,763		(62,765,479)	
Other Liabilities	(81,714,631)		15,740,403	
Unclaimed Fractional Share Sale Proceeds	24,739		-	
Provision for Income Tax	1,441,880		-	
Provision for Gratuity & Leave Encashment	173,471	(49,777,154)	-	(46,177,666)
<b>Cash Generated from Operations</b>		<b>66,748,918</b>		<b>(226,883,272)</b>
Less : Taxes paid		1,453,822		-
<b>Net Cash Flow from Operating Activities</b>		<b>65,295,096</b>		<b>226,883,272</b>

# Consolidated Cash Flow Statement *(contd.)*

for the year ended March 31, 2011

Amount (₹)

Particulars	Year Ended 31.03.2011		Year Ended 31.03.2010	
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest Received	93,239,544		176,971,773	
Dividend Received	–		14,194	
Profit on Sale of Current Non-Trade Investment	31,365		317,495	
Sale of Long Term Investments	–		2,106,372,407	
Investment in Long Term Investments	(10,000)		(599,266,462)	
Loan Given	–		(2,975,000)	
Investment in Partnership Firms	18,546,270		(9,344,905)	
Investment in NSC	–		(2,000)	
Purchase of Fixed Assets	(1,951,115)	109,856,064	(997,651)	1,671,089,852
<b>Net Cash Flow from Investing Activities</b>		<b>109,856,064</b>		<b>1,671,089,852</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Optinally Convertible Debenture	280,000,000		23,078,875	
Issue of Share Capital	–		400,000	
Proceeds from Borrowings	(346,198,101)		(967,124,100)	
Interest Paid	(181,425,948)	(247,624,049)	(396,215,197)	(1,339,860,422)
<b>Net Cash Flow from Financing Activities</b>		<b>247,624,049</b>		<b>(1,339,860,422)</b>
<b>Net Increase/Decrease in Cash/Cash Equivalants (A+B+C)</b>		<b>(72,472,889)</b>		<b>104,346,158</b>
<b>Cash &amp; Cash Equivalents - Opening Balance</b>		<b>108,795,107</b>		<b>4,448,949</b>
<b>Cash &amp; Cash Equivalents - Closing Balance</b>		<b>36,322,218</b>		<b>108,795,107</b>

As per our attached report of even date

For **S. K. AGRAWAL & COMPANY**

Firm Registration No. 306033E

Chartered Accountants

**J. K. Roychowdhury**

Partner

Membership No. 09271

Place : Kolkata

Date : 12th August, 2011

For and on behalf of the Board

**Abhijit Datta**

Chairman

**Rajesh Bagaria**

Director

**Raj K Sureka**

Director

**Girija Choudhary**

Chief Financial Officer

**Abhijit Dan**

Company Secretary

# Schedules

to the Consolidated Accounts

		Amount (₹)	
		As at 31.03.2011	As at 31.03.2010
<b>Schedule 1</b>	<b>SHARE CAPITAL</b>		
<b>Authorised</b>			
2,50,00,000 Equity Shares of ₹ 2/- each		50,000,000	50,000,000
<b>Issued, Subscribed and Paidup :</b>			
2,42,98,392 Equity Shares of ₹ 2/- each *		48,596,784	48,596,784
		<b>48,596,784</b>	<b>48,596,784</b>

\*Includes 2,40,48,392 Equity Shares allotted for consideration other than cash pursuant to scheme of arrangement.

<b>Schedule 2</b>	<b>RESERVES &amp; SURPLUS</b>		
Capital Reserve (Pursuant to Scheme of Arrangement)		234,249,216	234,249,216
Profit & Loss Account		304,062,881	380,349,105
		<b>538,312,097</b>	<b>614,598,321</b>

<b>Schedule 3</b>	<b>SECURED LOANS</b>		
<b>10.75% Redeemable Non-Convertible Debentures</b> (Secured against Land held as Fixed Asset, Fixed Deposit and Corporate Guarantee of Emami Limited) (Repayable on 08.06.2011)		1,000,000,000	1,000,000,000
<b>Inter Corporate Deposits</b> (Secured against immovable Properties, Equity Shares owned by third parties and Personal Guarantee of two Directors)		-	779,336,919
<b>Term Loan from Bank</b>		254,207,359	100,889,331
		<b>1,254,207,359</b>	<b>1,880,226,250</b>

# Schedules

to the Consolidated Accounts

		Amount (₹)	
		As at 31.03.2011	As at 31.03.2010
<b>Schedule 4</b>	<b>UNSECURED LOANS</b>		
	From Body Corporates	990,383,522	710,562,732
	- 10,360 Optionally Convertible Debentures of ₹ 10,000/- each	103,600,000	103,600,000
	- 56 Optionally Convertible Debentures of ₹ 5,000,000/- each	280,000,000	–
	Application against Optionally Convertible Debentures	23,078,875	23,078,875
		<b>1,397,062,397</b>	<b>837,241,607</b>

<b>Schedule 5</b>	<b>GOODWILL ON CONSOLIDATION</b>		
	Goodwill on Consolidation	134,594,599	134,594,599
	Less : Capital Reserve on Consolidation	23,449,939	23,449,939
		<b>111,144,660</b>	<b>111,144,660</b>

<b>Schedule 6</b>	<b>FIXED ASSETS</b>										
Sl. No.	Particulars	GROSS BLOCK				DEPRICIATION				NET BLOCK	
		As on 01.04.10	Addition during the year	Sales/adjustments	Total	As on 01.04.10	For the year	Sales/Adjustments	Total	As on 31.03.11	As on 31.03.10
1	Land	531,650	–	–	531,650	–	–	–	–	531,650	531,650
2	Furniture & Fixtures	2,758,306	172,119	–	2,930,425	822,758	456,135	–	1,278,893	1,651,532	1,935,548
3	Office Equipments	891,438	130,171	6,200	1,015,409	136,680	122,648	714	258,614	756,795	754,758
4	Computer	1,248,290	422,100	–	1,670,390	712,753	318,549	–	1,031,302	639,088	535,537
5	Electrical Accessories	1,653,721	–	–	1,653,721	444,406	168,216	–	612,622	1,041,099	1,209,315
6	Plant & Machinery	45,309	482,925	–	528,234	11,341	18,837	–	30,178	498,056	33,968
7	Vehicles	39,500	750,000	–	789,500	7,229	113,167	–	120,396	669,104	32,271
	<b>Total</b>	<b>7,168,214</b>	<b>1,957,315</b>	<b>6,200</b>	<b>9,119,329</b>	<b>2,135,167</b>	<b>1,197,552</b>	<b>714</b>	<b>3,332,005</b>	<b>5,787,324</b>	<b>5,033,047</b>
	Previous Year	6,170,563	997,651	–	7,168,214	1,203,338	931,829	–	2,135,167	5,033,047	–



# Schedules

to the Consolidated Accounts

	Amount (₹)			
	As on 31.03.2011	As on 31.03.2011	As on 31.03.2010	As on 31.03.2010
<b>Schedule 7 INVESTMENTS</b>				
<b>Long Term (Trade - Unquoted)</b>				
<b>Equity Shares of ₹ 10/- Each</b>				
<b>I. In Associate Companies</b>				
Roseview Developers Private Limited 5,000 Nos.	50,000		50,000	
Less : Share of Loss upto 31st March, 2011	50,000	-	50,000	-
Palace Properties (India) Private Limited	-		245,000	
Less : Written off	-	-	245,000	-
Prajay Urban Private Limited 5,000 Nos., (P. Y. 4,000 Nos.)	50,000		40,000	
Less : Share of Loss upto 31st March, 2011	33,462	16,538	-	40,000
Shraddha Niketan Private Limited 50,000 Nos.	500,000		500,000	
Less : Share of Loss upto 31st March, 2011	78,509	421,491	53,928	446,072
Emami Canopy Projects Private Limited 15,000 Nos.	150,000		150,000	
Less : Share of Loss upto 31st March, 2011	19,364	130,636	12,954	137,046
<b>II. Debentures - Unquoted</b>				
Prajay Urban Private Limited 24,480 Nos. Optionally Convertible Debentures of ₹ 10,000/- each		244,800,000		244,800,000
<b>III. Investment in Partnership Firms</b>				
P. S. Srijan Projects Add : Interest	87,188,455 9,453,730		77,875,008 9,345,001	
Less : Contribution withdrawals	96,642,185		87,220,009	
Less : Share of Loss upto 31st March, 2011	28,000,000 8,245,302	60,396,883	-	87,188,455
<b>IV. Long Term Investments (Non-Trade) Unquoted</b>				
Government Securities 6 years National Savings Certificate		2,000		2,000
<b>V. Long Term Investments (Trade) Quoted</b>				
Zandu Realty Limited (2,86,329 Equity Shares of ₹ 100/- Each) Add : Share of Profit upto 31st March, 2011	894,426,891 3,246,980	897,673,871	893,542,520 884,371	894,426,891
<b>Total</b>		<b>1,203,441,419</b>		<b>1,227,040,464</b>
Aggregate Book Value of Investment				
- Quoted		897,673,871		894,426,891
- Unquoted		305,767,548		332,613,573
Market Value of Quoted Investments		569,336,584		1,136,205,011

# Schedules

to the Consolidated Accounts

		Amount (₹)	
		As at 31.03.2011	As at 31.03.2010
<b>Schedule 8</b>	<b>INVENTORIES</b>		
Work-in-Progress		564,434,514	290,062,695
Land		462,638,748	463,090,153
		<b>1,027,073,262</b>	<b>753,152,848</b>
<b>Schedule 9</b>	<b>SUNDRY DEBTORS (Unsecured, Considered Good)</b>		
Due over six months		–	–
Other debts		518,400	1,440,000
		<b>518,400</b>	<b>1,440,000</b>
<b>Schedule 10</b>	<b>CASH &amp; BANK BALANCES</b>		
Cash in hand		668,538	379,152
<b>Balances with Scheduled Banks in :</b>			
- Current Accounts		4,919,736	79,721,989
- Fixed Deposit Account (Pledged against Redeemable Non-Convertible Debentures)		30,709,205	28,693,966
Escrow Account / Fractional Shares Sale Proceeds		24,739	–
		<b>36,322,218</b>	<b>108,795,107</b>
<b>Schedule 11</b>	<b>LOANS &amp; ADVANCES (Unsecured, Considered Good)</b>		
Loans		612,070,562	995,687,176
Advances (Recoverable in cash or in kind or for value to be received)		198,710,084	203,210,339
Advance for Purchase of Land		64,010,144	65,532,481
Deposits under Joint Development Agreement		50,000,000	50,000,000
Security Deposits		2,778,600	2,308,400
Advance Income Tax		51,373,353	32,176,516
		<b>978,942,743</b>	<b>1,348,914,912</b>

# Schedules

to the Consolidated Accounts

		Amount (₹)	
		As at 31.03.2011	As at 31.03.2010
<b>Schedule</b>	<b>12</b>	<b>CURRENT LIABILITIES &amp; PROVISIONS</b>	
<b>Current Liabilities :</b>			
		1,003,227	865,768
		27,707,534	26,801,369
		38,771,110	120,485,741
		30,935,639	1,681,876
		24,739	–
	(A)	<b>98,442,249</b>	<b>149,834,754</b>
<b>Provisions :</b>			
		24,179,406	22,737,526
		1,065,299	891,828
	(B)	<b>25,244,705</b>	<b>23,629,354</b>
	(A+B)	<b>123,686,954</b>	<b>173,464,108</b>

# Schedules

to the Consolidated Accounts

		Amount (₹)	
		Year ended 31.03.2011	Year ended 31.03.2010
<b>Schedule 13</b>	<b>OPERATING INCOME</b>		
	Sales of Share	–	7,408,656
	Sales of Flat	7,110,978	–
	Sales of Land	1,100,737	–
		<b>8,211,715</b>	<b>7,408,656</b>
<b>Schedule 14</b>	<b>OTHER INCOME</b>		
	Profit on Sale of Subsidiaries	–	726,805,044
	Interest on Income Tax Refund	27,604	640,050
	Profit on Sale of Current Non-Trade Investment	31,365	317,496
	Dividend from Current Non-Trade Investments	–	14,194
	Liabilities written back	1,500	12,899
	Miscellaneous Income (TDS ₹ 40,000/-, P.Y. ₹ 80,000/-)	400,000	800,000
		<b>460,469</b>	<b>728,589,683</b>
<b>Schedule 15</b>	<b>INCREASE/(DECREASE) IN INVENTORY</b>		
	Closing Inventory		
	Land *	462,638,748	483,440,919
	Work-in-Progress *	564,434,514	327,658,799
	(A)	<b>1,027,073,262</b>	<b>811,099,718</b>
	* (Includes Inventory of a Subsidiary which ceased on 28th January, 2010)		
	Less : Opening Inventory		
	Land	463,090,153	471,130,850
	Shares	–	7,408,656
	Work-in-Progress	290,062,691	158,261,092
	(B)	<b>753,152,844</b>	<b>636,800,598</b>
	(A - B)	<b>273,920,418</b>	<b>174,299,120</b>
<b>Schedule 16</b>	<b>PURCHASES</b>		
	Purchases of Flat	5,300,000	–
	Purchases of Land	874,800	12,310,069
		<b>6,174,800</b>	<b>12,310,069</b>

# Schedules

to the Consolidated Accounts

		Amount (₹)	
		Year ended 31.03.2011	Year ended 31.03.2010
<b>Schedule 17</b>	<b>PROJECT EXPENSES</b>		
	Salary & Bonus	8,400,530	5,283,836
	Contribution to Provident & other funds	139,849	90,192
	Rent	1,240,428	1,562,880
	Maintenance Charges	–	529,440
	Advertisement & Business Promotion Expenses	2,605,282	209,700
	Travelling & Conveyance Expenses	402,271	617,502
	Sanction Fees	31,470,182	14,064,055
	Professional Fees	9,903,911	8,780,519
	Power & Fuel	627,981	37,885
	Material Consumed	43,700,611	2,756,420
	Construction Expenses	37,714,596	7,893,197
	Brokerage	–	4,921,587
	Rates & Taxes	84,214	276,549
	Insurance Charges	318,440	266,208
	Depreciation	443,075	156,996
	JDA Registration Charges	–	1,022,100
	Other Operating Expenses	3,035,453	2,270,349
	Interest (Others)	109,520,160	109,576,461
	Interest on Term Loan	24,246,824	7,794,139
	Repairs to Others	643,611	38,631
	General Expenses	–	1,249,061
	Audit Fees	44,120	–
		<b>274,541,538</b>	<b>169,397,707</b>

# Schedules

to the Consolidated Accounts (contd.)

	Amount (₹)	
	Year ended 31.03.2011	Year ended 31.03.2010
<b>Schedule 18 ADMINISTRATIVE &amp; GENERAL EXPENSES</b>		
Salary & Bonus	2,754,647	2,434,175
Contribution to Provident & other funds	195,398	169,177
Employee Benefits	374,735	834,842
Directors Fees	117,500	429,932
Donations	–	100,000,000
Derivative Transactions	–	3,068
Rent	1,725,322	1,700,500
Electricity Charges	847,741	616,043
Royalty	441,200	–
Postage, Telegram & Telephone	301,162	620,227
Printing & Stationery	366,283	693,922
Filing Fees	38,621	376,904
Rates & Taxes	105,138	205,228
Insurance Charges	–	47,123
Repairs to others	1,750,572	1,804,049
Advertisement	321,699	56,000
Loss on Sale of Stock	–	756
Share of loss in Partnership Firm	8,245,302	96
Long Term Investment Written off	–	250,945
Provision for Doubtful Debts	–	1,862,094
Professional Fees	1,824,310	2,914,169
Bad Debts	767,837	–
Miscellaneous Expenses	1,525,873	3,285,826
<b>Auditors' Remuneration</b>		
- Audit Fees	319,870	785,986
- Tax Audit Fees	33,090	11,030
- Other Matters	70,592	103,682
	<b>22,126,892</b>	<b>119,205,774</b>
<b>Schedule 19 INTEREST &amp; FINANCE CHARGES (NET)</b>		
Interest on Debentures	112,181,667	112,181,667
Interest on Loans	147,607,604	324,455,813
	259,789,271	436,637,480
Less: Transferred to Projects	109,520,160	71,465,494
	150,269,111	365,171,986
Less: Interest Received	93,229,044	153,861,735
	<b>57,040,067</b>	<b>211,310,251</b>

# Schedules

to the Consolidated Accounts

## Schedule 20 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### 1. Principles of Consolidation

The Consolidated Financial Statements relate to **EMAMI INFRASTRUCTURE LIMITED** ("the Company"), its Subsidiary Companies and Associate Companies (referred to as "the group") (Refer Note 3(i) (a & b)). The Subsidiary and Associate Companies has been consolidated as per Accounting Standards on Accounting for Consolidated Financial Statements (AS 21) and Accounting for Investments in Associates in Consolidated Financial Statements (AS 23) respectively notified in Companies (Accounting Standards) Rules 2006. The Consolidated Financial Statements have been prepared on the following basis:-

- I. The Consolidated financial statements have been combined on line-by-line basis by adding together the book values of like items of assets, liabilities, income & expenses, after fully eliminating all significant intra-group transactions / balances and resulting unrealised profits or losses.
- II. Investments in Associate Companies have been accounted as per Accounting Standard on Accounting for Investments in Associates in Consolidated Financial Statements (AS 23) notified by the Companies (Accounting Standards) rules, 2006.
- III. The difference between the cost of investment in the Subsidiaries over its proportionate share in the net assets value at the time of acquisition of stake in subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- IV. Goodwill arising out of consolidation is not being amortized.
- V. Minority interest in the net assets of consolidated subsidiaries consists of :
  - (a) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
  - (b) the minority share of movements in equity since the date the parent subsidiary relationship came into existence.
- VI. The difference between the cost of investment in the Associates and the Company's share of net assets at the time of acquisition of share in the Associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- VII. As far as possible the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's Financial Statements.
- VIII. The Financial Statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Company.

#### Basis of presentation

- (i) The consolidated financial statements relate to Emami Infrastructure Limited ("the Company"), its subsidiaries and associates.
- (ii) Notes to these consolidated financial statements are intended to serve as a means of informative disclosure and guide for better understanding of the consolidated position of the Companies. Recognizing, this purpose, the Company has disclosed only such notes from the individual financial statements, which fairly present the needed disclosures.

### 2. Significant Accounting Policies

#### Basis of Preparation of Financial Statements

These accounts have been prepared on historical cost basis and on the accounting principles of a going concern to comply in all material aspects with applicable accounting principles in India, the relevant provisions of the Companies Act, 1956 and the Accounting Standards notified in Companies (Accounting Standard) Rules, 2006 to the extent applicable.

# Schedules

to the Consolidated Accounts

## Schedule 20 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (contd.)

### Use of Estimates

The preparation of financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.

### Fixed Assets

Fixed Assets are stated at cost less depreciation. Interest and other financial charges on loans borrowed specifically for acquisition of capital assets are capitalised till the start of its intended use.

### Intangible Assets

Intangible assets are recognized, only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprises and the cost of the assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

### Depreciation and Amortisation

- (a) Depreciation on fixed assets is provided on written down value method as per rates provided in Schedule XIV of the Companies Act, 1956.
- (b) Leasehold land is amortised over the period of lease.
- (c) Intangible assets are amortised over their estimated useful life determined by the management on the basis of technical evaluation etc.

### Investments

Long Term Investments are stated at cost. Current Investments are stated at cost or net realisable value whichever is lower. Diminution in value of Long Term Investments other than temporary in nature is charged to Profit & Loss Account.

### Inventory

- a) Land : At cost
- b) Construction Work in Progress : At cost and includes Construction costs, allocated interest and expenses incidental to the implementation and promotion of the Projects undertaken by the Company
- c) Finished Goods : At cost

### Provisions & Contingent Liabilities

Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, it is more likely than not that a cash outflow will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible obligation or a present obligation, where it is not probable that a cash outflow will be required to settle the obligation. Provisions and Contingent Liabilities are revalued at each Balance Sheet date.

### Revenue Recognition

- a) Revenue shall be recognized on the completion of Projects.
- b) Interest income is recognized on accrual basis.
- c) Dividend income is recognised in the Profit and Loss Account when right to receive the same is established.
- d) Revenue in respect of insurance/other claims, interest thereon, etc., is recognised only when it is reasonably certain that the ultimate collection will be made.

### Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of assets. All other borrowing costs are charged to revenue. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.



# Schedules

to the Consolidated Accounts

## Schedule 20 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (contd.)

### Employee Benefits

#### (A) Post Employment Benefits and Other Long Term Benefits :

- a) Company's contribution for the year paid/payable to defined contribution retirement benefit plans is charged to Profit and Loss Account.
- b) The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.
- c) Provision for Leave Encashment and Gratuity is made on the basis of actuarial valuation as at the year end as per the requirements of Accounting Standard –15 (revised 2005) on "Employee Benefits".
- d) Actuarial gains and losses comprise experience adjustments and the effect of changes in the actuarial assumptions is recognised immediately in the Profit and Loss Account as an income or expense.

#### (B) Short-term Employee Benefits :

Short-term Employee Benefits expected to be paid in exchange for the services rendered by employees are recognized undiscounted during the period employee rendered services. These benefits include compensated absences.

### Taxation

Income Tax expense comprises of current tax and deferred taxes. Income Tax expense is accounted for in accordance with AS-22 "Accounting for Taxes on Income" which includes current tax and deferred taxes. Provision for the current tax is made on the basis of taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961. Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the carrying amount of MAT at each Balance Sheet date and adjusts MAT credit entitlement to the extent there is convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Deferred Income Tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences for earlier years. Deferred tax assets arising from timing differences are recognised to the extent, there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised.

### Foreign Currency Transactions

- a) Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected. Exchange differences arising on settlement of all transactions are recognized in the Profit and Loss Account.
- b) Income & Expense are translated at average rate calculated on the basis of rates prevailing at the end of each month.
- c) Non Monetary Items are taken at the value based on rates prevailing at the time of acquisition.
- d) All other assets and liabilities are taken at rates prevailing at the end of the year.

### Impairment of Assets

The Company identifies impairable assets at the year end in accordance with the guiding principles of Accounting Standard 28, notified in Companies (Accounting Standards) Rules 2006, for the purpose of arriving at impairment loss thereon being the difference between the book value and recoverable value of relevant assets. Impairment loss, when crystallizes, are charged against revenues for the year.

### Earning Per Share

Basic earning per share is calculated by dividing the net profit/loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects for all dilutive potential equity shares.

# Schedules

to the Consolidated Accounts

## Schedule 20 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (contd.)

### 3. NOTES ON ACCOUNTS

- (i) (a) List of Subsidiaries (which alongwith Emami Infrastructure Limited, the parent, constitute the Group) considered in the Consolidated financial statements are as under :

Name of Subsidiaries	Country of Incorporation	Extent of Holding
Emami Realty Ltd.	India	100%
Emami Rainbow Niketan Pvt. Ltd. (Subsidiary of Emami Realty Ltd.)	India	100%
Octagon BPO Pvt. Ltd. (Subsidiary of Emami Realty Ltd.)	India	100%
Emami Ashiana Pvt. Ltd. (Subsidiary of Emami Realty Ltd.)	India	100%
Emami Constructions (P) Ltd. (Subsidiary of Emami Realty Ltd.)	India	80%
New Age Realty Pvt. Ltd. (Subsidiary of Emami Realty Ltd.)	India	60%
Delta PV Pvt. Ltd. (Subsidiary of Emami Realty Ltd.)	India	55%
Nathvar Tracon Pvt. Ltd. (Ceased to be subsidiary w.e.f. 31st January, 2010)	India	100%

(b) **Investments in Associates**

Name of Subsidiaries	Country of Incorporation	Extent of Holding
Roseview Developers Private Limited (An Associate of Emami Realty Limited)	India	50%
Shraddha Niketan Private Limited (Associates of Emami Realty Limited)	India	50%
N.K.Plaza Private Limited (100% Subsidiary of Shraddha Niketan Private Limited) (An Associate of Emami Realty Limited)	India	50%
P.S.Srijan Projects (An Associate of Emami Realty Limited)	India	50%
Prajay Urban Private Limited (An Associate of Emami Realty Limited)	India	50% (P.Y. 40%)
Emami Canopy Projects Private Limited (An Associate of Emami Realty Limited)	India	30%
Zandu Realty Limited (An Associate of Emami Rainbow Niketan Private Limited)	India	35.51%
Palace Properties (India) Private Limited *	India	49%

\* These Investments were written off at Book Value during during the F.Y. 2009-10

# Schedules

to the Consolidated Accounts

**Schedule 20 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (contd.)**
**(ii) Defined Benefit Plans**

The Group has adopted Accounting Standard 15 (AS 15) (revised 2005) on "Employee Benefits". As per Actuarial Valuation as on March 31, 2011 and recognised in the financial statements in respect of Employees benefit schemes.

Amount (₹)

Particulars	2010-11		2009-10	
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave Encashment Unfunded
<b>A. Components of Employer Expenses</b>	140,789	143,085	177,785	195,149
1. Current Service Cost				
2. Interest Cost	43,575	22,602	12,037	12,396
3. Expected Return on Plan Assets	–	–	–	–
4. Actuarial Gain/Losses	(87,040)	39,672	204,403	(11,107)
5. Benefits Paid	–	(129,212)	–	(8,520)
6. Total Expenses recognised in the Statement of Profit & Loss	97,324	76,147	394,225	187,918
<b>B. Net asset/(liability) recognised in Balance Sheet as at March 31, 2011</b>				
1. Present Value of Defined Benefit Obligation	642,016	423,283	544,692	347,136
2. Fair Value of Plan Assets	–	–	–	–
3. Funded Status [Surplus/(deficit)]	642,016	423,283	544,692	347,136
4. Net asset/(liability) recognised in Balance Sheet	642,016	423,283	544,692	347,136
<b>C. Change in Defined Benefit Obligation during the year ended March 31, 2011</b>				
1. Present Value of DBO at beginning of period	544,692	347,136	150,467	159,218
2. Current Service Cost	140,789	143,085	177,785	195,149
3. Interest Cost	43,575	22,602	12,037	12,396
4. Actuarial Gain/Losses	(87,040)	39,672	204,403	(11,107)
5. Benefits Paid	–	(129,212)	–	(8,520)
6. Present Value of DBO at the end of period	642,016	423,283	544,692	347,136
<b>D. Change in Fair Value of Assets</b>				
1. Plan Assets at beginning of period	–	–	–	–
2. Expected Return on Plan Assets	–	–	–	–
3. Actuarial Gains	–	–	–	–
4. Actual Company Contributions	–	129,212	–	8,520
5. Benefits Paid	–	(129,212)	–	(8,520)
6. Plan Assets at the end of period	–	–	–	–
<b>E. Actuarial Assumptions</b>				
1. Discount Rate	8.00%	8.00%	8.00%	8.00%
2. Inflation Rate	5.00%	5.00%	5.00%	5.00%

# Schedules

to the Consolidated Accounts

## Schedule 20 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (contd.)

### iii) Related Party Transactions

#### A. Associates

Roseview Developers Private Limited  
Emami Canopy Projects Private Limited  
Prajay Urban Private Limited  
Shraddha Niketan Private Limited  
N. K. Plaza Private Limited (100% Subsidiary of Shraddha Niketan Private Limited)  
Zandu Realty Limited #  
Palace Properties (India) Private Limited ##  
# An Associate of Emami Rainbow Niketan Pvt. Ltd.  
## These Investments were written off at Book Value during the F.Y. 2009-10

#### B. Partnership Firm

P. S. Srijan Projects

#### C. Key Management Personnel

Shri Rajesh Bagaria  
Shri Raj K Sureka  
Shri Mohan Goenka (upto 25th January, 2010)  
Shri H.V. Agarwal (upto 25th January, 2010)

#### D. Relatives of Key Management Personnel

Mrs. Priti Sureka

#### E. Other Related Parties with whom transactions have taken place during the year

Entities where Key Management Personnel and their relatives have significant control

- Emami Limited
- Emami Cement Limited
- Auto Hitech Private Limited
- Emami Nirman Private Limited
- Emami Projects Private Limited
- Emami Estates Private Limited
- Emami Skyhigh Private Limited
- Emami Vriddhi Commercial Private Limited
- New Age Malls Private Limited
- Bengal Emami Housing Limited
- TMT Viniyogan Limited
- Emami Home Private Limited
- Emami Enclave Makers Private Limited
- Emami High Rise Private Limited

# Schedules

to the Consolidated Accounts

**Schedule 20 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (contd.)**
**F. Transactions**

Amount (₹)

Particulars	Associates		Key Management Personnel		Entities where Key Management Personnel and their relatives have significant influence		Total	
	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10
Directors' Fees	-	-	25,000	10,000	-	-	25,000	10,000
Rent & Maintenance Charges	-	-	-	-	1,588,320	1,737,228	1,588,320	1,737,228
Corporation Tax	-	-	-	-	-	3,992	-	3,992
Electricity Charges	-	-	-	-	-	27,674	-	27,674
Advances Received	1,250,000	-	-	-	30,000,000	72,000	31,250,000	72,000
Repayment of Advances	-	-	-	-	30,072,000	-	30,072,000	-
Share Application Money Received	-	-	-	-	-	348,000,000	-	348,000,000
Share Application Money Refund	-	50,000	-	-	-	348,000,000	-	348,050,000
Issue of Share	-	-	-	545,550	-	-	-	545,550
Loan Given	7,047,000	408,500	-	-	24,605,000	30,337,500	31,652,000	30,746,000
Loan Received	-	-	-	-	14,493,426	1,776,121,383	14,493,426	1,776,121,383
Interest Received	10,883,999	24,155,947	-	-	14,503,836	40,567,608	25,387,835	64,723,555
Interest Paid	-	-	-	-	109,921	134,430,948	109,921	134,430,948
Refund of Loan Given	30,434,280	71,660,000	-	-	277,065,381	39,796,636	307,499,661	111,456,636
Repayment of Loan Received	-	-	-	-	14,613,945	10,021,500	14,613,945	10,021,500
Advance Paid	193,030	12,000	-	-	-	20,000,000	193,030	20,012,000
Repayment of Advances	4,000,000	-	-	-	-	-	4,000,000	-
Investment	10,000	-	-	-	-	-	10,000	-
Sale of Investment	-	-	-	-	-	3,550,000	-	3,550,000
Sale of Inventories	-	-	-	-	-	6,907,900	-	6,907,900
Sundry Debtors	-	-	-	-	-	12,390,200	-	12,390,200
Received from Sundry Debtors	-	-	-	-	-	96,100,000	-	96,100,000
<b>Balance as on 31st March, 2011</b>								
Advances Receivable	1,250,000	4,012,000	-	-	-	-	1,250,000	4,012,000
Advances Paid	205,030	12,000	-	-	20,000,000	20,000,000	20,205,030	20,012,000
Share Application Money	4,790,000	4,790,000	-	-	-	-	4,790,000	4,790,000
Loan Given	46,321,599	58,824,880	-	-	39,546,507	275,650,437	85,868,106	334,475,317
Loan Received	-	-	-	-	115,363	324,609,281	115,363	324,609,281
Investments	602,040,900	602,030,900	-	-	-	-	602,040,900	602,030,900

# Schedules

to the Consolidated Accounts

## Schedule 20 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (contd.)

### iv. Computation of Earning Per Share as per AS - 20 :

	Year ended on 31.03.2011	Year ended on 31.03.2010
Net Profit/(Loss) (₹)	(76,286,224)	372,428,010
Weighted Average Number of Shares	24,298,392	5,289,250
Earning Per Share - Basic & Diluted (₹)	(3.14)	70.41

- v) Against the Assignment Agreement entered by New Age Realty Pvt Ltd (New Age), being 60% Subsidiary of Emami Realty Ltd, with M/S Karthikeya Ancillaries Pvt. Ltd. (the landlord) for assignment of JDA entered into between the landlord and Presidium Construction Pvt. Ltd. for development of an immovable property situated at Coimbatore, the said landlord has served Termination Notice. New Age has taken requisite legal steps including filing of cases before the various Courts. New Age has challenged the termination itself. The legal proceedings are pending and New Age has been legally advised that the result of such proceedings are expected to be in its favour.
- vi) Emami Realty Ltd (ERL), being 100% Subsidiary of Emami Infrastructure Limited, has initiated the criminal proceedings U/S 418/420/120B of the Indian Penal Code against M/S Karthikeya Ancillaries Pvt. Ltd. with whom ERL has entered into Area Assignment Agreement for purchase of 28,750 sqft area in the proposed Shopping Mall at Coimbatore. The book value of Investment as on 31/03/2011 is ₹ 9,62,42,855/- including interest capitalised. The matter is subjudice.

### vii. Current Non-Trade Investments Purchased and sold during the year

Particulars	2010-11				2009-10			
	Purchase		Sales		Purchase		Sales	
	Nos. of Units.	Amount (₹)	Nos. of Units.	Amount (₹)	Nos. of Units.	Amount (₹)	Nos. of Units.	Amount (₹)
Mutual Fund Units - Liquid Fund								
LIC MF Liquid Fund - Growth Plan	-		-		10,084,712	170,000,000	10,084,712	170,030,254
LIC MF Savings Plus Fund - Growth Plan	2,038,676	30,000,000	2,038,676	30,031,365	6,761,285	96,000,000	6,761,285	96,287,241
Total	2,038,676	30,000,000	2,038,676	30,031,365	16,845,997	266,000,000	16,845,997	266,317,495

- viii) The Group operates in a single business segment. Therefore, segment reporting as per AS - 17 notified by the Companies (Accounting Standard) Rules 2006 is not applicable.
- ix) Investments includes Goodwill on consolidation of Associates amounting to ₹ 1,28,491/- (P.Y. ₹ 1,49,352/-)
- x) Term Loan from Bank is secured by Equitable Mortgage of Land and rights in JDA Agreements situated at Kukatpally, Hyderabad, charge on this Project's cash flow and Corporate Guarantee of Emami Realty Limited along with the personal guarantee of two Directors of the Company.
- xi) Since there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised. Therefore Deferred tax assets of ₹ 39,77,706/- (P.Y. ₹ 43,82,636) arising on account of carried forward unabsorbed business losses and depreciation have not been recognised in the accounts as recommended under Accounting Standard (AS-22) on "Deferred Taxation" issued by the Institute of Chartered Accountants of India.

## Schedules

to the Consolidated Accounts

### Schedule 20 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (contd.)

xii) Contingent Liabilities not provided for in respect of :

1. Income Taxes - ₹ 34,72,540/-
2. Corporate Guarantee given of ₹ 100 Crores (Avalied ₹ 65.15 Crores) and PY ₹ 60 Crores (Avalied ₹ 10 Crores) on behalf of Subsidiaries and other Companies.
3. Bank Guarantee of ₹ 19,45,302/- (PY ₹ 19,45,302/-)

xiii) Since external and internal sources of information do not provide for any indication for impairment of fixed assets based on cash generating unit concept, no impairment is required during the year.

xiv) Previous year's figures have been rearranged or regrouped wherever necessary.

As per our attached report of even date

For **S. K. AGRAWAL & COMPANY**

Firm Registration No. 306033E

*Chartered Accountants*

**J. K. Roychowdhury**

*Partner*

Membership No. 09271

Place : Kolkata

Date : 12th August, 2011

For and on behalf of the Board

**Abhijit Datta**

*Chairman*

**Rajesh Bagaria**

*Director*

**Raj K Sureka**

*Director*

**Girija Choudhary**  
*Chief Financial Officer*

**Abhijit Dan**  
*Company Secretary*

**EMAMI INFRASTRUCTURE LIMITED**

Registered Office : Emami Tower, 687, Anandapur E.M. Bypass, Kolkata - 700 107

**PROXY FORM**

Registered Folio No. .... DP ID No. .... Client ID No. ....  
I / We .....  
of .....  
..... being a member/members of Emami Infrastructure  
Limited, hereby appoint .....  
of .....  
or failing him .....  
of ..... as my/our proxy to attend and vote for me / us  
on my/our behalf at the 3rd Annual General Meeting of the Company to be held at the Registered Office of the Company on Saturday, the  
24th day of September, 2011, at 11.30 A.M. and at any adjournment thereof.

Signed this ..... day of ..... 2011

Signature.....  

Affix Revenue Stamp
---------------------------

.....

**Note :**

- 1. This proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

**EMAMI INFRASTRUCTURE LIMITED**

Registered Office : Emami Tower, 687, Anandapur E.M. Bypass, Kolkata - 700 107

**ATTENDANCE SLIP**

I certify that I am the registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the 3rd Annual General Meeting to be held at the Registered Office of the Company on Saturday, the 24th day of September, 2011, at 11.30 A.M.

Name of the Attending Member .....  
(In Block Letters)

Name of Proxy .....  
(In Block letters to be filled in if the Proxy attends instead of the member)

Member's Folio / DP ID & Client ID Number .....

No. of Equity Shares held .....

.....  
Member's / Proxy's Signature

**Note :**

- 1. Shareholder / Proxy holder wishing to attend the meeting must bring the Attendance Slip and hand over at the entrance duly signed.
- 2. Shareholder / Proxy holder desiring to attend the meeting should bring his / her copy of the Notice for reference at the meeting.



## BOOK-POST

*If undelivered please return to :*

**emami\* infrastructure limited**

‘Emami Tower’

687, Anandapur, E. M. Bypass

Kolkata - 700 107, India