



# **AGRE DEVELOPERS LIMITED**

(formerly known as Future Mall Management Limited)

**Annual Report 2010-11**



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## COMPANY INFORMATION

### BOARD OF DIRECTORS

Anil Baijal (Chairman)  
Sumit Dabriwala (Managing Director)  
Purushottam Lal Agarwal  
Rahul Saraf  
Krishna Kant Rath  
Rajesh Kalyani

### CHIEF FINANCIAL OFFICER

Naina Hegde

### COMPANY SECRETARY

Anil Cherian

### AUDITORS

NGS & Co.; Chartered Accountants

### BANKERS

HDFC Bank  
Corporation Bank

### REGISTERED OFFICE

Knowledge House, Shyam Nagar,  
Off. Jogeshwari – Vikhroli Link Road,  
Jogeshwari (E) Mumbai – 400060

### REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt Ltd  
C-13 Pannalal Silk Mills Compound  
L B S Marg Bhandup (W)  
Mumbai 400 078  
Tel. No.: 022-25963838  
Fax No.: 022-25946969

### WEBSITE

[www.agredevelopers.in](http://www.agredevelopers.in)

## Message from the Managing Director

**“To be a dominant player in the businesses of Retail Infrastructure, Infra Logistics and Wholesale Markets and to offer differentiated solutions in our chosen businesses.” - Agre’s Vision -**

Dear Shareholders,

As you are aware, pursuant to the judgment of Hon’ble High Court of Bombay on 24th August 2010, the real estate interests of Pantaloon Retail (India) Ltd (PRIL) were demerged into Agre Developers Ltd. (formerly known as Future Mall Management Ltd) and consequently, the shareholders of Pantaloon Retail (India) Ltd became the shareholders of the Company. It gives me immense pleasure to welcome you all to this new entity and to assure you that we would do our utmost to live up to your expectations

### **Business & Commitment**

The better part of the year gone by was spent in putting together the building blocks necessary to take your Company confidently into the future – a vision and a business plan, a team of professionals to execute this vision and a corporate governance framework to provide the oversight critical to sustainability in the long term.

We have fashioned a vision that will allow us to leverage our proximity to the Future Group and the intellectual capital that is represented by the teams that have been built within PRIL over the years and have now been inherited by us. To this end, we have decided to concentrate our energies in the following spaces:-

Infra Logistics – demand for logistics is exploding in the country. Already, the physical infrastructure to serve this space is woefully in short supply and hopelessly outdated in design and technology. As consumption grows (the total retail sales is expected to grow from USD395.96 billion To USD 785.12 billion between now and 2015), the need for world class infrastructure to serve the logistics industry will only continue to grow. While new channels to serve this ballooning consumption story in India like online retail will not require the front end of stores across the country, they will continue to depend on, and therefore contribute to the demand for world class infra logistics. Your Company has concluded an equal joint venture with Infrastructure Leasing and Financial Services Ltd. (ILFS) to create infra logistics parks across the country. This joint venture will initially focus on the FMCG/general merchandise segment but will aggressively evaluate opportunities in the food and the commodities spaces as well. ILFS brings huge capabilities to the joint venture across the spectrum of the capabilities required to make a resounding success of this business and we keenly look forward to the contribution this business will make to Agre in the years to come.

As organized retail continues to grow in the country, more and more retail infrastructure (read malls and shopping centres) will need to come up. Unfortunately, the real estate development fraternity has decided that the development of retail infrastructure is a fairly specialized business. It is investment intensive – one only begins to generate revenues once the mall/shopping centre is leased out and operational. It is transaction intensive – each transaction is atypical, unlike in say, residential where it follows standard commercial and documentation templates. It is also management intensive – one needs to micro manage the tenant relationships as well as the mall/shopping centre on a continuous basis. And even if one does everything right, one most likely makes less money per sqft than in any other class of real estate. There is, therefore, not much of a line of sight on retail infrastructure in the country for next 3/5 years from now. This presents us with an interesting opportunity. Given that we are a part of the Future Group, we are well positioned to go to these developers and to lease out entire malls from them. We then get to control the entire activity cycle of the property, right from concept design to detailed design management, tenant mix, construction management, branding, leasing, fit out management and mall management. It is our vision to become the largest “owners” of retail infrastructure in the near term. We already operate close to 1 million sqft of space across the country and have transactions for another million sqft signed on. The pipeline is growing steadily as well. We already have a competent team that has moved from PRIL to us as a part of the demerger process and we are strategically adding the capabilities necessary to drive this vertical aggressively forward.

Organized retail will, however, continue to be only a small part of the overall consumption in the country. Traditional channels of retail continue to thrive and grow as well. These small retailers depend on an entire eco system of importers and disaggregators for the sourcing of their merchandise. And this entire eco system sits in "wholesale markets" that are typically located in the more traditional parts of our cities. These locations are marked by the absence of infrastructure, are frightfully expensive and have no opportunity to expand at their existing locations. Agre will develop new wholesale markets in the prime cities of India. There are successful models of such new markets in Yiwu in China and in Dubai. The markets that Agre plans to create will be anchored by the Future Group. Our first market is already under development in Bangalore on the Old Madras Road.

The Board of Directors of your Company at their meeting held on 26th May 2011 approved the merger of Future Realtors (India) Private Limited (FRIPL), Prudent Vintrade Private Limited (Prudent) and AIGL Holding and Investments Private Limited (AIGL) into itself. FRIPL through its subsidiaries owns a number of pre-leased retail assets across the country and these stable annuities will contribute significantly to the strength of the balance sheet of your Company. Prudent and AIGL collectively own approximately 23% of the beneficial interest in the prestigious Calcutta Riverside Project at Batanagar in Kolkata which is a 262 acre integrated riverfront township well on its way to development. This project will contribute significant returns to your Company in the years to come.

All of these very exciting opportunities will be supported by our extremely significant multi locational project management capabilities.

I look forward to your support in working towards our Vision.

With best wishes

Sumit Dabriwala

# Directors' Report

## DIRECTORS' REPORT

To,

The Members of

Agre Developers Limited

Your Directors are pleased to present the Third Annual Report together with the Audited statements of accounts for the financial year ended 31<sup>st</sup> March 2011.

### Financial Highlights:

(Amount in ₹)

Particulars	Consolidated	Standalone
	Current Year Ended 31.03.2011	Current Year Ended 31.03.2011
Income from Operations	1,04,13,73,576	24,34,49,175
Other Income	1,11,51,370	44,88,681
<b>Total Income</b>	<b>1,05,25,24,946</b>	<b>24,79,37,856</b>
Purchase	4,58,24,882	Nil
Personnel Cost	11,92,82,634	11,34,92,997
Operating and other expenses	74,63,75,162	12,59,13,244
<b>Total Expenditure</b>	<b>91,14,82,678</b>	<b>23,94,06,241</b>
Profit before Interest, Depreciation and Tax	14,10,42,268	85,31,615
Less: Interest	45,07,697	51,767
Less: Depreciation	10,30,25,966	21,25,373
Profit before Taxation	3,35,08,606	63,54,475
Less: Provision for taxation	82,63,995	25,01,000
Less: Deferred Tax	2,11,81,559	3,65,164
Profit after Taxation	40,63,052	34,88,311
Less : Prior Period Items	Nil	Nil
<b>Profit After Tax</b>	<b>40,63,052</b>	<b>34,88,311</b>

The Company did not have any business operations immediately before the appointed date i.e 1<sup>st</sup> April 2010 under the scheme of Arrangement and hence previous year figures are not provided.

### Scheme of arrangement (Demerger) :

Pursuant to a Scheme of Arrangement (Scheme) under Sections 391 to 394 read with Sections 78 and 100 to 103 of the Companies Act, 1956 between Pantaloon Retail (India) Ltd (PRIL), the Company and Agre Properties and Services Limited (Formerly known as Future Merchandising Limited) and their respective shareholders and creditors, mall management undertaking and project management undertaking of Pantaloon Retail (India) Limited were demerged into the Company and the mall asset management and food services business undertakings were demerged into Agre Properties and Services Limited.

The said scheme has been approved by the Hon'ble High Court of Judicature at Bombay on 24th August 2010 and filed certified copy of the Order with Registrar of Companies on 28th August 2010, being the effective date. The entire assets and liabilities of mall management undertaking and project management undertaking of Pantaloon Retail (India) Limited were transferred effective from 1st April 2010.

In terms of the Scheme 111,70,966 equity shares of ₹ 10/-each were allotted to the eligible shareholders of PRIL on 23rd September 2010 and the same were listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited on 31st December 2010.

Your Company through a Special Resolution passed on 9<sup>th</sup> June 2010, approved reduction capital, and such reduction was confirmed by an order dated 22<sup>nd</sup> October 2010 by the Hon'ble High Court of Bombay on petition number 511 of 2010. Pursuant to the said order 50,000 fully paid equity shares of ₹ 10/- each of the Company aggregating to ₹ 5,00,000/- held by erstwhile holding Company viz. PRIL, prior to the Scheme is reduced / cancelled.



**Scheme of Amalgamation:**

With a view to strengthen the asset base and financials of the Company and presence in retail infrastructure and real estate development, the Board at its meeting held on 26<sup>th</sup> May 2011 considered and approved a Scheme of Arrangement with Future Realtors (India) Private Limited ("FRIPL"), Prudent Vintrade Private Limited ("Prudent") and AIGL Holding & Investments Pvt. Ltd ("AIGL") and their respective shareholders and creditors (Scheme), and further subject to approval of High Court and such other regulatory approvals as may be necessary, to amalgamate FRIPL, Prudent and AIGL with the company.

FRIPL through its subsidiaries and associate companies is engaged in the business of development and leasing of retail real estate properties and development of integrated townships in India. Currently FRIPL has ready leased and under development retail assets of 0.8 mn sq ft and 0.3 mn sq ft leasable area respectively.

Prudent and AIGL through their associate companies hold 23% of the equity share capital of Riverbank Developers Private Limited, a special purpose vehicle that is developing an integrated township called Calcutta Riverside at Batanagar in Kolkata. This township is spread over an area of 262 acres and has been promoted by the Hiland and Belani Groups in joint venture along with Kolkata Metropolitan Development Authority.

Based on the valuation reports, the Board considered and proposed the exchange ratio under the Scheme and accordingly shareholders of FRIPL, AIGL and Prudent will receive 0.9499, 22.8112 and 804.3096 equity shares of ₹ 10 each respectively in Company for every equity share of ₹ 10 each held in FRIPL, AIGL and Prudent respectively. The scheme of amalgamation will be subject to approval from the Hon'ble High Court of Bombay and other regulatory authorities as may be applicable.

**Dividend:**

With a view to conserve the resources and to meet the fund requirements for your Company's growth plans, your Directors do not recommend any payment of Dividend for the year ended 2010-2011.

**Subsidiaries:**

Your Company has the following Subsidiaries as on 31<sup>st</sup> March 2011:

Sno.	Name of the Subsidiary	% of Holding
1	Agre Properties & Services Limited	100%
2	Precision Realty Developers Private Limited	100%

The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February 2011 and 21st February 2011 respectively has issued directions under Section 212(8) of the Companies Act, 1956 granting general exemption from applicability of the provisions of Section 212 of Companies Act, 1956 in relation to the subsidiary Companies, subject to fulfillment of the conditions specified in the said circular.

Your Company has availed the benefit of general exemption provided by the aforesaid circular and accordingly, the documents mentioned in Section 212(1)(a) to (d) of the Companies Act, 1956 relating to Company's subsidiaries are not attached to the Balance Sheet of your Company. Also, in terms of the said circular, your Directors shall fulfill the prescribed conditions, make the requisite disclosures and further undertake that the annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the Company and its subsidiary companies seeking such information at any point of time. Further, the annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders at the registered office of the Company and of the respective subsidiary company concerned. The statement as required under clause (iv) of the aforesaid circular is also attached to the financial statements.

**Share Capital:**

During the year under review, your Company increased its authorized share capital from the existing ₹ 5,00,000/- divided into 50000 equity shares of ₹ 10/- each to ₹ 20,00,00,000/- divided into 2,00,00,000 Equity Shares of ₹10/- each by creation of fresh 1,99,50,000 equity shares of ₹ 10/- each.

In terms of the Scheme 111,70,966 equity shares of ₹ 10/-each allotted to the eligible shareholders of Pantaloon Retail (India) Limited on 23<sup>rd</sup> September 2010 and the same were listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited on 31<sup>st</sup> December 2010.

570 Equity shares of the Company are kept in abeyance and the said shares will be allotted subsequent to completion of legal formalities to allot the original shares in Pantaloon Retail (India) Limited which are currently held in abeyance.

**Change of name:**

The Company was incorporated on March 10, 2008 under the Companies Act, 1956 in the State of Maharashtra as a public limited company and a special resolution has been passed by the shareholders at an Extra Ordinary General Meeting held on September 20, 2010 to change the name of the Company to "Agre Developers Limited". The Company obtained new Certificate of Incorporation with new name on October 4, 2010.

**Change in the Objects Clause of the Company:**

The Company has obtained the approval of members through Postal Ballot to, inter alia, amend the main object clause of the Company to undertake construction and development business. The postal ballot notice was dispatched to all the shareholders on November 25, 2010 and the results of the Postal Ballot were announced on December 30, 2010.

**Consolidated Financial Statements:**

In Compliance with the Accounting Standard 21 and the Listing Agreement entered into with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited, this Annual Report includes the consolidated financial statements of the company for the financial year 2010-11.

**Cash Flow Statement:**

In Conformity with the provisions of clause 32 of the Listing Agreement with the Stock exchanges, the Cash Flow Statement for the year ended 31<sup>st</sup> March, 2011 has been provided in the Annual Report and which forms part of this report.

**Fixed Deposits:**

The Company has not accepted any deposits, within the meaning of Section 58-A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 made there under.

**Directors:**

On 23<sup>rd</sup> September, 2010, the Board was reconstituted prior to listing with Stock Exchange in conformity with Clause 49 of the Listing Agreement. Mr. Anil Bajjal, Mr. P.L Agarwal and Mr. Rahul Saraf, Independent Directors, Mr. K.K Rath, and Mr. Rajesh Kalyani Non Executive Directors were inducted in the Board. Further, Mr. Anil Bajjal, Independent Director, was appointed as the Non Executive Chairman of the Board of Directors of your Company. The Board also constituted various committees in compliance with Clause 49 of the listing agreement.

Mr. Sumit Dabhiwala, has been appointed as Managing Director of the Company for a period of 3 years with effect from 21<sup>st</sup> September 2010. The terms and conditions of his appointment including payment of Managerial Remuneration has been approved by the Shareholders by way of special resolution through postal ballot and the results of the Postal Ballot was declared on 30<sup>th</sup> December 2010.

The Company made an application under Section 269 and other applicable provisions of the Companies Act, 1956, to the Ministry of Corporate Affairs in connection with payment of managerial remuneration to its Managing Director as per the limits approved by the shareholders through a Postal Ballot on 30<sup>th</sup> December 2010. The Ministry vide its order dated 18<sup>th</sup> April 2011 approved the appointment of Mr. Sumit Dabhiwala as Managing Director of the Company with effect from September 21, 2010 at an annual remuneration lower than the amount approved by the shareholders. The Company filed an appeal against the said Order of the Central Government on 9<sup>th</sup> May 2011 and the same is under the consideration of the Ministry of Corporate Affairs, Government of India.

Mr. Anil Bajjal, Mr. P.L Agarwal, Mr. Rahul Saraf, Mr. Rajesh Kalyani and Mr. K.K Rath, who were appointed as Additional Directors on the Board of your Company w.e.f 23<sup>rd</sup> September 2010. Notices have been received from members pursuant to Section 257 of the Companies Act, 1956 together with necessary deposits proposing the appointments of Mr. Anil Bajjal, Mr. P.L Agarwal, Mr. Rahul Saraf, Mr. K.K Rath, and Mr. Rajesh Kalyani as Directors, liable to retire by rotation, on the Board of the Company.

As required under clause 49(IV)(G) of the Listing Agreement, the requisite information of Mr. Anil Bajjal, Mr. P.L Agarwal, Mr. Rahul Saraf, Mr. K.K Rath, and Mr. Rajesh Kalyani inter alia, in the nature of brief resume, nature of expertise, companies in which they hold directorship / memberships of Board Committees is annexed to the Notice of Annual General Meeting. The Board recommends their appointments.

Mr. Sanjay Rath, Mr. Deepak Tanna, and Mr. Harsha Saxena, Nominee Directors of erstwhile holding company Pantaloon Retail (India) Limited, resigned as the Directors of the Company with effect from 24<sup>th</sup> September 2010. The Board places on record its appreciation for the valuable contribution made by them during their tenure as Directors of the Company.

### Group:

Pursuant to intimation received from the Promoter(s) and in accordance with regulation 3(1)(e) of the securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 1997 ("SEBI Regulation") regarding identification of persons constituting "Group" (within the meaning as defined in the Monopolies and Restrictive trade Practices Act, 1969) are disclosed in this Annual Report as separate disclosure.

### Director's Responsibility Statement:

As required under section 217(2AA) of the Companies Act, 1956, it is hereby confirmed that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from same;
2. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March, 2011 and of the profit of the Company for that period;
3. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. the directors have prepared the annual accounts on a going concern basis.

### Corporate Governance:

Report on Corporate Governance of the Company and Management Discussion and Analysis Report for the year under review, as per the requirements of Clause 49 of the Listing Agreement(s), have been given under a separate section and forms part of this Annual Report.

### Listing:

The equity shares of the Company are listed on the Bombay Stock Exchange Limited, Mumbai (BSE) and The National Stock Exchange of India Ltd. (NSE) and the listing fee for the year 2011-12 has been paid.

The Company has entered into necessary agreements with the Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for availing the Depository services.

### Auditors:

M/s NGS & Co., Chartered Accountants, Mumbai, Auditors of the Company, bearing ICAI Registration Number 119850W retire at the ensuing Annual General Meeting and are eligible for re-appointment.

As required under the provisions of section 224(1B) of the Companies Act, 1956, the Company obtained a written certificate from the Auditors to the effect that their appointment, if made, would be in conformity with the limits specified in the said section. The Board recommends their re-appointment.

### Particulars of Employees under Section 217(2A):

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report.

However, having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

Information in accordance with the provisions of Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure forming part of this report.

### Acknowledgement:

Your Directors would like to acknowledge and place on record their sincere appreciation to all stakeholders, Financial Institutions, Banks, Central and State Governments, the Company's valued investors and all other business partners for their continued co-operation and excellent support received during the year.

Your Directors recognize and appreciate the efforts and hard work of all the employees of the Company and their continued contribution to its progress.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 26<sup>th</sup> May 2011

**Anil Baijal**  
Chairman

**Sumit Dabriwala**  
Managing Director

## ANNEXURE TO THE DIRECTORS' REPORT

Particulars Required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

### A. CONSERVATION OF ENERGY

- a) Energy Conservation Measures Taken
- b) Additional investments and Proposals, if any, being implemented for reduction of consumption of energy and
- c) Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

**Disclosure for (a) to (c):** The operations of the Company do not involve high energy consumption. However the Company has been laying great emphasis on the Conservation of Energy and has taken several measures including regular monitoring of consumption, implementation of viable energy saving proposals, improved maintenance of systems etc.

- d) Particulars of Energy consumption etc in respect of specified industries.

The disclosure on particulars regarding consumption of energy etc are not applicable to the Company since industry to which the Company belongs is not covered under the schedule prescribed by the said Rules.

### B. TECHNOLOGY ABSORPTION

The particulars regarding absorption of technology is given below of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

#### Research and Development (R & D):

Specific areas in which R&D is carried out by the Company:	Designing of Shopping malls and mixed use projects as per the best industry standards are the areas in which general research and development work is carried out by the Company.
Benefits derived as a result of the above R & D	
Future Plan of Action	
<b>Expenditure on R &amp; D</b>	Included in the project cost.
a. Capital	
b. Recurring	
c. Total	
d. Total R & D expenditure as a percentage of total turnover	

#### Technology absorption, adaptation and innovation:

Efforts in brief, made towards technology absorption, adaptation and innovation	Nil
Benefit derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.	Nil
In case of Imported Technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	Nil
a) Technology Imported	
b) Year of Import	
c) Has technology been fully absorbed	
d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action	

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	Current Year (₹)	Previous Year (₹)
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	81,859	Nil

## Group

Persons constituting “Group” coming within the definition of “Group” for the purpose of regulation 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 includes the following :

### Promoter Group

Natural persons who are a part of the Promoter Group

1. Kishore Biyani
2. Ashni Biyani
3. Laxminarayan Biyani
4. Vijay Biyani
5. Anil Biyani
6. Rakesh Biyani
7. Sunil Biyani
8. Gopikishan Biyani
9. Vivek Biyani

### Corporate entities forming a part of the Promoter Group

Companies

- |   |   |
|---|---|
| 1. Akar Estate Finance Private Limited        | 23. Rural Fairprice Wholesale Limited           |
| 2. Anveshak Trade Enterprises LLP             | 24. Saachi Multitrading Private Limited         |
| 3. Bansi Mall Management Company Pvt. Ltd.    | 25. Salarjung Multitrading Private Limited      |
| 4. Brahmabrata Trading Private Limited        | 26. Samreen Multitrading Private Limited        |
| 5. Eclipse Infrastructure Private Limited     | 27. Sanavi Multitrading Private Limited         |
| 6. ESES Commercials Private Limited           | 28. Simpleton Investrade Private Limited        |
| 7. Future Capital Investment Private Limited  | 29. Shrishti Mall Management Company Pvt. Ltd.  |
| 8. Future Corporate Resources Limited         | 30. Silver Base Infrastructure Private Limited  |
| 9. Future Ideas Company Limited               | 31. Softtouch Multitrading Private Limited      |
| 10. Future Knowledge Services Limited         | 32. Surplus Finvest Private Limited             |
| 11. Gargi Developers Private Limited          | 33. Tanushri Infrastructure Private Limited     |
| 12. Kavi Sales Agency Private Limited         | 34. Taraka Infrastructure Private Limited       |
| 13. L10n Infopreneur Private Limited          | 35. Ucchal Infrastructure Private Limited       |
| 14. Lalit Corporate Advisory Private Limited  | 36. U-Phase Infraprojects Private Limited       |
| 15. Liquid Foot Infraprojects Private Limited | 37. Utsav Mall Management Company Pvt. Ltd.     |
| 16. Manz Retail Private Limited               | 38. White Circle Mercantile Private Limited     |
| 17. Oviya Multitrading Private Limited        | 39. White Knight Mercantile Private Limited     |
| 18. Pantaloon Retail (India) Limited          | 40. Winner Sports Limited                       |
| 19. PIL Industries Limited                    | 41. Future Learning and Development Limited     |
| 20. Raaka Multitrading Private Limited        | 42. Future Entertainment Private Limited        |
| 21. Radha Multitrading Private Limited        | 43. Central Departmental Stores Private Limited |
| 22. Raja Infrastructure Private Limited       | 44. Future Ideas Realtors India Limited         |



## MANAGEMENT DISCUSSION AND ANALYSIS

### Economy

India is today rated as one of the most attractive investment destinations across the globe. The UNCTAD World Investment Report (WIR) 2010, in its analysis of the global trends and sustained growth of Foreign Direct Investment (FDI) inflows, has reported India to be the second most attractive location for FDI for 2010-2012. The overall growth of Gross Domestic Product (GDP), as per Advance Estimate is estimated at 8.6 per cent in 2010-11 representing an increase from the revised growth of 8.0 per cent during 2009-10, according to the Advance Estimate (AE) of Central Statistics Office (CSO).

According to a report 'Emerging trends in Real Estate in Asia Pacific 2011', released by PricewaterhouseCoopers (PwC) and Urban Land Institute (ULI), India is the most viable investment destination in real estate.

According to the data released by the Department of Industrial Policy and Promotion (DIPP), housing and real estate sector attracted a cumulative foreign direct investment (FDI) worth US\$ 9,405 million from April 2000 to January 2011 of which US\$ 1,048 million reported during April-January 2010-11. The long terms perspective of the Indian Economy remains robust driven by strong fundamentals.

### Industry

The real estate sector in India comprises the development of residential housing, commercial buildings for hospitality industry, retail shopping centres and infrastructure projects. The real estate and construction sector plays an important role in the overall development of India's core infrastructure.

Considering a rapid urbanization, India is witnessing an unprecedented metamorphosis in construction through expansion of infrastructure, residential and other real estate developments. According to a United Nations Report, India has the highest rate of change of the urban population among the BRIC nations and is expected to remain above 20% annually for the next three decades. At this rate, an estimated 854 million people will live in Indian cities by 2050.

The focus on quality infrastructure is vital for a rapidly growing Indian economy and this provides a huge opportunity to all players in the industry.

### Business outlook, opportunities and risk

#### Outlook & Opportunity

The businesses that sit in Company are the result of a demerger of Pantaloon Retail India Limited – the flagship of the Future Group. The project management vertical, represented by a team of professionals spread across the country, gives the Company absolutely invaluable intellectual and human resource capital to execute projects across the length and breadth of the country.

The mall management vertical with its team of 74 professionals spread across six locations across the country coupled with the innate understanding of the retail industry that Agre imbibes from the Future Group, position it extremely well to become a dominant player in the management of retail infrastructure.

Agre intends to leverage these strengths and its 'proximity' to the Future Group as it charts its independent growth path rather than becoming another "run of the mill" real estate developer.

Agre will therefore address itself to the following opportunities in the coming months and years:-

#### Infra Logistics

The Indian logistics space is extremely fragmented – only 6% of the industry is "organized" (as opposed to 57% in USA and 80% in Japan)\*. The physical infrastructure to serve the industry is of poor quality and nowhere near the size that is sought by the operators in this space. The advent of the goods and services tax (GST) will drive further consolidation in the industry, driving demand for large, high quality infrastructure dramatically. The Future Group, through Future Supply Chains Limited, is already a serious player in the logistics space.

Leveraging this presence, backed with the understanding that Agre has of the 'business' of land aggregation and project management, we aspire to be one of the larger developers of physical infrastructure for logistics in India. We will focus primarily on six locations – NCR, Mumbai, Kolkata, Bengaluru, Chennai and Nagpur. The industry is driving towards each centre being between one and two million square feet in size and we shall emulate this trend.

\*source – India Logistics Skill Gaps Report, KPMG



### Wholesale Markets

Just as the advent of organized retail in India transformed the landscape for shoppers and retailers across the country a few years back, we believe we are at the cusp of a transformation in the wholesale sector. Independent India has not built new wholesale markets – they continue to operate in the same manner and context even as the rest of the city around these markets undergoes dramatic transformation. If this was not pressure enough, there is the generational change in the profile of both the 'seller' and the 'buyer' in these markets and then the kind of merchandise that is traded here – now substantially imported.

Agre will develop wholesale markets in the prime cities of India and offer these traditional markets the opportunity to "expand". We do not for one moment believe the traditional markets can be replaced. We are, however, convinced they are crying out to expand and modernize. These markets, while quintessentially Indian in texture will be inspired by similar formats in Yiwu in China and Dubai.

### Retail Infrastructure

Malls in India have gone from being the most attractive and glamorous vertical in the real estate space a few years back to perhaps the most challenging today. Developers today recognize that mall development is a disproportionately invested business and perpetually management intensive, unlike residential and even commercial real estate which are substantially "build and sell" models. Malls quickly begin to see value erosions unless they are planned right, have a robust and contextual tenant mix and are managed effectively on an ongoing basis. All this said, as consumption (and organized retail as a proportion thereof) grows in this country, more and more malls will be necessary.

Agre already operates 0.88 Million sqft of retail infrastructure and has a line of sight on a further 5 Million sqft. Most of these properties are positioned in the mid end of the retail spectrum. We aspire to be the largest operators of mid end retail infrastructure by far in the coming years.

All this will be underpinned by the substantial project management capabilities that already sit in the company. And when any of the above development opportunities offer the potential of residential development, Agre will happily engage.

### Risk

**Business Risk:** The business of construction and development is heavily dependent on the performance of the real estate market in India and could be adversely affected if market conditions deteriorate. The real estate market is significantly affected by changes in government policies, economic conditions, demographic trends, employment and income levels and interest rates, among other factors. The development of real estate projects involves various risks including regulatory risks, financing risks and the risks that these projects may ultimately prove to be unprofitable.

**Economy Risk:** Economic and market conditions can adversely affect the performance of the Company. In particular, the decline in the performance of the global and Indian economies as a result of the economic downturn can reduce demand and occupancy levels in property markets. An increase in interest rates or an increase in the margin on which finance can be obtained may increase the Company and the Subsidiary's financing costs and such increase in interest rates may increase the cost of borrowing, which could have an adverse impact on the Company and the Subsidiary's business, financial condition and results of operations.

### Financial Performance

#### Total Income

The Company achieved total revenue of ₹ 24,79,37,856/- during the financial year ended 31<sup>st</sup> March 2011.

#### Operating Profit

During the year financial year ended 31<sup>st</sup> March 2011, the Company achieved operating profit of ₹ 85,31,615/-.

#### Profit after Tax

The Profit after tax for financial year ended 31<sup>st</sup> March 2011 was ₹ 34,88,311/-.

The Company doesn't have any business operations immediately before the appointed date i.e 1<sup>st</sup> April 2010 under the scheme of Arrangement and hence previous year figures are not comparable.



### **Risk, Internal Control System and Adequacy**

The Company has adequate internal control procedure commensurate with its size and nature of the business. The internal control system is supplemented by extensive internal audits, regular reviews by management and well-documented policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data. Moreover, the Company continuously upgrades these systems in line with best accounting practices. The Company has independent audit systems to monitor the entire operations and the Audit Committee of the Board reviews the findings and recommendations of the internal auditors.

### **Human Resources**

The Company regards its human resources as amongst its most valuable assets and proactively reviews policies and processes by creating a work environment that encourages initiative, provides challenges and opportunities and recognizes the performance and potentials of its employees. The industrial relations across different locations of the Company were cordial during the year. The Company has, over the last few months, built the team necessary to be able to build and execute the vision that has been articulated in the preceding paragraphs. The total number of employees of the Company as on 31<sup>st</sup> March 2011 stood at 265.

### **Cautionary Statement**

This report contains forward-looking statements based on certain assumptions and expectations of future events. Actual performance, results or achievements may differ from those expressed or implied in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.



## REPORT ON CORPORATE GOVERNANCE

The equity shares of the Company have been listed on the Bombay Stock Exchange of India Limited and National Stock Exchange of India Limited effective from 31<sup>st</sup> December 2010. As the listing agreement of the stock exchanges became applicable to the Company from that date, and hence, disclosures made hereunder pursuant to clause 49 of the listing agreement relate to the period from the date of listing and upto March 31, 2011 (referred herein as the "Reporting Period").

Certain additional details with respect to attendance of present directors of the Company in the meeting of Board / Committee(s) since the date of appointment, remuneration paid to Directors during the financial year, general meetings held and postal ballot process have been provided in this report for the information of members.

In accordance with Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) (Clause 49), the report containing the details of corporate governance systems and processes at Agre Developers Limited are as under:

### I. Corporate Governance Philosophy

The Company firmly believes that the governance process must aim at managing the affairs without undue restraints for efficient conduct of its business, so as to meet the aspirations of shareholders, employees, customers, vendors and society at large.

The cardinal principles such as independence, accountability, responsibility, transparency, fair and timely disclosure, credibility among others serve as the means of implementing the philosophy of Corporate Governance in both letter and spirit.

We believe that sound Corporate Governance is critical to enhance and retain investor trust. Accordingly, we always seek to ensure that we attain our performance with integrity and the Board exercises its fiduciary responsibilities in the widest sense of the term.

The Company recognizes that good Corporate Governance is a continuing exercise and reiterates its commitment to achieve highest standards of Corporate Governance in the overall interest of all the stakeholders.

### II. Board of Directors

#### A. Composition and category of Board

The Board of Directors of the Company consists of distinguished personalities with considerable professional expertise and experience in the fields of business & industry, finance, law and management. Your Company's policy is to maintain optimum combination of executive and non executive directors in compliance with the requirements of Clause 49 (I) (A) of the Listing Agreement. As on the date of this Report the strength of the Board of Directors is Six (6) out of which three are independent Directors. Composition of the Board and category of the Directors is as below. The Chairman of your Company is Non Executive, Independent Director.

Sno.	Name of the Director	Category
1	Mr. Anil Baijal	Independent Director and Chairman
2	Mr. P L Agarwal	Independent Director
3	Mr. Rahul Saraf	Independent Director
4	Mr. K K Rathi	Non Executive Director
5	Mr. Rajesh R. Kalyani	Non Executive Director
6	Mr. Sumit Dabriwala	Managing Director

#### B. Board Meetings

The Board of Directors met fifteen (15) times during the year ended 31<sup>st</sup> March 2011. The dates on which the Board Meetings were held during the reporting period are as follows:

- i) 9<sup>th</sup> February 2011
- ii) 23<sup>rd</sup> March 2011

The provisions relating to the time period between two Board meetings not to exceed 4 months have been complied with.

#### C. Directors' attendance record and Directorships held

As mandated by Clause 49, none of the Directors are members of more than ten Board-level committees nor are they Chairman of more than five such committees.

Name of Director	Position	Meetings held since the date of their appointment	Meetings attended	Whether attended last AGM	Number of Directorship of other public companies (excluding foreign Companies)	Committee Positions		Pecuniary or business relation with the Company
						Chairman	Member including Chairman	
Mr. Anil Baijal	Independent Director and Chairman	4	2	NA	5	2	4	None
Mr. P L Agarwal	Independent Director	4	2	NA	8	1	5	None
Mr. Rahul Saraf	Independent Director	4	1	NA	3	0	1	None
Mr. K K Rath	Non Executive Director	4	2	NA	9	1	6	None
Mr. Rajesh R. Kalyani	Non Executive Director	4	3	NA	7	1	3	None
Mr. Sumit Dabriwala	Managing Director	5	4	NA	5	Nil	Nil	None

**Notes:**

- o The Company was listed with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) on 31st December 2010.
- o Mr. Sumit Dabriwala was appointed as a Managing Director with effect from 21<sup>st</sup> September 2010.
- o Mr. Anil Baijal, Mr. P L Agarwal Mr. Rahul Saraf Mr. K K Rath, and Mr. Rajesh R. Kalyani, was appointed as Additional Directors with effect from 23<sup>rd</sup> September 2010.
- o Mr. Sanjay Rath, Mr. Deepak Tanna and Mr. Harsha Saxena were acting as Directors nominated by Pantaloon Retail India Limited, the erstwhile Holding Company, resigned from the Board with effect from 24<sup>th</sup> September 2010.
- o Excludes Directorships in Private Limited, Foreign Companies and Government Bodies.
- o In accordance with Clause 49, Membership / Chairmanship of only Audit Committees and Shareholder's / Investor's Grievance Committees of all Public Limited Companies have been considered.
- o The Directorship / Committee Membership is based on the latest disclosures received from Directors.
- o None of the Directors is a Member of the Board of more than 15 companies in terms of Section 275 of the Companies Act, 1956; Member of more than 10 committees and Chairman of more than 5 committees, across all the companies in which he is a director.

**Details of Directors seeking appointment at the forthcoming Annual General Meeting****i. Mr. Anil Baijal:**

Mr. Anil Baijal, IAS (Retd.), in his long career spanning over 37 years, has held several eminent positions including that of Union Home Secretary, Chairman and Managing Director of Indian Airlines, Additional Secretary, Ministry of Information & Broadcasting, Joint Secretary in the Ministry of Civil Aviation of Government of India and also as the Chief Executive of Prasar Bharti Corporation. Mr. Baijal joined the Indian Administrative Service in 1969 from the Union Territories Cadre and superannuated in October 2006 as Secretary of Ministry of Urban Development, Government of India. He piloted the flagship programme of the Jawaharlal Nehru Urban Renewal Mission for improving infrastructure and basic services in the urban areas of the country. Mr. Baijal serves as a Director of DLF Pramerica Life Insurance Company Ltd., IDFC PPP Trusteeship Company Ltd., and Apna Adhikar Legal Services Pvt Ltd. He serves as an Independent Director on the Boards of MMTC Ltd and ITC Limited.

**ii. Mr. P L Agarwal:**

Mr. P L Agarwal is a lawyer with an experience of over forty years dealing in commercial, corporate, real estate and intellectual property, banking and finance laws and has handled several assignments in these fields over the years. He has rich experience in mergers & acquisitions – due diligence, structuring, documentation involving listed companies, cross – border transactions, medium and small business etc. He is an advisor to a range of large Indian and multinational clients in various business sectors including infrastructure, power, telecom, automobile, engineering, steel, cement, banks, non banking financial institutions, agriculture and agri-products, software, information technology, retail, services etc. He is the Senior Partner in Khaitan & Co, Advocates & Solicitors and holding directorships in many reputed corporates.

**iii. Mr. Rahul Saraf:**

Mr. Rahul Saraf, the Managing Director of Forum Projects, has over 20 years of experience in the real estate industry. Rahul was instrumental in developing Forum, one of Kolkata's first shopping malls and won the prestigious "Brick and Mortar" Award for its quality construction, and was nominated for various retail awards. Rahul developed Forum Mart, one of country's first shopping mall in a tier three city. The India Today magazine acknowledged him as the "Mall Man of the East". Rahul Saraf was the Vice President of CREDAI Bengal the real estate developers' federation in West Bengal. He has been Chairman (Eastern Region) of the India Green Building Council. He is also one of the founding members of Shopping Centre Association of India (SCAI).

**iv. Mr. K K Rath:**

Mr. K K Rath, is a qualified Chartered Accountant and Company Secretary with approximately 24 years of professional experience. He has prior experience in corporate finance, strategic business planning and investment advisory, which was acquired in reputable organisations such as KEC International Limited, H&R Johnson (India) Limited, PRIL and Motilal Oswal Private Equity Advisors Private Limited. He has previously worked as Group CFO with PRIL where he was responsible for strategic planning, mergers and acquisitions, treasury management and corporate governance. K.K. Rath is also a director of various companies including Future Generali India Life Insurance Company Limited, Future Generali India Insurance Company Limited, and Future Capital Holdings Limited.

**v. Mr. Rajesh Kalyani:**

Mr. Rajesh Kalyani is a member of the Institute of Chartered Accountants of India with 21 years of experience. He is in employment at a senior position with one of the leading organised retailer and has wide experience in areas of business planning, project & working capital management, properties, commercial & taxation matters.

**As mandated under Clause 49, the Independent Directors on Agre's Board:**

- o don't have any material pecuniary relationships or transactions with the Company, its Promoters, Directors, Senior Management or its Holding Company, Subsidiaries and Associates which may affect independence as a Director.
- o are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- o have not been executive of the Company in the immediately preceding three financial years
- o are not partners or executives or were not partners or executives during the preceding three years of the:
  - (i) Statutory audit firm or the internal audit firm that is associated with the Company.
  - (ii) Legal firm (s) and consulting firm(s) that have a material association with the Company
- o are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the Director
- o are not substantial shareholders of the Company i.e. do not own two per cent or more of the block of voting shares
- o are not less than 21 years of age

**D. Code of Conduct**

The Company has laid down a Code of Conduct for all its Board Members and Senior Management Personnel for avoidance of conflicts of interest and ensuring the highest standard of honesty, dedication and professionalism in carrying out their functional responsibilities. The Company's Code of Conduct is in consonance with the requirements of Clause 49 of the Listing Agreement. The Code of Conduct is posted on the Company's website [www.agredevelopers.in](http://www.agredevelopers.in). The code has been circulated to all the members of the Board and senior management and the compliance of the same have been affirmed by them. There are no commercial or material financial transactions, with the senior management personnel, where there is a personnel interest that may have in a potential conflict with the interest of the Company at large.

**E. Remuneration paid to Director**

Details of the remuneration paid to the Directors for the financial year 2010-2011 are as below:

Name of Director	Sitting Fees Paid*	Salaries, allowances and perquisites+	Total
Anil Baijal	30000	Nil	30000
Sumit Dabirwala	Nil	7233417	7233417
Rajesh R. Kalyani	30000	Nil	30000

K K Rath	10000	Nil	10000
P L Agarwal	40000	Nil	40000
Rahul Saraf	20000	Nil	20000

Notes:

\* Sitting fees include payment to the Directors for attending meetings of Board and Audit Committee.

+ Perquisites include Company's contribution to provident fund and super annuation fund.

### III. Board Committees

AGRE has Five (5) Board-level Committees – Audit Committee, Remuneration Committee, Shareholders' / Investors' Grievance Committee, Share Transfer Committee and Committee of Directors. All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference of the Committees are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

#### (i) Audit Committee

The Company has constituted Audit Committee at the Board meeting held on 23<sup>rd</sup> September 2010. The composition, role and power of the Audit Committee meet the requirements of Clause 49 of the Listing Agreement as well as Section 292 A of the Companies Act, 1956. The Audit Committee comprises of Mr. Anil Bajjal, Mr. Rajesh Kalyani, Mr. P L Agarwal and Mr. Rahul Saraf.

The members of the Audit Committee are paid sitting fees of ₹ 10,000/- for every meeting of the Committee attended by them. Chairman of the Committee is Mr. P L Agarwal, an independent director of the Company.

The terms of reference of the Audit Committee is in conformity with those mentioned in Clause 49 of the Listing Agreement of the Stock Exchanges as well as Section 292A of the Companies Act, 1956.

The Audit Committee met twice (2) i.e on 10<sup>th</sup> November 2010 and 9<sup>th</sup> February 2011 during the financial year 2010-11. The minutes of the meetings of the Audit Committee are reviewed and noted by the Board. The composition of the Committee and the attendance at the meetings of the Committee are given below:

Name of Member	Category	Position	No. of Meetings held	No. of Meetings attended	Sitting Fees Paid
Mr. P L Agarwal	Independent Director	Chairman	2	2	20000
Mr. Anil Bajjal	Independent Director	Member	2	1	10000
Mr. Rajesh Kalyani	Non Executive Director	Member	2	1	10000
Mr. Rahul Saraf	Independent Director	Member	1	1	10000

Note:

Mr. Rahul Saraf was inducted as a member of the Audit Committee w.e.f 7<sup>th</sup> February 2011.

All Members of the Audit Committee have accounting, financial and management expertise.

#### (i) Powers of the Audit Committee

The Audit Committee of the Company supported by professional Internal Auditors, inter alia, provides reassurance to the Board on the effective internal control and compliance environment that ensures:

- o Efficiency and effectiveness of operations, both domestic and overseas;
- o Reliability of financial and management information and adequacy of disclosures;
- o Safeguarding of assets and adequacy of provisions of all liabilities; and
- o Compliance with all relevant statutes.

#### (ii) Terms of reference of the Audit Committee

The functions of the Audit Committee of the Company include the following:

- o Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- o Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- o Reviewing with the management, performance of the statutory and internal auditors and adequacy of the internal control system.
- o To ensure compliance of Internal Control Systems and action taken on Internal Audit reports.
- o To appraise the Board on the impact of accounting policies, auditing standards and legislation.

- o To hold periodic discussions with statutory auditors on the nature and scope of the audit.
- o To review the Company's financial and risk management policies.
- o To carry out any other function as mentioned in the terms of reference of the Audit Committee.

**(ii) Remuneration/Compensation Committee**

As mandated under Clause 49 of the Listing Agreement, the Company has a Remuneration Committee comprising three (3) Directors – Mr. Rahul Saraf – Chairman, Mr. Rajesh Kalyani and Mr. K K Rath. The composition of the Committee is given below:

Name of Member	Category
Mr. Rahul Saraf	Independent Director
Mr. K K Rath	Non Executive Director
Mr. Rajesh Kalyani	Non Executive Director

Note:

- o \*Mr. Rajesh Kalyani, Mr. K K Rath and Mr. Rahul Saraf were inducted as members of Remuneration Committee with effect from 23<sup>rd</sup> September 2010.
- o Mr. Sanjay Rath, Mr. Deepak Tanna and Mr. Harsha Saksena resigned as members of Remuneration Committee with effect from 24<sup>th</sup> September 2010

The Minutes of the Remuneration Committee Meetings are reviewed and noted by the Board. No sitting fee is paid to the members of the Remuneration Committee.

**Terms of Reference:**

- Reviewing the overall compensation policy, service agreements and other employment conditions of Managing Director and Senior Management.
- Reviewing the performance of the Managing Director and recommending to the Board, the quantum of annual increments and annual commission.

**(iii) Share Transfer Committee**

The Board has constituted a Share Transfer Committee on 10<sup>th</sup> November 2010 comprising Mr. Sumit Dabirwala, Mr. Rajesh Kalyani and Mr. K K Rath.

The committee is authorized to approve the Transfer/ Transmission of Shares, dematerialization and rematerialization of Shares, split, consolidation and issuance of duplicate shares and review from time to time. The committee oversees the performance of the Registrars and Share Transfer Agents i.e Link Intime India Private Limited. The committee met 6 times during the year ended 31st March, 2011.

The composition of the Share Transfer Committee is given below:

Name of Member	Category
Mr. Rajesh Kalyani	Non Executive Director
Mr. K K Rath	Non Executive Director
Mr. Sumit Dabirwala	Managing Director

No sitting fee is paid to the members of the Share Transfer Committee.

**(iv) Shareholders' / Investors' Grievance Committee**

The Shareholders' / Investors' Grievance Committee functions with the objective of looking into redressal of Shareholders' and Investors' grievances relating to non-receipt of dividend, refund orders, shares sent for registration of transfer, Annual Report etc. The Committee consists of the following Directors:

Name of Member	Category	No. of Meetings held	No. of Meetings attended
Mr. P. L Agarwal	Independent Director	1	0
Mr. Rajesh Kalyani	Non Executive Director	1	1
Mr. Sumit Dabirwala	Managing Director	1	1

There were no major complaints received from the Shareholders of the Company. The Complaints received were promptly replied by the Registrar and Share Transfer Agents of the Company. The Directors are not paid any sitting fees for attending the meeting of the aforesaid Committee.

Based on the report received from the Company's Registrars and Transfer Agent, during the year ended 31st March 2011, no letters/complaints were outstanding.

The Company Secretary of the Company has been nominated as the Compliance Officer of the Company.

#### (v) Committee of Directors

The Board has constituted a Committee of Directors on 23<sup>rd</sup> September 2010 comprising Mr. Sumit Dabriwala, Mr. Rajesh Kalyani and Mr. K K Rathi. The committee of Directors is authorized to take decisions which are required for the day to day operations of the Company.

The composition of the Committee of Directors and the attendance of the Members at the Meetings of the Committee are given below:

Name of Member	Category	No. of Meetings held	No. of Meetings attended
Mr. Sumit Dabriwala	Managing Director	3	2
Mr. Rajesh Kalyani	Non Executive Director	3	3
Mr. K K Rathi	Non Executive Director	3	1

The Minutes of the meetings of Committee of Directors are reviewed and noted by the Board. No sitting fee is paid to the members of the Committee of Directors.

#### IV. Subsidiary Monitoring Frame Work

The Company has two (2) subsidiary companies as on 31<sup>st</sup> March 2011. In compliance of the Clause 49 (III) (i) of the Listing Agreement, Mr. Rahul Saraf, Independent Director of the Company is also a Director on the Board of Directors of Agre Properties & Services Limited, which is a material non-listed Indian Subsidiary of the Company.

#### V. Code for Prevention of Insider Trading Practices

Pursuant to the Securities and Exchange Board of India, (Prohibition of Insider Trading) Regulations 1992, a comprehensive code for prevention of Insider Trading is in place. The objective of the Code is to prevent purchase and/or sale of shares of the Company by an insider on the basis of unpublished price sensitive information. Under this Code, Directors and designated employees are completely prohibited from dealing in the Company's shares during the closure of Trading Window. To deal in securities beyond specified limit, permission of Compliance Officer is mandated. All the designated employees are also required to disclose related information periodically as defined in the Code.

The Company Secretary of the Company has been nominated as the Compliance Officer of the Company.

#### VI. General Body Meeting

The Company convenes the Annual General Meeting (AGM) within the stipulated time period. The details of the AGM held since the date of incorporation i.e 10<sup>th</sup> March 2008 are given below:

##### a. Details of the AGM held since the date of incorporation

Financial Year	Day, Date & Time	Venue	Special Resolution Passed
10/03/2008 to 31/03/2009	Wednesday, 9 <sup>th</sup> September 2009 3.00 p.m	Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari East Mumbai – 400060	Nil
2009-2010	Saturday 18 <sup>th</sup> September 2010 3.00 p.m	Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari East Mumbai – 400060	Nil

##### b. Details of Special Resolutions passed at the Extraordinary General Meetings since the date of incorporation

Financial Year	Day, Date & Time	Venue	Special Resolution Passed
2010-2011	Wednesday, 9 <sup>th</sup> June 2010 3.00 p.m	Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari East Mumbai – 400060	To obtain the approval of the Shareholders for: <ul style="list-style-type: none"> <li>the Alteration of Articles of Association</li> <li>Cancellation of Paid Up Capital pursuant to the scheme of Arrangement between Pantaloon Retail (India) Limited, Future Mall Management Limited (Now Agre Developers Limited) and Future Merchandising Limited (now Agre Properties and Services Limited)</li> </ul>



2010-2011	Saturday, 28 <sup>th</sup> August 2010 11.30 a.m	Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari East Mumbai – 400060	To obtain the approval of the Shareholders for: <ul style="list-style-type: none"> <li>the Amendment of object clause.</li> <li>Increasing the Authorized Capital of the Company.</li> </ul>
2010-2011	Friday, 20 <sup>th</sup> September 2010, 4.30 p.m	Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari East Mumbai – 400060	To obtain the approval of the Shareholders for: <ul style="list-style-type: none"> <li>Change in name of the Company</li> <li>Adoption of new set of Articles of Association.</li> </ul>

**c. Postal Ballot**

During the year, a postal ballot was conducted pursuant to the provisions of Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2001, on the special resolutions as set out in the Notice dated 10<sup>th</sup> November 2010, seeking consent of the members for:

- Alteration of the Main Object Clause of the Company by inserting a new sub clause 2A after sub Clause 2 of Main Objects of the Company.
- Appointment of Mr. Sumit Dabriwala as Managing Director of the Company for a period of 3 years w.e.f 21<sup>st</sup> September 2010 and payment of managerial Remuneration.

**Voting process & pattern**

Mr. Sanjay Dholakia, Practicing Company Secretary was appointed as the Scrutinizer for conducting postal ballot process in a fair and transparent manner.

The last date for receipt of the postal ballot forms duly completed by the shareholders was Monday, December 27, 2010.

**For resolution No. 1: Special Resolution under Section 17 of the Companies Act, 1956.**

S.No	Particulars	No. of postal ballot forms	No. of shares	% of total number of shares received through Postal Ballot
a	Total postal ballot forms received	332	6,953,612	100.00
b	Less: Invalid postal ballot forms (as per register)	40	822	0.01
c	Net valid postal ballot forms (as per register)	292	6,952,790	99.99
d	Postal ballot forms with assent for (casted in favour)	278	6,952,213	99.98
e	Postal ballot forms with dissent for	14	577	0.01
f	Postal Ballot form in which votes not exercised	0	0	0.00

**For Resolution No. 2: Special Resolution under Section 198, 269, 309, 310 of the Companies Act, 1956 for appointment of Mr. Sumit Dabriwala as Managing Director.**

S.No	Particulars	No. of postal ballot forms	No. of shares	% of total number of shares received through Postal Ballot
a	Total postal ballot forms received	332	6,953,612	100.00
b	Less: Invalid postal ballot forms (as per register)	40	822	0.01
c	Net valid postal ballot forms (as per register)	292	6,952,790	99.99
d	Postal ballot forms with assent for (Casted in favour)	254	6,007,440	86.39
f	Postal ballot forms with dissent for	17	598	0.01
g	Postal Ballot form in which votes not exercised	21	944,752	13.59

The said resolution were passed by the requisite majority and the results of the postal ballot were declared on 30<sup>th</sup> December 2010

**VII. Additional Shareholders information**

- During the financial year 2010-11, there were no transactions of material nature with the directors or the management or their subsidiaries or relatives that had potential conflict with the interest of the Company.
- The Company has complied with the requirements of the Stock Exchanges/SEBI/and other Statutory Authorities on all matters related to capital markets during the last three years. No penalties or structure have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authorities.

**3. Listing and Custodial Charges:**

- At present, the Equity Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Annual Listing fees for the year 2010-11 have been paid to NSE and BSE.
- The Company has paid custodial fees for the year 2011-12 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on the basis of number of beneficial accounts maintained by them as on 31<sup>st</sup> March, 2011.

**4. Annual General Meeting**

AGM Date : 28th September 2011

Time & Venue : At 2.00 pm, Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai - 400018

**5. Financial Year** : 1st April to 31st March**6. Book Closure** : 21st September 2011 to 23rd September 2011. (both days inclusive)**7. Financial Calendar :**

First Quarterly Result : on or before 14<sup>th</sup> August

Second Quarterly Result : on or before 14<sup>th</sup> November

Third Quarterly Result : on or before 14<sup>th</sup> February

Audited Financial Results : on or before 30<sup>th</sup> May

**Stock Code**

Stock Code at BSE 533296

Stock Symbol at NSE AGRE

ISIN (Equity Shares) INE360L01017

**8. Stock Market Data**

High, lows and Volumes of AGRE from 31<sup>st</sup> December 2010 (date of Listing) to 31<sup>st</sup> March 2011 at BSE and NSE.

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (Number of Shares Traded)	High (₹)	Low (₹)	Volume (Number of Shares Traded)
December 2010	372.70	59.80	175,015	190	57.40	133,879
January 2011	114.90	45.65	823,616	109.35	43.40	1,897,612
February 2011	68.50	46.05	808,093	68.95	45.30	949,836
March 2011	50.60	42.00	586,835	50.70	42.50	1,134,057

**9. Distribution of Shareholding**

The distribution of the shareholding of the Equity Shares of the Company by size and by ownership class as on 31st March, 2011 is as below:

**i. Distribution of shareholding as on 31st March, 2011**

Distribution Range of Shares	No. of Shares	% of shares	No. of Shareholders	% of Shareholders
1 – 500	505,301	4.52	19,316	97.09
501 – 1000	167,388	1.50	211	1.06
1001 – 2000	207,858	1.86	138	0.69
2001 – 3000	134,895	1.21	52	0.26
3001 – 4000	111,499	0.99	31	0.15
4001 – 5000	104,655	0.94	22	0.11



5001 – 10000	337,909	3.03	47	0.23
Greater than 10000	9,601,461	85.95	76	0.38
<b>Total</b>	<b>11,170,966</b>	<b>100</b>	<b>19,893</b>	<b>100</b>

ii. **Shareholding pattern by ownership as on 31st March, 2011**

Categories	As on 31st March 2011	
	No. of Shares	Percentage
Promoters, Directors, Relatives and Associates	4,874,229	43.63
Foreign Institutional Investor/ Mutual Funds	1,217,187	10.9
Public Financial Institutions / State Financial Corporation / Insurance Companies	1,207,798	10.81
Mutual Funds (Indian) and UTI	108,623	0.97
Nationalized and other Banks	9,730	0.09
NRI / OCBs	11,856	0.11
Public	1,527,081	13.67
Others (CBP/CM)	2,214,462	19.82
<b>Total</b>	<b>11,170,966</b>	<b>100.00</b>

10. **Dematerialization of Shares:**

As on 31st March, 2011, 11,101,853 Equity Shares representing 99.38% of the total equity capital of the Company were held in dematerialized form. The bifurcation of shares held in Physical and Demat form as on 31st March, 2011, are given below:

Particulars	No. of Shares	Percentage
Physical Segment	69,113	0.62
Demat Segment		
NSDL	90,84,502	81.32
CSDL	20,17,351	18.06
<b>Total</b>	<b>1,11,70,966</b>	<b>100.00</b>

11. Physical Shares are transferred at the office of M/s Link Intime India Pvt Ltd., C/13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W) Mumbai-400078, the Registrar & Transfer Agent of the Company. Any query or complaint may be referred to the said address.

12. **Shares held in Abeyance and Fractional Shares**

570 Equity shares of the Company are kept in abeyance and the said shares will be allotted subsequent to completion of legal formalities to allot the original shares in PRIL which are currently held in abeyance.

Fractional shares entitlement were consolidated in the hands of a person nominated by Board of Directors and equity shares were issued and allotted to such person and the said shares to be sold by him at a suitable time. The sale proceeds of these shares will be proportionately distributed to shareholders who were entitled to such fractional shares.

13. **Means of Communication:**

a) Quarterly Results were published daily newspapers, viz., Free Press Journal and Navshakti.

The Company has its own web site and all vital information relating to the Company have been uploaded on the web site for the benefit of the public at large. Company's web site address is [www.agredevelopers.in](http://www.agredevelopers.in)

b) Management Discussion and Analysis forms part of the Annual Report.

14. **Share Transfer system:**

The Company's shares are traded in Stock Exchange compulsorily in demat mode. Shares in physical mode which are lodged for transfer are processed and returned to the shareholders within 15-20 days from the date of receipt.

**15. Address for correspondence:**

**i. Any Query on Annual Report:**

Mr. Anil Cherian  
Company Secretary & Compliance Officer,  
Knowledge House,  
Shyam Nagar, Jogeshwari – Vikhroli Link Road,  
Jogeshwari (E), Mumbai 400 060  
Phone: 022 66201473  
Fax: 022 66201462  
Email id for investors: [anil.cherian@futuregroup.in](mailto:anil.cherian@futuregroup.in)

**ii. Shareholders correspondence should be addressed to:**

M/s Link Intime India Pvt Ltd.  
C/13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup (W)  
Mumbai-400078  
Phone: 022-2596 3838  
Fax: 022-2594 6969

Shareholders holding shares in electronic mode should address their correspondence to their respective Depository Participants.

**16. Compliance on Clause 49 of the Listing Agreement**

In so far as compliance with the requirements of Clause 49 of the listing agreement with the stock exchanges for the year ended 31st March 2011, the Company has complied with the mandatory norms and disclosures that have to be made in Corporate Governance report. The Statutory Auditors have certified that the Company has complied with conditions of Corporate Governance as stipulated in Clause 49 and the certificate is annexed to this report.

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Members,

Agre Developers Limited

We have examined the compliance of conditions of Corporate Governance by Agre Developers Limited for the year ended on March 31, 2011, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination 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 of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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

For NGS & Co  
Chartered Accountants  
Firm Registration No. 119850W

**Navin T Gupta**  
Partner  
Membership No. 40334

Place: Mumbai  
Date: May 26, 2011



# Financial Statements and Notes

**AUDITORS' REPORT**

**The Members of**

**Agre Developers Limited**

**(Formerly known as Future Mall Management Limited)**

1. We have audited the attached Balance Sheet of Agre Developers Limited (Formerly Known as Future Mall Management Limited) as at March 31, 2011 and also the Profit and 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.
2. 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. An 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.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) , issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in Paragraph 3 above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and other notes to accounts thereon 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;
    - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
    - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For NGS & CO;  
Chartered Accountants  
Firm Registration No. 119850W

**Navin T. Gupta**  
Partner  
Membership No : 40334

Mumbai  
Date: May 26, 2011.

## ANNEXURE TO THE AUDITORS REPORT

### Re: Agre Developers Limited ('the Company')

With reference to the Annexure referred to in Paragraph 3 of the report of the Auditors to the members of the company for the year ended March 31, 2011, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has physically verified certain assets during the period in accordance with a program of verification, which in our opinion provides for physical verification of the fixed assets at reasonable intervals. Accordingly to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) There were no disposals of Fixed Assets during the year.
- ii. The Company did not have any inventory. Therefore, provisions of Clause (ii) of Paragraph 4 of the Companies (Auditors Report) Order 2003 (as amended) are not applicable to the company.
- iii. As informed, the Company has not granted or taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore provisions of clause (iii) of Paragraph 4 of the order are not applicable to the company.
- iv. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for purchase of fixed assets and for the sale of services. There were no transactions for purchase and sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. Further, we have not observed any continuing failure to correct major weakness in internal control system of the Company.
- v. In respect of particulars of contracts or arrangements and transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956.
  - a. To the best of our knowledge and belief and according to the information and explanations given to us, particulars of contracts or arrangements that needed to be entered into the register have been so entered.
  - b. None of the transaction made in pursuance of such contracts or arrangements exceed the value of Rupees five lakh in respect of any one such party in the financial year.
- vi. The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Therefore, the provisions of clause (vi) of Paragraph 4 of the Order are not applicable to the company.
- vii. In our opinion, the internal audit functions carried out during the year by firms of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- viii. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act, in respect of Company's products. Therefore the provision of clause (viii) of Paragraph 4 of the Order are not applicable to the Company.
- ix. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth-tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident funds, investor education and protection fund, employee's state insurance, income-tax, wealth tax, service tax, sales-tax, customs duty, excise duty, cess and undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable
- (c) According to the information and explanations given to us, there are no dues of income-tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.

- x. The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediate preceding financial year.
- xi. The Company has no dues payable to financial institutions, banks and debenture holders. Therefore the provision of clause (xi) of Paragraph 4 of the Order is not applicable to the Company.
- xii. According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of Paragraph 4 of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly provisions of clause (xiv) of the Order are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions. Therefore the provisions of clause (xv) of the Order are not applicable to the Company.
- xvi. The Company did not obtain any term loans during the year. Therefore the provisions of clause (xvi) of the Order are not applicable to the Company.
- xvii. According to information and explanations given to us and on overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. According to the information and explanations given to us, the Company has not made any preferential allotments of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956. Therefore the provisions of clause (xviii) of the Order are not applicable to the Company.
- xix. The Company did not issue or have any outstanding debentures during the year.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause (xx) of Order are not applicable to the Company.
- xxi. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For NGS & Co  
Chartered Accountants  
Firm Registration no. 119850W

**Navin T. Gupta**  
Partner  
Membership No. 40334

Place: Mumbai  
Dated: May 26, 2011



**BALANCE SHEET AS AT MARCH 31, 2011**

	<b>Schedule</b>	<b>As at March 31, 2011 (Amount in ₹)</b>	<b>As at March 31, 2010 (Amount in ₹)</b>
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	<b>1</b>	<b>111,709,660</b>	500,000
Reserves and Surplus	<b>2</b>	<b>2,527,556,516</b>	-
		<b>2,639,266,176</b>	500,000
<b>Loan Funds</b>			
Unsecured Loans	<b>3</b>	<b>18,035,950</b>	-
<b>Deferred Tax Liability</b>		<b>365,164</b>	-
<b>TOTAL</b>		<b>2,657,667,290</b>	<b>500,000</b>
<b>APPLICATION OF FUNDS :</b>			
<b>Fixed Assets</b>			
Gross Block	<b>4</b>	<b>41,622,425</b>	-
Less : Depreciation		<b>7,679,251</b>	-
Net Block		<b>33,943,174</b>	-
Capital work-in-progress		<b>21,427,693</b>	-
<b>Investments</b>	<b>5</b>	<b>2,548,025,005</b>	500,000
<b>Current Assets, Loans and Advances</b>			
Sundry Debtors	<b>6</b>	<b>101,232,375</b>	-
Cash and Bank Balances	<b>7</b>	<b>5,383,874</b>	460,981
Loans and Advances	<b>8</b>	<b>40,893,315</b>	-
		<b>147,509,564</b>	460,981
<b>Less : Current Liabilities and Provisions</b>			
Current Liabilities	<b>9</b>	<b>86,635,215</b>	539,898
Provisions	<b>10</b>	<b>6,602,931</b>	-
		<b>93,238,146</b>	539,898
<b>Net Current Assets</b>		<b>54,271,418</b>	(78,917)
Profit and Loss Account		-	78,917
<b>TOTAL</b>		<b>2,657,667,290</b>	<b>500,000</b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS</b>	<b>15</b>		
The Schedules referred to above form an integral part of the Balance Sheet			

As per our report of even date attached  
For NGS & CO.  
Chartered Accountants

**For and on behalf of the Board of Directors**

**Navin T Gupta**  
Partner  
**Membership No.40334**

**Anil Baijal**  
Chairman

**Sumit Dabriwala**  
Managing Director

Place : Mumbai  
Date : May 26, 2011

**Naina Hegde**  
Chief Financial Officer

**Anil Cherian**  
Company Secretary



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

	Schedule	2010-11 (Amount in ₹)	2009-10 (Amount in ₹)
<b>INCOME</b>			
Income from Operations		243,449,175	-
Other Income	11	4,488,681	-
		<u>247,937,856</u>	<u>-</u>
<b>EXPENDITURE</b>			
Personnel Cost	12	113,492,997	-
Operating and Other Expenses	13	125,913,244	20,245
Finance Charges	14	51,767	-
Depreciation	4	2,125,373	-
		<u>241,583,381</u>	<u>20,245</u>
<b>Profit / (Loss) Before Tax</b>		6,354,475	(20,245)
Less: Tax Expenses			
a) Current Tax		2,501,000	-
b) Deferred Tax		365,164	-
		<u>2,866,164</u>	<u>-</u>
<b>Profit / (Loss) After Tax</b>		3,488,311	(20,245)
Add : Balance brought forward		(78,917)	(58,672)
Balance carried to Balance Sheet		<u>3,409,394</u>	<u>(78,917)</u>
Earnings Per Share - Basic and Diluted		0.31	(0.40)
Face value ₹ 10/-			
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS</b>	15		
The Schedules referred to above form an intergral part of the Profit & Loss Account			

As per our report of even date attached  
For NGS & CO.  
Chartered Accountants

**For and on behalf of the Board of Directors**

**Navin T Gupta**  
Partner  
**Membership No.40334**

**Anil Bajjal**  
Chairman

**Sumit Dabriwala**  
Managing Director

Place : Mumbai  
Date : May 26, 2011

**Naina Hegde**  
Chief Financial Officer

**Anil Cherian**  
Company Secretary

## SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2011

	As at March 31, 2011 (Amount in ₹)	As at March 31, 2010 (Amount in ₹)
<b>SCHEDULE 1 : SHARE CAPITAL</b>		
<b>Authorised</b>		
20,000,000 (50,000) Equity Shares of ₹10/- each	<u>200,000,000</u>	<u>500,000</u>
<b>Issued</b>		
11,171,536 (50,000) Equity Share of ₹ 10/- each	<u>111,715,360</u>	<u>500,000</u>
<b>Paid up</b>		
11,170,966 (50,000) Equity Share of ₹ 10/- each fully paid up (11,170,966 Shares were allotted pursuant to the scheme of arrangement.) (See Note No. 2.2(ii) of Schedule 15)	<u>111,709,660</u>	<u>500,000</u>
	<u>111,709,660</u>	<u>500,000</u>
<b>SCHEDULE 2 : RESERVES AND SURPLUS</b>		
<b>Share Premium</b>		
As per scheme of arrangement (See Note No. 2.2(iii) of Schedule 15)	<u>2,544,917,719</u>	-
Less : Share Issue Expenses	<u>20,770,597</u>	-
	<u>2,524,147,122</u>	-
<b>Profit and Loss Account</b>	<u>3,409,394</u>	-
	<u>2,527,556,516</u>	-
<b>SCHEDULE 3: UNSECURED LOANS</b>		
Short Term Loans:		
Inter Corporate Deposits	<u>18,035,950</u>	-
	<u>18,035,950</u>	-

SCHEDULE 4: FIXED ASSETS

(Amount in ₹.)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2010	Addition as per scheme of arrangement*	Addition	As at 31.03.2011	As per scheme of arrangement*	Depreciation for the year	Up to 31.03.2011	As at 31.03.2011 As at 31.03.2010
Air Conditioner	-	1,586,953		1,586,953	262,902	75,277	338,179	1,248,775
Leasehold Improvement	-	14,532,632		14,532,632	1,373,720	367,473	1,741,193	12,791,438
Computers & Software	-	2,589,015	910,876	3,499,891	1,358,161	444,589	1,802,749	1,697,142
Electrical Installation	-	8,331,539		8,331,539	1,202,382	395,748	1,598,130	6,733,410
Furniture & Fittings	-	13,116,470		13,116,470	1,319,608	829,135	2,148,743	10,967,727
Office & Other Equipment	-	129,981	306,159	436,140	21,712	7,515	29,226	406,913
Plant & Machinery	-	118,800		118,800	15,396	5,635	21,031	97,769
<b>Total</b>	-	<b>40,405,390</b>	1,217,035	<b>41,622,425</b>	<b>5,553,879</b>	2,125,372	<b>7,679,251</b>	<b>33,943,174</b>
Previous Year	-	-			-			-

\*(See Note No. 2.2 (iii) of Schedule 15)

	As at March 31, 2011 (Amount in ₹)	As at March 31, 2010 (Amount in ₹)
<b>SCHEDULE 5 : INVESTMENTS</b>		
<b>LONG TERM INVESTMENT</b>		
<b>Non Trade</b>		
<b>In Equity Shares - Unquoted, Fully paid up of ₹10/- each</b>		
<b>Subsidiary Companies</b>		
50,000 Equity Shares of Agre Properties and Services Limited*	2,547,925,005	500,000
10,000 Equity Shares of Precision Reality Developers Private Limited	100,000	-
(*See Note No. 2.2(iii) of Schedule 15)	2,548,025,005	500,000
<b>Aggregate Book Value - Unquoted</b>	2,548,025,005	500,000
<b>SCHEDULE 6: SUNDRY DEBTORS</b>		
(Unsecured)		
(a) Debts due for more than six months		
Considered Good	34,794,164	-
Considered Doubtful	353,922	-
	35,148,086	-
Less: Provision for Doubtful Debts	353,922	-
	34,794,164	-
(b) Other Debts : Considered Good	66,438,211	-
	101,232,375	-
<b>SCHEDULE 7: CASH AND BANK BALANCES</b>		
Cash in Hand	84,450	-
Balance with Scheduled Banks in Current Accounts	5,299,425	460,981
	5,383,874	460,981
<b>SCHEDULE 8: LOANS AND ADVANCES</b>		
(Unsecured and Considered good)		
<b>Advances Recoverable in cash or in kind or for value to be received</b>		
Subsidiaries	5,677,014	-
Others	3,529,773	-
<b>Deposits</b>		
Subsidiaries	18,400,000	-
Others	3,786,930	-
<b>Other Current Assets</b>	9,499,598	-
	40,893,315	-
<b>SCHEDULE 9: CURRENT LIABILITIES</b>		
Sundry Creditors	73,577,185	539,898
Other Liabilities	13,058,031	-
	86,635,215	539,898
<b>SCHEDULE 10: PROVISIONS</b>		
Gratuity and Leave Encashment	5,709,219	-
Income Tax (Net of deduction/payment of taxes)	893,712	-
	6,602,931	-

**SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

	2010-11 (Amount in ₹)	2009-10 (Amount in ₹)
<b>SCHEDULE 11: OTHER INCOME</b>		
Interest Income ( TDS ₹ 53,053)	530,532	-
Miscellaneous Income	3,958,149	-
	<b>4,488,681</b>	-
<b>SCHEDULE 12: PERSONNEL COST</b>		
Salaries, Wages and Bonus	106,761,138	-
Contribution to Provident and Other Funds	3,116,462	-
Welfare expenses	631,454	-
Gratuity and Leave Encashment	2,983,943	-
	<b>113,492,997</b>	-
<b>SCHEDULE 13: OPERATING AND OTHER EXPENSES</b>		
Power and Fuel	36,313,067	-
Repairs and Maintenance- Others	20,468,774	-
Rent	8,026,740	-
Auditors' Remuneration	219,500	16,545
Mall Maintenance Charges	28,542,827	-
Rates and Taxes	67,765	-
Insurance	1,447,635	-
Legal and Professional Fees	7,741,091	-
Director Sitting Fees	130,000	-
Advertisement and Promotion	2,140,599	-
Provision for Doubtful Debts	353,922	-
Travelling and Conveyance Expenses	10,700,403	-
Miscellaneous Expenses	9,760,923	3,700
	<b>125,913,245</b>	20,245
<b>SCHEDULE 14: FINANCE CHARGES</b>		
Interest	51,767	-
	<b>51,767</b>	-

## **SCHEDULE 15: SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011**

### **1) SIGNIFICANT ACCOUNTING POLICIES**

#### **1.1 BASIS OF ACCOUNTING**

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles (GAAP) in compliance with the provisions of Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standard) Rules 2006 notified by the Central Government of India.

#### **1.2 USE OF ESTIMATES**

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

#### **1.3 REVENUE RECOGNITION**

Revenue is recognized based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

- Revenue from services rendered is recognised as the service is performed based on agreements/ arrangement with concerned parties and revenue from end of the last billing to the balance sheet date is recognised as unbilled revenue.
- Interest income is recognized on time proportion basis taking into account the amount outstanding and applicable interest rates.
- Other items of income are accounted as and when the right to receive arises.

#### **1.4 EMPLOYEE BENEFITS**

- 1.4.1 All employee benefits falling due within twelve months of rendering the services are classified as short term employee benefits. Benefits like salaries, wages, short term compensated absences etc and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service
- 1.4.2 Retirement benefits in the form of Provident Fund and Employees State Insurance Scheme are defined contribution schemes and the contributions are charged to the Profit and Loss Account of the period when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- 1.4.3 Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial period.
- 1.4.4 Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- 1.4.5 Actuarial gains/losses are recognized immediately in the Profit and Loss Account.

#### **1.5 FIXED ASSETS**

Fixed assets are stated at their cost net of tax/duty credits availed, if any, less accumulated depreciation and accumulated amortizations. Costs comprise the purchase price and any attributable costs of bringing the assets to its working condition, for its intended use.

#### **1.6 DEPRECIATION AND AMORTISATION**

Depreciation on tangible assets is provided on Straight line method at the rates prescribed under Schedule XIV to the Companies Act, 1956. Intangible Assets are amortised over their useful life not exceeding ten years.

**1.7 LEASES**

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as Operating leases. Lease rentals are charged to the Profit and Loss Account on accrual basis.

**1.8 IMPAIRMENT OF ASSETS**

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to Profit & Loss Account in the year in which the asset is impaired and the impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount. For the purpose of assessing impairment, assets are grouped at the lowest level of cash generating units.

**1.9 INVESTMENTS**

Current investments are carried at lower of cost or fair value. Determination of carrying amount of such investments is done on the basis of specific identification.

**1.10 BORROWING COSTS**

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time as the asset is ready for its intended use or sale.

All other borrowing costs are recognized as an expense in the period in which they are incurred

**1.11 FOREIGN CURRENCY TRANSACTIONS**

Foreign currency transactions are recorded on initial recognition in the reporting currency using the exchange rate at the date of the transaction. At each Balance sheet date, foreign currency monetary items are reported using the closing rate. Exchange differences are recognized as income or expense in the period in which they arise.

**1.12 TAXES ON INCOME****Current Taxes**

Provision for current income tax is recognized in accordance with the provisions of Indian Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

**Deferred Taxes**

Deferred tax assets resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent there is a virtual certainty that the asset will be realized in future.

**1.13 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The Company recognizes a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

**2) NOTES FORMING PART OF ACCOUNTS****2.1 CONTINGENT LIABILITY**

Contingent Liability ₹ NIL (2009-2010 – ₹. NIL)

**2.2 SCHEME OF ARRANGEMENT**

Pursuant to the Scheme of Arrangement approved by the Hon'ble High Court of Judicature at Bombay on August 24, 2010, entire assets and liabilities of Mall Management Undertaking and Project Management



Undertaking of Pantaloon Retail (India) Limited (PRIL) were transferred to the Company and Mall Asset Management Undertaking and Food Services Undertaking of PRIL were transferred to Future Merchandising Limited ("Now Known as Agre Properties & Services Ltd" (APSL)), a wholly owned subsidiary of the company, effective from April 1, 2010 ("Appointed Date"). The Company had filed the certified copy of the court order approving the Scheme with the Registrar of Companies (ROC), Mumbai on August 28, 2010 as required under applicable provisions of the Companies Act, 1956. Accordingly, the said scheme became effective from the Appointed Date on August 28, 2010 ("Effective Date").

Salient features of the Scheme are as under:

- A. With effect from the 1st day of April, 2010 ("Appointed Date"), Mall Management Undertaking and Project Management Undertaking of PRIL were transferred and vested into the Company and Mall Asset Management Undertaking and Food Services Undertaking of PRIL were transferred and vested into APSL.
- B. In consideration of the demerger of the said undertakings to the Company and APSL, the Company issued shares to the shareholders of PRIL in following ratio:
  - i) 1 fully paid Equity Share of ₹10/- each of the Company issued and allotted for every 20 Equity Shares of ₹ 2 each held in PRIL.
  - ii) 1 fully paid Equity Share of ₹10/- each of the Company issued and allotted for every 20 Class B (Series 1) shares of ₹ 2 each held in PRIL.
  - iii) 1 fully paid up Equity Share of ₹ 10/- each of the Company issued and allotted for every 20 compulsory convertible preference shares of ₹100 each held in PRIL.

Fractional shares entitlement were consolidated in the hands of a person nominated by Board of Directors and equity shares were issued and allotted to such person and the said shares to be sold by him at a suitable time. The sale proceeds of these shares will be proportionately distributed to shareholders who were entitled to such fractional shares.

570 Equity shares of the Company are kept in abeyance and the said shares will be allotted subsequent to completion of legal formalities to allot the original shares in the demerged entity in the Scheme which are currently held in abeyance.

50,000 Equity shares held by PRIL prior to the scheme of arrangement has been cancelled pursuant to the scheme. Registrar of Companies, Maharashtra issued necessary certificates confirming reduction of capital vide certificate dated 15<sup>th</sup> December 2010.

- C. Accounting (As per the approved scheme)
  - a. All assets and liabilities pertaining to the Mall Management Undertaking and Project Management Undertaking vested in pursuant to the scheme were recorded at the respective book values, if any, appearing in the books of PRIL at the close of the business on the day immediate preceding the appointment date.
  - b. Investment of PRIL in the company prior to the scheme has been cancelled.
  - c. The company has credited its share capital to the extent of the amount of shares issued as per scheme.
  - d. The amount of net assets of Mall Asset Management Undertaking & Food Services Undertaking being transferred to Agre Properties & Services Limited pursuant to the Scheme were treated as the company's investments in Agre Properties & Services Limited and to that extent, the value of the company's holding in APSL stands enhanced.
  - e. The excess of the book value of assets transferred over the book value of liabilities has been adjusted against the balance in the Securities Premium Account of the Company.
- 2.3** Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ NIL (2009 – 10: ₹ NIL).
- 2.4** As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below :



**A. Change in Present Value of Obligation**
*(Amount in ₹)*

Particulars	Gratuity – Unfunded	Leave encashment – Unfunded
Present Value of the Obligation as on April, 2010*	14,46,064 (NIL)	23,83,307 (NIL)
Interest Cost	NIL (NIL)	NIL (NIL)
Current Service Cost	6,05,388 (NIL)	4,18,204 (NIL)
Benefits Paid	6,81,061 (NIL)	4,23,034 (NIL)
Actuarial (gain)/ loss on obligations	20,22,868 (NIL)	3,69,356 (NIL)
<b>Present Value of the Obligation as on March 31, 2011</b>	<b>31,98,376</b> (NIL)	<b>25,10,843</b> (NIL)

\* Transferred to company under the scheme of arrangement

**B. Amount recognized in the Balance Sheet**
*(Amount in ₹)*

Particulars	Gratuity- Unfunded	Leave encashment- Unfunded
Present Value of the Obligation as on March 31, 2011	31,98,376 (NIL)	25,10,843 (NIL)
Fair value of plan assets	NIL (NIL)	NIL (NIL)
Un-funded Liability	31,98,376 (NIL)	25,10,843 (NIL)
Unrecognized actuarial gains/ losses	NIL (NIL)	NIL (NIL)
Un-funded liability recognized in Balance Sheet	31,98,376	25,10,843

**C. Amount recognized in the Profit and Loss Account**
*(Amount in ₹)*

Particulars	Gratuity- Unfunded	Leave encashment- Unfunded
Interest Cost	NIL (NIL)	NIL (NIL)
Current Service Cost	6,05,388 (NIL)	4,18,204 (NIL)
Expected Return on Plan Assets	NIL (NIL)	NIL (NIL)
Actuarial (gain)/ loss on obligations	20,22,868 (NIL)	3,69,356 (NIL)
<b>Total expense recognised in the Profit and Loss Account</b>	<b>24,33,373</b> (NIL)	<b>5,50,570</b> (NIL)

**D. Reconciliation of Balance Sheet**

(Amount in ₹)

Particulars	Gratuity – Unfunded	Leave encashment- Unfunded
Liability of transferred employees under scheme of Arrangement	12,51,181 (NIL)	21,46,317 (NIL)
Total expense recognised in the Profit and Loss Account	24,33,373 (NIL)	5,50,570 (NIL)
Benefit paid during the year	6,81,061 (NIL)	4,23,034 (NIL)
<b>Present Value of the Obligation as on March 31, 2011</b>	<b>31,98,376</b> (NIL)	<b>25,10,843</b> (NIL)

**E. The assumptions used to determine the benefit obligations are as follows :**

Particulars	Gratuity	Leave Encashment
Discount Rate	8.00%	8.00%
Expected Rate of increase in compensation levels	5.00%	5.00%

The estimate of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotions and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

Since the Company was not obliged to fund for its gratuity liability and leave encashment, there are no returns on the planned assets and hence the details related to changes in fair value of assets have not been given.

**2.5 Disclosure as per clause 32 of the Listing agreement and as per Schedule VI of the Companies Act, 1956.**

(Amount in ₹)

Sr. No.	Name of Companies	Outstanding Balance	Maximum Balance during the year
1	Agre Properties and Services Limited	56,77,014 (NIL)	82,65,306 (NIL)
2	Precision Realty Developers Private. Limited.	1,84,00,000 (NIL)	1,84,00,000 (NIL)

**2.6** The Company has entered into operating lease arrangements for vehicles. The future minimum lease rental obligation under non-cancellable operating leases in respect of these assets is ₹ 69,36,279 (2009 – 10 : NIL). The Lease Rent payable not later than one year is ₹ 18,68,628 (2009 – 10 : NIL), payable later than one year but not later than five years is ₹ 50,67,651 (2009 – 10 : NIL) and payable later than five years is ₹ NIL (2009 – 10 : NIL).

**2.7** Of the unsecured loans, amount repayable within one year is ₹ 1,80,35,950 (2009 – 10: ₹ NIL).

**2.8 Payments to Auditors:**

(Amount in ₹)

Particulars	2010-11	2009-10
Statutory Audit Fees	1,25,000	16,545
Tax Audit Fees	25,000	-
Other	69,500	-
<b>TOTAL</b>	<b>2,19,500</b>	<b>16,545</b>

**2.9** The Company operates in a single business and geographical segment. Hence information required under Accounting Standard 17, 'Segment Reporting', issued by the Council of the Institute of Chartered Accountants of India, has not been given.

**2.10 Related Party Disclosure:**

Disclosures as required by the Accounting Standard 18 "Related Party Disclosure" are given below:

**Subsidiary Companies**

- i. Agre Properties and Services Limited.
- ii. Precision Realty Developers Private Limited. (w.e.f. November 16, 2010)

**Associate Company**

Future Corporate Resources Limited

**Key Management Personnel**

Mr. Sumit Dabriwala

**Relatives of Key Management Personnel**

Ms. Priyanka Dabriwala

**Transaction with related Parties :**

(Amount in ₹)

Nature of transactions	Associate Companies/ Joint Ventures	Subsidiaries	Key Management Personnel & Relatives
Income from Operations		12,56,684 (NIL)	
Reimbursement of Salary & Wages		25,20,073 (NIL)	
Managerial Remuneration			72,33,417 (NIL)
Car Lease Rental Paid			1,68,000 (NIL)
Deposit-given		1,84,00,000 (NIL)	
Loans Received		90,00,000 (NIL)	
Loans Repayment		75,00,000 (NIL)	
Advance Given		71,77,014 (NIL)	
Outstanding balances as on 31/03/2011			
Receivable			
Precision Realty Developers Private Limited		1,84,00,000 (NIL)	
Agre Properties and Services Limited		81,97,087 (NIL)	
Payable			
Future Corporate Resources Limited	15,18,927 (Nil)		

**2.11 Earnings per Share (EPS)**

The calculation of Earning per Share (EPS) as disclosed in the Balance Sheet abstract has been made in accordance with Accounting Standards (AS) – 20 issued on by the Institute of Chartered Accountants of India

(Amount in ₹)

Particulars	2010-11	2009-10
(i) Profit after tax (₹)	34,88,311	(20,245)
(ii) Nominal Value of Ordinary Shares (₹)	10	10
(iii) Weighted Number of Ordinary Shares No.	1,11,70,966	50,000
(iv) Weighted Number of Diluted Shares No.	1,11,70,966	50,000
(v) Earnings per Ordinary Share /(Basic and Diluted) (₹)	0.31	(0.40)

**2.12 Deferred Tax Liability / Asset**

Accounting Standard (AS) 22, 'Accounting for Taxes on Income', issued by the Council of the Institute of Chartered Accountants of India, the deferred tax liability/asset comprises of the following :

(Amount in ₹)

Particulars	March 31, 2011	March 31, 2010
<u>Deferred Tax Liability</u>		-
Related to fixed Assets	22,38,674	
<u>Deferred Tax Asset</u>		
Unabsorbed Depreciation and Losses	17,64,149	-
Disallowances under Income Tax Act	1,09,362	-
Total	18,73,511	
Net Deferred Tax (Liability)	3,65,164	-

**2.13A.** Particulars of Remuneration and other benefits provided to Directors for the year ended March 31, 2011 and (2009 - 10) are set out below :

(Amount in ₹)

Particulars	Salary & Perquisites	Sitting Fees
Managing Director	72,33,417 (NIL)	NIL (NIL)
Non-Wholetime Directors	NIL (NIL)	1,30,000 (NIL)

Note: As the future liability towards gratuity and Leave encashment is provided on an actuarial basis for the company as a whole, amount pertaining to the Directors is not ascertainable and therefore not included in above.

**B.** Computation of net profit in accordance with Section 349 of the Companies Act, 1956 and calculation of commission payable to non-wholetime directors.

Year Ended March 31, 2011	Amount ₹.	Amount ₹.
<b>Profit before tax</b>		<b>63,54,475</b>
<b>Add:</b> Director Sitting Fees	1,30,000	
Depreciation as per accounts	21,25,373	
Managerial Remuneration	72,33,417	
<b>Less:</b> Depreciation as per Section 350 of the Companies Act, 1956	21,25,373	
Profit under section 349/350 for computing Managerial Remuneration		<b>1,37,17,892</b>

The Company made an application under Section 269 and other applicable provisions of the Companies Act, 1956, to the Ministry of Corporate Affairs in connection with payment of managerial remuneration to its Managing Director as per the limits approved by the shareholders through a Postal Ballot on 30<sup>th</sup> December 2010. The Ministry vide its order dated 18<sup>th</sup> April 2011 approved the appointment of Mr Sumit Dabriwala as Managing Director of the Company with effect from September 21, 2010 at an annual remuneration lower than the amount approved by the shareholders. The Company filed an appeal against the said Order of the Central Government on 9<sup>th</sup> May 2011 and the same is under the consideration of the Ministry of Corporate Affairs, Government of India.

Difference of remuneration paid and approved by Ministry of Corporate affairs works out to ₹ 31,30,403.

## 2.14 Expenditure in Foreign Currency

(Amount in ₹)		
Nature of Expenses	2010-11	2009-10
Travelling Expenses	81,859	-

**2.15** Other clauses of paragraph 3, 4C, 4D of part II of Schedule VI of the Companies Act, 1956 are not applicable to the company during the year.

**2.16** Previous year's figures are regrouped wherever necessary.

**2.17** The name of the Company has changed from Future Mall Management Limited to Agre Developers Limited and The Registrar of Companies; Mumbai issued a fresh certificate of incorporation on 4<sup>th</sup> October 2010.

**2.18** The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure, if any, relating to amounts unpaid as at the year-end together with interest paid/payable as required under the said Act have not been given.

**2.19** Sundry Debtors includes amounts due from Companies under Same Management ₹ 25,20,073 (2009 – 10: ₹ NIL).

As per our report of even date attached  
For NGS & CO.  
Chartered Accountants

**For and on behalf of the Board of Directors**

**Navin T Gupta**  
Partner  
**Membership No.40334**

**Anil Baijal**  
Chairman

**Sumit Dabriwala**  
Managing Director

Place : Mumbai  
Date : May 26, 2011

**Naina Hegde**  
Chief Financial Officer

**Anil Cherian**  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011**

Particulars		March 31, 2011 Amount in ₹.	March 31, 2010 Amount in ₹.
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Net Profit/(Loss) Before Tax		6,354,475	(78,917)
Adjustments for :			
Depreciation		2,125,373	-
Interest Income		(530,532)	
Interest Expenses		51,767	
On account of Scheme of Arrangement		73,750,863	-
		75,397,470	-
Operating Profit before Working Capital change		81,751,945	(78,917)
Adjustment for:			
Increase in Trade and Other Receivable		(101,232,375)	-
Increase in Loans and Advances		(40,893,315)	-
Increase in Trade Payable		90,197,248	539,898
		(51,928,442)	539,898
<b>Cash generated from operations</b>		29,823,503	460,981
Earlier year's Tax Adjustments		-	-
<b>Net Cash from Operating Activities</b>	<b>A</b>	29,823,503	460,981
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Sale/(Purchase) Fixed Assets		(22,644,728)	-
Interest received		530,532	-
<b>Net Cash from Investing Activities</b>	<b>B</b>	(22,114,197)	-
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>			
Interest paid		(51,767)	-
Share Issue expense		(20,770,597)	-
Net Proceeds of Short Term Borrowings		18,035,950	-
<b>Net Cash used in Financing Activities</b>	<b>C</b>	(2,786,414)	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>(A+B+C)</b>	4,922,893	460,981
<b>CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR</b>		460,981	-
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>		5,383,874	460,981

**Notes:**

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on "Cash Flow Statements" issued by Institute of Chartered Accountants of India.

Previous year figures have been regrouped wherever necessary to confirm to current years classification

As per our report of even date attached  
For NGS & CO.  
Chartered Accountants

**Navin T Gupta**  
Partner  
**Membership No.40334**

Place : Mumbai  
Date : May 26, 2011

**For and on behalf of the Board of Directors**

**Anil Baijal**  
Chairman

**Naina Hegde**  
Chief Financial Officer

**Sumit Dabriwala**  
Managing Director

**Anil Cherian**  
Company Secretary

**AUDITORS REPORT****The Board of Directors****Agre Developers Limited****(Formerly known as Future Mall Management Limited)**

Mumbai

1. We have audited the attached Consolidated Balance Sheet of Agre Developers Limited (Formerly known as Future Mall Management Limited) ('the Company') and its subsidiaries and joint ventures (the Company and its subsidiaries, joint ventures constitute 'the Group') as at March 31, 2011 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the 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.
2. 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 test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of one Subsidiary, whose financial statements reflect total assets (net) of ₹ 65,252 as at March 31, 2011, total revenue of ₹ NIL and net cash flows amounting to ₹ 80,97,408 for the year ended March 31, 2011. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management of Group, and our opinion is based solely on the reports of other auditors.
4. Further Financial statements of Suhani Mall Management Company Private Limited have been consolidated based on unaudited accounts which are certified by management.
5. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statements' and Accounting Standard (AS) 27, 'Financial Reporting of interest in Joint Ventures' issued by the Institute of Chartered Accountants of India.
6. Based on our audit and on consideration of reports of other auditors on separate financial statements and other financial statements of the components and read with other notes thereon and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India,
  - i) In case of Consolidated Balance Sheet, of the state of affairs of the Agre Developers Limited as at March 31, 2011;
  - ii) In case of Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
  - iii) In case of Consolidated Cash Flow Statement, of the cash flow for the year ended on that date.

For NGS & Co.,  
Chartered Accountants  
Firm Registration No. 119850W

**Navin T. Gupta**  
Partner  
Membership No: 40334

Place: Mumbai  
Dated: May 26, 2011

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	As at March 31, 2011 (Amount in ₹)
<b>SOURCES OF FUNDS</b>		
<b>Shareholders' Funds</b>		
Share Capital	1	111,709,660
Reserves and Surplus	2	2,527,873,828
		<u>2,639,583,488</u>
<b>Loan Funds</b>		
Secured Loans	3	52,303,759
Unsecured Loans	4	248,512,570
<b>Deferred Tax Liability (Net)</b>		21,184,409
<b>TOTAL</b>		<u>2,961,584,226</u>
<b>APPLICATION OF FUNDS :</b>		
<b>Fixed Assets</b>		
Gross Block	5	2,352,761,822
Less : Depreciation		405,554,871
Net Block		1,947,206,951
Capital work-in-progress		570,607,202
<b>Investments</b>	6	76,857,300
<b>Current Assets, Loans and Advances</b>		
Sundry Debtors	7	271,736,177
Cash and Bank Balances	8	20,784,333
Loans and Advances	9	791,998,574
		<u>1,084,519,083</u>
<b>Less : Current Liabilities and Provisions</b>		
Current Liabilities	10	711,002,945
Provisions	11	6,603,366
		<u>717,606,311</u>
<b>Net Current Assets</b>		366,912,772
<b>TOTAL</b>		<u>2,961,584,226</u>
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES TO ACCOUNTS</b>	15	
The Schedules referred to above form an integral part of the Balance Sheet		

As per our report of even date attached  
For NGS & CO.  
Chartered Accountants

For and on behalf of the Board of Directors

**Navin T Gupta**  
Partner  
**Membership No.40334**

**Anil Baijal**  
Chairman

**Sumit Dabriwala**  
Managing Director

Place : Mumbai  
Date : May 26, 2011

**Naina Hegde**  
Chief Financial Officer

**Anil Cherian**  
Company Secretary



**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

	Schedule	(Amount in ₹)
<b>INCOME</b>		
Income from Operations		1,041,373,576
Other Income		11,151,370
		<u>1,052,524,946</u>
<b>EXPENDITURE</b>		
Purchases		45,824,882
Personnel cost	12	119,282,634
Operating and Other Expenses	13	746,375,162
Finance Charges	14	4,507,697
Depreciation	3	103,025,966
		<u>1,019,016,341</u>
<b>Profit/(Loss) Before Tax</b>		33,508,606
Less: Tax Expenses		
a) Current Tax		8,263,995
b) Deferred Tax		21,181,559
		<u>29,445,553</u>
<b>Profit(Loss) After Tax</b>		4,063,052
Add :Balance brought forward		(336,346)
Balance carried to Balance Sheet		<u>3,726,706</u>
Earnings Per Share – Basic and Diluted.		
Face value ₹10/-		0.36
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES TO ACCOUNTS</b>	15	

As per our report of even date attached  
For NGS & CO.  
Chartered Accountants

**For and on behalf of the Board of Directors**

**Navin T Gupta**  
Partner  
**Membership No.40334**

**Anil Baijal**  
Chairman

**Sumit Dabriwala**  
Managing Director

Place : Mumbai  
Date : May 26, 2011

**Naina Hegde**  
Chief Financial Officer

**Anil Cherian**  
Company Secretary

## SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2011

	As at March 31, 2011 (Amount in ₹)
<b>SCHEDULE 1 : SHARE CAPITAL</b>	
<b><u>Authorised</u></b>	
20,000,000 (50,000) Equity Shares of ₹10/ – each	<u>200,000,000</u>
<b><u>Issued</u></b>	
11,171,536 (50,000) Equity Share of ₹ 10/ – each.	<u>111,715,360</u>
<b><u>Subscribed and Paid Up</u></b>	
1,11,70,966 (50,000) Equity Share of ₹ 10/ – each fully paid up (11,170,966 Shares were allotted pursuant to the scheme of arrangement.) (See Note No. 3(b) of Schedule 15)	<u>111,709,660</u>
	<u>111,709,660</u>
<b>SCHEDULE 2 : RESERVES &amp; SURPLUS</b>	
<b>Share Premium</b>	
Add : Pursuant to the scheme of arrangement	<u>2,544,917,719</u>
Less : Utilised for Share Issue Expenses	<u>20,770,597</u>
	<u>2,524,147,122</u>
<b>Profit and Loss Account</b>	<u>3,726,706</u>
	<u>2,527,873,828</u>
<b>SCHEDULE 3 : SECURED LOANS</b>	
Share in Jointly Controlled Entity	<u>52,303,759</u>
	<u>52,303,759</u>
<b>SCHEDULE 4: UNSECURED LOANS</b>	
<b>Short Term Loans</b>	
Inter-Corporate Deposit	<u>165,464,648</u>
Other Loan	<u>52,353,823</u>
Share in Jointly Controlled Entity	<u>30,694,099</u>
	<u>248,512,570</u>

**Schedule 5 : FIXED ASSETS**

Description	GROSS BLOCK					DEPRECIATION		(Amount in ₹.)	
	As at 01.04.2010	Addition as per Scheme of Arrangement*	Addition	As at 31.03.2011	As per Scheme of Arrangement*	Depreciation for the year	Up to 31.03.2011	NET BLOCK	As at 31.03.2011
Air Conditioner	-	292,463,061	16,768,503	309,231,564	31,509,177	13,894,074	45,403,252		263,828,313
Leasehold improvement	-	797,121,242	649,917	797,771,159	105,545,495	26,614,196	132,159,692		665,611,467
Computers & Software	-	16,576,212	6,464,581	23,040,793	7,542,242	2,714,380	10,256,622		12,784,171
Electrical Installation	-	366,277,588	28,731,434	395,009,022	58,948,963	17,401,925	76,350,888		318,658,135
Furniture & Fittings	-	563,524,921	66,230,617	629,755,537	85,981,856	35,681,476	121,663,332		508,092,205
Office & Other Equipment	-	24,928,004	3,639,557	28,567,561	3,194,042	1,185,855	4,379,896		24,187,665
Plant & Machinery	-	93,859,933	5,391,516	99,251,448	9,789,021	4,459,041	14,248,062		85,003,387
Vehicles	-	26,302	-	26,302	3,751	2,499	6,250		20,052
Share in Jointly Controlled Entity	-	35,212	70,073,223	70,108,435	14,358	1,072,521	1,086,878		69,021,556
<b>TOTAL</b>	-	<b>2,154,812,475</b>	<b>197,949,347</b>	<b>2,352,761,822</b>	<b>302,528,905</b>	<b>103,025,966</b>	<b>405,554,871</b>		<b>1,947,206,951</b>
Previous Year	-	-	-	-	-	-	-		-
<b>Capital Work-In-Progress (Including advances on Capital Account)</b>									<b>546,677,544</b>
Share in Jointly Controlled Entity									<b>23,929,658</b>
<b>Total</b>									<b>570,607,201</b>

\* See Note No.3 of Schedule.15

	As at March 31, 2011 (Amount in ₹)
<b>SCHEDULE 6 : INVESTMENTS</b>	
<b>LONG TERM INVESTMENT</b>	
<b>UNQUOTED</b>	
Equity	76,857,300
	<u>76,857,300</u>
<b>SCHEDULE 7 : SUNDRY DEBTORS</b>	
(Unsecured)	
(a) Debts due for more than six months	
Considered Doubtful	5,472,545
Less: Provision for Doubtful Debt	<u>5,472,545</u>
	-
Considered Good	99,701,581
(b) Other Debts : Considered Good	171,000,828
Share in Jointly Controlled Entity	<u>1,033,768</u>
	<u>271,736,177</u>
<b>SCHEDULE 8 : CASH AND BANK BALANCES</b>	
Cash in Hand	270,229
Balance with Scheduled Banks :	
In Current Accounts (including in transit)	19,304,963
Share in Jointly Controlled Entity	<u>1,209,141</u>
	<u>20,784,333</u>
<b>SCHEDULE 9: LOANS &amp; ADVANCES</b>	
(Unsecured and Considered good)	
Inter Corporate Deposits	32,764,447
Advances Recoverable in cash or in kind or for value to be received	84,269,086
Deposits	568,955,876
Other Current Assets	9,499,598
Share Application Money	70,086,245
Payments/ Deduction of Income Tax (Net of Provisions)	18,213,519
Share in Jointly Controlled Entity	<u>8,209,803</u>
	<u>791,998,574</u>
<b>SCHEDULE 10:CURRENT LIABILITIES</b>	
Sundry Creditors	617,511,022
Other Liabilities	87,594,241
Share in Jointly Controlled Entity	<u>5,897,682</u>
	<u>711,002,945</u>
<b>SCHEDULE 11:PROVISIONS</b>	
Provision for Leave Encashment / Gratuity	5,709,219
Provision for Income Taxes (Net of deduction/payment of taxes)	893,712
Share in Jointly Controlled Entity	<u>435</u>
	<u>6,603,366</u>

**SCHEDULES TO CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

	2010-11 (Amount in ₹)
<b>SCHEDULE 12: PERSONNEL COST</b>	
Salaries, Wages and Bonus	112,482,686
Welfare expenses	663,263
Contribution to Provident and Other Funds	3,152,743
Gratuity and Leave encashment	2,983,943
	<u>119,282,634</u>
<b>SCHEDULE 13: OPERATING AND OTHER EXPENSES</b>	
Power and Fuel	37,741,934
Repairs and Maintenance – Others	21,176,149
Rent including lease Rentals	611,480,046
Auditors' Remuneration	285,015
Mall Maintenance Charges	29,239,104
Rates and Taxes	72,665
Insurance	1,479,895
Director Sitting Fees	130,000
Commission	179,506
Advertisement and Promotion	2,140,599
Provision for Doubtful Debts	5,472,545
Miscellaneous expenses	36,342,807
Share in Jointly Controlled Entity	<u>634,899</u>
	<u>746,375,162</u>
<b>SCHEDULE 14: FINANCE CHARGES</b>	
Interest	51,767
Share in Jointly Controlled Entity	<u>4,455,930</u>
	<u>4,507,697</u>

**SCHEDULE 15****SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011****1. SIGNIFICANT ACCOUNTING POLICIES :****1.1 BASIS OF ACCOUNTING :**

The Consolidated Financial Statements ('CFS') are prepared in accordance with Accounting Standard ('AS') 21 "Consolidated Financial Statements", and AS-27 "Financial Reporting of Interests in Joint Ventures" notified by the Central Government of India. The financial statements have been prepared under the historical cost convention on an accrual basis and in accordance with applicable accounting standards notified by the Government of India/issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

The accounting policies have been consistently applied by the group.

**1.2 USE OF ESTIMATES :**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. Difference between the actual results and estimates is recognised in the period in which the results are known/materialized.

**1.3 REVENUE RECOGNITION**

Revenue is recognized based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

- i. Sales of goods is accounted on delivery to customers and in net of returns, discounts and VAT/Sales Tax.
- ii. Revenue from services rendered is recognised as the service is performed based on agreements/arrangement with concerned parties and revenue from end of the last billing to the balance sheet date is recognised as unbilled revenue.
- iii. Interest income is recognized on time proportion basis taking into account the amount outstanding and applicable interest rates.
- iv. Other items of income are accounted as and when the right to receive arises.

**1.4 EMPLOYEE BENEFITS**

- 1.4.1 All employee benefits falling due within twelve months of rendering the services are classified as short term employee benefits. Benefits like salaries, wages, short term compensated absences etc and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service
- 1.4.2 Retirement benefits in the form of Provident Fund and Employees State Insurance Scheme are defined contribution schemes and the contributions are charged to the Profit and Loss Account of the period when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- 1.4.3 Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial period.
- 1.4.4 Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- 1.4.5 Actuarial gains/losses are recognized immediately in the Profit and Loss Account.

**1.5 FIXED ASSETS**

Fixed assets are stated at their cost net of tax/duty credits availed, if any, less accumulated depreciation and accumulated amortizations. Costs comprise the purchase price and any attributable costs of bringing the assets to its working condition, for its intended use.

**1.6 DEPRECIATION AND AMORTISATION**

Depreciation on tangible assets is provided on Straight line method at the rates prescribed under Schedule XIV to the Companies Act, 1956.

Leasehold improvements are depreciated on straight line basis over period of lease agreement.

Fixed assets individually costing less than ₹ 5000/- are fully depreciated in the year of additions.

**1.7 LEASES**

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as Operating leases. Lease rentals are charged to the Profit and Loss Account on accrual basis.

**1.8 IMPAIRMENT OF ASSETS**

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to Profit & Loss Account in the year in which the asset is impaired and the impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount. For the purpose of assessing impairment, assets are grouped at the lowest level of cash generating units.

**1.9 INVESTMENTS**

Long term investments are carried at cost, after providing for any diminution in value, if such diminution is of permanent nature. Current investments are carried at lower of cost or market value. Determination of carrying amount of such investments is done on the basis of specific identification.

**1.10 BORROWING COSTS**

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time as the asset is ready for its intended use or sale.

All other borrowing costs are recognized as an expense in the period in which they are incurred

**1.11 FOREIGN CURRENCY TRANSACTIONS**

Foreign currency transactions are recorded on initial recognition in the reporting currency using the exchange rate at the date of the transaction. At each Balance sheet date, foreign currency monetary items are reported using the closing rate. Exchange differences are recognized as income or expense in the period in which they arise.

**1.12 TAXES ON INCOME****Current Taxes**

Provision for current income tax is recognized in accordance with the provisions of Indian Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

**Deferred Taxes**

Deferred tax assets resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent there is a virtual certainty that the asset will be realized in future.

**1.13 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The Company recognizes a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

**2 Principles of Consolidation:**

The consolidated financial statements relate to Agre Developers Limited, the holding company, its Subsidiaries and joint Ventures (collectively referred to as Group).



The consolidation of accounts of the Company and its subsidiaries has been prepared in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements". The financial statements of the parent and its subsidiaries are combined on a line-by-line basis and intra group balances, intra group transactions and unrealized profits or losses are fully eliminated.

Investments in Joint Ventures are dealt with in accordance with Accounting Standard (AS-27) "Financial Reporting of Interests in Joint Ventures". The Company's interest in jointly controlled entities are reported using proportionate consolidation, whereby the Company's share of jointly controlled assets and liabilities and the share of income and expenses of the jointly controlled entities are reported as separate line items.

- 3** Pursuant to the Scheme of Arrangement approved by the Hon'ble High Court of Judicature at Bombay on August 24, 2010, entire assets and liabilities of Mall Management Undertaking and Project Management Undertaking of Pantaloon Retail (India) Limited (PRIL) were transferred to the Company and Mall Asset Management Undertaking and Food Services Undertaking of PRIL were transferred to Future Merchandising Limited ("Now Known as Agre Properties & Services Ltd" (APSL)), a wholly owned subsidiary of the company, effective from April 1, 2010 ("Appointed Date"). The Company had filed the certified copy of the court order approving the Scheme with the Registrar of Companies (ROC), Mumbai on August 28, 2010 as required under applicable provisions of the Companies Act, 1956. Accordingly, the said scheme became effective from the Appointed Date on August 28, 2010 ("Effective Date").

Salient features of the Scheme are as under:

- (a) With effect from the 1st day of April, 2010 ("Appointed Date"), Mall Management Undertaking and Project Management Undertaking of PRIL were transferred and vested into the Company and Mall Asset Management Undertaking and Food Services Undertaking of PRIL were transferred and vested into APSL.
- (b) In consideration of the demerger of the said undertakings to the Company and APSL, the Company issued shares to the shareholders of PRIL in following ratio:
  - i) 1 fully paid Equity Share of ₹10/- each of the Company issued and allotted for every 20 Equity Shares of ₹ 2 each held in PRIL.
  - ii) 1 fully paid Equity Share of ₹10/- each of the Company issued and allotted for every 20 Class B (Series 1) shares of ₹ 2 each held in PRIL.
  - iii) 1 fully paid up Equity Share of ₹10/- each of the Company issued and allotted for every 20 compulsory convertible preference shares of ₹100 each held in PRIL.

Fractional shares entitlement were consolidated in the hands of a person nominated by Board of Directors and equity shares were issued and allotted to such person and the said shares to be sold by him at a suitable time. The sale proceeds of these shares will be proportionately distributed to shareholders who were entitled to such fractional shares.

570 Equity shares of the Company are kept in abeyance and the said shares will be allotted subsequent to completion of legal formalities to allot the original shares in the demerged entity in the Scheme which are currently held in abeyance.

50,000 Equity shares held by PRIL prior to the scheme of arrangement has been cancelled pursuant to the scheme. Registrar of Companies, Maharashtra issued necessary certificates confirming reduction of capital vide certificate dated 15th December 2010.

- (c) Accounting (As per the approved scheme)
  - a. All assets and liabilities pertaining to the Mall Management Undertaking and Project Management Undertaking vested in pursuant to the scheme were recorded at the respective book values, if any, appearing in the books of PRIL at the close of the business on the day immediately preceding the appointment date.
  - b. Investment of PRIL in the company prior to the scheme has been cancelled.
  - c. The company has credited its share capital to the extent of the amount of shares issued as per scheme.
  - d. The amount of net assets of Mall Asset Management Undertaking & Food Services Undertaking being transferred to Agre Properties & Services Limited pursuant to the Scheme were treated as the company's investments in Agre Properties & Services Limited and to that extent, the value of the



company's holding in APSL stands enhanced.

- e. The excess of the book value of assets transferred over the book value of liabilities has been adjusted against the balance in the Securities Premium Account of the Company.

#### 4. Information on subsidiaries and joint ventures:

(a) Subsidiary companies considered in the consolidated financial statements are:

Sr. No.	Name of the Company	Country of Incorporation	Proportion of ownership Interest as on 31st March 2011	Financial year Ends on
1	Agre Properties and Services Limited	India	100 %	March 31, 2011
2	Precision Realty Developers Private Limited	India	100 %	March 31, 2011

(b) Interests in Joint Ventures: (As required by AS-27 "Financial Reporting of Interest in Joint Venture")

Sr. No.	Name of the Company	Description of interest	Country of Incorporation	Proportion of ownership Interest as on 31st March 2011	Financial Period Ends on
1	Suhani Mall Management Company Private Limited	Equity	India	25.00%	March 31, 2011

Under the Demerger scheme, Agre Properties and Services Limited had acquired 20 % in Gupta Infrastructure (India) Private Limited. This investment is intended to be held for temporary period with an intention to sell in the near future. Hence the financial statement of Gupta Infrastructure (India) Private Limited has not been consolidated for the year ended March 31, 2011 with the Group's consolidated financial statements.

#### 5 Contingent Liabilities not provided for:

Claims against the company not acknowledged as debts Service Tax ₹ 4,53,073.

6. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 3,79,07,328.
7. In respect of operating lease taken by the company, the future minimum lease rental obligation under non – cancellable operating leases in respect of these assets is ₹ 5,26,16,24,447:

(Amount in ₹)

		2010-11
i)	Lease rentals recognised in Profit and Loss Account	61,14,80,046
ii)	Lease rentals payable not later than one year	94,63,07,668
iii)	Lease rentals payable later than one year and not later than five years	2,99,04,41,783
iv)	Lease rentals payable later than five years	1,32,48,74,997

8. In respect of operating lease given by the company, the future minimum lease rental receivable under non – cancellable operating leases is as follows:

(Amount in ₹)

		2010-11
i)	Gross block of assets let out on operating lease	2,24,10,30,962
ii)	Accumulated depreciation as at March 31, 2011	3,96,78,742
iii)	Depreciation charged during the year to the Profit and Loss Account	9,98,28,073
iv)	Lease rentals recognised in Profit and Loss Account	65,91,27,003
v)	Lease rentals receivable not later than one year	42,93,29,924

vi)	Lease rentals receivable later than one year and not later than five years	159,61,39,071
vii)	Lease rentals receivable later than five years	24,10,05,189

#### 9. Related Party Disclosure:

Disclosures as required by the Accounting Standard 18 "Related Party Disclosure" is given below:

##### Key Management Personnel

Mr. Sumit Dabriwala

##### Relatives of Key Management Personnel

Ms. Priyanka Dabriwala

##### Transaction with related Parties

(Amount in ₹)

Nature of transactions	Key Management Personnel & Relatives
Managerial remuneration & Commission	72,33,417
Rent paid to Priyanka Dabriwala	1,68,000

#### 10. Joint Venture Information:

Company's share of Assets, Liabilities, Income and Expenditure with respect to jointly controlled entities are as follows:

(Amount in ₹)

Particulars	As at March 31, 2011
Assets	10,34,03,926
Liabilities	8,97,68,467
Income	44,14,709
Expenditure	61,63,349

#### 11. Segment Report:

The Company operates in a single business and geographical segment. Hence information required under Accounting Standard 17, 'Segment Reporting', issued by the Council of the Institute of Chartered Accountants of India, has not been given.

#### 12. Earning Per Share

The calculation of Earning Per Share (EPS) as disclosed in the Balance Sheet Abstract has been made in accordance with Accounting Standard (AS-20) on Earning Per Share issued by the Institute of Chartered Accountants of India. A statement on calculation of diluted EPS is as under:

(Amount in ₹)

Particulars	2010-11
Profit after tax	40,63,051
The Weighted average number of Ordinary Shares for Basic and Diluted EPS	1,11,70,966
The Nominal Value per Share (Ordinary and Class 'B' Shares)	10.00
Share of Profit for Ordinary Shares for Basic and Diluted EPS	1,11,70,966
Earning per Ordinary share (Basic and Diluted)	0.36

#### 13. Deferred Tax Liability :

As per accounting Standard (AS – 22) on Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India (ICAI), the deferred tax liability (DTL) comprises of the following :

(Amount in ₹)

Item	2010-11
<b>Deferred Tax Liability</b>	
Related to Fixed Assets	4,71,01,308
<b>Deferred Tax Asset</b>	
Disallowance under the Income Tax Act, 1961	3,24,512
Carry Forward of Losses and Unabsorbed Depreciation	2,29,74,912
<b>Provision for Deferred Tax (Assets)/ Liability</b>	<b>2,38,01,884</b>

14. Figures pertaining to the subsidiary companies and joint ventures have been reclassified wherever necessary to bring them in line with the group financial statements.
15. Since this is the first year of consolidated accounts, previous year figures are not applicable.
16. The Group has raised invoices on various tenants/licensees for rent/licence fee and service tax thereon, in accordance with the terms of the agreements with the tenants/licensees, which provide that the tenants / licensees are liable to pay the service tax on the rent/licence fees. The matter of levy of service tax on rent has been the subject matter of litigation in various courts and various courts have passed orders in connection with the same. In cases where the Group has received the service tax amount on the rent/ licence fees from the tenants / licensees, the same has been deposited with the Government Treasury, in accordance with the provisions of Finance Act, 1994. However, in the cases where the tenants/licensees have protested levy of service tax and contended that they are covered by the judgements of various courts, the Group has not received service tax on the rent/licence fee from the tenants/licensees and accordingly, same has not been deposited with Government Treasury. As at March 31, 2011, the amount of such service tax (excluding interest and penalty) not received from the tenants is ₹ 10,76,77,821. The amount of sundry debtors is net of the said service tax amount.

As per our report of even date attached  
For NGS & CO.  
Chartered Accountants

**For and on behalf of the Board of Directors**

**Navin T Gupta**  
Partner  
**Membership No.40334**

**Anil Bajjal**  
Chairman

**Sumit Dabriwala**  
Managing Director

Place : Mumbai  
Date : May 26, 2011

**Naina Hegde**  
Chief Financial Officer

**Anil Cherian**  
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2011**

Particulars		March 31, 2011 Amount in ₹
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit/(Loss) Before Tax		33,508,606
Adjustments for :		
Depreciation		103,025,966
On account of Scheme of Arrangement		401,570,608
Interest Income		(5,942,427)
Interest Expenses		4,507,697
		<u>503,161,844</u>
<b>Operating Profit before Working Capital change</b>		<b>536,670,450</b>
Adjustment for:		
Increase in Trade and Other Receivable		(271,736,177)
Increase in Loans and Advances		(791,998,574)
Increase in Other Current Assets		-
Increase in Current Liabilities		708,802,418
		<u>(354,932,332)</u>
<b>Cash generated from operations</b>		<b>181,738,117</b>
Earlier year's Tax Adjustments		-
<b>Net Cash from Operating Activities</b>	<b>(A)</b>	<b>181,738,117</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Investment made during the year		(76,357,300)
Investment in CWIP		(168,567,727)
Investment in Assets		(197,970,201)
Interest received		5,942,427
<b>Net Cash from Investing Activities (B)</b>	<b>(B)</b>	<b>(436,952,801)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Interest paid		(4,507,697)
Share issue expenses		(20,770,597)
Net Proceeds of Short Term Borrowings		300,816,329
<b>Net Cash used in financing activities (C)</b>	<b>(C)</b>	<b>275,538,035</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>(A+B+C)</b>	<b>20,323,352</b>
<b>CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR</b>		<b>460,981</b>
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>		<b>20,784,333</b>

**Notes:**

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on Cash Flow Statement issued by Institute of Chartered Accountants of India

Previous year figures have been regrouped wherever necessary to confirm to current years classification

As per our report of even date attached  
For NGS & CO.  
Chartered Accountants

**For and on behalf of the Board of Directors**

**Navin T Gupta**  
Partner  
**Membership No.40334**

**Anil Baijal**  
Chairman

**Sumit Dabriwala**  
Managing Director

Place : Mumbai  
Date : May 26, 2011

**Naina Hegde**  
Chief Financial Officer

**Anil Cherian**  
Company Secretary

**DETAILS OF SUBSIDIARY COMPANIES**

	Name of the Subsidiary	AGRE PROPERTIES AND SERVICES LIMITED Amount in ₹	PRECISION REALTY DEVELOPERS PRIVATE LIMITED Amount in ₹
1	The Financial year of the subsidiary ended on	31-Mar-11	31-Mar-11
2	Holding Company's Interest	100%	100%
3	Shares held by the holding company in the subsidiary (including its nominees in the subsidiary)	50,000	10,000
4	Capital	500,000	100,000
5	Reserves	2,550,480,361	-
6	Total Assets	3,342,448,639	159,438,046
7	Total Liabilities	3,342,448,639	159,438,046
8	Details of investments (except in case of investment in subsidiaries)		
9	Turnover	803,948,539	-
10	Profit/(loss) before taxation	28,914,729	(11,959)
11	Provisions for taxation/(benefit)	25,709,747	-
12	Profit/(loss) after taxation	3,204,982	(11,959)
13	Proposed dividend	-	-
14	Material change between the end of the financial year of the subsidiary company and the Company's financial year ended 31st March 2011	NA	NA
	a Fixed Assets	2,262,199,793	107,292,278
	b Investments	76,845,000	37,300
	c Money lent	119,164,447	43,950,000
	d Money borrowed other than those for meeting current liabilities	147,428,698	158,653,823

**Note:**

Pursuant to Circular No. 2/2011 dated 8th February, 2011 of the Ministry of Corporate Affairs, Government of India the Balance Sheet, Profit & Loss account and other documents of the subsidiary Companies are not required to be attached with the Balance Sheet of the Company. Any members desirous of the same may write to the Company Secretary.

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

<b>I. REGISTRATION DETAILS</b>	
State Code	11
Registration No.	U45400MH2008PLC179914
Balance Sheet Date	31.03.2011
<b>II. CAPITAL RAISED DURING THE YEAR (Amount in ₹ Thousands)</b>	
Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
<b>III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUND (Amount in ₹ Thousands)</b>	
<b>A) SOURCES OF FUND</b>	
Paid Up Capital	111,710
Reserve & Surplus	2,527,556
Share application money	-
Secured Loan	-
Unsecured Loan	18,036
Deferred Tax Liability	365
<b>TOTAL LIABILITIES</b>	<b>2,657,667</b>
<b>B) APPLICATION OF FUND</b>	
Fixed Assets (Including Pending Capitalisation)	33,943
Capital WIP	21,428
Investment	2,548,025
Net Current assets	54,271
<b>TOTAL ASSETS</b>	<b>2,657,667</b>
<b>IV. PERFORMANCE OF THE COMPANY (Amount in ₹ Thousands)</b>	
Turnover	247,938
Total Expenditure	241,583
Profit/(Loss) before Tax	6,354
Profit/(Loss) after Tax	3,488
Earning/(Loss) per share (in ₹)	0.31
Dividend Rate %	Nil
* Includes other income	
<b>V. GENERIC NAME OF PRINCIPAL PRODUCTS</b>	
Item Code No.(ITC Code)	NA
Product Description	

As per our report of even date attached  
For NGS & CO.  
Chartered Accountants

**For and on behalf of the Board of Directors**

**Navin T Gupta**  
Partner  
**Membership No.40334**

**Anil Baijal**  
Chairman

**Sumit Dabriwala**  
Managing Director

Place : Mumbai  
Date : May 26, 2011

**Naina Hegde**  
Chief Financial Officer

**Anil Cherian**  
Company Secretary

[illegible]

[illegible]



## AGRE DEVELOPERS LIMITED

Registered Office: Knowledge House, Off Jogeshwari – Vikhroli Link Road, Jogeshwari (East) Mumbai – 400060

**3<sup>rd</sup> Annual General Meeting – Wednesday, 28<sup>th</sup> September 2011**

### ATTENDANCE SLIP

Please fill the attendance slip and hander it over at the entrance of the meeting venue.

Joint Shareholders may obtain additional Attendance Slip on request

*DP ID		Registered Folio Number	
*Client ID		Number of Shares Held	

I / We certify that I / We am/are a registered shareholder/proxy of the Company. I / We hereby record my/our presence at the 3<sup>rd</sup> Annual General Meeting of the Company on Wednesday, 28<sup>th</sup> September 2011 at 2.00 pm at Sunville Banquets 9, Dr. Annie Besent Road, Worli, Mumbai - 400018.

Name of the Shareholder / Proxy : .....

Address of the Shareholder / Proxy : .....

Signature of the Shareholder / Proxy : .....

\* Applicable for members holding shares in electronic form.

## AGRE DEVELOPERS LIMITED

Registered Office: Knowledge House, Off Jogeshwari – Vikhroli Link Road, Jogeshwari (East) Mumbai – 400060

**3<sup>rd</sup> Annual General Meeting – Wednesday, 28<sup>th</sup> September 2011**

### FORM OF PROXY

I / We ..... of .....  
..... being a member / members of Agre Developers  
Limited hereby appoint ..... of  
..... or failing him,  
..... of .....  
..... as my / our proxy to vote for me / us and on my / our behalf at the the  
3<sup>rd</sup> Annual General Meeting of the Company on Wednesday, 28<sup>th</sup> September 2011 at 2.00 pm at Sunville  
Banquets 9, Dr. Annie Besent Road, Worli, Mumbai - 400018. or at any adjournment thereof.

Signed on this ..... day of ....., 2011

\* Applicable for members holding shares in electronic form.

Affix Re 1  
Revenue  
Stamp

#### NOTES:

- The proxy in order to be effective should be duly stamped, completed & signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. The Proxy need not be a member of the Company.
- The form should be signed across the stamp as per specimen signature registered with the Company.





## BOOK-POST

*If Undelivered, please return to*

**Agre Developers Limited**

Future Group Office,  
SOBO Central Mall, 4th Floor,  
28, Pt. Madan Mohan Malviya Road,  
Near Haji Ali, Tardeo, Mumbai - 400 034.